

SECRETS OF  
GERMAN PROGRESS

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FRANK KOESTER



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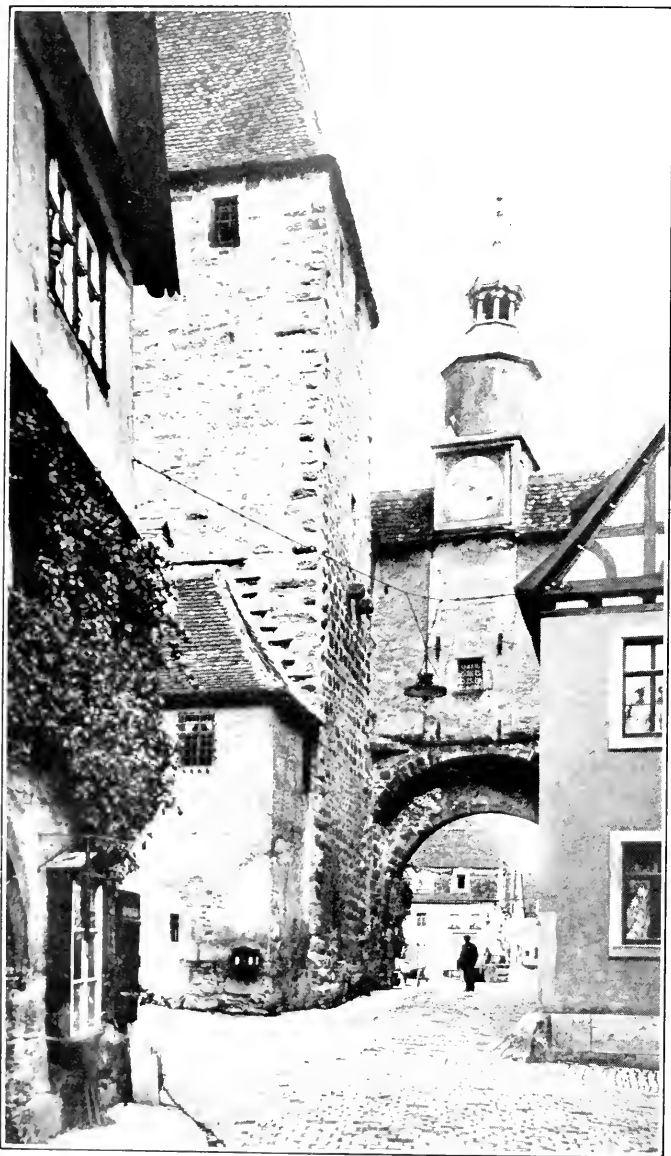
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Markus Tower and Roeder Arch, Rotenburg.

A picturesque spot in one of the numerous picturesque old German cities in which are preserved the charm and art of mediæval city planning.

# SECRETS OF GERMAN PROGRESS

BY  
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*Illustrated*



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## PREFACE

When the storm of war burst upon the world with the terrible vividness of a stroke of lightning, overpowering, sudden and disastrous, but few in America, indeed but few in Europe, had believed it possible. Lulled by the propaganda of the pacificist into an easy belief in the impossibility of such a conflict, the everyday world saw itself overtaken by the incredible spectacle of a world war, of the causes of which it was almost wholly in ignorance, of which indeed it still remains in ignorance, wildly ascribing as it does, various reasons which are only effects and discovering causes which are only symptoms, the favorite being so called militarism.

The real causes of the conflict are much deeper than militarism, as are the causes of all great conflicts, militarism being but the inescapable expedient to be adopted in the last desperate moment of necessity.

It is not the present purpose, consequently, to consider the military aspect of Germany's position, except incidentally, but to consider rather the relative positions of Germany and her competitors, commercially, politically and industrially; to ascertain the secrets of her great prog-

ress in the midst of active rivals and to indicate how her enterprise and efficiency have set new standards of national progress and a gruelling pace which must be equalled by all who are not to fall behind in the race of national existence.

Between the old and the new, between those who hold dominion by virtue of former glories and those who have come to have the power but from whom the dominion is still withheld, must always rage an irrepressible conflict, bursting from time to time into war and violence if the fair deserts of newly risen merit are denied. Such is the true nature of the present unexampled struggle.

Neither men nor nations submit to injustice indefinitely if they have the power to obtain justice, but the readjustment between the old and the new so often accomplished only by war, has never before demanded such tremendous sacrifices as does the present struggle, a struggle essentially between fortified sloth and challenging efficiency.

But if German commercial, political and industrial efficiency, unsurpassable and threatening to those nations contented with former glories has been responsible for the war, if they saw in war a means of destruction of the efficiency that they could not equal, Germany certainly should not be blamed. Nor should she or does she complain that they have sought the arbitrament of war, for

if she is not as efficient in that vital factor as her foes, her chain of progress is lacking in a necessary link and she must fail from lack of military merit alone, whatever her other excellencies, for military effectiveness is an indispensable factor in the preservation of national identity and existence.

It is unlikely, however, that she will fail,—Germans consider it impossible,—and it is, therefore, of the greatest importance to understand the secrets of her progress and efficiency, especially for us in America with our many problems so successfully solved by Germany, if we would know what the war means and what it may mean to us and how it may profit us, indeed how it must profit us if we are not eventually to succumb to those nations that do profit by it.

To the other nations of the world Germany is largely an enigma, and to Americans perhaps more so than to any of her nearer neighbors. Germany's motives, ambitions, and accomplishments remain almost an unopened book.

But she is an enigma not from choice but from indifference, both her own indifference to self-advertisement and the disinclination of her rivals to inform themselves of real significance of her activities.

In a generation Germany has sprung to the front rank of progress. A great nation has

arisen, unquestionably the greatest nation in intensive development and driving force that has ever appeared.

Unparalleled achievements of incalculable benefit to the whole world as well as to herself she has placed to her credit in every department of human activity, and her destiny will be to continue to make the same great strides of progress irrespective of the outcome of her military activities which are but a phase of her whole development.

Yet even Germans themselves do not well realize the causes which have led to Germany's great progress. The secrets of her successes are not obvious. It needs a certain degree of patience and attention to discover them, but once the truth is seen, it will be realized that her progress is of the most substantial and enduring sort, but what is of greater importance to other countries is that they must adopt the same principles and the same strides if they are to keep their place in the national procession.

In the race for national leadership, a race which never ends, a race which is indeed necessary to bring out the best in the nation and the individual, the thoroughly organized, honest and vigorous nation is bound to win, while the disorganized, dishonest and slothful nation must lose.



Germany's organization, honesty and vigor are freely admitted. In every field she has scored triumphs, in commerce, in industry, in technical, political and sociological endeavors she is concededly at the front,—indeed in many respects far in advance of other nations.

Yet the individual Englishman, Frenchman, Russian or American will not admit nor does the German claim an individual superiority.

How, then, with equivalent materials of citizenship does Germany accomplish so much more? Why is she growing more rapidly, becoming richer, and conferring greater benefits upon her citizens than are other countries?

It is to consider these questions that the present volume is undertaken. While brief in extent, it attempts to show the really fundamental reasons for Germany's wonderful progress, reasons which when properly understood will not only explain Germany's progress but will demonstrate the necessity with which other countries are confronted to equal her achievements if they are to keep abreast of the times and not become Spains and Hollands.

The actual personal value to every citizen of governmental efficiency such as Germany has developed is so great that self interest alone prompts a full acquaintance with the principles and processes by which she accomplishes so much

for herself and her citizens,—in some instances paying dividends to voters instead of imposing taxes,—by which she puts so fully into effect the national slogan of “One for all and all for one,” the slogan in which the true genius of the German people finds so complete an expression.

FRANK KOESTER.

Hudson Terminal Building,  
New York, May, 1915.

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# *Secrets of German Progress*

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## CHAPTER I

### INTRODUCTION

**W**HATEVER the fortunes of war hold in store for Slav or Saxon, Celt, Teuton or Gaul, the chief interest of Americans in the present war will but temporarily lie in the strokes of tactics, however brilliant, or the chessboard moves of strategy of military boards of directors, however studied or comprehensive.

The panoply of war will but briefly crowd the stage, and when the spectacle is passed again we must turn with whatever lessons we may have learned to the every-day business of life, whosoever shoulders bear the burden of indemnity and whosoever pockets are lined with foreign treasure.

America is the chief spectator of this world-wide show, but unfortunately, an unwilling and heavily mulcted patron, and thus one entitled to cry "a plague on both your houses." Appreciating this, efforts have not been spared by either

side to defend its entrance into the quarrel, so that who ever runs may read and read aplenty.

But America has not much to profit by the exact determination of whose match struck the powder. But she has to profit and vastly to profit by coming to thoroughly understand how the powder was accumulated, and the infinite and far reaching economical processes which led up to the great explosion and the sowing of the winds of international competition which are now being reaped in the whirlwinds of war.

To those who are familiar with European conditions, particularly the contrast between England and Germany, the truth is in reality a priceless book of knowledge to America.

It needs only a homely illustration to point its value, a story of two farmers; for America and Germany may be likened to neighboring husbandmen, one of whom holds land on the alluvian side of a stream where his crops grow in rich profusion with but little cultivation, while the other dwells upon the barren side with but a narrow strip of infertile soil to hand. The rich farmer, with his ample crops in his more frequent moments of leisure, may observe unconcerned, if not with a certain impulse of charity, his necessarily more industrious neighbor on the barren shore. He will certainly not grudge him the few drops of honey which his poorly situated neigh-



bor's bees carry across the stream and he may even admire the intensive detail with which the meagre soil is cultivated.

But when after a few decades the barren shore blooms like a garden while the rich alluvian soil has been exhausted by the reckless drafts upon its fertility, and the prodigal farmer begins to feel the pinch of circumstances and lessening yields, while the farmer on the once barren shore thrives on with the comfort and luxury that once were enjoyed by the prodigal farmer, it behooves not the latter to neglect the lessons which the poor farmer has been forced to learn, but rather to avail himself of the hard-earned technique and the multiplicity of devices which the severe but kindly mother of inventions, necessity, has forced upon him.

This comparison is by no means fanciful. Germany, with an area fourth-fifths of the size of Texas, supports a population of 67,000,000 which, without immigration, is increasing at the rate of one million a year, while the vastly richer and wider expanses of America support a population of 100,000,000 with a wealth per capita only slightly if any in excess of Germany's wealth per capita.

In 1870 Germany with a population of 40,000,000 was poor in natural resources and poor in pocket. To-day, with a population 67 per cent.

greater, she is still poorer in natural resources, but her savings bank deposits have increased 600 per cent., and the individual wage earners' income and wages have more than doubled.

Her foreign trade has increased from one to five billion dollars, while in the same period the foreign trade of Great Britain, for example, only increased from two to five and a half billion dollars. Thus, while England has been doubling her trade, Germany has increased hers fivefold.

Comparison might be multiplied but these few items are typical of the enormous development of Germany. It is the present purpose to point out the secrets of this vast German progress and to show in what particulars America may profit by the hard experience which Germany has gained.

America, enjoying the isolation of its geographical situation and free from the pressure of foreign political considerations, has been animated in its development by individual rather than national considerations. The country has grown up of its own accord. That it should become great and powerful has not been an active conscious national policy.

Its politicians have been engaged in their own devices and have found favor not in developing the country as a nation but in favoring certain factions succeeding each other in power from time to time.

America thus has not been subjected to two great driving forces which have been at work in building up Germany, that is bureaucracy and the necessary policy of national development for the sake of the nation rather than of the individual.

Germany has had to become effective as a great national mechanism in order to maintain her national individuality gained after long years of effort. National existence among close, hostile and powerful neighbors depends on power as a nation. The individual must always place the state before himself. He must be sacrificed wherever necessary, both in peace and war to the national idea. Anything less involves the extinction of the state as a state.

Under similar conditions Americans would similarly be ready to sacrifice themselves. Since the necessity does not exist, this phase of national character is quiescent in Americans, who are ready enough to sacrifice themselves in time of war but who in times of peace fail numerously even to go to the polls.

Not understanding the conditions, Americans subject Germans to criticism for permitting themselves to be led by a "War Lord" (literally, but in reality "commander-in-chief"), for the most part not realizing that there is more real personal liberty in Germany than in the United

States, and further not understanding that where a German sacrifices his personal liberty, he does so in the interest of Germany as a nation, drawing from the augmented national effectiveness a spiritual strength which more than reimburses him and contributes much to the meaning of the much misunderstood term, German "Kultur"; which does not mean "culture" in the English sense, but rather, "ideals of German civilization."

The driving force of foreign political pressure is almost absent in the United States. It is not necessary for an American to feel that he must constantly exercise his personal efforts in behalf of his country. It is big and strong enough to take care of itself without any particular assistance from him, and in the case of many politicians and men of business importance, America is a picnic to be enjoyed rather than a civilization-ideal to be served and to which sacrifices must be made.

It is not a material part of American policy to aggrandize the states and but few energies are directed to that objective. Not only that, but a not inconsiderable minority are in favor of a policy of disaggrandizement, while the relinquishment of territorial possessions is an avowed political purpose of the party at present in power.

A nation under pressure from within, as Germany is by reason of its rapidly increasing popu-

lation, and from without by reason of the ambitions of its neighbors must necessarily be actuated by motives which, while readily understood by Americans, cannot easily be appreciated at their true value.

A policy of disaggrandizement can only be possible in a country like America where the natural resources still afford ample leeway for the growth of the population. Were the whole population crowded into Texas with Japan across the Rio Grande instead of the Pacific, something of the German tension would be understood.

Talk of giving the Filipinos their independence under such a condition and the abandonment of such a large and fertile portion of the earth's surface to half-civilized bands of savages would appear grotesque.

As an aggrandizement of the state is not an active part of the policy of the United States, it cannot be said to have any propulsive national policy. It maintains rather the attitude of a guardian of liberty hardly earned and its policy is that of live and let live. Having suffered oppression in the past, the national conscience hesitates to inflict upon others the oppression which it has escaped.

The powerful phrases of the framers of its government and of Lincoln, the preserver of its unity, like ghostly sentinels, block the path of im-

perialistic ambitions, which nevertheless it must some day entertain, for that is a stage of national development which every great country must in the nature of things experience.

Germany is now accused of such ambitions, and much of the criticism in the United States of Germany, doubtless arises from the feeling that America having abstained from such ambitions, cannot be called upon to sympathize with a nation that has not so abstained.

Whether Germany now does or does not entertain imperialistic ambitions is beyond determination. Germany herself does not know and cannot know as no country can know when it is passing through such a stage of its development.

But even if it be so, it is not a thing to be ashamed of or to be denied. England exercises beyond doubt an imperialism of the sea, while Russia, it may freely be asserted, cherishes imperialistic ambitions of a slow but certain glacier-like progress. France has perhaps passed through that stage of its progress while the imperialism of Spain is a thing of history.

The sudden and intense development of Germany so long oppressed, may have projected her into this stage of her existence simultaneously with the necessity of self-preservation, and if there be any guilt for the present war and its long preparations to be laid at her door, it would have

to be charged to that portion of her ambition which may be ascribed to imperialism and not to the ambition of self-preservation.

America, having no necessity for precautions of a self-preservatory nature, and being as yet unaroused by imperialistic ambitions has failed to appreciate the situation in which Germany finds herself and has shown a certain hostility and distrust of German motives which Germans know is unfounded, but which in the midst of an active propaganda of her enemies, she has had but small opportunity to allay.

The best corrective, however, of misapprehension and prejudice is not controversy, claims and counter claims, but simple knowledge of conditions. Were German conditions and progress and the secrets of her progress as well understood by Americans as by Germans an altogether different view would obtain and appreciation would take the place of prejudice and co-operation succeed a cold neutrality.

The United States needs well to consider her world-position and who her friends may be, for the enormous development of modern machinery of transportation and warfare has reduced her isolation materially. Let us suppose Germany rendered impotent and Russia satisfied with her spoils, what guarantee has the United States against a combined attack of the Anglo-Japanese

alliance on both shores with the consequent destruction of our fleet, the capture of our seaboard cities, and the landing of the huge trained armies of Japan and England in Canada for expeditions against our principal inland centers?

Against such a coalition the United States would be a fat nut in the jaws of a steel vise, and there can be no doubt of the willingness, not to say eagerness, of Japan for such an enterprise.

The dominant force in the British government is the capitalistic class. Britain is in reality a plutocracy as compared with the bureaucracy of Germany, the autocracy of Japan and Russia and the republicanism of France and the United States. What guarantee has the United States against British greed once it finds the power in its hands to proceed against us as it has against Germany, particularly if it is able to use Japan and its potential millions of Hindoo troops to pull its chestnuts out of the fire?

While it is undoubtedly true that in time the United States would retaliate as Russia will some day retaliate against Japan, it would mean a long period of humiliation and preparation for revenge and countless expenditures of blood and treasure.

Against such a contingency a vastly more effectual remedy would be a German-American entente.



It is not my purpose, however, to go into a consideration of the international political situation of the United States. I merely indicate this as one of the possibilities of the future to show that the United States has much more to fear from the enemies of Germany than from German ambitions whatever they may be, and to show that a review of the secrets of success of Germany's progress deserves open-minded and careful consideration, for from Germany America may draw most valuable lessons if she cares to learn.

The prejudice against Germany has been largely caused by the so-called imperialistic ambitions credited to Germany by the pro-British propaganda based upon the occasional jingo outburst of individual Germans, for jingoes exist in Germany no less than in America.

Imperialism means in its fullest extent world domination. The noisy pro-British propaganda credits Germany with the ambition of ruling the world. The 67,000,000 Germans are to be the masters of 39,000,000 French, 67,000,000 Japs, 46,000,000 British and her 390,000,000 colonial and imperial subjects, 166,000,000 Russians, 100,000,000 Americans and any other odd hundreds of millions around loose on the face of the earth. Merely to state such a proposition is to show its absurdity. Germany should at least be credited with some degree of sanity. The limits of her

imperial ambition, if her ambition be so termed, is most fittingly expressed in the phrase of the Imperial Chancellor, Honorable Bethmann-Hollweg, "a place in the sun." Only the most violent of Germany's foes would credit her with the impossible ambition of desiring to seize all the places in the sun.

The extent of Germany's ambitions is, and properly is, an outlet for her products, a secure source of food and raw materials and the indisputable acknowledgment of her position as a world power. That is to say, sure breathing room, nothing more. The justice of these ambitions cannot be denied by any impartial observer.

No American but regards his country as an unconquerable world power, and perhaps no American but regards Germany in the same light, yet Germany has not as yet indisputably demonstrated it. To recur to the illustration already noted, if all Americans were crowded into Texas with not only Japan, but a Japan more than twice as populous alongside and imbued with the ambition of dismembering her and of seizing large slices of an already restricted territory, the passionate necessity of demonstrating to herself, to her foes and to the world her unconquerable position would be manifest.

That is Germany's position to-day, with not only a Russia alongside, but with two not less

formidable antagonists on the other side, and with Japan in the far east.

In such a situation the accusation of imperialism is utterly grotesque and the holding up of Germany as a bug-a-boo by England to prejudice America are seen to be ridiculous.

It must be obvious, therefore, that America cannot justly entertain any prejudice against Germany and that instead of regarding her with distrust and suspicion, most valuable lessons are to be learned from Germany which will enable America to profit vastly in a material sense by the utilization of her great natural resources, in the manner which Germany has found so profitable with her meagre field while enabling America to prepare herself against the day of aggression which her relatively unprotected affluence invites.

This brief outline of the political position of Germany shows the mighty external and internal material incentives which have acted upon her. In the long preceding generations, Germany was divided and powerless. Without the unifying force of a national entity, her expression was largely confined to the occasional efforts of sporadic genius, as is the case with all small countries. With unity came national aspirations, and national accomplishment until to-day Germany, the youngest of the great nations, has aroused such jealousy as to become the victim of the most extensive military coalition ever formed.

Under the impetus of unity and with the incentives and necessities to which she has been subjected, Germany has accomplished remarkable things.

It cannot, therefore, fail to be of the greatest interest and value to Americans to give their attention to the expedients and secrets of German progress, to see how Germany has met certain problems which, as will be pointed out subsequently, will sooner or later confront America, and be prepared to adopt such of her expedients as will be most useful here; for the technique of science, of politics and of economics which has brought Germany to the front in forty years, must certainly contain suggestions of value to America as her own destiny leads into more constricted ways, while a knowledge of German conditions and methods will allay the baseless prejudice which has arisen and will increase the friendship of the two countries, a consummation of undoubted and inestimable mutual benefit.

## CHAPTER II

### THE DUTY OF THE STATE TO THE CITIZEN

**T**HE roots of national greatness lie deep in the character of the individual citizens of a state, and the oak of its progress is the measure of their sturdiness and vigor.

No great nation has ever appeared whose individual citizens were supine and characteristically self-interested, but wherever the material of good citizenship has gathered itself sufficiently together a great state has resulted.

A certain physical magnitude, however, is necessary to a state if it is to reach the highest national development, for small states, though there are those that show the great qualities of the great states, must necessarily fail to inspire their citizens with the powerful morale which the citizen of a great state experiences through the enormous power of the nation of which he is a part.

The very magnitude of a state thus gives it a vast added power far in excess of the power of a number of small states of an equal aggregate size.

This is exemplified in the history of what is

now the German Empire. Scarcely more than a century ago there were three hundred separate governments, including kingdoms, grand duchies, duchies, principalities, free cities and the like. There were over 1,500 tariffs in existence between these states and they were of such insignificant power that the national spirit was largely dormant.

Napoleon overran them and consolidated them to 38, thus beginning the process which Bismarck finished hardly more than a half century later with the consolidation into the German Empire of the 26 units of which it is now composed.

The enormous power which has been the outgrowth of Bismarck's work is undoubtedly the greatest exemplification that there has ever been of the value of unity, the union of the states of the United States not even excepted, as they were never in reality disunited to the extent of making war on each other as were the German states, and the numbers suddenly brought into a state of unification were very much smaller.

When German unity was accomplished and the Germans came to regard themselves as Germans rather than as Bavarians, Hessians, Prussians, Württembergers, or Saxons, as the case might be, the psychological elements of a new national force came into existence and the morale of magnitude inspired the citizens of the new nation with a na-

tional spirit of almost unexampled ardency and patriotism.

Today three thousand Germans will charge the enemy's trenches and fifty will survive. Humanity is capable of nothing more. To what ideal do they sacrifice themselves? Nothing else than that of German unity, to the preservation of a national entity that has only come into existence within the memory of living men, but which inspires an enthusiasm and devotion which has never been surpassed in history.

The extraordinary progress which Germany has made within the short span of its unified existence is the expression in other fields of the same devotion which the German shows for German ideals on the battlefields.

It may with truth be claimed that any patriotic people will sacrifice themselves for their country on the battlefield with equal valor, and reasoning from this fact, it is easy to fall into the error of assuming that in peace their relations to their country will be marked with the same degree of devotion.

Such, however, is not the case. There are not lacking even instances in some countries of commanding officers of armies grafting on supplies at the same time that they risk their lives in battle.

The unique position of Germany today is that the nation as a nation is served by its citizens with

respect and devotion. Its governing body is regarded with respect and this is because it commands respect by its actions. Less, undoubtedly, than any other country does Germany suffer from the deadening effects of partisan struggles while efficiency is demanded, surely obtained, and freely rendered by her public officials.

The secret of Germany's progress is largely due to her efficient public service.

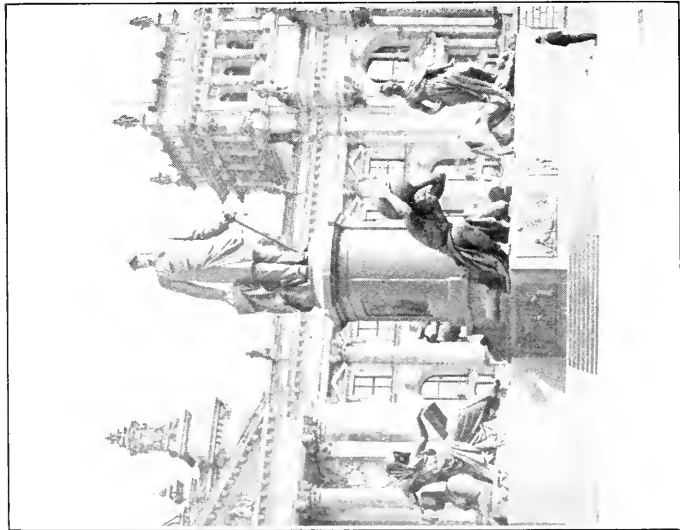
But this, it must always be kept in mind, is not a thing apart from Germany, but an expression of the German character, more particularly of the public spirited phase of the German citizen's character.

The state is always the resultant of the character of its citizens and the citizen whose character includes a strong sense of public spirit can justly be said to be superior to the citizen whose character evinces no such phase, for public spiritedness means a willingness on the part of the individual to sacrifice his personal desires to the welfare of the whole.

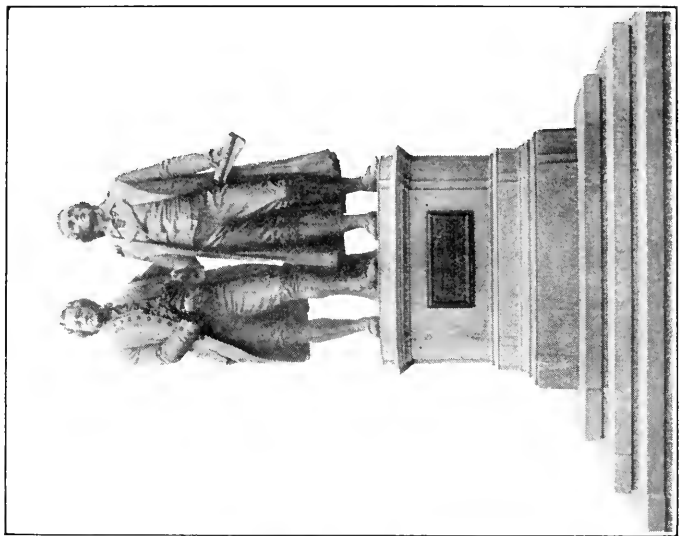
A body of citizens ready to make such sacrifices will form a greater state than those unwilling to make sacrifices to the state.

This willingness and sense of duty of the individual to the group of individuals, the state, is a highly marked characteristic of the German and since the fact of German unity, it has had scope



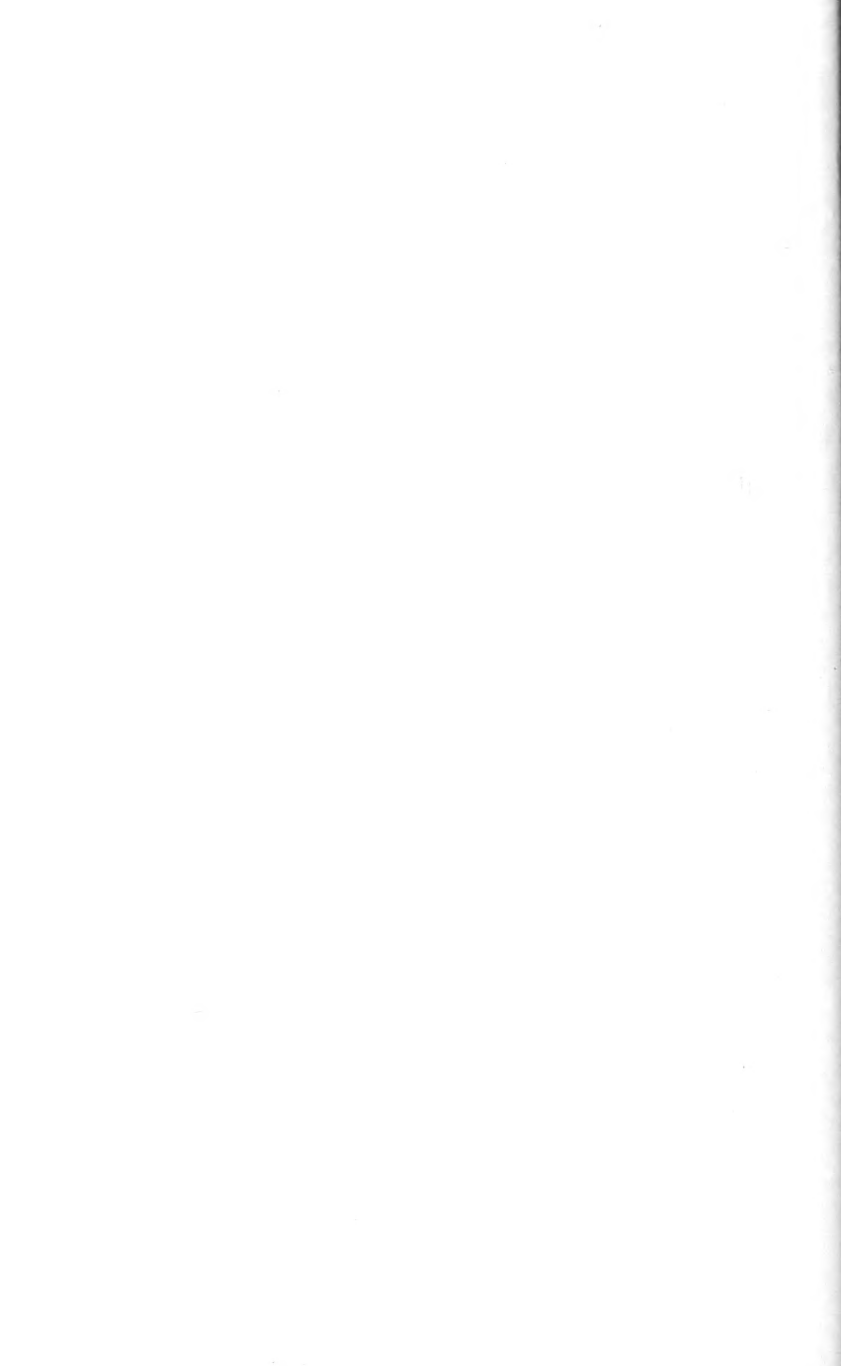


Bismarck Monument before the Reichstag Building.



Goethe and Schiller Monument at Weimar.

Moulders of German Character.



for exercise which it did not previously possess. Unity has been its opportunity, progress its abounding fruit.

But while a state is the resultant of the character of its citizens, it is much more than an average of their qualities, indeed the morale altitude of a state approaches the altitude of the greatest conception of its greatest citizen multiplied by the morale force of all its citizens.

The force of a great conception animates every individual, widens his horizon, inspires his actions and gains for him the added reassurance that others, being similarly inspired, are by their devotion adding to the greatness of the state. This interaction raises the power of the state to a high coefficient and is the final expression of unity.

It is on a vast scale the fable of the seven sticks, but in the case of national unity, the alliance not only gains the value of the union of the individual forces but the individual force is so intensified that each stick becomes a rod of steel.

Such is German unity.

And the conception that has had perhaps the most powerful effect on German progress is that expressed by Frederick the Great and later re-enforced by Bismarck, the duty of the state to the citizen.

Many nations satisfy themselves with the theory that the duty which the citizen owes the

state is the only duty that needs fulfilling in their mutual relations. But the German conception is that the state having been served by the citizen is in duty bound to serve the citizen in an equal if not greater degree.

This conception is an additional bulwark of strength since the citizen feeling that the state is a friend and not a mere parasite is inspired to still greater sacrifices.

This conception is one of the great secrets of German progress. It is the force in the frequent phrase "Alle für Einen, Einer für Alle (all for one, one for all), which is of such frequent occurrence. When carried into effect, as it is in Germany, it is an element of kultur, a civilization-ideal, of which the nation may well be proud.

The spread of such a principle to other countries meets with a powerful and determined opposition for the reason, largely, that it threatens the pockets of influential men of business who seeing their private interests threatened apply to the idea the term of paternalism and generally endeavor to make a bug-a-boo of it, as they do of any idea that has for them no bankable possibilities.

In a country which contains a large body of wealthy citizens who thus place their interests above the public welfare, a marked disruptive effect is observed and since the power which rules a

country must always be entrusted to the hands of certain factions or bodies of men for periods of greater or less length, it is to the interests of unpatriotic men of wealth to encourage republican principles since the less government there is the greater will be their freedom to prey upon the helpless individual who under a more paternalistic government would be better protected.

