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Author(s): L. L. Price

Review by: L. L. Price

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The German Empire of To-day : Outlines of its Formation and Development. By "Veritas." Crown 8vo., pp. vii, 340. (London : Longmans, Green & Co. 1902.)

THE idea prompting the production of this book must have been as difficult to realise as it was fascinating to conceive. Few more interesting or valuable contributions could be made to contemporary economics than that supplied by a full authoritative discriminating account of modern Germany. An accurate description of the new Germany, which has arisen in Europe since 1870, furnishing not merely a bare catalogue of facts, but also a searching examination of their significance, would, in a real sense, meet a "felt want." The author of the volume before us is guilty of no exaggeration when he says that "a growth similar to that of modern Germany has rarely been seen before"; and he is stating the literal truth, when he affirms that "Germany has now become, not only a political power of the first magnitude, but also a commercial power of the first rank." It is this last circumstance which has lately aroused nervous alarm in our own country. To the keen impartial observer, indeed, who looks beyond the present to a future not very remote, German competition must seem a less serious phenomenon for us than the trading and industrial rivalry of the United States, and it may well be that we have more to learn from American methods than we can with advantage derive from a study of Germany. But for the moment, at any rate, however ominous and significant be the portents of the recent "invasion" of English trade by trans-Atlantic capital, it is Germany, which has been persistently presented to our merchants and manufacturers, our administrators and instructors, as the pattern they ought to imitate. Our educational systems, we are told, no less than our military arrangements, should be remodelled on German lines. Our business men should substitute some of the German anxiety to meet the minute unreasoning wants of their customers for their own natural but costly contempt of petty departures from familiar tradition. Our Government should exhibit some of the intelligent and constant solicitude with which German administration has pushed the interests of German trade in various directions. No doubt some of the advice thus generously tendered is exaggerated or mistaken. No doubt some amount of the apprehensiveness, widely felt for German competition, rests on an imaginary rather than a real foundation. No doubt it might in the end prove as foolish and mischievous to copy slavishly, in an English environment, what had succeeded among German surroundings, as it would be foolhardy or fatal to disregard the lessons which Germany could teach to England. But for these reasons a very pressing need of the times is such a full, impartial, and lucid account of the significant characteristics of modern Germany, that the plain man can discern for himself without difficulty the causes and limits of German commercial and industrial success. We require in short for

Germany since 1870 a writer who will accomplish what Mr. Bodley has partly done for France, what Mr. Bryce has achieved on a larger scale for America, and what Messrs. King and Okey have recently performed within more limited dimensions for Italy.

The book before us, valuable and interesting as it is, hardly fulfils these conditions. The author's intentions in fact are much less comprehensive. He describes his chapters as "outlines"; and we think that the description is just. "They do not," he says, "put anything materially new before the public, but merely attempt to present a short retrospective account of certain specific phases of German progress in recent times, preceded by a brief summary of political and constitutional history up to 1871." Accordingly, after a short introduction and a chapter on German History before the war, he reviews, in successive chapters, the "national progress" since 1871, the "Army and the Navy," Commercial, Traffic, and Colonial Policy, "Colonial Possessions," "National Education," and "German Finances." These chapters contain in a moderate compass a large quantity of the facts and figures necessary to an informed acquaintance with modern Germany. The facts are judiciously selected, and carefully arranged. The figures are competently handled and are derived from authoritative sources. The author shows that he possesses that intimate knowledge of his subject, which enables him to present his readers with a satisfactory digest, and removes any suspicion of intentional exaggeration or of accidental misunderstanding. We cannot but be confident, as we read his pages, that we are being told what we ought to know by a skilful instructor; and for this able and expert guidance we are duly grateful. We are the more sorry that he has imposed on himself certain limitations, which mar the completeness of his work. "Well-known facts and authentic events," he states, "are merely placed on record here, leaving to others all enigmatical inferences as to their significance." Much may be said for this attitude from the standpoint of the author himself; and it is not seldom as delusive as it is tempting to stray from the firm basis of fact on to the uncertain ground of prophecy and inference. But from the point of view of the reader this attitude carries with it some disadvantage; and we believe that the book would have been more interesting, and not less valuable, had the facts and figures been interspersed with a greater quantity of suggestion and reflection. As it is, the tedium naturally begotten of a mass of figures drily stated, and of facts recorded with little, if any comment, calls urgently for some relief. We are in danger of failing to see the wood for the trees. We skim the surface of affairs without discerning the real forces which are active beneath. We are not sure that Mr. Dawson's excellent little book on "German Life in Town and Country" does not convey a more satisfactory and accurate impression, because it is confessedly less statistical, and more descriptive; and we are certain that we have still to wait for a treatise on modern Germany, which we can place in the same category as

the books we have previously mentioned on France, Italy, and America.

