

**THE EVOLUTION OF MODERN
GERMANY**

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THE EVOLUTION OF MODERN GERMANY

BY

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"GERMAN SOCIALISM AND FERDINAND LASSALLE," "PRINCE BISMARCK AND
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INTRODUCTION

ALTHOUGH the writing of this book was begun several years ago, unavoidable circumstances have delayed its completion. Yet the delay has not, to the writer at least, been a disadvantage, since it has extended the perspective of his subject, and has made it possible to base many opinions and conclusions upon a wider survey and a larger generalisation than would otherwise have been possible.

The title of the book sufficiently describes the aim which the writer has had in view: that of tracing the transformation of the Germany of half a century ago into the Germany which we know to-day. That transformation has been essentially economic; hence economic questions largely occupy the following pages. At the same time several other problems which closely affect the internal and external development of the Empire have been passed in review. It may be desirable—though it should not be necessary—to say that the book is not intended to have any bearing whatever upon the economic issues which exercise the British public at the present time. The chapters have been made as little technical as possible, though several of them are necessarily occupied by a recital of facts and figures illustrative of industrial and commercial progress.

This book is not intended to be either a glorification or a disparagement of Germany from the standpoint of industry and labour. It seeks to show the Germans as a trading nation just as they are; to describe their efforts, energies, successes; to tell British readers what they ought to know, and must know, if they would understand how it is that Germany has gone ahead so rapidly during recent years, not, however, by way of discouraging but of reassuring them. For there is really little mystery about Germany's industrial pro-

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gress; it has been achieved by means and methods which are open to all the world if only people will employ them. Science, education, application, and an equal regard for small as for large things—these, in the main, are the causes of Germany's success as a rival in the markets of the world, and, speaking generally, it is safe to say that where the enterprise of other nations has fallen back in these markets it has been owing to deficiency in one or other of these conditions, upon which Germany lays special stress.

It is the writer's opinion that German industrial competition, far from having reached its highest point, will inevitably increase in severity in the near future. Several reasons seem to afford ample justification for this opinion. One is the comparative youth of German industry. Another is the fact that national thought and energy are being devoted to mercantile pursuits with a whole-heartedness witnessed in no other Continental country. This is not to say that the German industrialist and merchant are superior to their rivals; they do, however, show an absorption in their callings which in these days is not everywhere fashionable. The *furor Teutonacus* of old has its modern counterpart in an *ardor Teutonicus* whose object is material wealth, and this object is steadily being achieved. Further, German industrial competition will be stimulated still more by the rapid growth of population and the absence of German colonies suitable for settlement by Europeans. The facts—for facts they undoubtedly are—upon which this prognosis is based are set forth in detail in Chapter XVII.

There is one other unrecognised influence which has in the past helped in a high degree to direct enterprise into industrial channels and will help in the future. It is the influence of that policy of nationalisation and municipalisation which has been developed in Germany as in no other country. So many domains of public utility have been entered, and even appropriated, by the State and municipal bodies—the railways and tramways, harbours, river and canal transport, insurance, banking, &c.—that private effort and capital were compelled to seek outlets in productive undertakings more exclusively than has been the case in countries which have fought shy of collective enterprise. We may judge the policy of nationalisation and municipalisation as we will, it has unquestionably helped to make

Germany more an industrial and less a merely trading country than it would otherwise have been.

On the other hand, there are some circumstances which may well afford assurance in circles alarmed by the extent and causes of German competition. Hitherto the German industrialist has enjoyed specially favourable costs of production, notably owing to the lower wages paid and the longer hours worked, but the existing relationships between capital and labour afford no reason for assuming that this advantage will always continue in the same measure as hitherto. Owing to a variety of causes Germany is also fast losing its character as a cheap country; its people are no longer satisfied with the old simple life; they may have larger incomes than formerly, but they also spend more. This breaking with the old spirit of frugality and renunciation may imply a rising standard of civilisation; it is certain that the effect is to increase such important elements in the cost of production as salaries and wages, interest, and profit.

Viewing the question of German competition specially from the standpoint of his own country and its interests, it is the writer's opinion that British enterprise will have nothing to fear if only it will follow the large aims and emulate the courage and resolution of the pioneers of our national industry, who not only gave to British trade the pre-eminent position which is nowadays being assailed, but who even created, directly or indirectly, most of those German industries whose assault is proving most effective. The most practical and the only politic spirit in which to meet Germany's competition is the spirit of inflexible good-humour, combined with an equally inflexible determination not to abandon ingloriously fields of enterprise upon which so many victories of peace and civilisation have been won in the past.

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