The lover of liberty and freedom so called, while sincere enough in his belief in his principles, runs so far away from the regular paths of government that he finds himself in the wilds of the plunderers. Probably the freest and most independent citizen that ever lived was the American Indian, while the one subject to the greatest number of regulations is the modern German. The modern German certainly has less freedom of personal action than the Indian, but he just as certainly has a vastly greater freedom from the encroachments of his fellow citizens.

It is only a question of where you wish to draw the line, to what extent you are willing to dispense with your own personal license to preserve yourself from the personal license of others.

The German regards his civilization-ideal, his kultur, of "all for the state and the state for all," as a better system than the greater license which the citizens of other countries retain for themselves.

Is it better or is it not?

Before passing judgment upon it, its processes should be studied and its results understood, and countries ostensibly more democratic should question their institutions to find out whether they are really effective in securing to the citizens the degree of liberty aimed at, whether in place of a well organized, responsible and effective "paternalism" they do not have an inefficient, irresponsible, elusive and infinitely divided system of "democratic" powers preying upon the public instead of carrying out the will of the public as the German system undoubtedly does, whether in reality they do not have merely the forms of freedom and not the substance.

There does not appear to the German, conversant as he is with its processes and results, any valid objection either in theory or practice to the German system. That the nation should bear as far as practicable under modern conditions a fatherly relation to its citizens should not offer any violence to ideals of the most democratic. By the very complexity of modern life, the citizen is placed at the mercy of the ill-disposed among his brother-citizens to whose wiles and violence he would succumb but for the strong hand of government. Without government civilization would be impossible. This is at once the most obvious yet the most profound of social principles.

In some degree, therefore, government must act as the protection of the citizen, because it is better fitted to protect him than he is to protect himself. The most violent democrat cannot dispute the principle.

Does it not, therefore, follow that the government should afford the citizen every protection which can be afforded him by government provided such protection be afforded through its instrumentality more efficaciously than otherwise?

Anything less than this would be burdening the individual citizens with duties more expensive for them to perform as individuals than as a body social. Germans believe that Germany leads the world in efficiency and comprehensiveness of governmental operation. Her enemies hold her efficient system up to scorn and make it appear that the German citizen is an oppressed underling of the Kaiser. This ridiculous propaganda is instigated and supported by capitalistic influences who see in what may be termed the greater social functioning, diminishing opportunities for profitable employment of their capital. They misrepresent Germany and German results in every possible way not only to her disadvantage but much more to the disadvantage of other countries who would adopt, to a still greater extent, the expedients she has found so profitable.

There was a time when every householder in

New York was compelled by law to keep a light lit in front of his house. Today the city buys electric current for street illumination from a private company. In the future, no doubt, it will supply its own current. In the past its citizens were compelled to pave the streets in front of their houses. Today the city operates its own paving plans. In the past, education was costly and there were no libraries. Today the city provides a vast school system, and constructs and conducts one of the greatest libraries in the world free to all citizens.

At what point in such a process does the government become "paternalistic"?

In the light of German progress, the charges so freely advanced against her institutions and systems are as ridiculous to the German as the charge of "paternalism" against the public library would be to the New Yorker.

At most the question is but one of constantly changing expediency, to what extent the body social should act in its collective capacity and to what extent as individuals.

Germans believe that everything that the state can do better than the citizen should be done by the state. An active body of Americans believe that the state should do nothing except those things which are utterly impossible to the citizen acting individually. The choice of these views



must be left to the public. Undoubtedly, much lies in the personal character of the citizen. The German character is more amenable to discipline and uniformity, more decisive in execution than the American. The degree to which the state may assume a fatherly attitude may safely perhaps be less in a country like America where the male parent himself is somewhat overrun by his progeny than in Germany where parental authority has a different significance.

The German idea of the duty of the state to the citizen is that it should exercise every function which may contribute to his welfare provided the state's exercise of such function is more efficient than the exercise of such function individually. In the concrete expression of Frederick the Great, "It is the business of a sovereign to alleviate human misery."

The judgment upon such a system is necessarily a judgment of facts, a judgment as to whether human conditions are alleviated, but to judge the facts, the facts must be known, yet the facts about Germany are but little known in America. Even noted politicians and famous professors in public utterances base criticisms of German affairs upon postulations utterly false, the result of their almost complete ignorance of conditions. Conclusions based upon lack of knowledge of facts cannot fail to be misleading.

They discolor public opinion, breed prejudice and serve as a barrier against the proper and friendly relation of two great nations, a result no one would deplore more than their authors, did they know the truth.

A fair working knowledge of what Germany is doing is an indispensable requirement for every one who wishes to keep abreast of the times. It is, indeed, a duty to know what conditions are, in order not be misled by the uninformed.

Such a knowledge can only be gained by an unprejudiced consideration of the facts in the case, and it is to the presentation of these facts that the present chapters are devoted. And the facts will startle not only Americans but Germans as well, particularly those long in this country who have gotten out of touch with the march of progress abroad. They deserve the most careful consideration of every well-informed reader.

## CHAPTER III

### GOVERNMENT CONTROL OF PUBLIC UTILITIES

**T**HE experience of Germany has proven that in practice it is advisable for the government of the state or city, as the case may be, to control all operations of what are usually referred to as natural monopolies. That is, those undertakings (1), in which competition would serve to duplicate facilities, without affording better service, such as railways, waterways, canals, ferries, water works, gas works, telephones, telegraph, express, electric lighting and power systems, and (2), in which natural resources need to be properly conserved, such as forests, irrigation, mines, etc.

In addition to these operations, German cities find it expedient to buy up suburban lands, erect working men's houses, which they sell or rent, conduct farming operations on vacant lands thus held, grow forests, and engage in various lines of business, such as market halls, abattoirs, stockyards, butcher shops, flour mills, bakeries, dairies, fisheries, ice plants, breweries, inns and restaurants, dancing halls, wine cellars, mines, factories,

laundries, livery stables, stone, brick and tile works, bathing establishments, sea and therapeutic baths, salt and mineral springs, and other cure-establishments, docks, quays, cemeteries, pawnshops, and savings banks.

It may, at first sight, seem to Americans that it is no proper part of municipal endeavor to engage in ordinary business occupations of this character. It must be remembered, however, that all of such activities are not common to every city and that such enterprises are not primarily entered into, as a rule, for business purposes but rather as a protection to the public.

Even in the United States similar activities can be found in many instances. The federal government supervises and fixes charges at Hot Springs for medicinal bathing establishments; New York City has its sea bathing houses and its municipal asphalt paving plants, while water works are commonly municipal undertakings. The laying out of large suburban parks preserves to the public the common use of the land even though the city does not build houses thereon. New York has several municipal markets; Milwaukee, a laundry; Lemmon, S. D., runs a saloon; South Carolina endorsed dispensaries; Minneapolis has an ice plant; Schenectady had one, but found it unconstitutional in New York State to sell ice; numerous similar plants exist in other

states; La Crosse, Wis., runs a market; Norfolk, Va., has an employment agency; Chicago runs dance halls; Hibbing, Minn., has a municipal district heating system, and St. Louis runs moving picture shows, while several cities in New England conduct theatres.

Approaching state control are the numerous charitable and semi-charitable institutions, which fill a want that should be properly supplied by the government. These societies which make a business of supplementing government facilities are at once a proof that the American state and municipal governments do not exercise their functions as fully as they should and an answer to the demands for proper government which they attempt to fill.

There are loan societies to safeguard poor borrowers against pawn-broker's exactions, even though in many states there are laws regulating pawn-brokers' charges; there are various societies to assist litigants, neglected children, mistreated animals, and indigent elderly persons of various previous classes of occupations. The exercise of these functions goes to prove that governmental operations are not sufficiently extended in America. It is a standing insult to public justice that there should be a children's society. Its existence proves that the American child is not sufficiently protected by the American state, as all

societies for the enforcement of particular laws show similarly the weakness or inadequacy of central authority.

The United States inspects meat. German cities go a step further and conduct the operation of slaughtering.

The United States subsidized the transcontinental railways and then abandoned them to private exploitation. Today, she is wiser and is about to build an Alaskan railway. Germany owns practically all of her railways.

The United States, as do all modern countries, operates the post. In the not very distant past, the post was a private enterprise. We have just come to adopt parcel post. In a generation the idea that expressing was a private business will doubtless seem as strange as now appears the fact that the post was once a private business.

Thus again, it is obvious that between the United States and Germany no question of principle exists in the treatment of these subjects. It is only a question of expediency; to what extent it is feasible and desirable to have such functions performed by the municipality or the state.

The most striking result of the German system is seen in certain cities which, instead of imposing taxes, disburse dividends to their citizens. This Utopian condition, it is needless to say, exists also in America to a limited extent, in practically

every city, the difference between the German practice and the American practice being that the "dividends" to citizens here are limited to a very small number of citizens and not the whole body, in short to politicians who control the situation and relieve the cities of the necessity for disbursing dividends to citizens in general by deflecting surplus funds on their way to the public treasury.

The principal public utility controlled by the German government is the railroad system, as practically all of Germany's railways are owned by the state.

The mileage operated is some 40,000 miles, about one-sixth that of the total mileage of all roads in the United States and about 25 per cent. more than the total mileage of French railroads and 60 per cent. more than the British railroads, the countries next in order.

The capital invested in German railroads is estimated by the government at six billion dollars. The movement of traffic is some twenty-one thousand million passenger miles and thirty-three thousand seven hundred million ton miles per annum. The passenger revenues are two hundred million dollars and the freight revenues four hundred and seventy-five million dollars.

The surplus of earnings over disbursements is about five and three-quarters per cent. This is

the real index of the efficacy of governmental control. While German roads are making  $5\frac{3}{4}$  per cent., French roads show a general average of but 4 per cent., British roads  $3\frac{1}{2}$  per cent., and American roads  $2\frac{3}{4}$  per cent.

This comparison may be somewhat unfair as regards the United States, owing to the much greater length of hauls here, but it is certainly fair as regards France and Great Britain and demonstrates the efficacy of state control.

State control of railways as in Germany, too, is advocated for the United States by some of the foremost railroad executives of this country, not perhaps so much from the point of view of efficacy of management but as a protection to the investing public as numerous great scandals of road exploitation have occurred during the history of American railroads, especially grave instances occurring recently, both in the east and west, in which great systems have been thrown into bankruptcy by manipulation of their finances, bringing ruin to hundreds of thousands of holders of railroad securities. The favorite method of railroad wreckers in the United States is first to obtain control of a prosperous railroad system by purchase of a certain proportion of the stock in the public market. If the stock is widely held by general investors, the ownership of 20 per cent. of the whole stock will usually suffice to



control, as the small stockholders ordinarily give their proxies to the existing management, and such a management faced for a contest by a 20 per cent. block of controlled stock will usually compromise and join hands with it. The company is then reorganized, large debts in the form of bond issues contracted and the treasury of the company enriched in every possible way. The insiders then personally buy up impoverished railroads and sell them to the enriched company at vastly higher prices than they paid for them. In this manner they extract huge profits and leave the original company burdened with the losing roads. Before the conditions are realized the wreckers sell their stocks at high prices and with their ill-gotten profits begin operations on another system. Gradually the rottenness begins to reveal itself, evidenced by falling quotations and finally bankruptcy overtakes the wormeaten structure. The extent of the robbery of American investors by this means has in a generation perhaps reached enough to duplicate the entire railway system.

Laws have finally been passed which make such processes difficult to carry out at present, but the public has suffered these irreparable injuries during a period when German state-owned roads were being efficiently and honestly operated and the German public has been mulcted of no such sums.

Germans under "paternalism" have been protected from such financial blood lust while Americans have suffered from such operations carried on under the very shadow of the Statue of Liberty.

Is it not reasonable to suppose that it may be possible to find in German experience in other fields, lessons which may prove as profitable to Americans as Germany's example in the treatment of the railroad problem would have proved if it had been followed here twenty or thirty years ago?

The bankrupt stockholders of great American railroad systems will, doubtless, share this view. Americans have been betrayed by the political platitudes of venal legislators. They have been guarding the front doors of liberty while being plundered through the side doors of graft. A general knowledge of conditions both here and abroad would have made such a plundering impossible. This is another proof adduced of the necessity which devolves upon the individual citizen of keeping himself fully informed of conditions.

The operation of other public utilities such as telephones, telegraphs, waterways, express, mines, parcel posts, and the like, by the government is carried out with great success. Space does not permit a detailed description of the re-

sults, but they are even more favorable than in the case of railway operation.

This country has adopted postal savings banks years after their adoption abroad. It has recently remodelled its banking system on German models. It is slowly being forced to realize the advantage of foreign models.

There was a time when Uncle Sam originated his own institutions and methods. Why is it today that he must borrow abroad and model after others?

But even more sweeping than governmental ownership, indeed of astonishing proportion is the spread of the unearned increment tax and the industrial policies of the German cities. The wide variety of their enterprises has been noted but their land operations constitutes one of the dominant factors of the German system of today, as it is of such wide extent.

Practically all German cities own land both inside and outside their city limits. A considerable part of this owned land is in forests. Out of thirty-five million acres of forest in Germany, the cities own five million acres and the German states eleven million acres, or together almost half of all the forest domain of the whole empire.

Of land within city limits, German cities own from twenty to seventy-five per cent. of their total area. Berlin owns 34 per cent. of her own

area, Frankfort-on-the-Main 47 per cent., Heidelberg 61 per cent., and Freiburg 77 per cent.

The ownership of lands outside of the city limits is vastly more extensive. Leading cities own from five to seventy-five thousand acres of outside lands. Breslau, for example, owns one-quarter of the land within the city limits and six times the whole area of the city in outside lands. Görlitz, with a population of 85,000 owns sixteen times its area in outside lands and owns 903 acres of land per 1,000 inhabitants. It is the largest land owner among German cities, but Berlin owns 25 acres per 1,000 inhabitants, and numbers of cities hold upwards of 100 acres per 1,000 inhabitants.

German cities not only buy lands to keep, but also to sell and they realize enormous profits through the transactions. They block the way of private land speculators and preserve to the public the profits which in America are realized by speculators.

The ownership of such vast tracts of land necessarily involves the conduct of subsidiary enterprises and German cities are free to enter into any enterprise deemed suitable or necessary to proper municipal operation.

There is nothing particularly new about such enterprises, in fact, they are an outgrowth of more or less marked communistic activities in

past centuries when Germany was filled with free cities and such cities with guilds of various kinds. A city which has the tradition of once having been an independent nation of itself feels nothing strange in acquiring real estate holdings. Indeed, it is considered entirely in the usual course of affairs. It may readily be seen how with such large holdings of property, a city may pay dividends instead of imposing taxes.

Though rich in traditions, German cities are not hidebound, in fact, in initiative they compare favorably with the most progressive of business concerns. This is largely due, as will be later explained, to the method of municipal government.

A striking illustration of the alacrity with which German cities adopt new ideas is seen in the rapid spread of the form of taxation known as the "Wertzuwachssteuer," or increment tax.

In practice this system, though somewhat complicated, is carried out in a thoroughgoing manner and the effect is to discourage the holding of land except for purposes of improvement. The tax is from 10 per cent. to 30 per cent. of the unearned increment value, depending on certain factors of length of duration, of particular ownership, improvements, sales, assessments for sewers, street improvements, carrying charges, etc., where the valuation of the real estate does not increase

from 4 to 5 per cent. per annum the tax is remitted.

The tax is levied on the increase of value of the land and not on the income produced.

The proceeds of the tax are divided between the imperial government which receives 50 per cent., the states which receive 10 per cent., and the cities which receive 40 per cent. The tax is subject to the supervision of the imperial government.

Since 1905 this form of taxation has been adopted by Berlin, Hamburg, Leipzig, Breslau, and over 500 of the German cities. It was first tried with great success by Germany in Kiao Chau, China, recently captured by Japan, and was more fully developed in Frankfort-on-the-Main in 1904, after which it spread all over Germany in a few years.

It is an adaptation of the single tax; a definite and well carried out application of the idea that as the community itself creates the value of the unearned increment the expenses of city operation should be drawn from that source. In practice the tax discourages land speculation, stimulates municipal growth, prevents the tying up in idleness of large tracts of land in and near the city, and proves itself to be the best form of taxation as yet devised.

The average increase value of city real estate in

Germany is from 4 to 5 per cent. per annum. In rapidly growing cities, it is of course much higher. It is practically always materially greater than the expenses of running the city.

The failure of a city to adopt the unearned increment tax means that private land owners are being enriched annually to a greater extent than the cost of municipal operations, that is, the tax payers are in effect presenting to the private owners annually more than the entire cost of running the city, for if the tax were in operation the cost of the city's operation would come out of the unearned increment and the tax payers would not have the present heavy burdens to bear. The progress and prosperity of German municipalities is thus largely accounted for. American cities still continue to burden themselves for the benefit of the private land owner. Surely, at this point, valuable lessons are to be learned from German practice.

## CHAPTER IV

### THE GOVERNMENT AS A BUSINESS PARTNER

**G**ERMAN city, state and imperial governments enter very freely into all kinds of business activities not only on their own account but as both direct and indirect partners of business concerns.

They also exercise a wide variety of regulative powers and there is, in fact, no business activity or operation which the governments hesitate to enter upon if it be regarded as desirable to do so.

The governments of the different German states in 1911 received profits from their various business undertakings of \$282,749,225, which capitalized on a 4 per cent. basis, represents roughly \$7,000,000,000 worth of state-owned dividend yielding enterprises. Thirty-eight per cent. of all the governmental financial requirements were met out of these earnings.

The free city of Hamburg, when it entered the German Empire in 1871, retained the right to remain a free port, and with the growth of German industry and commerce, Hamburg has in-



creased its harbor facilities to such an extent that it is now the second seaport in the world. In the total foreign commerce, it exceeded in 1912 that of London by more than \$150,000,000. The German Empire contributed \$10,000,000 towards the construction of the harbor facilities, while the city contributed some \$40,000,000.

The municipalities, particularly, engage in a wide variety of enterprises, some of which it is regarded desirable to run for profit while others are conducted with the idea of supplying the product or service at cost.

The cities do not hesitate to conduct operations for profit and for all the profit in sight and out of their business enterprises they often, as has been noted previously, derive a large part of the necessary revenues of government and even pay dividends to citizens.

Klingenberg in Bavaria, instead of taxing its citizens pays them dividends of \$100.00 a year each. The East Prussia town of Seeburg while it does not pay dividends, imposes no taxes. Entkirch on the Moselle imposes no taxes and each householder gets a small land holding rent free and free wood for fuel.

Perhaps the most notable type of direct partnership between citizens and the government in business enterprises is that of the electrical supply and service companies.

A wide variety of practice is found in this field. Some of the largest enterprises are those of water power plant developments, in which the government advances a large proportion of the capital, as the rate of profit at the outset would be too small to justify private capital in assuming the responsibility of the work.

Electrical energy from these great installations is made use of in hundreds of cities within a wide radius, and being sold at a very low rate, industry of all kinds is promoted and built up.

In the absence of such governmental initiative, such industries would never have come into existence, and without the cheap light and power thus obtainable, German manufacturers would not have been able to compete as they have with the manufacturers of other countries.

The co-operation of the government thus is seen to be a highly vital factor in German progress.

In cities out of the reach of these power installations the government enters into partnerships of various forms with electrical service companies in promoting the manufacture and use of current.

These generating companies deal not only with the government of the empire but of the cities and enter into different arrangements, as the circumstances suggest. In some cities the companies pay a royalty on their receipts, in others both the company and the government contribute

the necessary capital and share in the profits, but the company bears the losses, if any; in others the city supplies the capital and the company operates the plant.

The particular arrangement depends entirely on the circumstances of the case, but the guiding principle in such undertakings is that the government has the same freedom of contractual relations with business men as if it were a purely business undertaking acting for the interest of its stockholders, the citizens being regarded as the stockholders of the social corporation.

And the German city conducts its operations with just as much, if not more, ability than the business man.

From time immemorial this has been the case, though for a period, a half century ago, the idea of government as a purely police matter gained such ground as to paralyze communal undertakings. A recrudescence of business activity has occurred in the last generation and governmental business activity is a growing and important phase of German progress.

The government, however, does not assume the attitude of a competitor of private business, but rather that of a leader. Every possible assistance is extended to the business man in Germany to enlarge his activities both at home and abroad, in banking, in manufacture, and in commerce.

The government employs a large force of business agents and technical experts who examine conditions abroad in all lines, who report on prospective developments, progress in inventions and manufacturing for the benefit of bankers and the technical side of manufacture at home, enabling German manufacturers constantly to keep up to date; at the same time pointing out trade opportunities and showing ways by which they may best be taken advantage of. They arrange for the establishment of banks and means of speedy communication and transport and act in every way as heralds of business.

To the activity of these foreign agents is due much of Germany's vast export trade.

The attention of the government, however, is devoted to the promotion of business activity at home no less than abroad, and it affords manufacturers and business men facilities which are unknown in other countries.

It assumes an active and far-seeing control over the operations of business firms and regulates competition with the object of protecting business men against trade wars among themselves, and of safeguarding the public against undue price fluctuations. This in turn makes a stable market upon which manufacturers and business men may base reasonable commitments and pursue definite operations.

The result is that the whole fabric of business life moves forward in a well-ordered progress and is not marked by the injurious and destructive struggles of unbridled competition such as is found in the United States where the smaller business organizations are constantly being exterminated by the rapacity of the larger units.

In the treatment of trusts, Germany shows the enormous advantage of a proper participation in business life by the government.

Germany recognizes the advantage to the public in the carrying out of certain business activities on a larger scale and therefore does not attempt to suppress the trusts, but supervises their organization and operation in such a way as to obtain the greatest degree of justice for all concerned.

The theory upon which the government acts is that the trusts or syndicates, known better as cartels, do not violate the principles of trade liberty but are a real protection to the public as a whole.

Under the rulings of the courts on the subject, absolute or partial monopolization by many cartels has been brought about, and restriction of output and price imposed, which makes the business remunerative and tends to the satisfaction of the public and the stability of business.

The German cartel is somewhat different from

the American trust, as the American trust has at present developed, and resembles more the original form of American combination known as the pool.

Pools were originally organized by American business men as a means of stopping ruinous trade competition, which had the effect of cutting prices to such a point that the business became unprofitable and bankruptcy and stagnation followed, disorganizing allied and dependent lines of business.

Competitors on going into pools made various arrangements, some to regulate prices, others allotting certain territory to certain members, and in some instances all the earnings were pooled and divided among the members in certain agreed proportions.

The pools proved successful in accomplishing the purpose for which they were organized, but not content with fair profits, became oppressive when strong enough to control the field, whereupon the injured consumers appealed to the national and state governments and laws were passed making pools illegal, and seeking to restore a state of competition.

The uninformed state of public opinion at that time, and the incompetent legislative programs following, plunged the United States into a most disastrous commercial anarchy. The coun-

try is still suffering and will long continue to suffer from the effects of the fatally wrong policy then adopted and still persisted in, the policy that a condition of unbridled competition is a desirable state for the business world.

Business men, finding that they could not protect themselves from each other by means of pools, began to form trusts, which were pools of which there was no written evidence, that is, the members trusted each other in their illegal arrangements and "gentlemen's agreements" took the place of pooling contracts. This form of operation proving dangerous and unstable, the passage of laws was secured in certain states, chiefly New Jersey, enabling holding companies to be organized. By this means an enormous company would be organized which would purchase outright the business of all the competitors in a given line, and the former rivals in business would become stockholders of and often officials of the holding company, operating their plants as integral portions of the controlling concern. The name of trust became attached to these great companies, which were immediately formed in vast numbers, so that in the fifteen years, between 1890 and 1905, a great part of the business of the whole country came to be organized in the form of these gigantic companies.

During this time the lawmakers and executors

of the federal government were conveniently oblivious of the process, and not until too late was public opinion aroused.

Thereupon laws intended to "unscramble" these great and complicated concerns were passed, and after long and intolerable delays the government is slowly proceeding to break them up into smaller but still formidable units, which for years are unlikely to become competitors of each other.

Thus the government has failed to carry out the wishes of the people and the people themselves have not expressed wishes which would solve the problem. They have demanded destruction of the trusts but only aim to restore the very conditions out of which the trusts grew. There has been no movement as yet to establish such conditions of properly limited competition as will enable business men to exist and not be destroyed by richer organizations.

The policy of Germany has been, on the contrary, one which disregarding the fallacies of uninformed popular opinion, which in this country is usually formed by an interested partisan press, and taking all the elements into consideration, stepped in at the critical juncture and established a condition of compromise calculated to promote the best interests of all concerned. The pools were not forbidden, but the government, by taking a hand in their operations, prevented the



extortion and exploitation of the public and regulated the relations of their members.

The result is that there is no trust problem in Germany. Even the Socialists are contented with the operations of the cartels, as they believe they are a step toward ultimate complete governmental control.

Had the Supreme Court of the United States not decided against consolidation of railroads in the Northern Pacific case, there is but little doubt that by this time all the railroads of the country would have been organized into a few large groups, which could have very simply been taken over by the government, avoiding the enormous losses to stockholders which have ensued in interested operations of insiders since that time.

The disastrous step taken by our lawmakers in breaking up the pools and thus driving business men into the formation of enormous corporations did not occur in Germany. The result is that the public not only does not object to the cartels but even supports them. The only friction that develops in the cartels is internal antagonism of members.

A cartel is not a single large corporation, but a combination of independent firms and companies who enter into an agreement lasting for a certain term of years, usually not more than five. No shares of stocks are issued by the cartel. The

members of the cartels are usually companies of two kinds; the ordinary stock company, issuing shares of limited liability, and the company issuing "Kuxe" shares, which are assessible at any time and of unlimited liability, having the practical effect of making the holders members of a firm.

Each member company of a cartel has a representative on the board of the cartel and this board manages the affairs of the cartel. Its principal duty is to fix the quota of the whole output which is permitted to the several members. Each member desires as large a quota of production as possible, and if dissatisfied with its allotment, on the expiration of the cartel has the privilege of refraining from re-entering and of conducting its business independently.

As a matter of fact, even independent concerns adopt the standards of the cartels and do not enter into unjustifiable competition.

If they attempted to do so, or if the cartel attempted monopolization, it would be quickly brought to book by the courts for violation of the laws against unfair competition, which are drastic and promptly enforced.

The government itself not only regulates the operation of the cartel but is at times a member, operating its works and limiting its output and selling at prices fixed by the cartel board.

Whenever it is necessary to carry out the proper functions, special laws are passed, as in the case of the potash syndicate, which is composed of seventy-six members, and which has a complete monopoly of the field producing only certain amounts and selling at fixed prices.

The United States has a trust problem, it has destructive and wasteful business competition, its smaller business men must struggle to exist, and the public is continually mulcted because of trusts, all arising out of the uninformed condition of public opinion at a critical time, and the reluctance to place in the hands of the government powers of pool regulation. Even yet public opinion does not recognize that the true solution is regulation and not unbridled competition. The happy results of the German policy deserve the attention of every public-spirited American.

## CHAPTER V

### THE GREATEST SECRET OF GERMAN PROGRESS .

**T**HE tremendous progress which Germany has made within little more than a generation has been the marvel of the world, and not only the marvel but for some parts of the world, a mortal terror.

Germany's growth, her precision, her efficiency, her unified action have made her competitors stand aghast. Nothing seems to be able to stop her. Everything that Germany does is done with the minimum of effort and the maximum of result.

In Germany it works. Whatever it is, it works, and it works with irresistible power.

In other countries it does not work. Or if it works, it works badly.

And when we come upon the real secret of what it is that works and how it works, the fundamental secret of Germany's progress will be revealed, the fountain head will have been reached.

The thing that happens is that in Germany, largely by the accident of political considerations,

a form of government has been evolved which, in the midst of the relics of by-gone forms of government, is able to accomplish its purposes, the purposes of all governments, that of carrying out the will of the people, in a more effective manner than that of any other existing form of government.

Imagine the power of the government of the United States, for example, or of any government, if the will of the people could be instantly ascertained and instantly put into effect by a single, responsive and responsible instrument. It would be irresistible. It would be the ideal of government, the apotheosis of democracy.

The government of Germany comes nearer that ideal than does the government of any other country, and to the enormous effectiveness of its form of government is due in an overwhelming measure, its success.

Unless other countries put into practice the principles which are so effective in Germany, there is no question but that within a few generations Germany must outstrip all the other countries of the world combined.

America, however, is already experimenting with the same governmental principle, locally applied and without realizing that it is the same principle that has made Germany what it is today. The principle has as yet no name but it will

undoubtedly in time acquire a name. For the present purposes it may be termed a polyocracy. To understand its meaning, it will be necessary to describe the salient features of the very complex governmental system of Germany, which is but imperfectly understood even by many Germans, but which contains, due, as stated, to the accidents of political exigencies, the working apparatus which produces the wonderful results and which works in spite of the complexity rather than because of it.

In order not to be deflected by non-essentials, it will be necessary to lay aside for the moment, criticisms of the German government system due to what we term gerrymandering, which is not a vital principle but rather a disease. To understand the tree of government we must imagine it stripped of the disease or fungus of the gerrymander, for that has nothing to do with its life and proper growth. Gerrymandering is no worse in Germany than in the United States, for here Rhode Island has as many votes in our Senate as has New York while 3,600,000 farmers in New York State overrule 5,500,000 citizens of New York City through so laying out the boundaries of the state's election districts as to vitiate the suffrages of the city dwellers.

To begin with, the German Empire is not a monarchy. These misnomers prove a powerful

source of error to Americans in dealing with German institutions and government.

The German Empire is a confederation of what were once kingdoms, duchies, states, and free cities. All these sovereign members upon entering into the confederation, surrendered their sovereignty to the "empire" as regards foreign relations and such functions as coinage, tariffs, and certain others best administered by a central government, but retained their individual powers to a much greater extent than did the states of the American union when it was formed.

The kingdoms which compose the German Empire still have their kings, their courts, their houses of lords and commons, their local governments, and practically all the procedure and powers over their own affairs which they formerly exercised.

Of these kingdoms Prussia was by far the largest and it now has 42,000,000 of the 67,000,000 population of the whole empire.

The confederation which we now know as the German Empire succeeded a partial previous confederation known as North German Bund (union). In that bund the King of Prussia was made president of the bund and also commander-in-chief of the united armies, still retaining his complete powers as King of Prussia with the exception that Prussia surrendered her sovereignty,

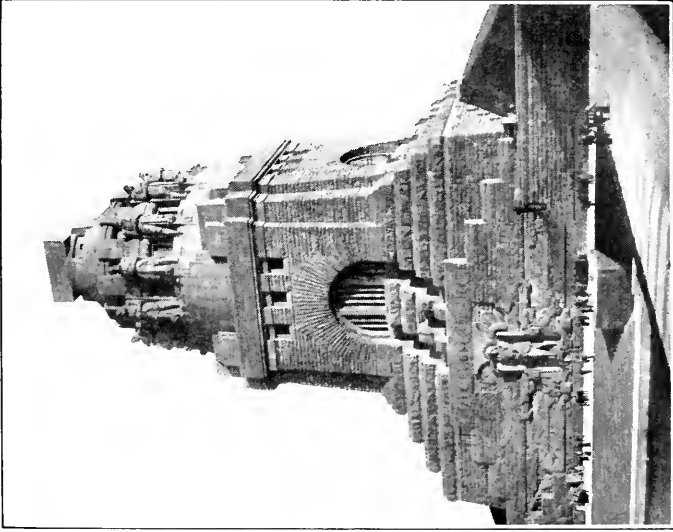
as a kingdom among the other kingdoms of the world to the bund. When the German Empire was formed by Bismarck, the same conditions were put in force, and thus the German Empire is a United States of German Kingdoms in which the King of Prussia, whoever he may be, is the president with the title of "German Kaiser," a style especially adopted rather than Emperor of Germany or Emperor of the Germans, so as not to offend the other kings.

Thus, a German is not a citizen of the empire, is not a subject of the emperor, but is a subject or citizen of whatever particular kingdom or state that he may belong to. In fact, the Kaiser or emperor, is nothing more than the president of the league of kingdoms. William is thus only a psychological emperor and not a real one, and as German Kaiser has vastly less actual power than the President of the United States.