We must then take the account now given by "Veritas" as no more than an opportune instalment for which we may be duly grateful. Within its necessary limitations we may ask—What does it tell us of the facts and figures of modern Germany? What evidence does it furnish of the drawbacks and obstacles attendant on its growth? What hints and suggestions does it supply of the causes which have promoted its remarkable development? To these three questions we will attempt briefly to give an answer.

Of the actual facts of the growth of modern Germany "Veritas" furnishes an authentic summary, which, we do not doubt, will be found of great assistance to students and to publicists. His figures are impressive. An advance of population is, of course, no convincing proof of an increase in the prosperity of a nation, and the social reformer of to-day, although he no longer, like John Stuart Mill, forms all his opinions under the depressing and distorting influence of the fear of over-population, will yet wish to ask something of the quality as well as the quantity of the inhabitants of any particular country. Yet there can be little doubt that an advance in the numbers of a nation is as much *prima facie* evidence of their growth in energy and influence as a decline of population affords indication that something is wrong. The feeling of despondency which has lately taken so powerful a hold of many philosophic and instructed French writers is as significant in this direction as the fact, noted by "Veritas," that the "fecundity of the German race in the latter part of the nineteenth century has far exceeded that of other European powers." In 1871 the Germans numbered 41,000,000, in 1901 they amounted to 57,000,000, and they are increasing "with a rapidity of not less than an average of 800,000 persons per year." This growth of population has been accompanied by no less remarkable a growth in industry and commerce. There has been a noteworthy change in the proportions of the people engaged respectively in agricultural and in industrial and commercial pursuits. In 1882, out of every 1,000, 425 were supported by agriculture, 355 by industries, and 100 by commerce; in 1895 the respective numbers were 357, 391, and 115. The agricultural population of the Empire has sunk from some 60 per cent. thirty years ago to some 35 per cent. to-day. The statistics of the advance of foreign commerce, so far as they are available for exact comparison, similarly indicate a growth from £279,000,000 in 1872 to £518,000,000 in 1900. Of the former total £163,000,000 represented imports and £116,000,000 exports, of the latter £288,000,000 represented imports and £230,000,000 exports. The "main part" of the increase in the imports consists, not of manufactured goods, for "home-made articles are more and more replacing formerly imported commodities," but of "the foreign food stuffs indispensable for the support of the people, who are, year by year, becoming less and less a self-contained nation." The development of

foreign trade has been attended by no less rapid an increase in shipping. “ The German mercantile marine is now the second in the world, with a total registered tonnage of 3,009,225 (January 1, 1901), of which 2,463,416 belong to steamers.” “ The most striking features in its expansion are, firstly, its rapid growth in the last five years, and, secondly, the large average size of the steamers individually.” These, perhaps, are the most noteworthy figures illustrative of the “ national progress ” ; but the general conclusion to which they point is supported by “ the larger average deposits in the savings banks, the increased number and value of the life assurances effected, and the yearly greater total of persons taxed as enjoying moderate incomes.” The position of the “ national finances ” on the whole corroborates this evidence, while the completion of the Civil Code in 1896, and the consequent enforcement in 1900 of the improved Commercial Code, are important signs that the work of unification, on which the outward stamp of approval was placed before the public of Europe in the palace of Versailles in January, 1871, has received the necessary inner confirmation during the succeeding quarter of a century.

There is, it is true, another “ side to the shield ” ; and the future of the German people is not without serious dangers, actual and threatened. German unity is, indeed, an accomplished fact ; but relics survive of the conditions which prevailed when Germany was disunited, and some cumbrousness attaches as a consequence to some financial and administrative arrangements. The Navy, for example, differs in this respect from the Army, for imperial control has a freer hand in its administration ; and by a wise prescience matters of trade and commerce were mostly placed in the sphere of federal authority. A far more disturbing factor is the struggle between the agrarian and the industrial interests, which has recently been reflected in tariff discussions, and in that legislation, which has for the moment gone some way to “ isolating ” Germany in Europe, and has excited the hostility, or at least the mistrust, of her neighbours on the east and the south. Here the drift of events may seem to incline definitely in one direction ; but there may be many pitfalls to avoid, and serious obstacles to overcome by the way before the struggle between the conflicting interests is over. The problem is connected closely with another. For the moment Germany has been suffering from severe commercial and industrial depression, and one great need of her economic future will assuredly be an increase of capital. But another more cogent need will be an outlet for her population and her trade ; and German colonial development cannot be said as yet to have been an unqualified success, or to have enlisted in its support the favouring enthusiasm of the whole nation. A “ world-policy ” is an attractive conception to a people justly ambitious and conscious of their great capabilities ; but it cannot be carried into effect without expenditure on a protecting navy, or the acquisition of large suitable colonies, where Germans will be willing to settle. German colonial expansion may be in its infancy ;

but no one can read the two chapters in this book on "colonial policy," and "colonial possessions," without feeling that, while the former is pregnant with possibilities of dangerous, costly conflict with the similar ambitions of other European powers, the latter are at present little more than expensive toys. It will require no small discretion on the part of German statesmen to overcome difficulties like these, which will face them in the immediate future.