However, as King of Prussia, as king over 42,000,000 of Germany's 67,000,000 population, he retains his royal power and prerogatives, for the Kingdom of Prussia is still a powerful monarchy, so strong that the other kingdoms of the "Empire" could scarcely withdraw even if they wished, no more than could an American state withdraw from our union.

Although the comparison can at best only be a rough one, an idea of the organization of the Ger-

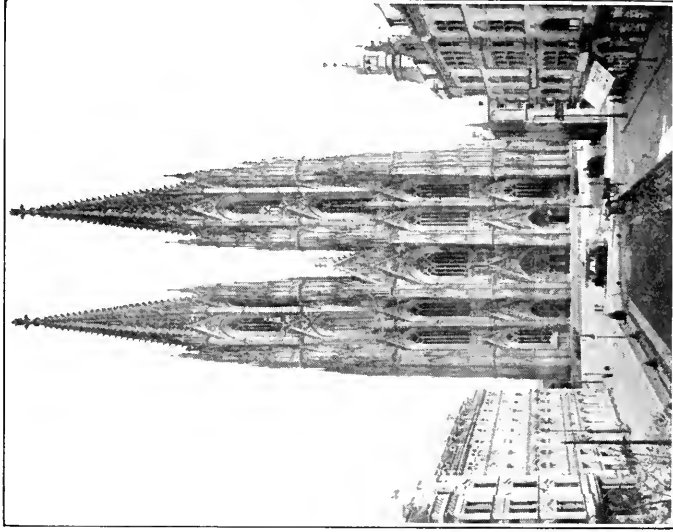




**Voelkerschlacht Monument at Leipzig.**

Most massive monument in the world.

Notable expressions of the patriotic and religious sides of German character.



**Cathedral at Koeln (Cologne).**

Largest and tallest church in the world.

Notable expressions of the patriotic and religious sides of German character.



man Empire may be had from supposing the eastern part of the United States a kingdom, united to the various western states, each as kingdoms with kings and nobilities, in a union effected by sending ambassadors to Washington, each representing his state with absolute powers, and then giving to this body of ambassadors the authority at present given to the U. S. Senate, the U. S. Supreme Court, and the President, and placing an "emperor" over all with about the power of the Vice-President over the Senate, but keeping the lower house of Congress spread all over the country, as a check against the house of ambassadors, the said "emperor" being, however, the king of the eastern part or kingdom.

In practice, however, it would work out more as though our governors of states had kings over them and went to Washington to govern in place of the Senate, the Supreme Court, and the President, checked only by the lower house of Congress and an "emperor" having no great power as president of the body but with royal power as king of his own two-thirds of the country.

The German government is thus composed of the Bundesrat (literally, council of the union), corresponding to a body of governor-ambassadors in the supposition just cited, the Reichstag (literally, empire-assembly or meeting) which corresponds to our lower house of Congress, and

the president of the bund, or the German Kaiser.

The Bundesrat is the most important, in fact, the decisive element of the government. It consists of 58 members, 17 being Prussian, 6 Bavarian, 4 Saxon, and 4 Württembergers, the rest being from other kingdoms and state-cities in lesser numbers.

The Bundersrat sits in a legislative sense continuously and, with the Kaiser, has power to dissolve or terminate the Reichstag, which is composed of 397 members, at any time during its term of five years, in which case a new Reichstag must be elected within 60 days and convened within 90 days for a new term of five years.

The Reichstag is elected over the Empire generally. The members are elected by districts but are not responsible to the instructions of their constituents but vote freely in the interests of the whole people.

The members of the Bundesrat however, are strictly responsible to their particular kingdoms and states and vote in accordance with the views of their particular monarchies. It is as if Congress in the United States were elected without reference to state lines and the senators were not two for each state but roughly in proportion to the population of the states and always acting under instructions.

When a law is to be passed it may originate

either in the Bundesrat or in the lower house, and either may amend. When they agree, it becomes a law without the necessity of being approved by the Kaiser and is not subject to any power of veto on his part, such as the President of the United States is entitled to exercise.

As a matter of routine he signs it, sees that it is technically in the proper form, and has it published, but he must do this in any event, so that he may be said, in this respect, to be nothing more than the deputy of the German Empire.

In other respects he has more power. Like the President of the United States, he is commander-in-chief of the army and navy. He also appoints the Imperial Chancellor.

Here comes in another of the remarkable features of the German government, for the Imperial Chancellor, who is the presiding officer of the Bundesrat of which the Kaiser is the president, represents German policy and has under him as subordinates all the heads of departments who correspond in other countries to cabinet ministers. He is a cabinet with its powers unified in one member. When the Imperial Chancellor resigns it indicates a break between the Kaiser and the legislature, that is, if he resigns from lack of a vote of confidence on the part of the Bundesrat.

To Americans the significance of this does not appear very great, as the members of the Presi-

dent's cabinet are not particularly important politically, being generally personal friends and advisers of the President.

In England and France, however, where the legislative bodies are composed of a number of political parties and not of two large parties as with us, the King of England or the President of France appoints a group of men as a cabinet, and must so make his selections, that the group of men he selects will have the confidence of the legislative branch. Such a cabinet is the real seat of government. If at any time it proposes a measure which is defeated in the legislature it must resign or the legislative body must be dissolved by the king and a new election held to find out if the public supports the cabinet or the legislature.

In a country with a cabinet, the cabinet must always represent the will of the people. This it does, roughly speaking. The American cabinet represents nothing but the President's personal selection of head clerks or free-advice givers, and even then only those of the party at the moment in power. The foreign cabinet system thus reflects much more effectually the will of the people than does the American system, which can only reflect the will of the people at intervals of two years and then all issues must be lumped in the platforms of the two great parties so that on any

but the most important issues, the will of the people is never expressed.

The American form of government, although based on the most altruistic of principles, is an extremely defective form in execution, and one through which the will of the people can be expressed only after much delay and never with the proper precision and effect.

The cabinet system of England is much better, for the King is only a figure-head, a royal rubber stamp, and the cabinet must represent more acutely the will of the people since it is subject to dissolution at any time that an issue of sufficient importance warrants the action. In France resignations of the cabinet are frequent and the will of the people is much more rapidly and effectively expressed by this means than it is by the inflexible American system.

In Germany, the Imperial Chancellor must always, in his policies, represent the will of the Bundesrat and the Reichstag. If at any time he loses their confidence, the Kaiser must either find a new chancellor or dissolve the legislature and seek in a new election the will of the people.

The great prestige of the Kingdom of Prussia upon the German Empire, however, must be taken into consideration. The Kingdom of Prussia has a Landtag, composed of an upper and a lower house. The upper house (Herren-

haus) is composed of 327 members, princes, lords, burgomasters, and various high dignitaries who hold office for life. The lower house of deputies (Abgeordnetehaus) numbers 443 members, is selected by popular votes and compares to the English parliament; Prussia having practically the population of Great Britain. There is also a Prussian cabinet appointed by the King of Prussia who, as noted, is by virtue of his position as King of Prussia, the German Emperor.

Here, however, William has great powers, since his cabinet is not responsible to either branch of the Landtag, but to him alone, so there is no popular expression of the will of the people which can effect his policies directly. His indirect check is the lower house of deputies which must concord with the upper house in measures. It must always be remembered that the kingdoms, and particularly the kingdom of Prussia, retains vastly more power relative to the general government than do the American states, for almost all laws are executed by the royal governments, even though made by the Imperial Government.

The lower house of deputies, however, is not elected by popular vote in the ordinary sense, but in another way. The amount of taxes is divided into three parts. The payers of each portion have equal voting powers. Thus in 1912, in Berlin, practically 720 people determined the city's representation.



In all of Prussia, 260,000 wealthy tax payers have one-third the voting power, 870,000 have another third, and 6,500,000 poor voters have the other third. In Berlin, the first class of voters averaged \$7,500 in tax payments, the second class \$218, and the third class \$11.

It is thus apparent that in Prussia the government is one of property qualifications rather than popular suffrage.

In addition in Prussia the king appoints the Landräte or governors, who have charge of the local government of districts. It is as though the President of the United States appointed the governors of states as he does governors of territories. These officials, who have great power, are responsible to the king alone and they govern locally with much less consideration of local interests than of the interests of the kingdom as a whole. There is no graft under them, no more than in the United States revenue service.

As the Bundesrat is composed of representatives from the twenty-two kingdoms and states and three city-states of the empire, it will be seen that they are representatives of the states and not of the people directly. The Bundesrat members are appointed by the individual kingdoms and states, as the President of the United States appoints ambassadors, but the Bundesrat is the judge of the qualifications of its members, having

the power enjoyed in that respect by the Congress of the United States.

This power is really the ultimate power in a state and its exercise by the Bundesrat and the authority which the Bundesrat has to extend its own powers, gives to that body what German jurists style the *Kompetenz-Kompetenz*, that is, the competency of deciding of its own competency, which is a prerequisite of any representative body if it is to maintain its power and independence.

The German Empire, as will be seen, is in reality a republic, with the King of Prussia as its hereditary president and commander-in-chief of the army and navy. The real force of its government is located in the Bundesrat, the president or German Kaiser having very limited powers.

Thus Germany is much more democratic in government than England, for example. When war was declared by Germany, it was not the Kaiser who exercised that power, but the Bundesrat, while England was plunged into war by Grey without the House of Lords or the House of Commons being consulted. Russia went to war at the command of the Czar without any pretense of consulting the Duma.

The members of the Bundesrat are men of great prestige and prominence in their respective fields. They include the greatest executives of

large enterprises and trusts, the most noted lawyers and professors, statesmen of the highest repute, financiers and bankers of the first rank, great land and realty owners, and prominent manufacturers and merchants, and the body is thus composed of the foremost minds of the empire. It is to this body that Germany entrusts her destiny, and not, as is popularly supposed in America, to the Kaiser.

Indeed, to the German coming to this country, the enormous place in the public mind occupied by the Kaiser is a great surprise. In Germany his powers and prerogatives are understood and he stands in his true relation to the other branches of the government. In America, however, the Kaiser appears to be the dominating spirit of Germany. This misapprehension of his real position is the source of much error in judging Germany's relations to this country. Bismarck, too, looms much larger in America than he does in Germany, while the Bundesrat, the true power of the empire, is only known as a legislative term.

The members of the Bundesrat and Reichstag serve without pay. The bodies are co-ordinate branches, but the unique feature of the German government is in the Bundesrat, for the Reichstag does not differ materially from the lower house of other republics. It is elected by districts and the voters must be 25 years of age, but

no property qualification is demanded. Bankrupts, incompetents, paupers and those who have forfeited their civil rights are not permitted to vote, and as a precaution against what we term in America "militarism" soldiers in Germany cannot vote during the period of their active service. Thus German officers in service have no votes and they have no power and but little influence outside of the army.

The great secret of German progress is to be found in the powers of the Bundesrat, in which are united the executive, the legislative and the judicial functions.

This is in absolute contradistinction to the American system, and it may seem surprising to an American that a republic can be conducted under such a form of government, the American conception being based upon the distinct division of these functions. The president is the executive, the congress the legislative, and the Supreme Court the head of the judiciary in the United States. It is called a government of checks and balances and this division of functions was particularly devised and elaborated to protect the citizen from official usurpation.

While this result has been attained it has been attained at the cost of division of responsibility, intolerable delays in legislation, long periods of unsettled interpretation of the laws before they

are finally passed upon by the Supreme Court and the gradual accretion of the power of the president until he is now the most powerful ruler in any country, with the exception of perhaps the Czar.

An American Bundesrat or council of the nation, would consist of the Supreme Court enlarged to 58 members by the inclusion of the most brilliant and gifted of men in all callings throughout the country. It would unite in itself the functions of the Senate, the President and the Supreme Court, and would be limited by the lower house on the one hand and have its policy carried out through the instrumentality of a Secretary of State, on the other, who would have all the cabinet members under him as head clerks and whose policy would always have to conform to that of the Bundesrat and lower house. There would be no President, as we now know the office, but a commander-in-chief of the army and navy with certain appointive and formal routine functions.

The reason why such a form of government is so vastly superior to the American system of divided functions is that the body which makes the laws puts them into execution and passes upon them judicially.

The absurdity of laws being declared unconstitutional does not exist in Germany, because the

Bundesrat is the highest judicial authority. As a rule, few and only the most important judicial cases come before it, but it does not upset laws as do our courts by declaring them unconstitutional. Such an action would be merely repealing the law, and the Bundesrat does not pass laws merely to repeal them again.

There is no danger of a law not being in accord with the German constitution, because the Bundesrat and Reichstag have the power of altering the constitution by majority vote, and any law passed is of as much effect as any portion of the constitution and would have the effect of repealing any portion of the constitution with which it was not in accord.

In the United States laws passed by Congress are inferior to the laws which are embodied in the form of the constitution. That is, we have two qualities of law, ordinary law and the super-law of the constitution. And the courts have the power of scrutinizing the ordinary laws and determining whether they agree with the super-law or not. Thus the Supreme Court is the final power in the United States. Its members have life tenure of office and are appointed by various presidents from time to time, and though the supreme power in the land, it is removed at the greatest possible distance from the influence of the will of the people.

It would appear, indeed, that the American system, had it been intended to make the ascertainment and carrying out of the will of the people as difficult and tedious a process as possible, could not have been more successfully designed. The returning of the members of the lower house from the states as units makes it impossible for any important third party to exist. There must always be only two really contending political parties. The will of the people can only be expressed in the substitution in power of one political party for the other. Now each political party represents certain things. The Democrats stand for free trade, anti-imperialism and anti-trust conditions, and the Republicans favor protection, imperialism and trusts.

In the last election the Democrats won, principally on the anti-trust issue. The public expressed its will on that point. But in doing so, it committed itself to free trade and to anti-imperialism for the time being, because even the Democrats themselves cannot tell decisively to what issue they owe their power, and they assume they won on all planks and attempt to carry them all out.

Now it is likely that the public really prefers high tariff as that has long been the policy of the country. But it swallows low tariff temporarily, if such be the case, in order to smash the trusts.

If it desires to return to high tariff, it must relinquish its anti-trust attitude which it probably does not want to do. Therefore, under the American system it is almost impossible for the will of the public to be ascertained on any one subject. How then can a country effectively govern itself if it cannot find out itself what its own will is?

But Germany can ascertain almost instantly the will of the people. If the Reichstag and the Bundesrat disagree on a policy, if the Reichstag votes lack of confidence in the policy of the Imperial Chancellor, he must resign or prevail upon the Bundesrat to dissolve the Reichstag, which is accomplished by the Kaiser acting with the sanction of the Bundesrat. Thus the Bundesrat, through its instruments the Kaiser and Imperial Chancellor has the choice of agreeing with the Reichstag or of dissolving it.

If the Bundesrat believes that it expresses the will of the people, it dissolves the Reichstag. A new election must then be held within sixty days and the Reichstag reconvened within ninety days. The question upon which it is dissolved becomes the political issue upon which the Reichstag members stand for re-election.

The will of the people is thus ascertained within a very short space of time and the Bundesrat, if defeated by the return of Reichstag



members opposed to its policy, changes its policies and the members who advocated the defeated policy resign individually or lose their prestige. The new Reichstag and the Bundesrat are then in accord and represent the will of the people on the question at issue, a condition which can never be achieved under the American system.

It will be noted that the power to dissolve is not the Kaiser's power but the Bundesrat's power. The Bundesrat must dissolve the lower house or agree with it, otherwise there is a deadlock, a condition which involves such censure of public opinion as to be unendurable.

Once the will of the people is ascertained, the Bundesrat proves a marvelous instrument for carrying it into execution. As stated, there is no delay due to questions of constitutionality, deranging commerce and industry in the intolerable manner to which American commerce and industry are subjected by the infinitely tedious processes of the American courts and the closely technical attitude of the Supreme Court upon all questions which are not brought before it in the proper form. Once a law is passed it is of the same quality as the constitution. No laws are passed for the purpose of "putting it up to the Supreme Court." No laws are passed, the execution of which involves political blackmail, that is the "putting of the president in a hole" in carry-

ing them out. No ambiguous laws are passed to "sidestep" official responsibility, because as the Bundesrat must shoulder the responsibility of executing the laws it passes, it cannot escape odium for laws which do not have public approval. There can be no ambiguity in the laws, for the Bundesrat which passed the law must certainly know what it means when it comes to be executed.

Further, there are no delays in passing laws such as are caused by deadlocks between the American president and a Congress of different political complexion, for the Kaiser cannot block legislation and cannot veto it.

In short, in Germany it works. Here it does not.

The inflexibility of the American system was devised by its founders under the apprehension that they were wiser than their successors were to be. Therefore, the constitution which they framed was made of a higher quality than any laws to be passed by their successors, except under almost impossible circumstances, the agreement of the legislatures of two-thirds of the states. America has ever since been tripping on this stumbling block. It is time it was kicked out of the way. Why should our early statesmen make such trouble for us? We are as competent to govern ourselves as they were. By denying to our laws equal validity with the ones they framed

into a constitution, they assert that we are not.

But if our constitution were capable of amendment by majority vote of Congress, and we suffered by such gusts of popular passion as they feared we would, we would be the sufferers and not they, but we would have the opportunity of righting our mistakes as easily as they were made, which is not now the case.

The Bundesrat system may be termed a polyocracy, or a government of the many. Essentially, it is an aristocracy on good behavior, an aristocracy holding its job at the pleasure of a democracy. It owes its effectiveness to its unification of the three functions which are separated in the American government, and to its power being as great as the power of any body that went before it.

The principle involved of legislative-executive-judicial unity in one body has been adopted by the American government in the management of railroads, in the form of an Interstate Commerce Commission. Here a small body of men make rules affecting railroads which are really laws, enforce those rules and hear appeals on the subject, few of which pass to a higher court. This body is a striking example of the effectiveness of the system. It accomplishes more with less effort and greater dispatch and satisfaction to all concerned than any department of the American

government. It is the Bundesrat system applied to railroads and here for once in America, it works.

Another momentous application of the principle is found in the American cities which have adopted the so-called commission system of government. This system consists in delegating all the municipal powers to a board of five commissioners, who pass the laws, execute them and pass judicially upon their interpretation to a certain extent.

So effective has the system proven that several hundred of the most progressive cities have adopted it within a few years' time.

The same principle is applied in primitive communities of miners, where miners' meeting acts with full powers, and such communities are well governed until the regular system of government is substituted therefor.

There can be no doubt of the superior, and vastly superior benefits of the system over all other forms of republican government. Other nations must give way to Germany until they adopt some equally effective method of ascertaining and carrying out the will of the people.

It is no criticism of the principle to show that Germany on account of gerrymandering and the property qualifications of voters in the kingdom of Prussia is not governed so much by uni-

versal suffrage as by property. Even though one million voters because of their means and particular location over-balance 6,000,000 not so well situated, the system is not rendered ineffective. The will of the million is ascertained and carried into effect. The question between the one and the six million is one of the qualifications necessary to enfranchisement. Were the 6,000,000 to gain complete enfranchisement at a stroke, as did the American negroes, the system would still be there to ascertain and carry into effect their will, whatever it might be.

And, incidentally, taxation without representation really demands property qualifications. Personal liberties have long ago been established. Enfranchisement without property qualifications is really taxation (for property owners) without representation, for to overbalance the property owners who are the taxpayers by the votes of those who have nothing and to impose taxes on them which by no means they could oppose, is in truth taxation without representation.

The question of who is to be enfranchised, however, is a different question from the question of the form of government and quite aside from it. It is a matter of purely conflicting interest.

The German system, however, does not end with promptly ascertaining the will of the people. It has a particularly efficient system of carrying

it into effect, termed collectively, the bureaucracy.

The Kaiser through the Imperial Chancellor has the appointment of all public officials of the empire. As King of Prussia he appoints all Prussian administrative officials. Other kings similarly appoint the administrative officers of their kingdoms. Thus, a vast body of officials exists, who hold for life or during good behavior, who must be competent, who have every incentive to good public service because their life jobs depend upon it and because they command and receive the respect of the public for honorable service, and who are instantly responsive to the Kaiser and the Bundesrat for their actions. They are protected from interference in the execution of their duties by special courts and they are, so to speak, the fingers of the king, which must be clean and which must, in the case of a constitutional monarch as in Germany, carry out the will of the king which is the will of the people, as constitutional monarchs in modern times are merely hereditary presidents.

With this remarkable and efficient means of carrying out its will, the power of the Bundesrat for national good can be appreciated.

How different is the condition in the United States where even after the will of the people is ascertained, there exists a large body of untrained officials, expecting, especially locally, to hold of-

for only a few years, during which time they "must get theirs while the getting is good," as the only means of carrying it out.

Can there be any wonder at the dissatisfaction and unrest of the public when their cherished system is the real cause of their chief troubles. Liberty, equality and fraternity are only empty phrases unless those who would destroy them can be brought within the effective displeasure of the state. And this cannot be done under modern conditions in America.

## CHAPTER VI

### RESPONSIBILITY OF THE PRESS

**W**E, the public, hear much about the liberty of the press—from the press. The sacredness of the freedom of the press is much dinned into our ears—by the press.

But we hear little of the responsibility of the press—from the press. We hear little condemnation of the defamatory and destructive misrepresentation practiced by the press, little criticism of false reports, flaunted ignorance, news discolored by interest, canards, it-is-alleged, and the like—from the press.

Every newspaper has an axe to grind; at least one, sometimes many. And the public must do the turning of the grindstone.

As a matter of fact what is the press?

Whoever has the price of type and presses may issue a sheet of alleged information and sell it to the public, and it may contain anything which his self-interest dictates. If he takes the precaution not to actually libel any individual, he escapes all responsibility and the only control which is exercised over his operations is that exercised by his readers, who, if they like not his



“news” or the opinions he expresses may discontinue the purchase of his paper.

Otherwise he may print what he will, he may misrepresent facts wilfully or carelessly, he may distort and exaggerate, he may suppress, he may publish canards and inventions, he may pour out an unending stream of falsehood and deceptions, he may discolor the truth, play upon prejudice and poison in any way he sees fit the stream of public opinion.

All this he may do in the name of freedom of the press and none may stop him.

It may be well inquired by what virtue does such sacredness inhere in the ownership of type and printing presses? What sets apart the newspaper owner from the rest of mankind and permits him unbridled license?

Such grotesque perversions of liberty must finally undermine the whole structure of liberty, for when liberty is so much abused, when liberty ceases to mean not the safeguarding of proper rights, but the permission, the license to assail the helpless and pervert the public mind, an overdrastic regulation will be demanded which will in turn be subversive of liberty. Thus one extreme breeds another and the policy of absolute and unrestricted freedom to whoever puts type to paper will bring the extreme of regulation when the reaction sets in.

Regulation of the press, however, is an obnoxious procedure when those who have the power to regulate are perfectly free to exercise whatever regulation they see fit. Here again liberty becomes license, and the press suffers and with it those who are entitled to know the truth about events of concern to themselves as members of the social body, for suppression is equally as dangerous as exaggeration, both being forms of irresponsibility.

It is a dangerous condition when one man must decide what another man is to read or not to read and to any such censorship, newspapers object with the utmost violence. Yet their editors decide every day what their readers are to read or not to read and consider themselves as acting within their proper powers. The censor is merely the editor of the editors, vested with powers of exactly the same sort as those possessed by the editor. The censor is bound to come in some form or other if the editors do not respect the freedom which has been given them.

President Roosevelt made a most determined effort to muzzle the press but that muzzling would have been as dangerous as the abuse of its present freedom by the press, since it would have been of an arbitrary and an equally irresponsible kind.

The public does not realize the enormous power

of the press to misguide public opinion when it determines to do so. The average reader imagines that public opinion, as far as it is formed by newspapers, is formed by the editorial columns of the papers.

This is an entirely inadequate view. The editorials of a newspaper, in fact, have very little force in moulding public opinion, for the reason that readers in general only read editorials which are in accord with their own existing views. When editorials controvert the convictions of the reader, the reader ceases to read them and buys a paper which reflects in its editorials his own opinions.

It is in its news columns that the newspaper has its greatest power over public opinion. If it publishes as a fact, for example, the "news" that German soldiers are guilty of outrages, public opinion takes an anti-German tinge far more quickly than that from any number of anti-German editorials. The fact that no such outrages have in reality occurred, is unknown to the readers. Their "public opinion" is consequently based upon the falsehood circulated as a truth. A continued policy of misrepresentation results in the formation of a more or less violently marked "public opinion" which is a great force for evil since it is acting upon false premises. The public thus acts contrary to reason and truth

and to its own ultimate disadvantage, side-tracked by editorial self-interest.

It is not only, however, in actual falsehoods that newspapers pollute public opinion, but in importance and tone given to the published matter.

This is accomplished by means of headlines of a sensational and misleading character, by the use of different sizes of type, and in the relative prominence and location on the pages of the paper of the various items.

The manipulation of these devices, though unconscionable enough before the war, has become so flagrant since that even the editors themselves appear to sicken of it. The public, nevertheless, having its avenues to the truth largely closed, cherishes its views founded on falsehood and lives in its little newspaperly created fool's paradise of misinformation.

A few examples of the "news" and lack of news that is being given to the public of this country through the press which regards its own freedom with such awe, will serve to demonstrate how little respect the press has for truth and how ready it is to deceive its own readers. The publishing of misinformation does not stop at news alone, but also includes the publication of fake photographs as will be noted.

Lurid misrepresentation of a sensational char-

acter makes particularly welcome matter to certain newspapers. An example of this was seen in "The Kissing of the Sword." Under this headline it was stated that high-voiced women of title were chattering over their tea cups in the smartest hotel in Munich when into their midst swaggered the Crown Prince Rupprecht of Bavaria, with his sabre newly sharpened and his abdomen girt for war. His wife is represented as running to him, kissing his sabre and shouting, "Bring it back to me covered with blood—that I may kiss it again." And other high-voiced women flocked to kiss the sword.

This dime novelism only needs to be mentioned to have its absurdity made evident. The idea of a crown princess of Bavaria meeting her husband in a hotel is ridiculous to begin with. For her to kiss his sword in public is a performance impossible outside of a moving picture and the "news" columns of the press, and by its obvious improbability the story confounds itself.

Yet the public in its haste does not stop to criticise such matter. Doubtless millions of Americans still allow themselves to believe that this luridly described affair really took place.

Its absolute falsity is demonstrated when the fact is recalled that the wife of Crown Prince Rupprecht died in October, 1912. Vance Thompson was the "noted writer" from whose fertile

brain this atrocity of "news" emanated. How much credence is to be placed in his work after such a performance? No doubt, however, he will continue to favor the public with sundry sensational fabrications as long as the present editorial policy of the papers publishing his material continues.

This writer, in order to show that Germany had been preparing for the war for a long time, asserted that the Alsatian conscripts had been retained when their term of service expired in May. The truth is that no German soldier is ever discharged until late in the fall after camp service and maneuvers have given his military education the final polish.

Lies of this kind, whether deliberate or based upon complete ignorance of conditions, prepare the mind of the public for the more sinister suggestions of another class of writers who deliberately attempt to create bad feeling and to provoke hostile activities between friendly nations. For example, the following appeared in an evening paper not long since:

"The American relations of Count von Bernstorff are watched with the closest attention. It is believed that the Germans will seek an excuse for friction on the slightest provocation."

A large headline said: "Declare Germany is ready to quarrel with the United States."

Upon what authority did the editor act in circulating such an obviously trouble breeding assertion? Obviously none, when the circumstances are considered. Yet the reader does not stop to question the truth or falsity of the statement. It is assimilated without scrutiny and helps further to form "public opinion."

Perhaps the most glaring suppression of information ever practiced by American newspapers was in the case of the battle between the Germans and Russians near Tannenberg—Ortelsburg—Gilgenberg. Only an inkling of the extent of this conflict reached the public. Through German sources finally the news percolated that 93,000 prisoners had been taken. Finally, it became known that the dead alone totaled 150,000. At length one New York newspaper printed an account of an eye witness of the battle:

"The Russian position was practically this. On the outside the land sloped up toward the surrounding enemy; on the inside was a network of swamps and lakes; on the fourth side escape was possible only through swamps and boggy streams. Then followed one of the most frightful battles of history, a battle which caused some of the German officers to go mad from its very horrors. The Germans closed in, concentrating a terrible fire on the Russians, who were unable to maneuver their guns which sank in the mud.

Horses and men became embogged. The nature of the region caused the Russians to break up into helpless groups, many of which forced their way further and further into the awful swamps."

The *Sun* was the only paper to print this description and the readers of the other papers remained in ignorance of one of the most terrible scenes of warfare in human history and a Russian disaster of unparalleled magnitude.

It may be imagined what kind of public opinion is formed when the truth is thus suppressed.

"War pictures" are published of the most ridiculous nature. One showed "the King of Belgium in conference with his General Staff." The picture was one in reality of the King of Belgium in times of peace as the guest of honor at a reception given by German officers wearing, as the picture showed, the Prussian uniform. A decorative feature of the building was a German eagle over the doorway.

Numerous pictures are published of Germans entrenched firing at the "enemy" about to charge. These pictures are usually photographs of peace maneuvers, as may be seen from the equipment, which has not been used in the German army for a number of years. Further, the helmet spikes are shown glistening in all their splendor. In times of war the German soldier pulls a cloth covering over his helmet so that no reflection will make his presence known to the enemy.



“Turkish” lancers are shown leaving Constantinople for the front, immediately following Turkey’s declaration of war. These “Turkish” soldiers carry the maltese cross, and are in reality Roumanian soldiers probably returning from a maneuver.

A torpedo room of a submarine is illustrated which is in reality a torpedo chamber of a battleship.

A particularly sardonic example of journalistic insult to public intelligence was the publication of a picture showing English soldiers under which were captions to the effect that “Here are the great English soldiers who continuously defeat the German army.” The German edition of the same paper on the same day used the same illustration with captions to the effect that “These are the brave English soldiers who, due to their longer legs, are continuously running away from the Germans at top speed.”

The formation of public opinion in the United States as well as throughout the rest of the world by means of inventions disseminated by the British government through the English press and news agencies with their cable system is well understood by thinking people in this country, to whom such underhanded methods are naturally repellent.

But unhappily the press of the United States

is dominated by English influence and the papers that dealt fairly with Germany before the war, during the war reek with abuse of that great nation. This is the more unaccountable because Great Britain has for years throughout the world systematically persisted in a publicity campaign particularly in South America, against everything American.

On January 7, 1913, testifying before the Committee on the Merchant Marine and Fisheries, of the House of Representatives, Mr. Sidney Story, of the Pan American Steamship Company, declared:

“We find that our commercial rivals, the English, are very aggressive in carrying on a propaganda throughout the press. There is not a day but what you take up the newspapers of those countries and you will find a whole column devoted to Switzerland, or Holland, or Belgium, two columns to France, Italy, and England and to the United States possibly two or three small lines. Or if it is a paragraph or two it refers to some objectionable items like divorce cases in Nevada or lynchings—items of that character.

“The cable service is in the hands of the English, and the news service is in the hands of the English, and all the news from North America to South America is first censored in England before it reaches South America, and vice versa,

the object being to keep the two sections of the western hemisphere as much apart as possible. We are pictured to the South Americans as northern barbarians, to keep them away from us, and South Americans are pictured here to us as a lot of revolutionists, so as to keep our people from investing in that country."

George Moore in the San Francisco *Examiner* writes:

"Europe knows America and we misunderstand Europe through news bearing the London date. Negro burning, the Camorra, bull fights, the Dreyfus case, Russian Jew slaughters, pass to and fro as 'news' through London.

"Since the establishment of the Triple Entente London remade the French character for the world. On the date of the Entente's beginning, the myth of French decadence became the miracle of French renaissance. From the same moment the 'bear that walks like a man' was transformed by Dr. Dillon and a host of lesser English into a simple Christian hero.

"Every one remembers the English-told story of the Japanese-Russian war, that story drove us mad with admiration for the Japanese, England's allies; that made us forget the great unselfish friendship of Russia in the time of our own great war. From London the news poured into our newspapers, always for Japan till we served as

England's tool to help humiliate Russia by a disastrous peace and hated the Japanese since the next day after the treaty was signed."

During the Russo-Japanese war the British system of press misinformation "fed up" the newspapers of the United States pro-Japanese matter. We were consequently admiring our "little brown brothers," an admiration which has sensibly cooled since the truth of the relation of the United States and the Japanese had dawned upon the public.

Now that Russia is an ally of England, Dr. Eliot is trying to have us believe that in the brief time since the massacres of Kishinef, Russian civilization has been so greatly improved that Russia may to-day be considered the torch bearer of enlightenment.

Early in the present war this country was flooded with reports of mistreatment alleged to have been suffered by Americans in Germany. When the truth came through, these reports were completely discredited. Together with the reports of alleged atrocities in Belgium it is now realized by the American public that they were direct lies.

Irvin S. Cobb writes in the *Saturday Evening Post*: "Some time back, I wrote in an article of the *Saturday Evening Post* that I had been able to find in Belgium, no direct proof of the

mutilation, the torturing and other barbarities which were charged against the Germans by the Belgians, though fully a dozen journalists both English and American have agreed with me, saying that their experience in this regard has been the same as mine."

The enormous effect on public opinion of such lies cannot be estimated. The misrepresentation is furthered by the dishonesty of our daily press, the greater part of which publishes all the lies which emanate from London, and even goes so far as to discant in lengthy editorials upon the "news" topics so published. For the most part this is an exhibition of stupidity, as most of the editors swallow what comes through the cables without investigation, as long as it is sensational enough.

When, however, the truth transpires, such news if printed at all is given some obscure position on an inside page in small type, while the original report of which it is the correction appeared under bold headlines on the front page. The editors credit the public thus with a lack of intelligence by no means complimentary, indeed, they place the public on a plane of stupidity even beneath their own.

Such reports and inspired editorials, however, cannot be of but temporary injury to Germans and German-Americans who are inferentially in-

cluded in the besmirching process. Eventually, the papers which circulate such matter will be discredited. The reputation of the British nation, so long known to history as "Perfidious Albion," will attach to it sycophants in this country, and the newspapers which report and often deliberately amplify and elaborate upon the false information supplied will come to be known, if they are not already known, as the subsidized organs of the British government.

During the twelve years of my residence in this country, I have noticed and have often heard it remarked upon by my fellow German-Americans, like myself naturalized citizens of this country and certainly having the interests of America as much at heart as the hostile press of London, that most Americans, particularly those of Anglo-Saxon descent, not only do not care to know the truth about German affairs, but usually dislike if they do not positively refuse to be convinced of Germany's progress. It seems to me that this is due to the fact that the tremendous influence of the British press and its connections sets up anti-German prejudices. I am convinced that but for this baleful influence the true extent of Germany's power, both intellectual and physical, would have been known and appreciated, and that if it had been, a restraining influence would have been exerted by this country, which would

have caused the Allies to hesitate and which might even have prevented the war. England, self-centered and selfish, has refused to recognize the progressiveness and accomplishments of Germany, and the press of the United States, as well as of other countries, has underestimated Germany in every way and has consequently been in a false position before its readers which it still seeks to justify by fanning anti-German prejudice. At the crisis, Germany was not understood and only now is the press awakening to the true state of conditions and realizing the error of trusting so blindly a country so cynical and destructive as England.

The American newspaper holds the public in contempt. It is without fear, except of the advertiser, but full of favor, to various influences.

For this the public is in a measure to blame. In Germany false statements soon discredit a paper, the public withdrawing their support. Here the public "stand for it," probably because it finds no models to turn to of what a newspaper should in reality be.

The freedom of the press in the United States is a growing menace to the freedom of the mind of the public. The news of the war has been a striking proof of the irresponsibility of the press.

The German press is regarded in a somewhat different light. Unlimited license is not allowed

it. If it gets out of bounds, the government may order one or more issues suppressed, or suppression for a longer time. If the paper objects, it may appeal to the courts.

The public is thus protected by prompt executive action and the paper by prompt recourse to legal measures if it feels itself aggrieved.

As a result there is more real freedom of the press in Germany than in this country and vastly more freedom from the press, and from the destructive license and pollution of public opinion to which the readers of American newspapers are subjected.



## CHAPTER VII

### NON-POLITICAL CITY ADMINISTRATION

**E**VEN the warmest defenders of the American system of constitutional government, the systems boasted so much of as a system of checks and balances, but which is really a system that checks and unbalances commerce and industry, admit that it breaks down when it comes to the government of the municipality.

So great and notorious are the scandals connected with American municipal government that public spirited citizens despair of any substantial betterment and seek to lay the blame on the men of wealth who, having large concessions and franchises to gain, corrupt the city governments, and conclude that human nature is not strong enough to resist the temptations involved.

The trouble, however, is not with human nature, but with the system, against which the most beatific nature could scarcely prevail.

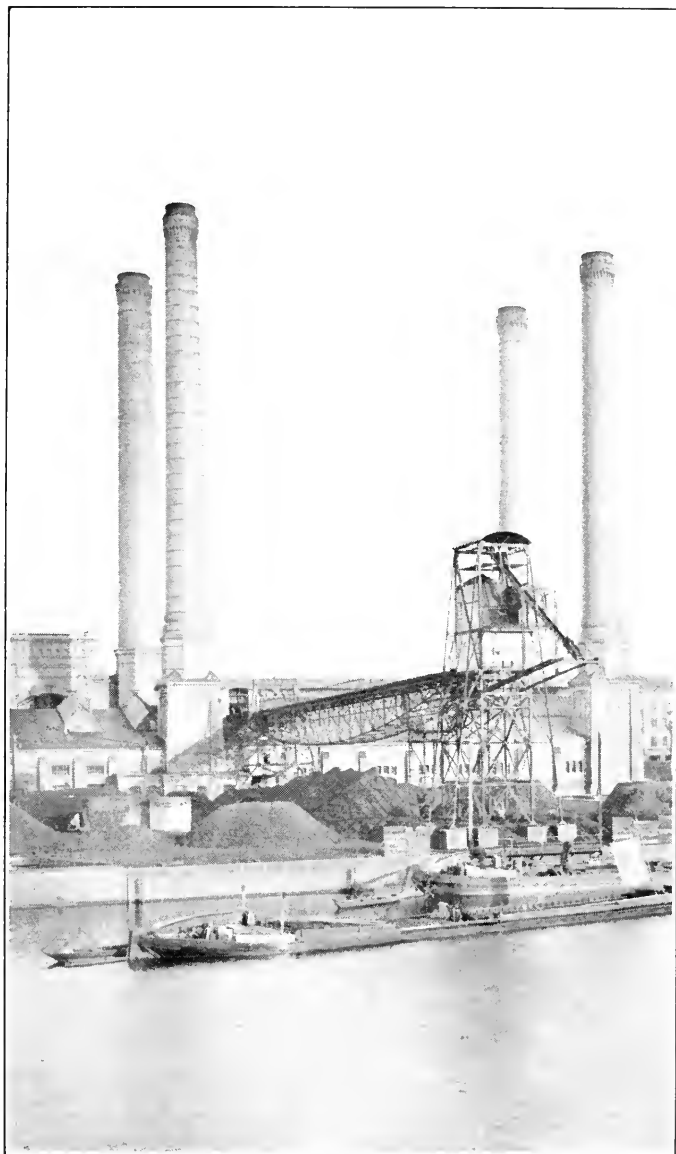
The German city government system succeeds where the American system fails, and yet the German cities have just as great prizes at stake for contractors and franchise seekers. The rea-

son lies in the difference in system, and the German system is successful because it is modeled, in effect, after the system which has made the Bundesrat so successful in dealing with national and international problems, in what may be termed the polycratic system, the government by many through a centralized and unified body exercising all the necessary powers and not split up into executive, judicial and legislative functions as in America.

Under another guise, many American cities have adopted the principle, calling it the "commission form of government" and it is proving almost as effective in America as it does in Germany, although the method by which it is carried out here is not as effectual as in Germany.

The importance of proper city government is one of the most vital political considerations of the present time, for this is an age of city growth at the expense of the rural districts. There are now 35,000,000 more people living in American cities, out of a population of 100,000,000, than there would be had the ratio of city to rural dwellers of a generation or so ago still held good.

This rapid change has been caused by labor saving inventions. The greater the amount of labor saved by mechanical appliances, the fewer the number of people held to the bondage of agricultural employments. In addition, rapid transit in



**Municipal Electric Central Station "Oberspree," Berlin.**

The highly efficient municipal undertakings throughout Germany impelled Berlin to acquire, early in 1915, the city's entire electric supply system, for which the sum of 130,000,000 marks was paid.



cities has enabled populations to live with less cost in the cities than if no such transport existed. This tremendous growth in cities makes it of the greatest importance that the cities should be properly governed. The problem is only second in importance, if really second, to that of national government, for the citizen is more frequently in contact with the results of municipal operations and more vitally affected in health and comfort by civic than by national policies.

A review of the methods by which German cities govern themselves in the highly efficient manner which they have perfected, entirely free from political considerations, cannot fail to be of the greatest interest and importance to American civic administrators, and to the public as well.

To the American, the most striking feature about the German city is the extreme importance and dignity of the German mayor. He usually serves for a term of twelve years and may be appointed thereafter for life. In the large Prussian cities his selection is subject to the approval of the King of Prussia (The German Kaiser) and he is customarily made a member of the House of Lords (Herrenhaus) of the Kingdom of Prussia. He receives a salary of from \$5,000 to \$10,000 a year, which is in Germany equivalent to about twice that figure here and in addition he has an official residence and other perquisites.

When he becomes mayor he has reached the highest point to which a man of his talents usually aspires, although if he has extraordinary ability he may, and often does, become a minister of state.

The American president never thinks of looking to the mayoralty of American cities for cabinet ministers. In Prussia that is a favorite field from which to select ministers, not only of the Kingdom of Prussia, but often of the Empire itself.

It will thus be seen that the office of mayor in Germany is a vastly different one from that of the American mayor, who is elected for a term of usually not more than two years and who is ordinarily a creature of the political boss, with no political future, but a meagre emolument, and of the type obsessed with the idea that the practical thing to do is "to get it while the getting is good."

If there were no other difference between the American and German systems, the difference in mayors would almost alone account for the superiority of the German method.

Not only in power and dignity and prospects of preferment is the German mayor superior, but he is selected not for his complaisance but for his eminent administrative qualities. There is a profession of public service in Germany, with courses at various universities where the aspirant may

learn the full technique of his profession of civic administration. Upon graduating he enters the service of some smaller city, as a mayor, assistant mayor or in some other capacity, and as he develops talent he is called from one city to another until he finally becomes mayor of some great city, just as a man of great administrative talent in the United States works his way up first on one railway system and then another from a minor position to that of president of the road.

German cities feel that they should be as well served in the office of mayor as American railroads feel in regard to their chief executive position. And German cities are just as successfully operated as American railroads, if not more so.

The idea of selecting a mayor from another city because of his ability is a proceeding that would shock the average American voter. The idea of a mayor as a patriotic native of the city is one that has been promoted by political organizations from time immemorial. But German cities find that theirs is the best plan. They not only obtain mayors from other cities, but if they are in particular need of a mayor, do not hesitate to advertise for one, and advertisements of cities wanting mayors are frequently seen in the German press.

The German municipal system frees itself from

political control, however, not in the method of selecting the mayor but at the very outset in the manner of enfranchising the voters. Although there is a wide variety of practice in the various cities, the greater custom is to restrict suffrage to tax payers of 25 years or over, and to adopt the three-class system of voting described previously in which the payers of one-third of the taxes are entitled to one-third of the voting power, the payers of the second third of the taxes another third of the voting power and the payers of the last third of the taxes, the remaining third of the voting power. The result is that a wealthy individual in the first class in Berlin will have thirty times the voting power of a citizen in the second class and 400 times the voting power of a citizen in the third class.

In Hannover, for example, 60,000 pay taxes out of a population of 360,000 but only 12,000 vote and less than 1,000 of these control two-thirds of the voting power. The effect of this system is to enfranchise property rather than individuals and to make the basis of representation that of taxable liability. A universal manhood suffrage would mean for the owners of property, taxation without proportional representation. The system gives the power to those taxed of running the city, and thus every move for or against the city is for or against their own interests as the



city's interests are identical with their own, broadly speaking. This system is in principle, therefore, very different from the American one in which those in authority in a city have very small private interests in it. We thus put plunderers and blunderers in office to run our cities while in Germany the chief proprietors of the city's material values are put in charge. There can be no question as to whether a plunderer or a proprietor will best administer a property.

So well satisfied are the citizens of German cities with the system that of those privileged to vote, often not over 30 per cent. will take the trouble to go to the polls. The first procedure in city government in Germany is to elect the council. In Berlin, before it became Greater Berlin, now with 4,000,000 population, the council consists of 144 members for a population then just in excess of 2,000,000. Breslau with 500,000 population has a council of 102 members; Essen, 300,000, 62 members; Cologne, 500,000, 45 members; Hannover, 300,000, 36 members; Stuttgart, 300,000, 32 members and smaller cities generally in about such a proportion.

In Berlin and other Prussian cities, the persons entitled to vote are about 19 per cent. of the total population. In Bavarian cities from 3 per cent. to 6 per cent.

The council, upon election, selects the alder-

men, of whom there are roughly about one-quarter of the number of councilmen, there being in a general way one alderman for from 2,500 to 10,000 population of a city's population. In Berlin, there are 34 aldermen, in Breslau 29, Essen 10, Cologne 13, and Hannover 21. The council also selects the mayor, subject to the approval of the king and state ministry.

The aldermen are divided into two classes, usually of about an equal number. Half are high salaried experts in various lines, the other half are honorary and are usually elderly and prominent citizens. The body is thus composed both of members of influence and standing and of experts, and thus commands the respect of the entire community. This powerful and imposing body is nevertheless subject to the domination of the mayor, though in different cities the relative influence of the mayor and aldermen differs.

In addition to the aldermen and mayor, there are what correspond in the United States to committees, placed in charge of certain features of the city government, such as finance, building, poor relief, public health, municipal estate, town planning, land purchase, abattoir, gas and electric power, street railways, sewage, education, parks, theatres, market halls, etc. The council delegates all its active and technical duties to the aldermen and mayor and principally concerns it-

self with the inspection of the budget, which is made up yearly or for two or three years.

The effect of the whole system is similar to that known in America, as noted, as the commission form of city government. The power that makes the laws is charged with executing them and passing in a judicial sense upon the more important questions. The instrument of government is efficient and effective. The council has nothing to do with party politics. The controlling taxpayers are vastly more interested in an efficient administration than in matters of national policy, which are reserved for the consideration of the national assemblies. The city administration is thus a business and technical procedure calculated along lines of the greatest possible efficiency.

German cities possess practically unlimited powers. As has been noted, they engage in any business at will and own vast tracts of land both inside and outside of the city limits. They have power to tax in any way they see fit and they usually tax incomes, but they lay taxes of whatever kind most heavily upon those who can best afford to pay and who are most benefited by the benefits conferred in spending tax money.

All taxes go into a common fund from which all payments are made. The principal revenue is derived from real estate and income taxes, though owing to their large landed estates large

portions of the necessary funds are obtained therefrom, greatly lightening the ordinary burden of taxation.

Real estate taxes are laid upon land, buildings, sales, unearned increment and special betterments accruing to a property through improvements made by the city. Excess condemnation is freely followed, though the betterment taxes effect the same result where used.

There are various other taxes, such as fees on doing business, sewage and scavenger removal, and various assessments, as the cities have power to levy, as noted, any kind of taxes and to change tax systems at will, which they frequently do. Practically every one is caught in the tax net to the extent of his proportionate ability to pay, and though complicated, the taxes are highly equitable.

With their well paid officials, experts in their various departments working in conjunction with the city's leading citizens and under a capable mayor, all with long tenures of office, there is every individual incentive to honest and sustained effort for the city's good, and with the centralized system, every facility for putting the will of the public as expressed in the council into execution. Is it, therefore, any wonder that German cities are models of efficient municipal activity? Is it

any wonder that they are well governed and free from graft while the municipalities of other countries are hopelessly switching back and forth from one gang of plundering partisans to another?

## CHAPTER VIII

### COMPETITION AND CREDIT IN GERMANY

**T**HE principal political and financial problem with which the United States is faced at present is the problem of trusts. That is to say, the proper policy to be adopted as between large masses of capital seeking monopoly and small units of capital striving to maintain themselves in the field.

The problem is a new one as the problems of nations go, but one which has assumed tremendous proportions, growing out of the ill-advised efforts of the government to destroy pools, as pointed out in a previous article.

In breaking up the pools the government destroyed the remedy which business men sought for themselves against the evils of destructive competition, and compelled them in self-defense to form the trust, instead of providing a suitable remedy, which would have been the proper regulation of competition, for the evils with which they were surrounded.

The government was not equal to the occasion. Our boasted democratic institutions, fine struc-

tures on the hills of tradition, proved useless sanctuaries against the storms of private greed.

Germany, however, with her more effective government system, acted promptly and decisively, with the result that her trust problem never assumed dangerous proportions.

America has been handicapped by both an unformed policy and an ineffective method of carrying out whatever the temporizing policy pursued.

The American government, after long delayed efforts, has succeeded in a legal case, in checking the growth of the trusts, but in the real protection of the small business man but little progress has been made.

No small part of the failure of the government has been due to the great psychological force of popular figures of speech, which have blinded the public to the real truth.

The word "competition" has been a fetich and a false god of incalculable injury to the public. Under the guise of "competition" the large capital units have ruthlessly destroyed the smaller units. The favorite method has been to select a certain locality, cut prices therein, cause the public to believe that the reduction was the result of "free competition," and having reduced prices below the cost of doing business and having bankrupted all the small dealers, to restore prices to

a level sufficiently higher than the original one to reimburse the trust for all the losses temporarily incurred, and to bring in for all time enormously greater profits.

While this form of "competition," in reality robbery beside which the highway man becomes an actual benefactor, has been going on, the public and the public's officials have been inactive.

The matter has been discussed as a problem of political economy. The trusts have urged that with their greater facilities they are able to serve the public more cheaply. They have made it appear that they deserve sympathy rather than the small dealer who is usually represented as a kind of a rascal pilfering in his small way. And they have succeeded in monopolizing large portions of the nation's business until now they urge that their organizations are so complicated that they should be permitted to continue to exist because it is too difficult a task to unscramble them.

And the government slowly and cumberously continues its ineffective legal measures against them while the general public is still further mulcted.

Germany early realized that in the preservation of the small business man lay the prosperity of the nation. However much the Kings of Prussia or the German Kaiser may be criticised for their ornamental ideas about the divine rights



of kings, they have for generations boasted that they are the kings of the poor and they have made their boast good. To-day, in Germany, the small business man has a better chance than in America, the greatest exemplar in theory, of popular institutions on earth.

The government in Germany has not been turned aside by popular phrases, misconceptions of what was actually taking place or about to take place, or any reluctance to use effective weapons against a real danger. The government has been composed of men just as intelligent and as resourceful as those in control of private capital, and just as much devoted to the public interest as the capitalists to their private interests.

The result has been, in Germany, freedom from trust domination, and in America disaster from trust domination, where our public servants have either been unwilling or unable or not sufficiently intelligent to oppose the progress of private monopoly.

In dealing with large units of capital, the German government, and by this phrase, I refer not only to the imperial but to all the royal state governments, has adopted every expedient that seemed advisable. It has prevented prices from being reduced below a certain level if cut-throat competition appeared in any particular spot. The trusts, unable thus to undersell the small

dealer, were at the stroke of a pen, blocked in their favorite piece of strategy.

Where the trusts gained control of supplies and sought in that way to exterminate the small business man, the government stepped in and regulated the maximum prices to be charged, as it had regulated the minimum prices.

Where trusts sought to cut off the supplies, irrespective of prices, in an arbitrary manner, and attempted to sell only to or through certain agencies, the government declared such practices unfair competition and stopped them.

Where circumstances dictated such a course the government engaged in competitive operations and undersold the trusts.

And at all times the government has favored the small dealer in the purchase of its own supplies, accepting small amounts of goods from large numbers of small dealers, rather than receiving bids only from those able to deliver in enormous quantities.

The great importance to the small manufacturer of such a policy can scarcely be overestimated.

The trusts thus checkmated, and deprived of bludgeon, gag and knife, have been unable to destroy their small competitors, with the result that real competition continues and the commercial life-blood circulates in its accustomed manner.

Another source of depression in America is due to the exhaustion of natural resources. This country has been despoiled of forests and of other forms of natural wealth by groups of capital sacrificing everything to the profit of the hour.

Germany has prevented such despoliation. In the case of the potash syndicate, in which American capitalists attempted the same tactics as those by which they have contributed to the way-laying of prosperity in this country, the government stepped in and fixed the maximum output of the mines and placed an export duty on potash which assures a stable industry and a proper conservation of the supply. Yet to this perfectly proper and right action on her part is due much of the anti-German feeling which has shown itself in this country, the press of this country being induced to regard her action as one directed against American enterprise in general rather than as a protection to herself against the very brigands who had so successfully pursued their robberies in America.

Canada's failure to adopt reciprocity was largely due to this same well-founded fear of the methods of the American trusts which, when their own country is despoiled, turn to other lands for fresh victims.

America, however, is unable to adopt the ex-

pedient Germany found so successful, for the nation has divested itself of the power to lay an export duty. This is one of the grotesque anachronisms of our Constitution.

And America is unable or powerfully indisposed at least to act directly and promptly in matters of enormous consequence. Actually, years are consumed in reaching the Supreme Court, whereas in Germany such issues may almost instantly be submitted to the tribunal of the people's will through the instrumentality of the Bundesrat.

One of the great American monopolies has a large board of directors who sit every day. Any question of policy of any magnitude, or any detail, however small, may be referred to them from any part of the country or the world and the company reaches its decision within twenty-four hours as to the policy and treatment of the subject. The government cannot, in as many months, even get a proposal of action against a trust well digested. Is it any wonder then that the trusts flourish and by evasive subterfuge, if not by direct defiance, succeed in their designs?

But Germany is not content alone with regulating prices and sources of supply as a means of combating the evil of monopoly. She directly encourages in every practicable manner the small business man and manufacturer, adopting especially for the purpose a highly effecting banking practice.

The small business man may borrow readily, whatever amounts of money he may legitimately require in his business, and the inventor and manufacturer with new propositions find in the government a patron who will advance whatever funds may be needed to put their enterprises on a paying basis.

This is done through the institution of the promoting bank, which upon application will investigate both the technical and commercial possibilities of the proposal. Such an examination is always a thorough one, but if the decision is favorable, the money will be forthcoming. In the United States the idea of the government as a promoter would appear revolutionary. The inventor here is left to the tender mercies of the trusts, which in some lines fix a maximum price, in one case of \$500 for any invention which is of utility in its field, no matter what its real value. This the inventor must accept as there is no other market for it and capital cannot be enlisted to compete with the trust as it controls all the basic patents.

The German trust and banking policies encourage invention, while by reason of our own methods, our patent office is used as a lever against the inventor, who should be one of the most powerful factors in the material progress of a country. The American inventor was once

the pride of this country, but he has latterly come near to extinction under the heel of the trust.

The German government is not only ready to help the small business man, but instead of permitting him to be accused of being a rascal, as he is by the trusts in this country, he is not permitted to be a rascal. He is compelled to keep a system of books and to show his accounts to the government whenever a showing is required.

Thus he may be fairly taxed, and in turn when he needs capital he may show his books to the banks and receive it on the showing he makes.

As the penalties are severe for false entries and books are required to be preserved for long periods, the business man is in a kind of practical partnership with the government which, though it might seem inquisitorial to Americans is nevertheless a great source of strength to the honest man, who in reality has nothing which he should desire to conceal from such a business partner as the government is always willing to be.

It should not be supposed, however, that the protection which Germany has accorded to the small business man has prevented the proper development of those industries which can be best carried on by larger units. Germany has many enormous concerns, perhaps larger than those of other countries, but they do not operate to close the avenues of opportunity to the small man.

The following figures are interesting in this connection. They show that while large concerns increased more rapidly than small ones in the period of 25 years, from 1882 to 1907, the small concerns showed large positive increases, as will be seen by the following table:

NUMBER OF CONCERNS AND PERSONS EMPLOYED

	<i>Concerns</i>	<i>Persons employed</i>
1882—		
Small concerns, 1-5 employees.....	2,882,768	4,335,822
Medium concerns, 6-50 employees.....	112,715	1,391,720
Large concerns, 51 and more employees..	9,974	1,613,247
Concerns of 1,000 and more employees...	127	213,160
Totals .....	3,005,584	7,553,949
1895—		
Small concerns, 1-5 employees.....	2,934,723	4,770,669
Medium concerns, 6-50 employees.....	191,301	2,454,333
Large concerns, 51 and more employees..	18,953	3,044,267
Concerns of 1,000 and more employees....	255	448,731
Totals .....	3,145,232	10,718,000
1907*—		
Small concerns, 1-5 employees.....	3,124,198	5,353,576
Medium concerns, 6-50 employees.....	267,410	3,644,415
Large concerns, 51 and more employees..	32,007	5,350,025
Concerns of 1,000 and more employees....	506	954,645
Totals .....	3,424,121	15,302,661

One of the tests of the proper economic development of a country is seen in the distribution of wealth.

In this respect America shows a startling condition of affairs. The wealthy are constantly growing more wealthy and the poor poorer.

\* Not including music, theatres, and public amusements.

According to the wealth statistics of the tenth census, 3% of the American people own 20% of the wealth, 9% own 51% of the wealth while 88% of the people own but 29% of the wealth.

This means that a small number of wealthy people have prospered at the expense of the whole body of the state.

In Germany, on the other hand, only 2% of the wealth is held by the rich, while 54% is held by the middle classes and 44% by the lower classes.

In addition, the per capita of wealth in Germany has rapidly increased of recent years and this actual increase of wealth has been held in the hands of the people who produced it.

Whose business, it may be inquired, is it in America to direct the operations of government in such manner that wealth will be equitably distributed or prevented from accumulating inequitably?

If it is anybody's business, it certainly has not been well attended to. And if the nation does not make it its business what is to be the future of America—a land of infinitely poor but highly intelligent people under the rule of the masters of enormous wealth? This is surely a strange outcome of democracy. Yet it is the inevitable outcome if radical changes are not made in the form of government. But such an outcome is not strange to those who have considered the circum-



stances under which the government was instituted.

Our early patriots were largely men of wealth. Washington was the richest man of his time. Wealth was frankly respected in those days. The form of government was calculated to preserve the status of the men of means who formulated it. It has admirably served this purpose.

Do the public want a change now? It is an open question. Most Americans seem to be willing for any one to become as rich as he is able, so long as their one-hundredth million chance of becoming the richest person in the country is not interfered with. Perhaps as a German, I have read the desires of the citizens of the country of my adoption wrongly.

If every American sees in himself a potential millionaire and does not wish to have that dream disturbed, let us by all means continue things as they are. Who cares if the shoe pinches as long as it seems to be a stilt?

## CHAPTER IX

### SCIENCE AS THE OVER-LORD OF THE WORLD'S INDUSTRY

**T**HE commanding position which Germany occupies to-day in the field of applied science is but little realized by the general public in other countries. Engineers and technical men understand it to some extent, but ostrich-like, they, for the most part, seek to conceal the truth even from themselves.

It is humiliating for them to admit their failure where German scientists have succeeded.

Yet before scientists of other countries can hope to compete with those of Germany, and especially before the scientists and inventors of America can hope to do so, a new political policy must be adopted.

As has been pointed out, great aggregations of wealth have grown up in this country which find it to their interest to discourage invention. Any change means the upsetting of the routine of profit, and their occupancy of the field shuts out the independent activities of the inventor and the scientist.

Progress is thus paralyzed, and the commercial and industrial activities of the whole country slackened as a result of the indecisive political policy of the country in dealing with the situation thus created. The prosperity of all is affected through the failure of the citizen to express his view at the polls in ways which are calculated to ensure a proper governmental policy.

The example of Germany demonstrates the tremendous result for good of such a governmental policy. Germany has long pursued the most enlightened of policies towards her inventors and manufacturers, realizing that the true source of her greatness was to be found in that direction, since, wanting in natural resources, there was no possibility of her competing with other countries more liberally favored by nature.

Wealth is produced by labor, both manual and mental, but the greatest result of mental labor is invention, and by means of inventions great amounts of manual labor are saved, or equal amounts made to produce vastly greater results.

Labor multiplied by invention produces a greater surplus of wealth than that which existed before. This permits the enjoyment by the whole people of comforts and luxuries which were not previously obtainable. Before the invention of harvesting machines, wheat was more expensive to harvest than since and bread was dearer.

To-day the enormous daily saving in the cost of bread permits the public to enjoy luxuries which would not have been possible had no such machinery been invented.

The policy of the German government has been to put this obvious but fundamental precept of political economy into operation in every possible field. It has created a tremendous national force out of a commonplace of the text books. In other countries the text has remained in the text books.

Perhaps the most conspicuous success of the policy is seen in the chemical field. German chemists under the stimulus of governmental encouragement, both directly through the offering of prizes, the governmental support of technical schools, the unbounded provision of laboratory facilities and the protection of the inventor-chemists, and indirectly, through the general policy of encouragement of new inventions by the extension of banking credit and otherwise, have out-distanced the world.

The achievements of her chemists have enabled Germany, from a lump of coal of insignificant value to produce coke, gas, coal tar, benzol, and various coal-tar products such as anilin and alazarin dyes, pharmaceutical preparations like aspirin and phenacetin, saccharin and various oils.

Thus, thanks to Germany's policy, the low

grade raw material, coal, once only useful for fuel, now affords the world the most beautiful and useful of dyes, important medicinal remedies, super-sugar, oils for various purposes, a cheap and highly useful substitute for gasoline for automobile and other motors; besides, retaining in the form of coke, all its values for fuel purposes.

Countries without a definite policy of governmental encouragement of the arts and sciences now pay tribute to German progress. In the United States, for example, over a million men were thrown out of work in the cloth industry alone, at the beginning of the war, by the inability of our manufacturers to import from Germany dye stuffs and other chemicals used in the processes of various manufactures here. America is, indeed, far more dependent upon Germany for materials of manufacture than Germany is on this country for raw materials.

The policy of governmental inactivity worked very well as long as no country adopted a policy of activity, but now that Germany has taken the initiative, other countries must follow suit or be badly worsted in the struggle for commercial supremacy, which eventually results in ethical and cultural achievements.

German scientific and technical progress in other lines is just as marked as in the instance cited. Germany leads the world in modern dis-

coveries in machinery, particularly in the development of the explosive motor, as in the Diesel engine, which has now been perfected to such a point that crude oil and tar oil may be used, vastly cheaper fuels than the high-priced gasoline of other countries.

The alcohol engine and the alcohol lamp have been perfected, enabling the farmer, who makes his own alcohol from grain and potatoes, to supply himself with power, light and fuel at small expense, utilizing products that otherwise would have very much less value or be wasted entirely.

The government, however, is just as active in promoting the agricultural industry as in promoting any other industry and German scientists lead the world in their discoveries of value to the agriculturalist.

One of the most notable achievements in this respect is the perfecting of the process of extracting nitrogen from the air. As nitrogen is one of the principal needs of vegetation, the process of making air nitrate is consequently one of the most momentous inventions that has ever been made.

It is now possible to extract from the nitrogen of the air nitrate in form suitable for utilization as fertilizer and for the other manifold purposes to which nitrate is put.

The world was threatened with exhaustion of

its supplies of fertilizer and with the consequent increased cost of living, but this invention means that the earth will ultimately support for countless ages billions of human beings who without it would not even have been able to come into existence, owing to lack of food.

Thus, for all time humanity will look back upon the German government of the present generations as one of the greatest benefactors of mankind, and its policies as one of the wisest ever adopted by human agencies.

Nor is the immediate effect of these policies confined to Germany. India even enjoys vastly greater prosperity now than a generation ago, owing to the fact that the substitution of coal tar for vegetable dyes liberates a large body of labor and a large acreage of soil, to more profitable uses.

The cheapening of fabrics and the finer and more varied effects of the dyes increase the volume of manufactured goods in all cloth manufacturing countries and result in prosperity in these lines all over the world.