But to what causes, we may ask, in conclusion, has the past success been due? "Veritas" would answer, and, in our opinion, correctly, to the "scientific spirit," which has pervaded the people and their rulers. A thorough study of minute detail, and a readiness to adopt small improvements, have issued from this spirit. The German may be plodding where the American is smart, and he may be cautious where the American is bold; but his willingness to take enormous pains to suit his customers, his informed intelligence, trained to recognise the advantage of comprehensive and accurate knowledge, his complete belief in systematic instruction, have enabled him to win his way to a very important place in the commerce of the world. We are ready to complain of the excessive "officialism" of Germans, but there is no little truth in the contention of "Veritas" that in the "German Empire, as a modern State, there has perhaps been less than elsewhere of that 'red-tape,' bureaucratic intractability which so often results in an unfortunate paralysation of all active initiative." The German is, no doubt, less impatient than an Englishman under bureaucratic control; but this, perhaps, is partly because his officials have in reality a more enlightened mind. We may talk, as we often do, with disapproval of the "methods of the drill-sergeant;" and we may resent their introduction into our own freer atmosphere of individual liberty. It is true that there is a difference, sometimes ignored, between the realities of compulsory military service in a country, whose industrial development has begun and continued under such restraint, and the possibilities of conscription among ourselves, who have hitherto felt no such necessity; and the effects for good or for evil of militarism upon industry may be widely severed in the two instances. But none the less the German workman, perhaps by nature, and certainly by military training, has been habituated to orderly obedience to superior intelligence; and the German army has established itself as a model precisely because a "scientific spirit" has been brought to bear on its organisation. The original cause of this surely is the high standard and wide diffusion of German national education. The German believes in education, and he has for a longer time than any other leading European people carried this belief into effect. He believes in trained intelligence. He believes in method and in system. Such a belief has, it is true, its dangers and its limitations. Trained intelligence can accomplish much, but it cannot supply the lack of originality. Orderly conformity to rule may avoid disturbing friction, without taking the place of resourceful independence. In short, education will not create commanding

genius, though it will increase the average power of ordinary ability. This it is, we think, which has been achieved by modern Germany. The chapter on "traffic policy" is a striking illustration. Canals have not, as in other countries, been neglected or disused in consequence of railway development, but the official intelligence has sought by careful thought and experiment how to make both railway and canal work in harmony into a complete system of efficient transport. In the same way the State, recognising the supreme importance of trained intelligence, has systematically fostered national education as the fundamental basis on which national prosperity and power must be built; and it has deliberately set itself to promote commerce and industry by active guidance and pervasive control. It has been confident that it can perform a useful function in economic affairs by developing natural abilities and by bringing superior trained intelligence to bear on its own special work. The protective tariff thus springs from the same source as that which has begotten "standardisation"—the belief that "science," in the broadest sense of the term, has a real place, and can exert a beneficial influence, in the practical affairs of economic life. The belief may lead to unfamiliar and sometimes to unexpected consequences; but it is certainly not irrational, and it has gone far to produce the success of modern Germany. On this text "Veritas" in the book before us delivers a telling discourse.

L. L. PRICE

Grundbedingungen der gesellschaftlichen Wohlfahrt. By SAMUEL RÉVAI. (Leipzig: 1902.)

At the inaugural meeting of the British Economic Association, Professor Marshall expressed the hope that the Association would not "exert a wholesome influence in the sense of setting up a standard of orthodoxy. Science," he said, "could be true or false, but could not be orthodox; and the best way to find out what was true was to welcome the criticisms of all people who knew what they were talking about." It is in this spirit that Mr. Révai's book should be approached, for he is not only a social reformer, a man who wishes ardently to alter existing industrial and social arrangements, but also a determined opponent of many of the views held by scientific economists. His opinions as to the nature of value, money, and credit, are not those generally in vogue, and, it must be said, are not obtained by such a careful and scientific analysis of modern conditions as might be expected from one who is attacking economic science. But as he comes forward rather as an opponent of existing conditions, as an avowed enemy of private property, of the use of money, and so forth, it is much more important and interesting to consider his suggested reforms than his criticisms of points of abstract theory.

No one can feel satisfied with Western European civilisation. Poverty, often of the most distressing kind, is always at our door. Is this state of affairs necessary? If not, what are the causes and what

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