Germany has been particularly fortunate in the utilization of by-products. For a long time her steel industry lagged behind that of other countries, owing to the fact that her iron ores contained a percentage of phosphorus which made them difficult to utilize.

A process, however, was presently developed which effected the separation of the phosphorous content and from the slag containing the phosphorus was manufactured a form of fertilizer of the greatest value. Thus, where there had been practically useless iron ores there came to be highly valuable ore and highly valuable by-products, a triumph of chemistry that has meant and continues to mean enormous material prosperity not only for Germany, but for the other countries that adopted the policy.

The impetus which has been given to the chemical industry in Germany, especially in metallurgy, has resulted in the production of ferromanganese and other elements which are indispensable in the manufacture of the better grades of steels. How important these discoveries have been is seen from the effect produced by the stoppage of imports from Germany due to the war, for large activities of the steel-making industry in this country are hampered on account of the lack of these highly necessary ingredients, just as the cloth and other textile industries suffer for lack of the necessary dye stuffs.

The full importance to this country of uninterrupted communication with Germany has never before been realized. While it requires no very vivid imagination to picture the effects of such stoppage, the fact that it has never before



occurred has prevented a true realization of the dependence which this country places in the superior technical resources of Germany.

It brings home with terrible force the almost suicidal policy of sloth which has characterized the governmental policy in this country heretofore and emphasizes the fact that we are dependent upon Germany rather than Germany on us.

The public press has ceaselessly fanned the flames of anti-German prejudice without realizing the results of retaliation on the part of Germany.

Imagine the results should Germany undertake a policy of reprisals. If she should shut off the supply of dye stuffs, the cloth manufacturing industry in this country and England would receive a staggering blow. The importance to Germany of the loss of the value of the dye stuffs exported would be comparatively small.

But our cloth industry would be paralyzed until new sources of dyes could be found, which would take many years, for German experiments of over a generation have been necessary to the production of her dye stuffs, and there is no system of encouragement here or in any other country which could operate to reproduce her results until long after the cloth manufacturing industry would be practically bankrupt.

In the meantime Germany would have seized the world's cloth manufacturing and would be able to compete successfully with the rest of the world under any and all circumstances that might arise.

Not only would this occur, but German chemical progress will go on all the while with new discoveries while other countries are merely trying to follow in her paths. The most important of her discoveries, especially in chemical science, are trade secrets and capable of being retained as such, so that by an alteration in her policy towards other countries, she could cause incalculable damage without suffering herself in a slight degree.

It is true that she is dependent upon other countries for cotton as a raw material, but new discoveries already promise a thoroughly acceptable substitute for cotton which can be manufactured out of raw material which she can herself produce in unlimited quantities.

The same disaster as would result in the cloth industry by her shutting off the supplies of dye stuffs would result in steel making by her refusal to export certain elements of which she has the monopoly, and the same thing is true of many other industries.

The superior position which she has gained for herself should thus make it the part of wisdom for neutral countries not to invite a policy of

reprisals, not only in view of present discoveries, but in respect to those which are yet to be made, for the same forces which have brought her to the front in applied science are still in operation and will still continue to advance her.

The enormous activity of chemists, engineers, manufacturers and other scientific inventors in Germany is, as has been noted, but little understood in other countries, especially in America.

In this country, relying upon the former eminence of our inventors before the trusts fell afoul of them, the public still believes that the American inventor occupies the foremost position in the world of progress.

Such is far from being the case and American inventors are not only not making any more great discoveries, but owing to the gradually erected barriers of legal technicalities which the courts have built up about the patent system, and to the activities of the trusts, there is little prospect that they will soon even begin to regain lost laurels.

The lack of interest in this country in technical progress as compared with Germany is seen in the number of technical and scientific publications which are issued.

In the year 1910 there were issued throughout the world some 15,540 technical and scientific books but 10,400 of these were issued in Germany.

These figures do not include periodicals with the great number of valuable articles published by them, and Germany has a vastly greater number of technical periodicals than all other countries combined.

Of the 15,540 technical works, those of all English-speaking nations aggregated 2,100, while in France 2,000 were published.

This is merely a single index of the difference in scientific activity. It is sufficient to show, however, one of the causes of Germany's unexampled progress.

## CHAPTER X

### THE NEW SCIENCE OF GERMAN AGRICULTURE

**W**ITHIN a generation, agriculture, the primary art of humanity, has had its processes improved more than in all the thousands of years that went before. The tiller of the soil is gradually straightening his back and becoming not merely a human work-horse, but a man among men, an operator of mechanism and a favored beneficiary of the discoveries of science.

In agricultural progress as in other industrial progress Germany has blazed the way.

Her scientists, chemists and inventors have applied themselves to the problems of agriculture with no less zest than to those of mechanics and manufacture. These activities have taken four principal directions: the improvement of the fertility of the soil; the improvement of species by selection and special cultivation; the reduction of the amount of labor necessary to sow and harvest the crops, and the utilization of the entire yield in one form or another, particularly in the form of by-products, that is, the putting to some

useful purpose of materials that formerly went to waste.

In addition to the technical phases of agriculture, Germany has considered the commercial side and has facilitated the work of the farmer by supplying necessary capital and by providing facilities for marketing of crops. The result is that in all respects the German farmer is in advance of his contemporaries in other countries, and in spite of the poorer quality of his soil produces larger yields at greater profit, and this in the face of competition from the virgin lands of the United States and Russia.

The enormous advances which Germany has made in agriculture may be appreciated when the fact is known that within thirty years her total yield of wheat has been increased 57% and other important crops from 50 to 80% without any material increase of acreage and without any increase in the number of her inhabitants devoting themselves to agricultural pursuits.

The whole increase of her population has thus been able to devote itself to other pursuits, which would not have been the case had the existing conditions of agricultural industry not been improved.

The great chemical and manufacturing enterprises of Germany have somewhat obscured the thriving condition of her agriculture. Germany

is the third of the agricultural countries of the world. Russia produces only a little more than twice as much wheat and rye and the United States hardly any more than Germany, while Germany produces 50% more than either France or Austria, the next in order. Practically the same ratio obtains for barley and oats. In the production of potatoes Germany leads the world, with 10% more than Russia, twice as much as Austria, three times as much as France and five times as much as the United States. Germany produces over 35,000,000 tons of potatoes while Russia's production of wheat is only about 31,000,000 tons. The significance of this vast yield may be appreciated when it is understood that potato flour is a great market staple, while alcohol from potatoes also occupies an important place in industry.

As a war measure the German government has made a regulation that 10 to 15% of potato flour is to be mixed with other flour in the making of bread. The result has been not only to reduce the cost of bread but also to improve its quality. Germany maintains some 500 drying plants to preserve potatoes instead of storing in silos or bins, for when put into bins for storage, their value shrinks 10% which would mean a total loss of \$25,000,000 annually.

The process of preserving potatoes consists

of washing, drying, peeling and cutting and again drying, and the product is finally placed on the market in the form of potato flakes. The prices vary from  $1\frac{1}{2}$  to  $1\frac{3}{4}$  cents per pound.

A large part of the German potato yield is converted into the so-called potato flour, and sold at retail in the groceries throughout Europe for cooking purposes. There is also a flour produced by grinding and bolting dried potatoes, but this, however, is a comparatively new product.

Germany leads the world in beet sugar production. Her scientists were the discoverers of the possibility of producing sugar from beets and she has always been far in the lead in this field.

She produces about two and a half million tons of beet sugar annually or over 75 pounds per capita for her 67,000,000 population. Russia is second in beet sugar production with a million and three-quarter tons, while the United States produces but half a million tons. In forty years the beet sugar manufacturing processes and the improvements in beet culture have doubled the yield of sugar per pound of beets, while the crop is 50% greater in tonnage per acre.

In live stock Germany has made substantial progress but rather in quality than in quantity, as she has found it more profitable to devote land to crops than to pasturage for animals.

A comparison of the purposes for which lands



are utilized in Germany, Great Britain and France is interesting in this respect. To crops and vineyards Germany devotes 48% of her acreage, Great Britain 24% and France 59%. To meadows and pasturage, Germany 16%, Great Britain 53% and France 10%; to forests, Germany 25%, Great Britain 4% and France 15%. Germany has only 9% of unproductive land while Great Britain has 18% and France 14%.

The great proportion of Great Britain's pasture land is accounted for by the fact that she has some 26,000,000 head of sheep or four times the number of Germany, which, however, has almost as many hogs as Great Britain has sheep. In cattle, Germany has three times the number of Great Britain. These animals, however, are largely used in the production of dairy products in which Germany has made great progress, especially in the manufacture of specialized products such as tropin somatose, nutrose plasmin, santogen, eukasin, roborat and the like, which are largely dairy products and which command high prices and represent still another form of the policy of Germany before referred to, that of turning a raw material of low value into a finished product of high value.

A striking feature of Germany's agricultural policy is seen in the use of fertilizer. Germany uses more potash salts than does the rest of the world combined.

On the basis of cultivated acreage the use of potash salts is in about the following proportion: France, 8; United States, 14; Great Britain, 20; and Germany, 120. The increase in the use of Chile saltpeter throughout the world in thirty years to 1910 was from 230 to 2,274 thousand tons. Germany's use of it increased from 55 to 750 thousand tons per annum, a vastly more rapid increase than that of the rest of the world.

It will thus be seen that Germany is not growing crops in the sense that crops are grown on the virgin soils of the United States and Russia, which are year by year becoming impoverished, but she is actually manufacturing crops, using the soil only as a container for the fertilizing products which nature transforms into vegetation. Her position is, therefore, secure and she can continue indefinitely to produce as she is doing at present, while other countries must eventually increase the use of fertilizer and restore their wasted lands at great cost, and thus reduce the profits from their crops.

In yield per acre of wheat Germany stands at the head, the ratio being about as follows: Russia, 4; United States, 8; France, 13; Austria, 14; and Germany, 20. In yield per acre of potatoes the ratio is United States, 54; Russia, 70; France, 74; Austria, 92; and Germany, 103.

Russia with her great acreage and with the

same agricultural efficiency would produce ten times as much wheat as Germany, instead of only about twice as much, while the United States would produce three times as much instead of being only slightly in the lead. When it is remembered that Germany is only about four-fifths the size of Texas, the comparison with the United States is seen to be the more startling. It is only fair to remember, however, that the United States devotes a large acreage to cotton and corn which are not produced at all in Germany.

On the other hand, 25% of Germany consists of forests lands, while only 4% of Great Britain and 15% of France is similarly used.

Forests are ordinarily regarded as an unproductive or comparatively unproductive crop, but with German methods, her forest industry is a most important and profitable one.

She is not diminishing her forest acreage but proposes to retain it as it is. About half her forests belong to the states and municipalities as pointed out in a previous chapter, and timber is regularly harvested.

Enough trees, however, are planted to keep up the supply so that she is not despoiled of her forests as the United States has been and her lumber is not sold at the plunderer's price which obtains in the United States, but which will soon cease as our forests are largely exhausted. Ger-

many's forests are valued at 2,500 millions of dollars, and they yield a revenue of about three and one-half per cent. on this valuation. Forest culture is highly developed and her forests are guarded not only against spoliation but against forest fires, there being a well-perfected organization and method of fighting forest fires in which the military takes an active part.

German agriculture is chiefly in the hands of peasant farmers and of farmers of the middle class. Of her 5,500,000 farmers over three millions have farms of five acres or less, while some two millions have farms of from five to fifty acres. Some 275,000 own farms of from 50 to 250 acres and only 25,000 have farms of over 250 acres in extent. Of the total acreage, the peasant farmers hold about 6%, the next class 38%, the farmers of from 50 to 250 acres 30%, and the large estates 25%.

The distribution of land is thus on a more equitable basis than in other countries, as the small farmers are for the most part engaged in highly specialized gardening and small fruit raising and have sufficient land for their purposes, while the larger estates include much forest land.

The general tendency is for farms to become smaller in size, so that in agriculture Germany is not a country for the land monopolist.

In addition to the owners of lands there are

large classes of tenant farmers, both private tenants and tenants of crown lands and other large holdings, and free laborers who form a floating supply moving from one part of the country to the other as the demand arises, but these classes do not differ in a social sense very much from the owners of the land.

The great demands of manufacturing industry have, however, produced a scarcity of farm labor in Germany as in other countries so that had it not been for her intensive system, resulting in increased production without increase in the actual number of farm laborers, Germany would have been in a far less favorable position than she is to-day.

Instruction in agricultural pursuits is afforded all classes of agriculturists from the laborer to the manager of a large estate. Germany has 250 training schools and eight agricultural universities, attended by 13,000 pupils in the training schools and 2,000 in the universities, and in addition she has 4,500 schools devoted to evening instruction, attended by 75,000 pupils. It is through these agencies that the leaven of science finds its way into the agricultural loaf and keeps her practice abreast of the latest discoveries.

In this brief sketch of the enormous agricultural industry of Germany only the leading factors can be touched upon. Every paragraph is

indeed but a slight summary of volumes which could be written on German scientific agriculture.

Only a few lines can be devoted to the commercial organization of agriculture, though this organization has a tremendous practical effect. There are in Germany upwards of 16,000 savings and loan associations, 3,500 dairy associations, 2,500 purchasing societies and 3,000 other societies, or over 25,000 in all devoted to promotion of the interests of farmers. These societies vary in numbers from small groups up to 15,000 members. These are inter-connected by central societies, state societies and finally center in the German Board of Agriculture for the whole empire.

These societies assist the farmer in every possible way, technically, in disseminating knowledge of all kinds; commercially, in purchasing his supplies, in lending him money on his growing crops and otherwise, in taking his products off his hands as rapidly as they are ready for market, in marketing them, in manufacturing them into higher forms, in disposing of by-products; and sociologically, in improving his opportunities for recreation and advancement in all ways.

They are all mostly of a co-operative nature and the middle-man being eliminated, they secure for the farmer the most for his money and the most money for his crops, as they not only pay

him the full prices to which he is entitled but if profits accrue, from whatever activities, they are distributed in the form of dividends.

Such societies and organizations enable the farmers in a neighborhood to purchase expensive machinery such as electric plows and harvesting and threshing machinery. Such machinery is used in common and thus at the lowest possible expense the greatest possible results are accomplished. Electric plowing, which means plowing on a large scale cheaply, has been a feature of German agriculture for fifteen years, but no electric plow has yet turned a furrow in the United States.

The use of power machinery is further encouraged by certain societies and by the government by the erection of power plants utilizing waterfalls. Current so generated is distributed over wide areas and sold cheaply, and if any profit is made dividends are paid to the members of the association. Farmers thus have their power, light and heat at cost when within reach of such a plant. This is a great advantage and enables crops to be produced with the minimum of expense.

This provision of cheap current enables the installation of narrow gauge tracks, which are very numerous on German farms, especially the larger estates, and along routes to marketing

centers. A cheap, rapid and convenient form of transportation is thus supplied, saving the farmers the great expense of hauling their products to market over the roads, as is done in most countries.

As has been noted, German agriculture is really a manufacturing industry of a highly specialized kind. The government has co-operated with the farmers in every possible way and the farmers have taken advantage of all the opportunities afforded, so that the calling of the agriculturist is not a makeshift device of a man tied down to the soil, but the vocation of specialists engaged in a highly profitable, prosperous and useful occupation.

The prosperity of agricultural life reflects itself socially, and the close contact of neighbors and the ease of transportation eliminates the isolation of farm life and renders it far more attractive than farm life in other countries if it indeed does not put it on a par with the enjoyments of city life.

Other nations have much to learn from Germany's agricultural progress, and the comparison which was drawn in the opening chapter of this book between the German as a tiller of a barren soil and the American as the tiller of a rich soil, gradually becoming impoverished while the other becomes rich, will be seen to be not merely illustrative but an absolute statement of fact.



## CHAPTER XI

### BISMARCK'S GREAT POLICY

**W**HEN Bismarck welded the German kingdoms, provinces, duchies and states into the German Empire, he did his work not so much for military purposes, as has seemed the spectacular fact, as for the purpose of peace; he forged rather the plowshare than the sword, and the underlying and fundamental principle of his policy was the perpetuation of Frederick the Great's cardinal maxim, "I am the king of the poor."

This principle, however, is in reality the guiding principle of American institutions, a government of the people, by the people, for the people. In Prussia's case it was merely set in the frame of royal prerogative, yet in that setting it proved just as potent as in the republican setting, if not more so, in practical results for the people, since Frederick and later Bismarck were able through the influence of their personalities and positions to impress it more upon the institutions of the nation than were the executives of the American

republic. For us it remains to a certain extent a theory, for Germany it is vital reality.

The duty of the state towards its citizens is more fully realized and carried out by the German state than by any other of the sovereign powers. The theory has been carried out in practice; and Bismarck in expressing the duty of the state, in putting into operation Frederick's maxim, did so in a concrete manner, in the form of a doctrine of the right to work.

His policy in his own words was: "Give the workingman work as long as he is healthy, assure him care when he is sick, insure him maintenance when he is old. Was not the right to work openly proclaimed at the time of the publication of the common law? Is it not established in all our social arrangements that the man who comes before his fellow citizens and says, 'I am healthy, I desire to work but I can find no work,' is entitled to say also, 'Give me work,' and that the state is bound to give him work?"

To opponents who asserted that such a policy would involve the state in large public works Bismarck replied, "Of course, let them be undertaken, why not? It is the state's duty."

Bismarck's policy outlined in 1884 met with the approval of the Empire and it has since been followed not only without deviation but with increasing ardency.

The present emperor, William II, further elaborated the policy, and he issued a decree in 1890 in which the principles are laid down that the sphere of the government extends to the regulation of the period, duration and kind of work in order to maintain health and morals, satisfy economical wants and claims to equality in law, and that the workingman has a right to participate in the regulation of matters concerning himself, equally with the employer and state.

Bismarck's proposals were in a sense static; the government was to be prepared to do certain things when the worker demanded it; but William advanced the conception to the point which requires the state to anticipate such demands, to act in the interests of the worker positively and in advance, and thus prevent and obviate the conditions of which he might justly complain.

The spirit of initiative thus exhibited by the German government is one of the great factors in Germany's success.

The German people, expressing themselves through their administrative machinery, have created a system which has the force of a vast, vital personality.

The most obscure citizen has the feeling that in his extremity, if he comes to it, he will not look in vain to his nation; that if he is sinking for the third time, he will not go down clutching the

straw of a classic theory, but will be succored by the practical hand of a great people.

And in this belief he will not be disappointed, and neither will his necessities anticipate the thought and preparedness of the government; for every eventuality, consideration has been taken and preventatives erected.

The government, from the cradle to the grave, takes account of every citizen; it offers him the degree of education which is suited to his station and his capabilities, and it sees that he takes advantage of the opportunities. It sees that as a child he is not employed except at certain ages, and when he is employed that it is only for certain hours of the day, it sees that he has sufficient free time for normal living and proper schooling, and when he has a trade or other occupation, it provides an enormous system of co-operative employment bureaus, over 700 in number throughout the Empire, under government supervision, for bringing the workman and his work together.

By this great expedient the state so reduces the possibility of the worker applying to it directly for work that only a very small proportion of the unemployed need ever make such application, and the necessity for large governmental works to give employment has never arisen.

The government has come to realize, as does no other government, that under modern conditions

the fact that a man is out of work is often due to causes over which he has himself absolutely no control.

It therefore makes every effort to control such causes itself and does not hesitate to interfere in the contractual relations of employer and employee in order to forestall the unemployment of the employee. It requires certain notice to be given of discharge and insures that it shall not be for trivial grounds.

The government looks most minutely into the conditions under which work is performed and sees that a proper working place is provided, protecting the life, health and morals of the workers; it regulates where deemed advisable the hours of labor, and the observation of holidays; it regulates the employment of minors and women; it enforces fair dealing between employer and employee in every way, and as has been noted protects the minor employee in his opportunities for education, and settles disputes proceeding in its industrial courts.

The United States is the "land of the free," but Germany is the land of the industrial court, which dispenses justice for the poor man in more than 60 per cent. of the cases within a day's time, the majority of the rest within a week and the whole calendar within two weeks. There are 350 of these courts and they handle 100,000 cases a year

at slight expense to the disputants, besides disseminating a knowledge of law which tends to greatly lessen their work. They are devoted particularly to the cases between employees and employers.

Outside of their scope, however, the government provides legal advice bureaus and legal services free or at nominal cost so that in any court the workman may obtain justice quickly and inexpensively.

The influence of the government is felt in numerous and complex regulations, the enforcement of which is in the hand of a large body of inspectors and none of which are dead letters.

The fairness of the regulations is unquestioned and large concerns even go beyond the letter of the law and seek in their relations to their employees to gain their good will by a more liberal policy than that which the government is prepared to enforce if need be.

The effect of the system is to inspire the worker with a sense of loyalty to the organization of which he is a member, which is quite unknown in other countries, particularly in the United States and England.

The German workman expects to remain indefinitely with his concern and hopes to make his way in the world by rising to responsible positions in it. The average American workman is never

free from the idea that his job is a temporary one and that if he is to advance materially it must be under other surroundings. Thus American industries are crippled at the outset and esprit de corps is largely dormant, if not entirely lacking.

In Germany, as a result of her bureaus of employment and the generally more secure tenure of employment of the employed, during a series of seven years ending 1910, the total unemployment varied from a little over one to a little less than three per cent., while during the same period in the United States, based on averages from statistics in certain states, the unemployment varied from 6 to 28 per cent.

That is to say, in the United States, roughly speaking, it takes a man from six to fourteen times as many days to find a job when he is out of work as it does in Germany. As the German average indicates a period of about ten days unemployment in the course of a year, the American figures would indicate from one to three months' idleness.

Since, however, a large proportion are employed continuously, the average idle time for those actually out of work is much greater.

It is not to be wondered at under such circumstances that emigration from Germany to this country is only about one-fifteenth of its former figures. The wonder is that there is any emigra-

tion from Germany. In Germany, one person in four is a wage-earner, in the United States the ratio is one to two and three-quarters. Thus a much larger number of persons, especially of women, must work here. In Germany the wage-earner retires ten years sooner than in America, where he usually drops in his tracks first.

When the vast totals of privation, discouragement, loss of health, hope and savings are considered as shown by the great percentages of unemployment in the United States even in the best times, the failure of the government to organize the exchange of labor and employments amounts to little less than a national crime. It is a sad legislative spectacle, that of continual struggles for mean and petty partisan advantages while the true interests of the public are neglected.

Germany, not content, however, with the highly effective results of the governmental policy, experiments are constantly being made looking towards the establishment of insurance against unemployment. Considerable progress has been made in this direction and it will undoubtedly prove a settled government policy of the future.

Some twenty cities have more or less complete systems in operation, the general principle being that the healthy workman who has had regular employment and who has contributed to the fund shall, in the event of loss of employment receive



a certain stipulated amount as long as he remains out of work through no fault of his own.

The government employment bureaus afford such a complete method of locating employment that the risk of unemployment is comparatively small. Thus the amount the workman contributes is correspondingly small, and at slight expense he is accordingly insured against being out of work.

Without government organization, the chance of the workingman finding work would be much smaller and the risk would be so much greater that he could not afford to insure himself against unemployment. Thus it will be seen that one good system breeds another, whereas in countries like the United States and England, where there is little or no system, and the finding of employment is a haphazard proceeding, the establishment of a system of insurance against unemployment would be chimerical.

Having exerted its efforts in securing work for the workman and in keeping his employment enduring and healthful the German government does not in his age or extremity abandon its workman.

During his whole life he has been compelled to contribute to sick benefit and old age funds, to which his employer and government must also contribute, so that whatever the eventuality, it will already be found provided for.

Compensation and benefit insurance has been established in Germany since 1881 and has from time to time been extended.

The principal forms are:

- Sick insurance,
- Accident insurance,
- Invalid insurance,
- Invalidity and old age insurance,
- Maternity insurance,
- Widows and orphans insurance.

The operation of this form of insurance superseded claims for indemnity against private employers and substituted instead of a lump sum for accidental injuries, small payments made periodically.

The enormous extent of this form of insurance is but little realized in this country. In 1910 there were 5,700,000 cases of sickness in which insurance payments were made, 1,017,000 accident cases and 1,333,000 cases of invalid insurance. Since the beginning of the systems, the sickness cases have aggregated 92,582,000, the accidents 2,273,000 and the invalidity 5,060,000. The number insured against sickness in 1910 was 13,955,000, accident 24,154,000 and invalidity 15,660,000. The total compensation paid out to the insured in 1910 was \$180,000,000 and since the beginning of the system, 2,000 million dollars.

There is a reserve fund of over 500 million dollars which is invested in hospitals, sick and convalescent homes, dwellings for workmen, sanatoriums, and various other investments.

The importance of the system towers above even its financial aspects, for, on account of its partial administration by the workmen themselves and their contributions to it of a substantial part of the fund, though they have received nearly half a billion dollars in benefits more than the amounts they have contributed, the qualities of co-operation, social conciliation and management developed are of inestimable importance to the nation.

The word pauper is unknown in Germany, the insurance systems having given the workmen by right the assistance which in other countries is extended as a charge against the public. This feeling of securing against the eventualities of the future is a powerful factor in the relations of the citizen to the state and to his employers, it makes life more livable for the poor man in Germany than it is in any other country.

The enormous benefits of the system have been so apparent that it has been adopted in other civilized countries and finally also in England and to some extent in certain States of the United States, though here still of doubtful possibility owing to the barricade of the Constitution.

There is no doubt, however, that it will come finally to be adopted by all the States throughout the country. Had the example of Germany, however, been copied earlier, the vast advantage to workmen all over the world would now be a reality instead of a dim prospect of a dark future.

## CHAPTER XII

### THE CO-OPERATIVE SPIRIT IN GERMANY

ONE of the chief distinguishing traits of the German character is the spirit of co-operation or collectivism, the willingness, the desire and the practice of accomplishing results through organization.

In addition to the agricultural societies mentioned in a previous chapter, there are a large number of societies of a co-operative nature which have in view the material interests of their members. Such societies are devoted principally to the marketing of products, the purchasing of supplies and the extension of credit to their members for building and business purposes.

In the United States there is an almost total absence of corresponding societies, although we have to some extent organizations of lending societies which assist members in the buying of property and erection of buildings.

The spirit of co-operation in the United States is largely absorbed by the various churches of the three hundred or more religions which flourish

in this country and by the very large number of secret and benevolent societies, in which there is an element of fraternity, and a sense of duty toward the member who meets with misfortune.

In seeking to obtain material advantages, the German organizations often dip into politics, a possibility denied to co-operative societies in the United States, since the nature of our governmental system is such that more than two political parties of any importance cannot flourish. For any special interest, such as manufacturing, agriculture, religion, or socialistic, to exert political strength in the United States is an impossibility, unless such an interest segregates itself in one locality and is in a majority in that locality. Thus the only real third political party in the United States is that of the Mormon church, though there is a slight socialistic political strength in some few districts where socialists are gathered together.

The German character has the capability of expressing itself through organization. The German is willing to devote a certain amount of time and money to building up a society that will serve his material interests while the American will only devote his serious attention to his own immediate personal interests. He seems to feel that he can serve himself better by running a business of his own rather than by organizing a

society to serve the interests of groups of members.

Where co-operative societies have been organized there does not appear sufficient interest on the part of the members to see that they are run properly and they fall victims to mismanagement and graft. It is in this respect that the German organizations are superior, for they are run honestly and for the benefit of the members who take sufficient interest to see that they are properly conducted.

The result is that the public is better served in Germany than in any other country. Through its purchasing and selling societies it largely eliminates the profits of the middlemen, which are saved to the public. On the contrary in America, there is a vast organization of middlemen, and in some cases half a dozen or more profits have to come out of the goods between the producer and the consumer.

This vast economic waste is due to the dormancy of the spirit of organization in the American public, and this accounts for a very material difference in general prosperity.

The spirit of co-operation in Germany extends through the whole social structure like an enormous and highly interwoven fabric which serves to support every individual in numerous ways and to protect him from extortion and exploitation in whatever guise it appears.

Co-operation is encouraged by the government, both by laws favoring organizations and designed to insure their honest and effective administration, and by direct participation in one form or another.

The example of the potash syndicate is one that indicates a new development of co-operation. One of the large mines in the cartel or syndicate sought by private contracts to monopolize the business. It refused to re-enter the cartel when the periodical re-formatting was due. The government promptly passed a measure which forced all the potash mines to become members of the syndicate.

This amounted to governmental control, hardly less vital in fixing matters of policy than direct government ownership, and without the investment of governmental funds. The government frankly admitted the far-reaching and fundamental nature of the step, but it received the support of all parties and the policy will doubtless be extended.

That there was no serious opposition to the program, which was in the interests of both the nation and of the private members of the cartel, is due to the fact that the propertied classes all benefit by the operation of the cartels, while the working classes, represented by the socialistic party, which casts over a third of the votes, be-



lieves that in the multiplicity and perfection of organizations of various kinds important steps are taken toward collectivism and the ultimate realization of socialism.

Co-operation is thus favored by all classes in Germany whatever the motive and as the cartels are under such strict supervision that they cannot exercise the dangerous powers of the trusts in America, there is no trust problem, at a time when our whole social organization is in a turmoil over the struggle.

Co-operation is doing great things for Germany. Whether it would accomplish as much for America remains in doubt, for without the spirit of co-operation the instrument must remain comparatively valueless. But if Germany finds co-operation a valuable expedient in the struggle for commercial advantage, countries which do not have such an instrument and are not disposed to adopt it, or to learn how to use it, must suffer from the effects of her competition.

The loss of British trade due to German efficiency, largely the result of co-operation, has provoked the war, and the British are attempting to do with the sword what they cannot do with the instruments of peace.

Would it not be wiser to adopt the expedients which Germany has found so successful and of which she has no necessary monopoly than to resort to the bloody arbitrament of war?

That co-operation has reached a high stage of development in Germany may be appreciated by reference to the figures. There are 18,000 co-operative loan societies in Germany, 2,000 co-operative trade societies, 7,000 co-operative societies of a strictly agricultural nature, although a large number of the others include agricultural dealings, 2,500 co-operative stores, and some 2,000 other societies, or over 32,000 in all.

The most important societies are the co-operative loan societies which number more than 2,500,000 members and have an annual turn-over of more than 6,250 millions of dollars.

There are two principal systems of these societies, the Raiffeisen and the Schulze-Delitzsch, but the latter with only about 1,000 societies and 600,000 members grants loans of over 1,000,000 of dollars per annum, and is the most important single co-operative system.

The purposes and operations of the larger industrial co-operative societies for purchasing, manufacturing and marketing the goods of their members cover a wide field, but space does not permit of a detailed description of their operations which are of interest chiefly to manufacturers and producers, but the purchasing societies known as Consumers' Unions, which are organizations catering to the needs of the householder are of particular interest to the American public

at the present time, owing to the increased cost of living brought about by our trusts and combinations of jobbers and retailers.

The largest consumers' union in Germany has 2,500 branches. Each branch serves the consumers of its neighborhood. It provides a market house in which a large variety of goods may be purchased.

The members make known in advance what their probable requirements will be. These figures are collected by the executives of the union who then know in what quantities to purchase. The figures of the branches are transmitted to the central body, and thus vast totals of buying orders are accumulated. Naturally, the best possible prices are obtained when such large orders are to be placed, and the union thus obtains its supplies on the most favorable terms.

It issues periodical bulletins, notifying members when certain goods will be in season and making suggestions as to purchases and methods of cooking and utilizing supplies which will be available.

Meetings of the members are held at which a committee is elected which has the operating of the branch in charge. This committee appoints the employees and managers and sees that the union is efficiently conducted.

The union endeavors to sell goods as nearly at

cost as possible, but should there be any profit at the end of the year, it is distributed in the form of a dividend just before Christmas.

There can be no comparison between the results of such a system and that followed by American households of patronizing retail dealers. The American household must pay the highest price for goods and be mulcted of profits all along the line from producer to retailer, with no possibility of a pre-Christmas dividend.

The lack of the spirit of co-operation amounts to a very expensive luxury for Americans, or in another light, a serious handicap upon prosperity. There is little doubt that with a proper system of co-operation, every American household could support an additional member with no greater outlay than at present.

The system is one of the secrets of the great growth of the population of Germany. There is more and better and cheaper food. Yet America can boast of no such organizations.

Modern civilization depends upon two principal factors, the division of labor and the aggregation of effort. That is, in the process of manufacture, each operation is best carried out by a specialist. Where a piece of apparatus is made, there must be pattern makers to make patterns, founders to cast, machinists to turn and drill, finishers to finish and assemblers to put the com-

pleted thing together; then salesmen to sell and special agencies to distribute the product. The more minute the division of labor the cheaper will be the product.

But to attain such a division of labor there must be a large aggregation or organization of workers, in short, co-operation. Thus the efforts of a group of ten thousand workers in which the labor is highly divided and in which the spirit of co-operation is carried out, will produce a vastly greater product than an equal number of workers, each of whom performs all the operations necessary to make the apparatus and sell and deliver it.

It is the high development of this spirit of co-operation in which the individual devotes himself to his own specialized activity in the process, that has had such a powerful effect upon the progress of Germany.

In the year 1912 German foreign trade reached a total of 4,900 million dollars of which 2,675 million dollars was in imports and 2,245 millions in exports. Of the imports, 2,275 millions was in food products, animals, industrial raw materials and semi-manufactured products and only 400 millions in finished goods. On the other hand, not less than 1,450 millions of the total export value of the 2,245 millions was in finished goods.

Thus Germany by the activity of her industrial processes in turning low-grade raw materials into high-grade finished products is able to maintain an increasing population upon a soil from which subsistence cannot entirely be drawn.

Both the necessity and the remarkable results of co-operation are thus manifested. Germany's necessity, too, for a market for her products is also indicated. When other countries make war and prepare to make war upon her because of her winning fight in the battle of commercial efficiency, they must expect the most desperate of resistance. Germany is making war because she must and not from choice, and the phrase, "a place in the sun," is a grim reality and not a mere figure of speech.

## CHAPTER XIII

### THE GERMAN WOMAN OF TO-DAY

**N**O very clear idea exists in America of what the German woman of to-day is like. That Germany has made great material progress, that she is leading in commerce, in industry, in science, in invention and in organization of every kind, is becoming more or less fully realized, but the position of the German woman and her relations to her country's progress, what she is, what she stands for, and what part she bears in the increasing struggle remains unknown.

To make the position of the German woman clear it will first be necessary to explain to American readers some of the social customs and life of the Germans of the present day which arise out of economic conditions and which affect the German woman in a way which gives her a different view upon life and a more commanding position in her environment than she is ordinarily supposed to have.

To most Americans, the term German woman conjures up a middle aged housewife, placid,

portly and industrious, and mother of a large family beyond which she has no interests. This has been the conventional picture of the German woman for half a century or more. It is no more representative of German women of to-day than the conventional picture of the New England housewife is typical of American women. Times have changed both in Germany and in New England, and in Germany as in America, women occupy such varied and extended fields of endeavor that a picture characteristic of German women as a whole is difficult to draw. The best that can be done is a composite, and this must include women in all the higher professions, physicians, teachers, lawyers, heads of training schools; women of wealth and social position, the great class of the wives of the bureaucracy; women of the theater and of a certain superficial stylish life that has grown up as a result of the rapidly-increasing wealth of Germany, the women who are officers' wives, the middle class women, the women of the rural districts of all degrees of wealth and finally the peasant women, the wives of workmen and the large servant class who become the wives of skilled workmen and small business men.

It is obviously impossible to characterize such a tremendous contingent of humanity in a few words. At most, only a few salient characteristics of the larger groups can be outlined.



The organization of the family is considerably different in Germany than in the United States. The family is a stabler unit. The honor of the family comes before the honor of the individual. No matter what sacrifice must be made to maintain its social dignity, that sacrifice will be made. Divorce means disgrace. A German officer who is divorced or who divorces his wife is practically compelled to resign.

Marriage thus is not so lightly entered into as in the United States, where one marriage in twelve results in divorce.

But the chief feature that differentiates the family life of the German from that of the American lies in the custom of providing a dowry for the daughters of the family. To do this, the family will impoverish itself. It is a universal custom and it has a most profound effect upon every phase of German family life.

When the daughters of a family reach the marriageable age, the dowry must be provided. A German father will employ a large part of his means in the education of his sons and in the provision of a dowry for his daughters. His sons he will educate for the professions. As a long and expensive training is required, the sons' share will probably be exhausted by the time their education is completed. The share of the daughters becomes their dowry.

On account of the crowded condition of all walks of life in Germany, no young man, by the time he reaches a marriageable age, from 25 to 30, can hope to have any considerable amount of money saved. Nor can he expect for a considerable time to make a sufficient income to maintain a family.

It is the universal expectation, therefore, that when he marries, his wife will have sufficient dowry to materially assist in establishing the new family and to supply at least a portion of the income until, in the natural order of events, the husband's income increases to a normal point.

The German young man does not marry for money in the sense of being a fortune hunter, but as it is the custom for all daughters to have dowries, he does not ordinarily marry a girl who has none, as it would be impossible for him to set up a family in the proper manner.

On the other hand, it is by no means unusual for wealthy Germans to marry poor girls.

If the parents are not persons of means, he is not expected to have any money, for his family's fortune, such as it may be, is expected to go to make up the dowries of his sisters, and it is more important for his sisters to have dowries than for him to have money, as it is expected that he will marry some other fellow's sister who has a dowry.

This seems a very unromantic and prosaic, not

to say mercenary proceeding, to the American, but as a practical matter, it is highly important to the welfare of the country.

In the United States the father of a family is not expected to provide his daughter with a dowry. In fact a young man who marries a girl with a dowry is rather frowned upon as a fortune hunter. The young man is expected to be able to maintain the girl of his choice in the manner to which she has been accustomed in her father's house.

The American young man, however, cannot do this very much better than can the German young man. As a consequence the American young man delays marriage until he is thirty-five or forty or even older, as he neither receives any assistance from his father nor from the father of his wife.

The American girl must, therefore, wait longer for a husband, while the American father not being under any social compulsion to either provide for his son or his daughter on their marriage retains in his own name his means and the children are left to struggle along as best they may, and to delay marriage indefinitely.

Delayed marriages are, as a matter of course, fatal to the proper increase of a country. The wealth of the fathers remains in the bank or in their investments, in America, whereas in Ger-

many the father must divest himself, under the social custom of the dowry, of a very large proportion of his means, in order to enable his daughters to found families.

This system produces early marriages, and as the newly married couple start in life with as considerable an accumulated capital as the circumstances permit, they are able to have very much larger families than are possible to the American family in which the husband, inevitably, and the wife, as a rule, are much older at the time of marriage than in the German family.

Thus the German system accounts for the rapid increase in population and consequent power of the empire, while the genuine old American stock is dying out under the "romantic" system prevailing in the United States. The American system necessarily produces a greater degree of immorality and the custom of remaining so long unmarried renders the married state more irksome and less stable than where the parties are married earlier and may better adapt themselves to each other before their habits are settled.

The result of the German system is that girls as a rule are married between 18 and 23. There are, of course, a large body of German women who adopt professional careers who do not marry, at least not early, but the rule and custom is early marriage.



Street in Workingmen's Colony, Altenhof.



Workingmen's Apartment Houses, Nuremberg.

Annual rent for three room house .....	\$47.50 to \$55.00
Annual rent for five room house .....	\$75.00 to \$96.00
Annual rent for three room apartment .....	\$43.75 to \$52.25
Annual rent for five room apartment .....	\$63.75 to \$68.75



The German young man is very much more anxious to marry than is the American, for the very obvious reason that he can enjoy the comforts of home life without assuming such great responsibilities. He, therefore, considers himself lucky to get a wife, rather than lucky to avoid marriage. He is by far less critical in a sense, but at the same time he marries for love just as much, as all girls have dowries.

In a practical sense, it is the young woman and her mother who, backed by the dowry, are in a position to take their choice of the marriageable young men. The girl is therefore more of the chooser than the man, and she goes into the matrimonial market practically as a purchaser of an eligible young man rather than as in the case in America to secure a position in life with the only asset, her personal charms.

Unions are thus very much more readily effected, and when the young man feels that his suit shows signs of being favored he quickly makes his intentions known to the parents and if the possibilities of the dowry and his own income will meet the prospective expenses of the family no further delay is necessary.

Although it is often a woeful strain upon the resources of the family of the girl, yet as the marriage of the daughter is in reality one of the principal purposes of the family's existence, it is de-

sirable that the family which has practically fulfilled its function in the social organization should sacrifice itself for the benefit of the new family rather than that the new family, as in America, should be prevented from being formed.

The fact that the wife brings the dowry, and is thus an essential contributor to the family's foundation, makes the position of the wife much more secure in Germany than in America, where the husband supplies everything and where the wife is a luxury instead of a contributing partner to the domestic organization.

A German husband owes a greater practical moral duty to his wife than does the American. They are more helpmates than in America, and though the German husband and father lords it over his family in a somewhat autocratic way, or so it would seem to Americans, the wife accepts such "domination" with a very tranquil spirit. There is more bark than bite to the exercise of his authority, and the German wife, being in such a complete sense a partner, takes a very profound and intense interest in the success of the family as a family.

She is devoted to her children and a comrade of her husband, and though she may not exhibit the style in dress and the superficial acquirements of some of the luxuriously inclined American wives, who must always seek in attractiveness and



in other ways to make up for the burdens they lay upon their husbands, she is at all times a tower of moral and social and usually of physical strength to the family.

There is, further, no question of the incisive discipline over the children. During the years of their childhood the family has in view the time when the daughters must in turn be provided with a dowry and the sons with a professional education, and the sacrifices which must be made for them entitle the parents to exercise such a discipline, and the prospect of the benefits which they are to derive from the family cannot fail to have its influence in bending the children to that discipline, even if the German character was not one that recognized discipline as an essential attribute to success.

The American youth not expecting to derive many benefits from his family, and his family not expecting to, or at least not being under the social obligation of affording him any particular assistance either to himself or to his sisters, begins to consider his own interests at an earlier age and is inclined to branch off into some endeavor by which he can get rich as quickly as possible, disregarding the advice of his elders in a way which a German youth would never think of doing.

As it is impossible for the young people of a nation, such as the United States as a whole, to

gain the means which is conferred upon their class in a country in which the dowry system prevails, as in Germany, the whole family life suffers by comparison and the difference in organization is largely productive of the difference between the American and the German family.

The German woman, more secure in her position, becomes more of a useful than an ornamental member of society. She takes a less obtrusive, but at the same time a more practically decisive rôle in the national life. The German woman is the modern Spartan. In times of stress and war, such as Germany is now passing through, all the old Teuton vigor and nobility of character comes to the front. The German soldier does not leave behind the woman who helplessly weeps but the woman who inspires him to the utmost efforts as she is ready for the utmost sacrifices.

Though unadvertised the German woman is a tremendous source of moral strength to the German nation. Her splendid qualities are so well understood and appreciated that the adulation and praise and publicity which are given to the women of other countries would seem a confession of weakness if applied to the German woman.

But it should not be imagined that because the German woman devotes herself so much to her family that she is by any means an uninformed or uninteresting person. The women of Germany,

class for class, have a very much better education than the women of any other nation.

The courses of study in German schools are very much more severe and as a rule fifty per cent. longer than the corresponding courses of the schools of other countries. Not only are the courses more rigorous, but the pupils take a greater interest in their studies and are much more eager to learn.

The German woman is thus always very well educated. In addition, she invariably has some particular accomplishment in which she excels. She is informed on all branches of art, particularly music, and is an appreciative patron of the theatre, music, painting, sculpture and the other arts.

The German woman in dress is far from the conventional idea of a half century ago. If she has means she is the equal of the highest type of the Parisienne. In any event, she always dresses in the best of taste and insists upon a high quality of materials. She never overdresses and is never loud or unconventional.

It not infrequently happens, and to their amusement, that German women visiting America are not taken for Germans for the reason that they are so much better dressed than Americans suppose to be the custom of German women.

The increase of wealth in Germany in the last

generation has been so great that a wide variety of luxuries are within the reach of all persons of any social standing whatever. This increase of wealth reflects itself in dress, in the use of automobiles and other equipages, in residences and furnishings and the various visible evidences of material prosperity which wealth usually takes. The picture of Germany as a poor country and of the German woman as a frugal and unadorned housewife is a picture of the past.

Nevertheless, the German woman, even of the highest class, has not lost her devotion to her family. Her interest in her household and in her children and their education and training remains her most noticeable characteristic. Owing to the fact that there is a very large class of women who enter domestic service, the German woman can afford to keep more servants than the woman of other countries, and she consequently has greater leisure for other pursuits.

Servants in Germany receive much better treatment than in America, and often are treated just as members of the family. Their position is more that of relatives than of menials, and this contributes to the comfort of domestic life.

The German woman takes a great interest in outdoor life. She is given much to walking and to sports of all kinds to a degree unimagined in the United States. She does not go in much for

contested games, but rather for mountain climbing, long walking tours, skiing, tobogganing, hunting, riding, swimming, rowing and sports requiring great physical endurance, and in which her costume is usually short skirts, knickerbockers or jerseys.

Withal, the German woman, being highly educated and imbued with a sense of responsibility in the rearing of her children, takes a much keener interest in public affairs than her sisters in other countries. Although she has not made as much noise about her rights as have the women of England, there is very little doubt but that she will vote before they do. In breadth of view and progressiveness and in qualities by which she contributes to the greatness of her country, the German woman is the equal, certainly, if not greatly the superior, of the women of other countries.

## CHAPTER XIV

### THE GERMAN EDUCATIONAL SYSTEM

**T**HE State, being composed of its citizens, is a resultant of their characteristics. A State cannot rise higher than its source, which is its citizens; but the State, as does the individual, controls its destiny in that it can influence its future, it can form the character of its future citizens as is deemed best by the wisest of its present citizens.

The fate of a nation thus depends on what it makes of the raw material of its citizenship as humanity provides it. The great progress which Germany has made in the last half century is due in a large measure to the influences which have been caused to affect the children who have grown up to be the citizens of which the nation is now composed. Other countries have dropped behind in the race of progress because they have not dealt honestly by the material of their citizenship.

To-day Germany possesses an educational system which is vastly superior to that of any other country, and which is making of the individual, as he grows up, a citizen of the highest type.

The ultimate object of the educational system of Germany is to make Germany a great nation. In order to do this, the individual must first be made a great citizen, great in the sense of being as highly educated as the circumstances permit, and in whatever his degree of education, being imbued with patriotism and right principles of conduct.

The educational system of Germany takes the child at the age of six and carries him to the age of fourteen, in any event, in the *Volkes Schule*, before any other activity is permitted. Before the age of six, at the option of his parents, the child may have had a course in the kindergarten.

Between six and fourteen, the usual and proper branches of study are undertaken, and in addition the child receives religious instruction, as Protestant, as Catholic, or as Jew, as the case may be; physical education, in the form of gymnastic exercises, as a relief to his studies and to keep him in the proper physical condition, and recreational education, that is, instruction in play. His mind, his character, his body, and his recreational tendencies are thus carefully trained.

For the most part, American schools are one-sided, as compared with German schools; devoting themselves only to the training of the mind. The moral training of the child is left to the more or less careless control of the parents, the physi-

cal training and the recreational training being almost entirely neglected.

The first principle of German education is thus an all-around education rather than a one-sided one. The next principle is the utilization of education, the German pupil being taught those branches which will be of service to him in later life. The third great principle is thoroughness. Under the most favorable circumstances the American pupil receives a thousand hours of schooling per year, while the German pupil is given regularly 1,440 hours. Thus the first eight years in German schools mean almost the equivalent of twelve years in American schools.

The first fork of the educational road comes at the age of nine years. Those who are to receive an extended education begin, at that age, to branch off from the curriculum of those who are to leave school at 14 and become artisans.

At 14, those who are to be artisans leave school and begin work, but must still continue to attend, at certain hours of the day or in the evening, what are known as Fortbildungs Schule, for three years. Their employers are not permitted to deprive them of the opportunity of attending such schools and cannot deduct pay for such absence.

The Fortbildungs Schule are practical trade and commercial schools and must be attended by



all. In addition, the artisan may also attend evening courses in the Universities and other institutes in which he may obtain a partial university training. These are taken advantage of by men of even advanced years.

Those who are destined for a higher degree of education, after the age of nine, go through the Middle school until they reach the age of fifteen. At this point they take an examination, which, if successful, entitles them, at their own expense, to serve but one year in the army instead of two or three years. This one year's service in the army may be taken at any time at the pupil's option between the ages of 18 and 26.

At fifteen a further differentiation of the curriculum is made. One branch leads to what is termed in America classical education, and the other to technical education. There is a third branch, not, however, directly connected, in which the pupil, after fifteen, may devote himself to higher commercial training. The artisan may also take up this branch. This commercial training includes bookkeeping, banking, domestic and foreign commerce, foreign languages, principally English and French, and similar studies.

After fifteen, the classical education is pursued in the Gymnasium, which corresponds to the American High School and Preparatory Schools, while the technical course is in the Real Schule

and Ober Real Schule. In the classical course Latin and Greek are studied, while in the technical course modern languages are studied.

The classical course leads to theology, jurisprudence, philosophy, medicine, etc., while the technical course leads to engineering, chemistry, architecture, mining and various special departments of science.

These courses are continued up to nineteen and twenty, when the final examination is taken, which, when successfully passed, entitles the student to enter any of the classical or technical universities, as the case may be, although at least one year of practical experience must intervene in all the technical branches. The student must be twenty or twenty-one years of age on entering the universities.

The student, instead of entering a university, may at this point take up a military career, leading to a commission. Consideration will be given to this phase of education in a later chapter to be devoted to the military system.

From the very outset and continuing up to entrance in the university, much attention is devoted to class gymnasium work and outdoor exercise, which serves to keep the student in the best possible physical condition. After entrance in the universities, the student's own interest in sports of all kinds is so keen that further compulsory

physical training is found unnecessary. University sport, however, does not take the intense and semi-professional aspect which it has in American universities, but is participated in by the students more generally.

The classical universities are: Heidelberg, established 1386; Leipzig, 1409; Rostock, 1419; Greifswald, 1456; Freiburg, 1457; Tuebingen, 1477; Marburg, 1527; Koenigsberg, 1544; Jena, 1558; Wuerzburg, 1582; Giesen, 1607; Kiel, 1665; Halle, 1694; Breslau, 1702; Goettingen, 1737; Erlangen, 1743; Berlin, 1809; Muenchen, 1829; Strassburg, 1872; Boon, 1880, and Muenster, 1902, founded as an academy 1771.

The technical universities are: Berlin, 1700; Stuttgart, 1829; Dresden, 1828; Carlsruhe, 1825; Darmstadt, 1836; Aix-la-Chapelle, 1870; Brunswick, 1745; Munich, 1827; Hannover, 1831; Danzig, 1904, and Breslau, 1905. Hamburg and Frankfort have very recently been added.

The university courses last from four to five years in addition to which if certain degrees are to be obtained, either a post-graduate course is necessary or a thesis must be prepared, embodying the result of original researches.

A highly valuable practice in the university system is that which permits the student to attain his scholarships in as many different universities as he wishes. After enrollment he is presumed

to have reached the age of responsibility and no roll is called. He is permitted to attend whatever lectures he sees fit.

The students are allowed to go from one university to another every six months (semester), attending the lectures of the most prominent professors in their particular branches, and they are thus enabled to come in contact with the very highest authorities.

Many students do not take the examinations, but receive certificates of attendance showing the semesters they have attended. The taking of the examinations and the completion of the university courses, as prescribed, however, open the way to the highest positions in the Empire and the more ambitious students go through with the examinations which are, of course, of a very rigid character.

In addition to the universities there are four Academies: those of Berlin, founded 1700; Goettingen, 1751; Muenchen, 1759; and Leipzig, 1846. These academies are composed of members who are usually professors in the universities and are devoted to the highest branches of research work by experts.

The universities have extensive laboratories, libraries, collections, and observatories, which are used for research work by professors and students, but the academies are devoted to the ulti-

mate development of the sciences, and, being supported by the State, afford facilities for research far beyond the means of private individuals. Some of the greatest scientific discoveries are the outcome of the work of the academies. The University of Darmstadt has a library of 800,000 volumes, and the University of Berlin, more than a million volumes.

From the kindergarten to the academy, the whole education system is under the direct control of the government, centering in the Ministry of Education at Berlin. There is thus no conflict of authority at any point and the whole system is worked out in the greatest and most effective detail, from beginning to end.

The educational system is not only made use of by the graduates themselves, but contrary to the practise in America, where professors are expected to devote their entire attention to the work of the universities, the German professors are expected to have outside activities and to assist the work of commercial concerns, where their technical knowledge can be put to practical use.

The work of a prominent professor in a commercial connection adds to his income and adds prestige to the establishment which engages his services. More important, it serves to introduce into the industrial lifeblood of the nation, the latest discoveries of science.

Either before or after his university course, the student may elect to take his year of military service. He may enter any branch of the service provided he is able-bodied, and if he develops military ability, at the end of the year he leaves as a non-commissioned officer.

He must bear all his own expenses for his board and lodging and uniforms, and also the expense of his mount if he enters the cavalry.

The head of the university is the rector, who holds the office for one year, and is elected by the professors from among their number. The business of the various faculties is transacted by the deans who are similarly elected by the regular professors of each faculty. The body of instructors consists of regular professors and lecturers and assistants, in addition to which are a large number of tutors, who are engaged themselves in the advanced studies or research work.

Students matriculate at the universities and are enrolled in one of the faculties, and only those are entitled to fully matriculate who have certificates from some one of the nine years' course upper schools (Gymnasium, Real Gymnasium, or Ober Real School). Foreigners must produce a certificate of a corresponding standard. Students may be enrolled, however, in the philosophical faculty under less exacting conditions. In addition to this, certain branches admit Hoerer (lis-

teners) to the lectures, of whom there are large numbers.

Women are at liberty to take any of the courses open to men in the German educational system. They take courses in philosophy, philology, mathematics, architecture, law, medicine, and in fact all the higher branches. In the universities from 5 to 10 per cent. of the students matriculated are women.

In 1911, 4,532 women attended the universities, of which 2,795 were fully matriculated students, while the remainder were "listeners."

The subjects pursued by the women students during the period just mentioned were philosophy, philology and history, 1,563 students; mathematics and natural history, 504; medicine, 582; political economy, 67; law, 39; dentistry, 27; pharmacy, 8; and Protestant theology, 5.

In addition to the State educational system, there are in Germany a great many private schools, though perhaps not as large a proportion as in the United States.

The private schools, however, are under a strict governmental supervision, and the courses of study correspond to those of the State system with such modifications as may be thought proper. The private schools, especially the higher schools, are largely attended by women, who, though they obtain in this way more congenial surroundings,

do not escape the discipline and rigor of the general educational system.

The German educational system is undoubtedly the most successful and thorough system of education that has ever been evolved. It is to the perfection of the system that Germany owes so much of her present greatness. The system is one that does not give to a few a very high degree of education and turns the remainder adrift with but little learning, but gives all an opportunity to pursue their studies to the highest possible point. Education is compulsory and free from six to fourteen years of age, except that when election is made of the curriculum leading to the higher branches at nine, tuition must be paid.

The tuition throughout the higher schools and universities is very moderate.

In addition to the regular system, there are a large number of technical, industrial, commercial and trade schools, which are in some cases private schools and in others State schools. These schools are devoted to all kinds of technical studies, to music, literature, painting, sculpture, and the other arts, and to special studies of various kinds. Some of these schools give degrees. They are also, like the other private schools, under strict governmental supervision.

The unrivaled results of the German educational system are indicated in one direction, by the



statistics of illiteracy in the leading nations of the world.

The number of illiterates per 10,000 of population is as follows:

Russia	.....6,170	in 10,000,	or 61.7%
Italy	.....3,130	in 10,000,	or 31.3%
Austria-Hungary	...2,570	in 10,000,	or 25.7%
Belgium	.....1,020	in 10,000,	or 10.2%
United States	..... 770	in 10,000,	or 7.7%
France	..... 400	in 10,000,	or 4%
Great Britain	..... 100	in 10,000,	or 1%
Denmark	..... 20	in 10,000,	or 1/5 of 1%
Sweden	..... 10	in 10,000,	or 1/10 of 1%
Germany	..... 5	in 10,000,	or 1/20 of 1%

Thus it appears that proportionately there are twenty times as many illiterates in Great Britain, eighty times as many in France, and one hundred and fifty-four times as many in the United States, as in Germany.

## CHAPTER XV

### THE GERMAN ARMY AS A NATIONAL BACKBONE

**T**HE true relation of the German military system to German progress is but little understood by the rest of the world, one evidence of which is seen in the spectacle of numbers of uniformed persons of prominence constantly assailing it and deploring the supposed burden which Germany thus places upon herself.

As a matter of fact the German army is the very backbone of German progress. It is the keynote in the administrative government of Germany, and the great preparatory school of all official Germany.

Germany is undoubtedly the best governed country in the world. It is the only country in which graft is practically unknown. And the whole expense of the German army is without doubt less than the loss to other countries through official and semi-official graft. Comparatively, therefore, the German army costs nothing. In addition, it is of the highest value in producing efficient and disciplined public servants, and in

making men out of slouches in every walk of life. If there is anything that every German is proud of it is the military system, and a true understanding of its workings and results will convince the unprejudiced observer that it is the greatest organization which has ever been perfected by the brain of man.

Heretofore in wars, an army has been but a small part of a nation, but under modern conditions, the nation itself is practically the army, so that in dealing with the German army we are really considering the whole of the German nation organized into one effective unit.

The present German army had its beginnings in the wars of Napoleon. At a time when Germany was under the heel of Napoleon, he disregarded Tallyrand's advice to make Prussia a buffer state against Russia and allowed Prussia to have an army of 42,000 men. Scharnhorst and vom Stein began at once a system of conscription and after drilling the 42,000 discharged them and drilled another and another army until within a short space Prussia had an army of some 200,000 which later proved the undoing of Napoleon.

That system was further elaborated and built up, the final principle of rapid mobilization being due to von Moltke. To-day the German army, on a war footing of some 5,200,000, is an organi-

zation guided by the Emperor and General Staff and one in which merit is the only door to preferment. The high officers of the Army owe their positions solely to their ability, and not to any political or personal or social influence. Their business is purely military, and any extraneous activity would at once end their usefulness. A striking proof of this is seen in the fact that upon the outbreak of the war, no changes were found to be necessary in the personnel of the General Staff, while the enemies of Germany spent the larger part of the first six months in weeding out incompetent higher officers.

The most vital principle of the German Army and the principle that makes the army an integral unit in the administration of the country and at the same time gives that administration its wonderful efficiency, is the fact that from the rank and file of the army are drawn all the minor officials of the empire, such as postmasters, telegraph executives and operators, railroad officials, and civil service appointees of all kinds. There are three million officeholders in Germany. They practically all gain their positions through efficient work in the army, and accustomed to its discipline they fulfil their civil duties in the same thorough manner. Thus the army is Germany and Germany is the army, and between the public and the officials there is a feeling of comradeship

and mutual respect which makes graft and incompetency in public office an impossibility.

To appreciate the working of the German army it is necessary to describe in some detail its organization, and the proper understanding of that organization is worthy of the attention of all readers who take any interest in matters of public concern.

All able-bodied citizens between 17 and 23 are liable to be called to the colors. Service in the infantry is for two years and in the cavalry for three years. From 18 to 21, the German may volunteer. In case he volunteers he may select the arm of service he prefers, whether infantry, cavalry, artillery or other branch. In case he does not volunteer, he must report for examination at 20. If he is not then selected, he must report again at 22 and again at 23, and if not selected, he passes, unless wholly ineligible, into the Ersatz (substitute) Reserve without arms.

As an untrained reservist he is liable to be called upon in time of war, in which case he must be trained before going to the front.

As Germany does not need, by any means, all of her available able-bodied citizens for the standing army, some 42 to 43 per cent. do not serve. Those who are not entirely fit physically also escape service. But both those who are not selected because they are not needed and those who

are not physically fit are liable to a further examination and to service later on in time of war if they are needed.

It was from this body of men that the 2,000,000 volunteers came who appeared in the first two weeks of the present war and but few of them were accepted by the Government as the trained troops were more than ample for the Empire's needs, and it is upon this great source of citizenship that the Empire still may draw. Indeed, Germany has an ultimate strength of over 13,000,000 men who must be reckoned with before the war is decided.

The actual standing army of the Empire at the beginning of 1914 was 810,000 men in arms. It had shortly before been but 680,000 but the three-year law of the French Government forced Germany to increase her standing army, which she did without, however, lengthening the term of service, which, for infantry, remains at two years. The size of the army is practically decided by the Reichstag every seven years, as it must approve expenditures without which an increase would not be possible.

The peace strength of the French army at the beginning of 1914 was 770,000, while the standing army of Russia was 1,200,000. As the population of France is but two-thirds of that of Germany, her standing army is in proportion much

larger than Germany's. France and Russia together have standing armies considerably more than double the standing army of Germany.

Upon enlistment the common soldier serves two years if in the infantry and three years if in the cavalry, two years if an artilleryman in charge of guns and three years if in charge of horses, and from three to four years in the navy depending upon maritime experience. If at the end of his time, he elects to leave the army, he becomes a Reservist with arms, until he is 32 years of age. During this period he is liable for maneuver service on three different occasions, varying from two to six weeks each according to the extent of the maneuver.

From 32 to 39 the soldier who served his time becomes a member of the Landwehr (national guard) during which time he is liable for service at one maneuver of two weeks. Except in case of war this finally ends his active connection with the army.

Able-bodied men who have never served in the army are from 32 to 39 assigned to the Second Landwehr, previous to which they were the Ersatz without arms as noted. They are not liable for service except in case of war, and then must be trained.

From 39 to 45, the trained soldier is assigned to the Landsturm (national defence). There is

also a second Landsturm of the untrained to which may be drawn young men from 17 to 20. However, they are unlikely ever to come into action, and even if they should, it would be only for service in guarding property, railroad lines and the like. They may attend also to the harvesting of crops, and to similar duties.

Should the common soldier, who becomes during his original two or three years' service a non-commissioned officer, however, elect to remain in the army at the conclusion of his time, and be permitted by reason of his demonstrated ability and good character to so remain, he will be advanced at the end of from four to six years to sergeant, and at the end of nine years to Feldwebel or substitute officer, in charge in the absence of the regular officers. He does not, however, in times of peace, except in the most exceptional instances, become a regular commissioned officer. Unless he becomes a non-commissioned officer, he must leave the army at the conclusion of his original service. During his service as sergeant and Feldwebel, he occupies a position of responsibility and has to do with military stores and various administrative functions of the army. These professional non-commissioned officers reach the highest degree of efficiency as fighting men. In times of war they gain commissions in large numbers.



At the end of any year's service they may leave the army either for civil life, or to take some position in the governmental civil service.

At the end of twelve to fifteen years' army service they may leave the army, receiving a position in the governmental service and from 1,000 to 1,500 marks in cash. The positions they go into are in the postal service, in the state-owned railroads and telegraphs, in the police, and in the various bureaus throughout the administrative service of the Empire.

As a special stimulus to industry and the arts, those who quit school at 14, if they attain special excellence in their callings, are permitted, if they are able-bodied, to volunteer for one year's service instead of being called to the colors compulsorily.

They must first pass a state examination, in their respective branches, and if successful, if they are without means, the Government accepts them for the one-year service at its own expense. If they have means, they are permitted to serve at their expense, to which a certain prestige attaches.

The expert examination is a rigid one as respects the vocational skill of the applicant. Otherwise it presents no difficulties. All classes may take the examination but it is more especially taken advantage of by artisans who produce

works of artistic handicraft, by musicians of all kinds, by painters, sculptors and other artists, architects, engineers, electricians, carpenters, wood and stone workers, and skilled workers in various lines.

After 45 years of public service (including military service) the professional under-officer retires with a pension of 75 per cent. of his salary, and if he retires sooner for each year short of forty-five, his pension is one forty-fifth smaller.

The common soldier on entering the army, having previously quit school at 14, may look forward to a very desirable career if he has the requisite ability. Although at a distant social disadvantage as compared with the highly trained professional army officer who reaches the very highest positions, he is nevertheless much better off than his comrade who leaves the army at the end of two years and returns to the life of the artisan. The army thus holds a possible career for every one who enters it, in whatever capacity. In this, it is vastly different from the American army in which the private soldier, except in the extremely rare event of becoming a commissioned officer, has nothing whatever to look forward to.

The training of the officers of the German army is along considerably different lines. Professional officers must have certain financial re-

sources, as their education begins to be specialized from the age of 13 to 14, when at the conclusion of the *Volkes Schule*, they enter, instead of the *Gymnasium* or the *Real Schule*, the *Cadet Schule*, where they continue their studies as cadets until they reach the age of 19 or 20.

During this period they study such branches as will fit them for their future careers as officers of the army.

At the end of the course at the *Cadet Schule* they serve for nine months on garrison duty, as non-commissioned officers and a year as officer-aspirants, after which they enter the *Kriegs Schule* or War College for another year.

At the conclusion of their studies in the War College they serve for one month as officers, in a sense on probation, after which they are duly elected officers by their fellow officers.

As second lieutenant (commissioned officer) the German officer serves seven years, and as first lieutenant six years, after which he becomes major, colonel, brigade commander, etc., rising in the scale in accordance with his abilities through the corp staff and finally to the top of the ladder in the general staff.

The larger part of the officers of the army thus come through the *Cadet Schule*, and but very few through the rank and file. There is, however, still another avenue to the profession of

army officer, and that is through the Gymnasium or Real Schule. At the end of this period, if the student desires to take up an army career he volunteers. He then serves one year in the army at his own expense and if in the cavalry arm, he supplies his own mount. If he shows ability, he becomes at the end of one year a non-commissioned officer and enters the war college for one year, which places him on the same plane as if he had been a cadet.

A professional officer of either class, before election must show that he has a certain assured income, or if he wishes to marry, independent means of not less than 30,000 marks, since during his service as an officer his salary is comparatively small.

As a rule, the graduates of Gymnasiums and Real Schulen, even if they do not wish to take up a military career, desire to become officers of the reserve, as this gives them an enviable social standing. This is often also the case with business men who do not desire to take the university courses.

Those who take the university courses in almost all cases desire to become officers of reserves. They volunteer, serve one year at their own expense and may become non-commissioned officers at the end of the year. This year may be at any time not later than the 26th year of age.

The one-year volunteer enjoys a certain distinction as compared with the regular private, he "stands" in the army rather than "lies" in it, and he lives in his apartment while the ordinary private is in the garrison. He is not, however, a non-commissioned officer, and only becomes one at the end of the year if he shows the requisite ability, which he usually does.

Subsequent to his year's service he is liable for eight weeks' service once a year for three years, the first time as a non-commissioned officer, the second time as sergeant, and the third time as a commissioned officer, provided he is recommended by the higher officers and is elected by the other reserve officers of his district. This makes him a second lieutenant. He subsequently has to serve thirteen days when he is in the Landwehr. In case of war he becomes a first lieutenant and his rise thereafter depends upon his abilities and the fortunes of war.

This system of reserve officers provides the German army with a very large number of trained men competent and qualified to serve as regular army officers in case of war.

All these reserve officers are highly educated and trained men in all walks of business, scientific and technical life, and they form in all respects the reserve directing units of the Empire, just as the men who from the rank and file of the army

form the working units of the administration.

Thus when war is declared, Germany has instantly at hand a highly trained body of professional officers, a standing army of the highest efficiency, a reserve practically as perfect, an enormous body of reserve officers, and an enormous body of administrative executives risen from the ranks, all co-ordinated, all knowing just what to do and how to do it. Such an organization, which has taken a century to perfect, certainly deserves the respect of the Empire and the respect of all mankind.

## CHAPTER XVI

### THE GERMAN NAVY

**T**HE same principles of organization which have made the German Army the unrivalled organization that it is, have been applied with even greater success to the development of the naval side of Germany's militant power.

The German navy is, indeed, vastly more of a triumph of modern Germany than is the army for the principles upon which the army is based were put into operation over a hundred years ago, and the army is consequently much older than the navy.

The impoverishment of the German states as a result of the Napoleonic wars and later struggles and the fact that she has but a short coast line and had thus for a long time little or no oversea interests, prevented the development of her marine.

Germany did not feel the necessity of maritime development until the pressure of population became so great that it was evident the country could not be made to furnish enough food for sub-

sistence. In addition to this growing peril was the necessity of having an outlet for its trade, and these causes forced upon Germany the necessity of a merchant marine and the corollary of a navy.

Germany did not become a shipbuilding nation until within the last generation. Almost by magic she has overtaken the former master ship-builder of the world, England, and today her ships are the equal if not in most cases the superior of the ships of England, both in merchant and naval departments.

The ceaselessly increasing pressure of population has kept most vividly before the German consciousness the necessity of both colonies and maritime development, and Germany has entered and has progressed in the maritime race as no nation has ever done.

She has brought to bear upon the subject every scientific and technical resource and these resources being applied through the agency of her wonderful administrative system, the unparalleled growth of her merchant marine and of her naval power has been the inevitable result.

This has aroused the jealousy of England, so long the undisputed mistress of the seas, who, powerless to curb the growth of Germany's sea power, has formed a military coalition against her in the effort to destroy by the sword what she could not rival in the ways of peace.



The necessity which England originally had of sea power, to supply her inhabitants with the food and materials which they could not produce within the nation's insular borders has been the necessity which has compelled Germany to seek sea power. This present necessity of Germany is proportionally very much greater than was England's necessity for at the time England began to develop her sea power her natural resources were much greater. Modern industry and rapid increase of population make the necessity of Germany to-day far more acute.

The inability of England to realize the logic of events and to accommodate herself to changed condition has been the real cause of the present conflict. In it, the German navy has already covered itself with glory. England's is only greater in mere size. Eventually Germany must become a greater naval power than England as within 75 years it is estimated that her population will reach 200,000,000. In wealth and industrial progress she must continue to increase. The trident must finally pass from the hands of England to those of Germany. When that happens, and Germany becomes secure in her food supplies and raw materials, and a market for products in her own colonies, the world will be at peace again, doubtless for centuries.

The German navy, which has been so suddenly

created out of nothing and which has accomplished so much, enjoys in its organization the same close contact with the maritime industry of the nation that the army has with the land industries and administration.

The principles of its organization are practically the same, so that a briefer consideration of its details will suffice, keeping in mind all the while that its organization parallels that of the army in the various branches of service and in the incentives and rewards of efficient service.

The navy draws its recruits principally from the regions along the sea coast and along the inland waterways and industrial districts. They serve three years, if they are experienced as seamen but for four years if they have had no experience on water.

The recruits are divided into two classes, those that correspond to our able seamen and our mechanics. The seamen are those classes in a general way which would have been on the ships in case machinery had not been invented and the ships were still sailing vessels.

The mechanics have charge of the machinery of the ships and represent the advance of the modern vessel over the wooden vessel of former days.

The seamen include the gunners, the signalling corps, the navigators, the marine artillery and

marine infantry, cooks, butchers and mess room men and the various services of the ship. The mechanics include engineers, electricians, stokers, wireless operators, and similar services. The two classes may, for present purposes, be termed the navigators and the technicians.

At the end of their time of service, they may either return to civil life, in which case they usually obtain positions of a similar character in the merchant marine, or they may remain longer in the navy, in which case they must show sufficient ability to become non-commissioned officers.

Like the common soldier in the army, the common sailor in the navy may remain in the navy as a non-commissioned officer for a total of twelve years of service, after which time he may leave the navy or may obtain an official position in the merchant marine or public service as will be described.

In addition to the foregoing classes of men, there is a class that expects to make a seafaring life their career, and they are permitted to enter the navy at fourteen years, as "ships-youths." From fourteen to seventeen these boys make a special study of maritime branches and from 18 to 19 serve as regular seamen or technicians. From 19 to 22 they serve as non-commissioned officers of the lowest grade. Continuing in the navy as they show ability, they advance to the

higher grades of the non-commissioned service, until after twelve years from the time of their regular service as seamen or technicians, they leave the navy to take an official position in the merchant marine, private or governmental ship-yards, as mentioned in the case of the regular recruit who remains twelve years in the navy.

These positions include all of what may be termed the "working" service of the merchant marine. The technicians become engineers, and chief engineers, electricians and boiler room heads and generally occupy the best position in their lines, while the navigators become mates and masters of vessels, and even captains of ships, reaching finally such responsible positions as the captains of the great ocean liners of the Hamburg-American and North German Lloyd lines. They may also take the positions in the governmental ship building yards, the navigators becoming designers of ships and superintendents of ship construction while the technicians have charge of engine making and installation and all the expert work of the mechanical equipment of the ships, both for the ships of the merchant marine and of the navy.

Thus the naval service leads to the very best positions both in the merchant marine and governmental service and so there is every incentive to bring out the best there is in the men.

In addition, the merchant marine is thus provided with a personnel which has had the benefit of the discipline and long training of the navy and its efficient operation is thus ensured, while in case of war, it all forms an auxiliary of the navy.

No other country enjoys this efficient system so mutually advantageous to both the personnel and the service.

These highly trained men, in times of war, may even become regular officers of the navy.

The naval reserve is built up in the same way as the army reserve, and the officers of the naval reserve attain their positions in the same manner. Thus the graduates of the Gymnasium, or Real Schule or the university may volunteer for one year in the navy at their own expense. At the end of that time they become non-commissioned officers. They are liable for naval maneuvers, the first year for four weeks and the second year for six weeks, after which they become by election of other naval officers, fully commissioned officers of the reserve, liable for duty in the case of war.

The expert examination, as in the army, furnishes a class of naval recruits who serve but one year, they being parallel to the same class in the army as described in the previous chapter.

The training of the regular officers of the navy,

those who expect to make their careers in the navy, begins as in the case of army officers at 14, when they enter the naval cadet school. They follow courses analogous to those followed by the army officers, including a trip around the world on a training ship and at 23 upon election by other naval officers, they become regular commissioned officers and their further advancement follows the lines of similar advancement in the army.

The naval service thus is in command of highly trained officers, re-enforced by a large naval reserve of both officers and men, and further by the very large and efficient middle class who occupy positions from electrician to captain of an ocean liner.

Germany's vast system of inland waterways is operated and administered by men of naval training and all her docks, piers, governmental warehouses, supply depots, naval armament works, shipyards and all the activities of the navy and merchant marine are similarly served. The wonderful efficiency which results may readily be understood, for at every post there is a highly trained man who is or has been a soldier.

As in the army, naval officers rise by merit alone. There is no graft, influence or favoritism in any form and the whole system is a perfectly

working organization from top to bottom, under absolute control and with an esprit de corps not surpassed by any organization in the world, not even that of the German army, since the navy by the close comradeship incident to the life on ship-board, the singleness of purpose and the isolation from the distracting influences of surrounding civil life, begets a feeling of brotherhood not possible to the other arms of the military system.

The navy is divided into squadrons analogous to army corps, administered by admirals over which is the great general admiral staff.

The control of the whole German military system lies in the great general staffs of the army, navy, transportation and allied departments, about two hundred men in all.

The final authority over all consists of five men, the Emperor, the Chief of the Great General Staff of the Army, the Minister of War, the Minister of Railways, and the Chief of the Admiral Staff, and when they meet in time of war the destinies of the empire and of the world are in course of mutation.

The world is full of critics of the German military system. But a few of them, however, know anything about it, in fact, are less well informed on the subject than the reader of this brief summary. But those in Germany who know the

system, know that it is not a burden on the country and far from being a burden is a great source of strength.

The great size of the German army is a source of criticism, but Germany maintains proportionately speaking as shown in the foregoing chapter a smaller army than France. France has a war strength army of one soldier to 9½ of population while Germany has only one soldier to every 13 of population.

America listens to many critics of militarism yet seeks to have the second largest navy in the world.

It is repeatedly announced that "militarism" must be crushed, yet England claims the "right" to have twice as large a navy as any other country. Germany, however, does not seek to maintain twice as large an army as any other country. Germany is in reality less of a militarist country than England, its officers being men who advance by merit and not as in England, members of a privileged class who advance by influence and manipulation.

The cost of militarism is represented as a great burden upon Germany.

According to the World Almanac of 1914, the estimated cost of maintaining armies and navies of the principal nations of the world for the year 1913-14 is as follows:



1. Great Britain . . . . .	\$448,440,000
2. Russia . . . . .	439,300,000
3. United States . . . . .	323,800,643
4. France . . . . .	311,002,000
5. Germany . . . . .	294,390,000
6. Austria-Hungary . . . .	128,800,000

The cost per capita for military expenses is as follows:

United Kingdom, \$9.90, France, \$8.00, Germany, \$4.40, United States, \$3.30, Austria, \$2.40 and Russia, \$2.30.

Owing to Germany's greater efficiency she maintains a navy larger than that of the United States and a standing army of 810,000 at an expense but one dollar and ten cents per capita more than that of the United States with a standing army of 75,000. In addition the United States is burdened with a pension system involving expenditures of \$173,000,000, or more than 60 per cent. of the cost of Germany's whole military system. If the military shoe is pinching any one's foot it is that of Russia with its enormous graft or the United States and England, and also France, but certainly not Germany.

As a matter of fact the word "militarism" is a bogey conjured up by Germany's enemies. For Germany knows that "militarism" means efficiency throughout national life, team work,

equipment for life's trials and duties for the individual, and real patriotism, the willingness to sacrifice self to the state; in short, it is the supreme expression of Germany's national life and vastly more an instrument of peace than an instrument of war. If other countries would rival Germany they must adopt the system which she has found so successful. Whether they will be able to do so remains to be seen for it is her unique achievement. Her success is obtained through co-operation which acts and reacts in myriad circumstances, and the army is the keystone of her system.

## CHAPTER XVII

### WHY GERMANY'S OVERSEA COMMERCE HAS GROWN SO TREMENDOUSLY

**I**N the twenty-five years from 1887 to 1912 Germany's exports and imports increased 214 per cent., Great Britain's 113 per cent., those of the United States 173 per cent. and France's 98 per cent. Thus Germany's commerce increased more than three fold, that of the United States increased two and three-quarters times, Great Britain's more than doubled and France's almost doubled. In 1887 Germany's foreign trade was hardly any more than France's, but it is now more than twice as much, and it was hardly half as much as Great Britain's, but is now about 85 per cent. of it.

Germany's aggregate turnover increased from 1,561½ million dollars to 4,912 million dollars. Britain's from 2,680 to 5,714½ million dollars, and America's from 1,457¾ to 3,978 million dollars.

In 1885 a commission appointed by the British Parliament made a report on the arrested development of Britain's trade. This report found

the causes to lie in lack of technical and commercial development in her workmen and merchants, stubbornness in adhering to ancient methods of doing business, lack of adaptation to different markets, ignorance of languages, lack of study of special needs and tastes, in short "for a conservative pride, which failed to recognize facts, especially that the time is past when the foreign customer is satisfied to accept those goods which the English dealers say are best for him."

Such was the British Government's own explanation of a condition which has finally become so acute as to be one of the principal reasons for the present war. Germany's competition was not then anything like so keen or threatening as it has at length become, but its true import was even then thoroughly understood.

Why, then, it may be asked, when the British Government was fully aware of the conditions, were they allowed to grow worse until a war, intended to destroy Germany's competition, became in the opinion of the British an economic necessity?

Although the United States has grown almost as rapidly in commerce as has Germany, the fact that so great a part of her trade is in raw materials gives her a more favorable position in the statistics than the actual conditions import. Our

own investigators report that our failure to obtain trade that should more naturally flow to us, is due to conditions very much similar to those found by the British parliament's commission, and in addition to the failure of our merchants to extend sufficient credit, South American countries, for example, requiring from six to twelve months' time in paying for goods while our merchants demand payments in sixty to ninety days. Thus our banking customs which we will not modify, stand in the way of the increase of our commerce.

Why is it that the German exporter adapts himself to conditions and takes advantage of opportunities, when the Britisher and the Yankee do not?

The fundamental reason is that in Germany what is everybody's business is the Kaiser's business while in England and the United States what is everybody's business is nobody's business. Furthermore, the Kaiser stays on the job, while administrations change in England and America, and our presidents being but transients cannot support any policy long enough to make it effective in practice even when a sound policy is adopted.

William II must be given particular credit, far more for the development of Germany's over-sea trade than as a "war lord." Certain close

observers of the Kaiser's personal peculiarities assert that he is in reality a first class drummer.

If this is the case it is evident that he is stuck on his job, and has a penchant for keeping everybody else on their job. He is the commercial traveler of an Empire and he has sold more goods than any man in the course of history.

The secret of his ability to so influence German commercial development lies in the close relations maintained in Germany between politics and business. It is a part of the German system to see that business is helped by politics and not as with us, to have them preying on each other.

The government keeps a large force of business prospectors in the field and the world is its field. When a point is found which offers favorable opportunities for the driving of a German wedge, a full report is made on the conditions. After the report is made, it does not, as in England or the United States, find an honored place in the public archives to be forgotten, but becomes a vital German asset. If no German merchant is sufficiently interested to see more profit for himself in the new field than he is already making in others, the Kaiser presses a convenient button and some merchant has to come forward and in the popular language of this free republic "make himself the goat."



**A Dredged Slip of Two Fairways in Hamburg.**

The longest piers in the world, 3,500 feet and 5,000 feet long, equipped with numerous electric operated cranes to handle cargoes, Hamburg, although an artificial harbor, cleared in export and import in 1912, \$150,000,000 more than all the three natural ports of London.





But only apparently so. Once he has the Kaiser's intimation that the cause of German progress has been placed in his hands, he "goes to it," he makes himself the point of the wedge and the German system does the rest. Although he may be somewhat crumpled up in the process, the German wedge is eventually driven and the government sees to it in one way or another that he is not eventually the loser.

As a rule he is a very early and substantial winner because the government experts have thoroughly sized up the situation and the course of events can very nearly be determined in advance.

It is questionable whether there has ever been an American business firm encouraged in this manner by the president to go across the sea and open the way for American goods. The American business man is supposed to know where his opportunities lie.

But the business man the world over does not look far ahead. His profit to interest him must be reasonably close at hand. He does not feel inclined to undertake a risk now for the hope of profit for his grandchildren. But the German policy is that Germany's sons and grandsons will need the trade of the future more than the present generation needs it now, and upon this long view is based the German system.

After the governmental investigators and prospectors have made their report, a German house is established, then come additional representatives, and a number of employees and young men who live in the country and learn the habits and methods of the people. After a time they return to Germany to the various establishments which are to supply the trade. They know what is wanted and where and when and how it may best be supplied.

Then come more German houses, a German branch bank, a German consul, more German citizens, and within a few years the place is saturated with Teutonism, and a regular line of ships plies between the port and Germany.

This process is carried out all over the globe. Wherever the German wedge can find a cleavage, German influence is soon felt, the German language spreads, the German flag follows German trade, and German trade follows the German flag. German houses in Germany are dealing with German houses in the new locality and the latter in direct contact with the public know how to adapt themselves to condition and to changes in conditions as rapidly as they occur.

But all this would not happen if left to the initiative of the German merchant alone. It is the German government which sets the process in motion and sees that it is kept in operation until it is strong enough to operate itself.

But it is not alone in exports that the system is followed. Germany is a large buyer of the world's raw materials and also of manufactured products which she does not find it more advantageous to produce herself. Her purchasing agents are everywhere. She buys with the same attention to her interests that she devotes to selling.

Germany is the best customer that England has on the continent of Europe. England's exports to Europe in 1911 amounted to 349 millions of pounds sterling of which one-third went to Germany and Austria, while of England's exports to Belgium and Holland of 74 millions of pounds sterling, a large part ultimately found its way into Germany.

Germany absorbs 8.5 per cent. of England's whole exports, while the United States takes 7.9 per cent. and France 5.7 per cent.

Germany takes 12.7 per cent. of France's exports, 22 per cent. going to the United States and 8.3 per cent. going to England.

Germany takes 14.4 per cent. of the United States' exports, 29 per cent. going to Great Britain and 6.7 per cent. to France.

Thus Germany is the second best customer of France and the United States. She is the best customer of the following countries, taking the proportion of their whole exports as shown:

Holland, 52 per cent.; Austria, 45 per cent.; Russia, 27 per cent.; Belgium, 27 per cent.; Switzerland, 23 per cent. and Italy, 16 per cent.

Of these countries, on the average, Great Britain is the second best customer, the United States third best, and France the fourth best.

Germany's world trade is second only to that of Great Britain. Over half of her imports are in raw materials and two-thirds of her exports in manufactured products. She thus, in an international sense, exchanges her skill and labor for the raw material of other countries.

It has been her policy to extend her merchant marine as rapidly as possible in order to carry her goods in German ships. The tremendous lead of Great Britain in shipping has, as a result of that policy, been proportionately reduced. In the twenty years between 1891 and 1911 Germany's shipping increased 103 per cent., while England's increased only 37 per cent. In 1891, she had 1,416,300 tons of shipping while England had 8,933,500 and France, 786,600. In 1911 she had 2,888,200; England, 12,240,700 and France, 1,325,100. In 1891 Germany had 7.4 per cent. of the world's mercantile navy, England had 46.8 per cent. and France, 4.1 per cent., while in 1911 Germany had 10.1 per cent., England 43 per cent. and France, 4.6 per cent.

The relative position of England has thus been very materially reduced.

Germany now occupies third place in mercantile tonnage, still far behind Great Britain but not very far behind the United States, whom she exceeds in steam tonnage. Germany has 4,732 ships aggregating 3,023,700 tons; Great Britain 20,919 ships (an actual decrease of almost 3,000 ships since 1885) with a tonnage of 11,683,200, while the United States has 21,278 ships with a tonnage of 4,618,300, thus indicating a large number of small ships, mostly coastwise sailing vessels.

Germany's position is considerably better than the figures seem to indicate, due to the fact that her vessels are large, modern, and speedy and are able to make more frequent trips than the smaller and older ships of other nations.

The progressive methods of Germany are exemplified not only in the ships that fly her flag, but also in the facilities for shipping which her harbors afford, both in a mechanical sense and in matters of policy.

A striking example of this is seen in the harbor of Hamburg, which possesses few natural advantages, lying sixty-five miles inland, but which is the second largest port in the world, clearing in 1912, \$2,000,000,000, but \$6,000,000 less than New York. Hamburg exceeds the three ports of London by 100 to 150 million dollars annually.

This is largely due to the very modern docking

facilities, as great basins have been excavated and piers of 3,500 to 5,000 feet in length built and all fitted with the latest electrical machinery for loading and unloading.

Another cause of Hamburg's superiority lies in the fact that it is like London, a free port, goods entering or leaving free of duty or custom inspection. It is thus one of the world's greatest maritime clearing depots and ships can go there from any part of the world with the assurance that they can find cargoes for other ports in exchange for those they bring. Goods going into Germany later pay the stipulated duties, but Hamburg's docks and warehouses are free to all the world.

If New York was a free port, her commerce would be tremendously larger than it is.

It will be obvious from the present rate of Germany's maritime growth that in a reasonable length of time she will be the first country of the world on the high seas.

To protect this enormous mass of shipping, which is the outlet to her manufactures and the means of ingress to her raw materials and part of her food supply, her navy is an absolute necessity.

Yet the policy of England is and has been ever since the German navy began to show signs of life, to prevent its growth. England asserts supremacy on the sea. It is a traditional policy

and one which she has followed for centuries.

During the Napoleonic wars she went into the harbor of Copenhagen, bombarded the city, killed women and children, destroyed the greatest church in Denmark;—though now she utters loud cries when a German shot by chance strikes a French church;—and having the city at her mercy, took possession of the Danish naval and commercial ships and towed them to London. Yet at the time she was not at war with Denmark but took the Danish ships to be sure Napoleon would not get them.

George Monck, Duke of Albemarle, head of the British navy in Cromwell's time, asserted, "What does this or that reason matter? What we need is a slice of the commerce the Dutch now have." Following that policy, Holland's marine preeminence gave way before England's naval power.

Pitt, a century later, counted England's greatest successes against France in the seven years' naval war between them to be the damage done to the French marine.

England for generations harassed by privateers the commerce of other nations such as Spain and Portugal. She did an injury in the Civil War to the commerce of the United States from which it has never recovered.

Now she has fallen afoul of the German marine

expansion, but for the first time encounters a foe the very necessity of whose national progress is bound up with naval progress.

She considers it necessary to destroy the German navy and the German marine. And she not only considers it necessary but profitable to do so.

The *Saturday Review* in September, 1897, seventeen years ago, frankly stated that England's prosperity could only be saved by destroying Germany. The article foretold the great progress which Germany has since made in foreign commerce and said, "If Germany were extinguished to-morrow, there is not an Englishman in the world who would not be richer." Advising an attack on Germany the article continued, "A few days and the ships would be at the bottom, or in convoy to English ports."

This was evidently a smacking of the lips in prospect of another Copenhagen adventure.

"Hamburg and Bremen, the Kiel Canal and the Baltic ports would lie under the guns of England, waiting until the indemnity were settled. Our work over, we need not even be at pains to alter Bismarck's words to Ferry and to say to France and Russia, 'Seek some compensation. Take inside Germany whatever you like. You can have it.'"

The *Army and Navy Gazette* in 1904 remarked, "Before now we have had to wipe out of



existence a fleet which we had reason to believe might be used as a weapon to our hurt."

The *Daily Chronicle* referring to this article and to a speech of the then Lord of the Admiralty Arthur Lee, claimed that if the German navy had been destroyed in 1904 at the time of the Doggerbank misunderstanding, with the Russian fleet on the way to Japan, the peace of Europe would have been preserved for sixty years.

It cannot be doubted that the policy of England is to destroy every threatening naval power. And she might have destroyed the German navy seventeen years ago, or even ten years ago, but to-day the problem is more difficult. England has really waited too long before beginning the war, which as will be seen has been caused by her determination that no other country shall attain any great naval power.

But should she succeed in destroying the German navy now, there is little doubt but that she will next move against the United States, whose increasing naval policy threatens her. With the assistance of Japan she can destroy the American navy. She assisted the South against the North during the Civil War, and she aided in destroying the commerce of the North. Her real attitude towards this country was then unmistakably shown.

Has there been any good reason since for it to

be modified? And why should public opinion be fanned against Germany and the German navy, which does no menace to this country, and the success of the English be desired when that very success will undoubtedly lead to the ultimate destruction of the American navy at the hands of England and Japan. In the words of a well known humorist, "The greatest friends America has are the Atlantic and Pacific oceans," but not far behind is the German navy, every ship of which is, in the ultimate analysis, an American bulwark.

## CHAPTER XVIII

### GERMANY'S RAPIDLY INCREASING ECONOMIC RESOURCES

**T**HE wealth of Germany is derived largely from her industries, from inventions and modern methods, and from the efficient application of the labor of her workers. The wealth of this country, on the other hand, springs more largely from great natural resources, such as mines, timber and rich soils, though we, too, are beginning to find in the properly directed efforts of the workers sources of wealth.

The German worker, after deducting his expenses and the expenses of those dependent upon him, produces by his work a surplus for himself and a profit for the capital which employs him. The margin of such surplus and profit is in some countries so very narrow that the national wealth increases but slowly, and but for natural resources such surplus might not be produced at all. Germany, however, shows a greater production of surplus and profit per worker than any other country, and thus the faster her population increases, the more wealthy and prosperous she be-

comes. Thus the increase of population in Germany is a blessing and will continue so, as it cannot reach the point of saturation, the point where more population means harder conditions for all, as long as her workers and processes are more efficient than those of other countries. As long as she can sell to other countries cheaper than they can make for themselves, she can continue to draw from others the surplus and profit due to her superior processes.

It thus does not matter how much Germany's population increases; indeed, every increase is an added asset.

That this is the case is proven by the comparison of her wealth and resources at the present time with conditions only a decade or so ago.

One of the great pillars of modern commerce is the production of iron and steel. Germany has outstripped the world in the rate of increase in this respect and she is to-day in the second position, exceeded only by the United States whose natural resources are vastly greater. England was formerly in the first place but she has been outstripped by both the United States and Germany.

From 1887 to 1911 Germany's annual production of iron ores increased from ten to thirty million tons annually, but her demand for ore is so great that in addition to her own production, Ger-

many imports almost ten million tons additional.

Between 1887 and 1911, Germany's production of pig iron increased from four to fifteen and one-half million tons or 387 per cent., the United States increased from six and a half to twenty-four million tons, or 368 per cent., and Great Britain from seven and a half to ten million tons or but 30 per cent. Germany passed Great Britain in 1903 and now produces upwards of seventeen million tons, while England's production remains at about ten millions.

The world's annual production of pig iron now totals about 75,000,000 tons of which about one-fourth is produced by Germany.

Between 1886 and 1910 Germany's production of steel increased from 954,000 tons to thirteen and one-half million tons, an increase of 1335 per cent., the United States increased from two and one-half to twenty-six and one-half million tons, an increase of 910 per cent., while Great Britain increased from two and one-half to six million tons, or 154 per cent. Thus Great Britain and the United States were practically equal in 1886 and each produced almost three times the production of Germany, while now Germany produces twice as much as Britain and more than half as much as the United States with its vastly greater natural resources.

Germany's coal production increased three fold

in the same period and she now produces one-fifth of the world's coal, being as great a producer as England though formerly producing much less than half England's production. The United States has increased her production of coal more rapidly than has Germany, due to her far greater resources and now produces almost as much as Germany and England combined.

England has thus been reduced in coal, iron and steel in twenty-five years from first to third place.

Germany has shown enormous gains in the export of machinery, largely a manufactured product of iron and steel. She exported in 1887 machinery to the value of 13,200,000 dollars. Today her exports of machinery total 157,575,000 dollars, considerably more than 1,000 per cent. increase. Various kinds of coarse and fine iron goods increased from 24,000,000 to 145,225,000 dollars, and coal exports increased from 19,975,000 to 109,150,000 dollars and coke from 2,350,000 to 31,600,000 dollars. Coal tar products such as aniline and other dyes increased from 10,625,000 to 33,450,000 dollars and artificial indigo 1,575,000 to 11,300,000 dollars. Exports of cotton goods increased from 16,825,000 to 105,400,000; woolen goods from 44,400,000 to 63,350,000 and silk from 4,250,000 to 47,725,000 dollars.

These latter figures are particularly striking when taken in consideration with the figures for the number of persons employed in the textile industries, which have remained practically constant.

The home consumption of such goods has been increasing at an even greater rate, and it is fair to estimate that in the past twenty-five years, the producing capacity of Germany's manufacturing industries has increased three hundred per cent.

Exact statistics are lacking for internal expansion of trade and industry but the increase in telegraph and postal revenues furnishes a fair index. The receipts of the postoffice from stamps and telegraph messages increased from 47,500,000 dollars in 1887 to 196,000,000 marks in 1911.

Banking also furnishes another reliable index. Bills of exchange increased from 3,000 million dollars in 1887 to 8,500 million dollars in 1912. The total turnover of the Reichsbank (state bank) including checks and discounts increase from 19,950 million dollars to 103,500 million dollars while the turnover of the Deutsche Bank, the largest private bank increased from 4,525 million dollars to 33,050 million dollars, though a large part of this was doubtless due to the progressive methods of the bank and does not represent the increase of industry as accurately as do the postal and Reichsbank's business.

Another index of the increase of wealth in Germany is shown in the figures for consumption of certain important articles of food per capita, which indicate that the German of to-day is better nourished than was the German of twenty-five years ago. It may indicate also a greater waste, but in any event it shows more leeway in the food supply. The relative figures for a number of countries are as follows: From 1886 to 1906 the consumption of wheat and rye in Germany per capita increased 39 per cent., United States, 28 per cent., Italy, 18 per cent., and Austria-Hungary, 16 per cent., while the consumption in Great Britain remained stationary and in France decreased 4 per cent.

In barley, oats and potatoes Germany's increase per capita was 70 per cent., 39 per cent. and 49 per cent., respectively.

In the consumption of meat, statistics are less completely available, but indicate a present consumption of 51.9 kilogrammes (113 lbs.) per capita. This in 1912 is about equivalent to the figures for Great Britain in 1904. Between 1890 and 1904 the British consumption increased from 99 to 114 pounds per capita.

There has been in twenty-five years no increase per capita in the consumption in Germany of alcoholic beverages or of tobacco.

The German, however, lacks a sweet tooth.



The per capita consumption of sugar although it has increased from 14.9 to 41.8 pounds per capita from 1885 to 1911, is still far behind that of other countries whose increases have been as follows: Russia, from 8.1 to 22.2; Austria, from 11.2 to 28.6; France, from 25.9 to 42.5, now equal to Germany; the United States, from 49.3 to 79 and Great Britain from 70.2 to 90.4 pounds. This enormous consumption of sugar in Great Britain was the cause of much concern to the government at the opening of the war and drastic measures were taken to provide for the supply.

In cotton there was an increase in Germany of from 9.2 pounds per capita in 1886 to 13.4 in 1912.

These figures indicate that there has been a very decided increase in the prosperity of the German people in the past twenty-five years. The increase in France and England even where it has occurred has been relatively much smaller. It cannot be doubted, therefore, that the Englishman especially has not had such a full stomach as formerly and that a large part of his envy against Germany has been produced by his inability to maintain his hold on his food supply. In short, the German has very cleverly edged him away from the groaning board, so that as nearly as may be determined by the figures, the Ger-

man of to-day is the best nourished man on the face of the globe and this does not even take into consideration the very much greater proportionate consumption of vegetables and fruits in Germany which, while difficult to reduce to statistics is a matter of common knowledge to those familiar with the diet of the two countries.

The increased food supply has been one of the important causes of the great increase of the population. This has worked in two ways, in increasing the number of births and in decreasing the number of deaths, since with better nourished individuals the death rate has of course decreased. The improvements in medicine, too, have had an important bearing on decreasing the number of deaths.

In the present territory of the German Empire there lived in the year 1816 25,000,000 people. In fifty-five years to 1871, the population increased to 41,000,000 or 16,000,000. In 17 years to the accession of the present Kaiser 7,000,000 to 48,000,000, and in the 26 years of his reign it has increased 20,000,000, to a total of 68,000,000, or considerable more than in the 50 years before.

The increase of births over deaths in the year 1911 in most of the western nations of Europe averaged about 9 per 1,000 inhabitants, though in France the increase was less than 1 and in

Russia more than 17. In Germany the increase was 11.3. This favorable showing, however, was not as good as in 1902 when the figure was 15.6, which indicates that Germany's prosperity has produced a certain slackening of the birth rate, a result which is usually the case where a nation increases in wealth, but which has affected Germany to a less degree than is customarily the case. This effect of prosperity lies too deep in natural laws to be discussed here but it is less disquieting for Germany than for other countries, although when viewed from the angle of a comparison of birth and death rates it is somewhat startling.

From 1871-80 to 1901-10 the number of births per 1000 inhabitants, dropped from 40.7 to 33.9, while deaths dropped from 28.8 to 19.7, with the result that the birth-excess increased from 11.9 to 14.3, this being due to decrease of deaths more than to the birth figures. From 1871 to 80, however, was a post-bellum period during which there is naturally a large birth rate. Although the rate of increase is not as favorable as might be desired, a comparison with the figures of immigration shows in a true light the prosperity of Germany.

In the decade 1881-90 there were 1,342,000 German emigrants as compared with a total birth excess of 5,500,000; in the following decade

there were 528,000 emigrants to 7,300,000 birth excess, while in 1901-10 there were but 220,000 emigrants (an average of 22,000 per year) compared to a birth excess of 8,670,000. In 1912 the number of German emigrants was 18,500, while in 1913 it was but 13,000.

The position of Germany becomes much more favorable, too, when immigration is considered, for since the middle of the nineties, there has been an excess of immigration over emigration. This proves that economic opportunities have grown more rapidly in Germany during recent decades than the population.

Thus the opportunity for remunerative employment has increased faster than the population. At the same time the labor-output has greatly increased, notwithstanding the restriction of the hours of labor, particularly in the manufacturing callings.

In Germany there has been a slight increase in the total number of wage earners. The censuses for 1882, 1895 and 1907 showed that the persons employed in agriculture, industry, trade and transportation were 35.4 per cent., 36.4 per cent. and 39.7 per cent. of the whole population respectively.

The great industrial progress of Germany has been marked by a shifting of the population from the country to the city. In 1882 in Germany 18

per cent. of the workers were employed on the farms, while they and their dependents constituted 42 per cent. of the population. In 1907 there were but 15.9 per cent. employed on the farms, who with their dependents constituted but 28.5 per cent. of the whole population. The actual number of farm workers increased from 8,236,000 to 9,883,000, but their dependents decreased from 19,225,000 to 17,681,000. This indicates a smaller number of dependents and a greater floating supply of labor.

In industry in 1882, 14 per cent. of the population was employed which with their dependents amounted to 35 per cent. of the whole population. In 1907 the persons employed in the industries had increased from 6,396,000 to 11,256,000 or to 18 per cent. and with their dependents to 42 per cent. of the population. Thus the positions of agriculture and industry were practically reversed during the twenty years.

In trade and transportation, the workers increased from 1,570,000 to 3,477,000 or from 3.4 per cent. to 5.6 per cent., while with their dependents they increased from 9.9 per cent. to 13.3 per cent. of the total population.

These figures are further supported by the great increase in the population of the cities. In 1885 18.4 per cent. of the population lived in cities of 20,000 or over, while in 1910, 34.5 per

cent. lived in such cities. The number of cities of 100,000 or more increased from 21 in 1885 to 48 in 1910, while in such cities in 1885 there lived 9.4 per cent. and in 1910, 21.1 per cent. of the whole population.

This great urban growth would not have been possible without the industrial and technical progress of Germany. Although it involves certain disquieting features, the transfer to the cities is generally a sign of culture and progress, and in Germany the highly efficient operations of the cities, as will be indicated in a later chapter, makes the problem much less difficult than in the United States.

The prosperity of Germany is reflected, as has been noted, in the prosperity of her banking institutions. She has a splendid system of banks, which provides for every legitimate need of business and which co-operates with new industries and which comes to the support of every enterprise deemed worthy by the government to be entitled to financial support. This does away with the enormous losses through fake and irresponsible promotion suffered by the investors of the United States.

The Reichsbank or state bank is managed by government officials, but its stock is privately owned. It has a fully paid up capital of 45,000,000 dollars. It may issue notes to three

times the amount of its cash reserve, but these notes must be covered by bills of exchange and are taxed 5 per cent. when they exceed 137,500,000 dollars. Our own newly instituted currency system was largely based upon the fruits of German practice. The Reichsbank had 183 branches in 1876 and 488 branches in 1911. The turnover increased in that time from 9,171 million dollars to 94,375½ million marks. Its yearly cash average for 1911 was 302½ million dollars, bills of exchange 269¼ million dollars and notes in circulation 415¾ million dollars. Since 1876 it has paid average dividends of 6.92 per cent. and has paid to the government, which participates in dividends, to 1911 81¼ million dollars and to stockholders 44 million dollars. The Reichsbank is the national clearing house and in 1911 cleared 15,753¾ million dollars as compared with 3,033¼ million dollars in 1884.

Banking has developed with extraordinary rapidity in Germany. There are some 4,000 bankers in Germany but the bulk of the business goes to the great promoting banks, which in addition to their ordinary operations devote a great part of their energies to building up commerce and industry.

There are twenty banks in Germany with paid up share capital of 50,000,000 marks (\$12,500,000) or over. The greatest are the Dresdner

Bank, Deutsche Bank and Dicontogesellschaft, which have a capital of 200,000,000 marks (\$50,000,000) each, the Bank für Handel u. Industrie, 160,000,000 marks (\$40,000,000), A. Schaaffhausenscher Bankverein, 145,000,000 marks (\$36,750,000) and Berliner Handelsgesellschaft with 110,000,000 marks (\$27,500,000) capital. These great banks are very active in commercial and industrial promotions and the directors of the Dresdner bank, for example, are on the boards of 200 manufacturing and other concerns, having a share capital aggregating 2,610,000,000 marks (\$652,500,000).

With such financial giants behind them and ready to aid them in every legitimate undertaking instead of trying to choke them off and monopolize the business, the great progress of the German business man can be readily understood. The result is that Germany is richer per capita than any other country in the world and sounder in financial position than any of the other countries of Europe which is shown by the fact that she did not declare a moratorium at the beginning of the war as did the other European countries. No more convincing evidence could be shown of the extent and substantial character of the progress she has made in the last generation.



## CHAPTER XIX

### HOW GERMANY HAS DEVELOPED CITY PLANNING

**T**HE fact that there even exists an art of city planning is in all probability unknown to nine readers out of ten, and probably not one in a hundred has either any idea of its principles, of the highly important place it occupies in the development of the modern city, or of the great handicap suffered by a city in the planning of which the principles of the art have been neglected.

Yet Germany universities have courses in city planning, and as an art and science it reaches a high point of development, while the more public spirited citizens of other countries, realizing the importance of city planning, visit Germany to become acquainted with its principles and practice, for in this respect as in so many others Germany is the bearer of the world's lamp of knowledge.

City planning is a subject of great complexity and manifold considerations, and space permits only the statement of a few of its basic principles.

Cities exist for certain purposes and were such purposes not carried out, cities would not exist, as the population would continue to live in rural districts, for there is no particular reason why cities should exist except that they minister to certain human desires and ambitions more effectively than do the rural districts. A city is thus fundamentally a kind of apparatus on a large scale for carrying out certain human purposes, and this being the case, the necessity and desirability of planning it so that it will best accomplish such objects is apparent.

The principal object of a city is to enable the largest possible number of persons to exchange their products with the least possible waste and inconvenience. In order to carry out this desideratum the city must provide in the best manner for:

The housing of its inhabitants and their industries.

The conveyance of supplies and materials of manufacture and manufactured products.

The disposition of waste materials.

The arrangement of the city in an accessible manner, with rapid and convenient means of transportation.

The provision of facilities for education, assistance and recreation for the common use.

The accomplishment of these various purposes

is largely an engineering undertaking, but in addition to the practical side, the city must also serve as a place of residence, as well as a place of exchange, so that in the attaining of its physical purposes, it is highly desirable that aesthetic considerations be duly regarded.

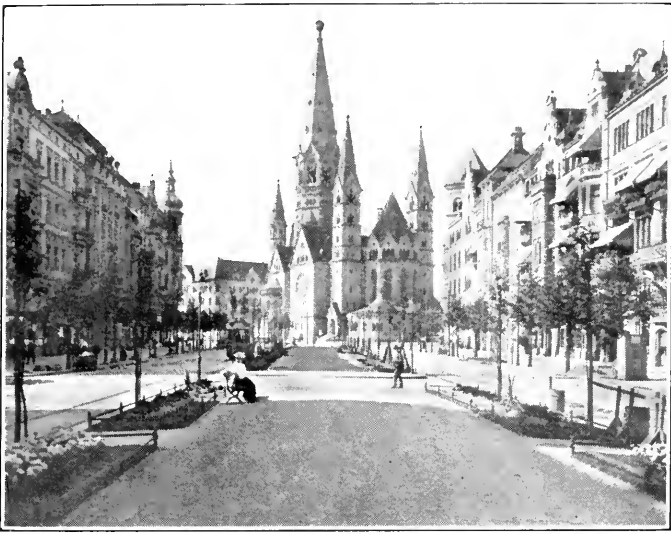
City planning thus becomes both an art and a science and as it affects all city dwellers so intimately, it is of the highest consequence. City planning, indeed, determines the destiny of a city. It develops artistic taste, civic pride and patriotism, it makes better citizens and artisans; it adds to health, comfort and happiness; it helps to increase the population and to produce industrial prosperity; it attracts industry, commerce and visitors; produces better transportation facilities, improves hygienic conditions and provides more adequate and less expensive living quarters and food supplies. It is not only an art of the first importance and a science that demands the attention of all but a business proposition of the first magnitude.

That this is true is shown by the growth of German cities, which in a general way during the last thirty years has been at over twice the rate of increase of American cities of analogous importance. Although the growth of German cities has been due to many causes, that of the thorough application of the principles of city

planning to their development has been the one of the most importance, for it has made the German city the ideal city to live in, and the result is that the German cities have grown almost as if by magic. They have become both artistically and practically the most desirable places of residence and business in the world.

Yet city planning as it is now known is a modern art. Although its general artistic principles have been understood since the times of the ancients, as is seen in the remains of ancient cities, the old masters did not reduce their theories to writing and the first considerable treatment of principles was left for the German architects, engineers and builders of the last generation, notable among them were Baumeister, Stübben and Sitte, who, however, following the example of their predecessors left more to be judged from their practice than from their writings. The statement of the principles of the art has thus been a very gradual development and perhaps the most comprehensive analysis yet made of the subject has remained for my own book on city planning.

As I have pointed out in that volume, the leading elements of the design of a city from the æsthetic point of view are its treatment as an artistic unit, the dominance of some principal characteristic and the proper subordination of its



**Tauentzien Street, Berlin.**



**Municipal Opera House, Frankfurt.**

Striking example of the Science of Modern City Planning. The views illustrate the regulation of the height of the buildings, the arrangement of roadways, tracks, and central promenade of a boulevard, and the placing at focal points of important structures.



various parts, in short the same principles that govern the production of any work of art. The city is, in a way, a painting upon a vast canvas, or a bas relief upon a large area of the earth's surface, a design of gigantic parts and all fitted to produce a pleasing result both as a whole and in their interrelations.

There should be a central portion of the city, as a great square, the various structures of which should be related to each other with some one dominating the rest.

This portion of the city is usually termed the civic center. The principal buildings of a public character should be therein, rather than located at unrelated points throughout the city. If the city is a large one, there should be in various districts, subordinate centers, carrying out on a smaller scale the idea of the main center, and such centers may be devoted to special purposes, such as transportation center, with the principal terminals, an art center with libraries, an educational center with college and school buildings, an amusement center, with theaters, concert and lecture halls, and such other centers as may be desirable.

The main plan of the city having been laid out to include the various centers properly related to the principal center, the great ground plan of its streets should be laid out to provide the most

convenient means of access to and from the various centers.

But before this is done, the uses of the city should be considered, whether it is to be a commercial, maritime, railroad, manufacturing or political city, and its design should be suited accordingly to its purposes.

Its location must also be considered, the lay of the land, the direction from whence its trade and commerce will come and its probable growth.

A strict degree of building regulation should be made possible so that certain sections may be set apart permanently for residences, other portions for manufacturing, others for commerce and trade, amusements and other activities. All these districts or zones should be fixed and building and other regulations laid down and enforced which will prevent real estate speculation and the devotion of certain parts of the city to uses not in conformity with its proper development as a whole.

Such regulations are not only feasible but are absolutely indispensable and prevent the freakish and inconvenient development which American cities are subject to at the hands of special interests and real estate speculators. They prevent the improper encroachment of trade and noisome and other kinds of manufacturing in certain districts and enable the city to be devel-



oped properly. Without proper regulations, city planning is an impossibility and the absence of regulations accounts for the almost criminal and monstrously unequal growth of the parts of various American cities, which serves no useful purpose and only enriches certain speculators at the expense of the citizens as a whole.

For example, the recent development of Fourth Avenue, New York, with the erection of enormous buildings devoted to the textile trade was brought about by the desire to get near the hotel district, which was in turn determined by the location of the theaters which had to move up town to find cheaper sites. This movement has left an enormous section between Franklin and Fourteenth Streets practically untenanted, and has produced unnecessary congestion and expense in the upper district without benefit to any one and loss to many. Such a tremendous and unnecessary movement could never have occurred in a German city. It is only one example of many to be found in every American city, demonstrating that the foundation of city planning is in proper regulation. Yet this subject has been hardly touched upon by American municipalities.

With the various districts assigned, the layout of the great ground plan may proceed. Boulevards, avenues, main streets and tributary streets

are planned, of suitable different widths, and the heights of buildings are regulated in accordance with the width of streets and locations. For this purpose zones are established in the various districts, in some cities as many as 18 different classes of zones being prescribed. The streets are thus planned to carry the traffic which they will be called upon to carry, and that this traffic will not produce congestion is thus known in advance. In American cities without regulations, great skyscrapers are run up in small districts upon narrow streets and a terrific congestion is produced highly detrimental to all concerned.

In laying out the street plan, geometrical patterns are avoided. Interminably long straight streets are avoided, and each street is given some definite length, and at the end run into another street or turned aside. This supplies the highly important feature of focal points, or situations for important public or private buildings, which may then be seen to advantage, serving to embellish the section and to produce that sense of enclosure in the streets of a city without which individuality cannot be obtained.

The individual character of the portions of a German city constitutes one of its chief charms. The co-relation of these various individual sections by means of the great ground plan and system of greater and lesser centers, imparts a sense

of unity to the design of the whole city and provides the artistic framework of the city, the embellishment of which is accomplished by the private buildings.

The planning of a German city includes provision for the future as well as for the present. Berlin has plans already made for the growth of the city for the next century, and owing to the regulations, it is known in advance just where the various sections of the city will be and what their character will be when her population reaches certain figures, whether it happens in eighty years, a hundred or a hundred and twenty or more. What New York, Chicago and San Francisco will be like or in what direction they will grow in a hundred years no one would be so venturesome as to even predict.

The German government does not allow the private citizen, even with his building, to spoil the general plan. The height of the building is regulated and certain of its architectural features, but on the other hand, prizes are given for the best designs put up in a given street during a certain period. These prizes include sometimes remission of taxes. This is a powerful stimulus to architecture and prevents the erection of rows of similar structures which deface American cities.

The application of the principles indicated af-

fords a well laid out plan and the city will grow up along definite lines with problems of transportation and distribution known in advance. The engineering features may thus be handled with certainty and efficiency and the whole operations of the city carried out to the best possible advantage, with consequent convenience and saving to the public at every turn.

The German city in addition to its attention to the general plan attends just as closely to details and thus with little trouble, it greatly increases convenience and comfort. Among the numerous items which will serve to show the principles followed, it may be mentioned that streets are made as smooth as possible; no inequalities are permitted in the paving, no manhole covers project, no obstructions are permitted on the sidewalk, no open gratings to emit hot gases or fetid draughts, no great unsightly signs are allowed, etc. Building operations are not permitted to obstruct the sidewalks, while loading and unloading the wagons with temporary planks from wagon to building across the sidewalk also is not permitted.

The result of all these smaller precautions is that the streets are always open to the public without obstructions and in the best possible state of repair. The smoothness and freedom from obstructions and clutterings-up vastly im-

prove the general appearance of the city and the pride thus shown by the municipality is reflected by the citizens, who similarly take proper care of their premises. The negligent ones are compelled by municipal regulations to do so, if they do not voluntarily, so that the German city is well designed, well operated, and well kept. As a place of residence it is, as nearly as is humanly possible, ideal.

The attention which Germany has given to her cities is reflected in the tide of tourist travel which has them as its objective. Visitors from all over the world flock to German cities. In addition to its normally attractive features, the German city usually has some individual attraction in which it takes particular pride.

There is thus the Zeil at Frankfort, the Jungfernstieg at Hamburg, Unter den Linden and the Brandenburgertor at Berlin, the Hohenstauffer Ring at Cologne, the Maximilian Strasse at Munich, the Königs Allee at Düsseldorf and the Brühl Terrasse at Dresden, etc.

American cities are negligent in this particular as they are in most matters of city planning. Washington and Buffalo alone have proper ground plans, but other cities offer little of interest to the visitor. American cities are not inferior in size, commerce or wealth, but who, as a tourist, ever visits Jersey City, a larger city than

Stuttgart; who goes to Detroit, with a larger population than Dresden; to St. Louis, almost the equal of Hamburg; to Baltimore, greater than Munich; to Milwaukee or Cincinnati, superior to Frankfort; to Minneapolis, larger than Düsseldorf or to a score of American cities, to see any sights of national, much less of international, interest?

American cities thus lack distinction and interest. And yet this need not be the case. City planning is seldom a matter that deals with a new city on a virgin site. Almost all German cities have been merely re-planned to gain their present beauties. The same is possible with American cities.

Every American city should have a comprehensive plan laid out by some one of the few experts in the art, and as it develops it should follow its plan. Within a generation remarkable results will be achieved, for new buildings will only be permitted in accordance with the plan, while the old buildings will gradually give place. With the wealth of American cities, wonders will soon be accomplished. It needs only a few, often only one public spirited citizen in a city to initiate the movement. And fortunately, American cities are beginning to awake to the importance of city planning and re-planning. Considerably more than a hundred have taken up the subject.

Small towns, too, are following the example of the larger cities and it is of especial importance to them, for they may lay out their plans now upon unoccupied territory and may influence their growth most markedly, at the same time furnishing proper reasons for local pride. American cities will still be here centuries from now. The village of to-day may well be the metropolis of the next century or so, with much or little to bless its early residents for according as they now realize or neglect their opportunities.

Indeed, of the many things that America may learn from Germany, few are of greater importance than a proper realization of the importance of city planning.

## CHAPTER XX

### THE HOUSING PROBLEM IN GERMANY

**T**HE rapid change of great masses of the population of Germany from rural to urban industrial pursuits in the last generation has created the problem of their proper housing. As in England, the United States and other countries, wherever such movements have taken place, the problem has proved a most difficult one of solution, and it cannot be said that Germany has as yet been as signally successful in housing her poorer classes as she has been in other social endeavors.

In this respect, however, she is generally as well advanced as other countries, while in particular instances she has accomplished much more, and she is gradually reaching a treatment of the subject which promises to prove the true solution for her own laboring classes as well as the model for those of other countries.

German development of housing has been somewhat restricted by the very policies which in other directions are so beneficial to the general welfare. Thus, for example, the extension of credit on liberal terms by banking institutions



which is so desirable in the case of manufacturing and other industrial concerns, has in a measure the effect of encouraging building speculation by contractors and builders whose equities in the completed buildings are so small and the interest charges which they must meet accordingly so great that the rents must be fixed on a high scale. There was some years ago a considerable real estate speculation which burdened, for example, large sections of Berlin, with high rates of rent.

Again, in some cases, too much area was devoted to parks, and streets in residential sections were made too wide, which had the effect of causing buildings to be built higher in the air. The German of ten or fifteen years ago was loath, also, to living in the suburbs, preferring a location near his place of employment and this tended to produce still greater congestion.

The right of building inspection, too, owing to custom, was preserved by the municipalities for their own exercise, and thus not being under national control, a variety of practices grew up, each town being its own local authority, producing a diversity of regulations which in many cases has not proved any more successful than the similarly diverse regulations of American municipalities. The housing problem is thus one of Germany's most pressing problems, but with other problems more or less settled, greater at-

tion is being devoted to it and important progress is now being made.

The underlying principle of housing improvements is that of reduction of the rate of interest on the invested capital. It is being recognized that when private capital is employed in the building of houses and is permitted to follow the natural course of competition, intolerable conditions of crowding result. The private landlord does not hesitate to create the slums, in fact the greater the crowding, the greater will be his profits.

But if he is permitted to profit thus to the full extent of the possibilities of "the business," disease and improper moral conditions will result and the expense and loss to the community will be vastly more than the gain to the private capitalist. The state thus is justified in stepping in and in one way or another so interfering with the "law of supply and demand" as to obtain the greatest good for the greatest number.

The German states have adopted several methods of combatting the evils of landlordism, among which are:

(1) The passage and enforcement of legal regulations which will ensure a certain standard of housing.

This has the effect of reducing the rate of profit of building operations and of driving pri-

vate capital more or less from the field, thus producing a scarcity of houses and re-establishing for another reason, the very conditions sought to be remedied. Accordingly, legal regulations can only be carried to a certain point if they are not to defeat their own purpose.

(2) The actual building of houses which are sold or leased to tenants on such terms as to yield only a small rate of interest.

This plan has the same disadvantage of driving private capital out and also the disadvantage of placing property in the hands of private owners at less than its real worth. In practice it was found that terms too favorable caused the owners to re-sell at prices nearer the real worth so that the practice has to be limited, and certain regulations imposed preventing re-sale except upon stipulated conditions.

(3) The encouragement of private building and loan associations, by lending to them public funds to be used in building operations at low rates of interest.

(4) The guaranteeing of the debts of such associations without advancing funds.

(5) The encouragement of individuals and companies in the erection of houses for employees by remission of taxation and sale of land at favorable rates, and by guaranteeing loans made to obtain funds for such operations.

There are various other modifications of these plans in use in various parts of Germany, and a wide diversity of opinion exists as to the best methods for securing to the working classes proper housing accommodations without discouraging capital. In many cases the money is advanced out of the sick and benefit insurance funds, which is thus well employed, and which would otherwise be brought too sharply into competition with private capital to the disadvantage of the latter. This would not be wise as capital must always be assured of profitable employment or else it will flow to other countries.

It will thus be seen that the problem is one of great intricacy and one in which mere governmental fiat can accomplish little.

The partisans of private capital claim that private capital must always provide the greater part of the housing facilities and for this reason favor the guaranteeing of building loans and loan societies' obligations as against direct governmental participation in building operations. Their opponents claim that the duty of the state to itself in the preservation of the health of its citizens demands communal activities and governmental participation in building operations, as private capital never seeks building investments with sufficient avidity.

The most notable instance of governmental

participation is seen in the city of Ulm, a comparatively small manufacturing city of 56,000 population. The city owns 80 per cent. of the land in and around its city limits and it has not hesitated to embark heavily in building operations. The razing of the old fortifications in 1891 gave the city an opportunity to acquire large areas of land. It purchased 1210 acres for \$1,398,640 and up to 1909 had sold 405 acres for \$1,623,924, thus making a profit of \$234,284 and retaining 805 acres. The city owns in all 4942 acres and has built 175 houses and has encouraged various societies to build. Regulations are laid down to prevent the increase of rents when the value of the ground increases. The city may also repurchase land or houses which it sells if the buyer is unable to pay his instalments. He usually pays 10 per cent. down and 5 per cent. a year, of which 2 per cent. is an amortization charge. The city may also repurchase if the buyer ceases to occupy the house or sub-lets it or wishes to sell. These regulations achieve the object desired, of providing suitable accommodations at reasonable prices and the system in Ulm is in successful operation.

Leipzig, on the contrary, has not gone into municipal building operation, but advances money to so called "public utility" societies, which as a rule limit themselves to 4 per cent. profits. It

also guarantees their obligations. It leased to one society some 3,300 acres of public land and became surety for \$925,000 of loans for the erection of buildings for workingmen. At the end of 80 years the land and buildings will revert to the city without charge. It lends money to building and loan societies to the extent of 80 per cent. of the value of the buildings erected, redeemable in 50 years, charging interest at 4 per cent. From this is indicated the substantial nature of the structures required to be erected.

Various other cities follow somewhat similar plans, such as Augsburg, Barmen, Bremen, Cologne, Dresden, Düsseldorf, Essen, Madgeburg, Munich, Nuremberg and Strassburg. Interest varies from 3 to 4 per cent. In many cases taxes are remitted.

Municipalities generally are following the custom of guaranteeing loans made to building societies by the pension funds.

Practically half of the cities of Germany are engaged in operations of various sorts calculated to improve housing conditions for the workingmen.

In Berlin one building society has some 1,000 flats in a dozen large flat houses. It has 5,000 members, 70 per cent. of whom are workmen and the remainder clerks. About one quarter of the apartments rent from \$50 to \$75 per year, and

another quarter up to \$100 a year, while the highest run up to \$225 a year.

This is a co-operative society, so that if any profits are shown, they do not go to private capitalists, but are re-divided among the participators who are the tenants. There is thus no incentive to cause the property to produce any income above the interest charge.

In some societies where a profit is produced, it is devoted to club buildings, gymnasiums and like features calculated to improve the conditions surrounding the tenants. Some of the apartment houses are so large that such features are found in connection with a single building, including even day nurseries and kindergartens, where the children may be left while their parents are at work. In other cases the tenants of a number of different buildings participate in such advantages.

The desirability of belonging to such building societies is so great in many instances they have long waiting lists of prospective tenants.

In some cases of co-operative buildings, the tenant is the actual owner of his own apartment in the building, which he can sell as he would a detached piece of realty. In other cases he owns an undivided interest in the building. These forms of participation make each tenant a guardian of the property and it is accordingly much

better looked after than is the ordinary dwelling.

Such a plan of co-operative ownership has been followed to a limited extent in New York City among a few wealthy apartment house owners, but has never been applied on any scale or to the needs of the working classes.

The great progress that has been made in Berlin in the housing of workmen is testified to by Thomas A. Edison, who on returning from a trip to Germany, said:

“I saw what made me ashamed for my own United States, I am afraid. The workmen of New York City are not housed as are these Berliners. What a contrast to the dreadful tenements which disgrace and deface New York’s crowded districts.

“The buildings which these workmen went home to could not properly be spoken of as tenements—a term which in this country has fallen into disrepute. They may be better referred to as apartment houses, beautifully constructed, perfectly supplied with light and air, safe against fire and made up of large and conveniently arranged rooms.”

The conditions in many places in Germany are very much better than even in the Berlin buildings just mentioned, particularly in the towns and garden cities constructed by certain very large concerns for the housing of their own workmen.



The dwellings of several colonies of the Krupp Company at Essen, being detached houses on low priced land and intended only to yield a low rate of interest, are rented on very much more favorable terms. The annual rents are:

	In one-family house
For a 3-room dwelling.....	\$47.50 to \$55.00
For a 4-room dwelling.....	62.50 to 70.00
For a 5-room dwelling.....	75.00 to 96.00
	In multiple- family house
For a 3-room dwelling.....	42.50 to 52.50
For a 4-room dwelling.....	55.00 to 60.00
For a 5-room dwelling.....	65.00 to 70.00

The Krupp dwellings are for the most part multiple dwelling houses or houses for two or more families and are usually laid out as small cities. Some have been established since as early as 1855, but these were rather barracks. The first real colony dates from 1863, while the largest one was built in 1872. The tendency since has been toward smaller units.

A recent development in Germany is the garden city which has been very successful in England, the prototype of which is to be found in the Krupp buildings.

The garden city is merely a village laid out on

a well arranged plan, with garden space for each householder.

Hellerau near Dresden is one of the first and best examples. Its 345 acres are divided into two sections, one for workingmen's cottages and the other for villas. The cottage section is built by the Hellerau Building Society and the houses are rented to members only. Membership is secured by taking a share equal to \$47.60 and the liability of the members ends there. Interest up to 4 per cent. is paid on these shares, and any further profits are divided among the community. Tenure is fixed, and the tenant may leave at a year's notice. Cottages are built to rent at \$62 to \$150 annually. Each cottage has a garden, a large cellar, separate scullery with built-in boiler, pantry, water-closet on the ground floor, easily accessible attic, gas for cooking, electric light and bells, water connection, and, if needed, accommodation for domestic animals. The smallest cottage consists of four rooms, kitchen and living room on the ground floor and two bedrooms on the upper floor, large enough for a family with two or three children.

In the villa quarters, residences are to be had at a rent of \$200 to \$500 and over with steam heat, warm water to the bedrooms, and other conveniences. The land is valued at 13.2 cents per square foot (in the cottage quarter at 9.3 cents per square foot).

An artistic uniformity of building is guaranteed by a building commission, the sanction of which is required for all plans. Preparatory schools are provided for the younger children; there is an institute of technical arts, a library and such other institutions as are of value to the residents.

Supplies are had through communal stores at the lowest possible prices, so that in every way life in this garden city is more attractive than in the usual town.

Another development of garden city life is the use in the summer months of vacant land, adjoining cities, by families who occupy temporary houses and cultivate gardens. This affords a pleasing and money-saving way of spending the summer for the workingman's family.

All these various plans, however, to be carried into execution, need close, careful and trained supervision. They do not run themselves but must be conducted by men of ability, with competent paid assistants.

German cities long ago found out that in building inspection, in the department of the work that comes actually in contact with the tenant, the services of well trained salaried employees are necessary. There was at one time a large number of volunteer inspectors and workers, but these proved more or less unsatisfactory, and the

system is now almost wholly one of trained executives, who, however, may work under volunteer boards, though for the most part they are under strictly municipal control.

The influences of the restriction of the income of capital invested in housings, whether brought about by laws or by other expedients adopted by the state, is always for the good of the tenant and ultimately of the general public. The fears that private capital may be driven out of the field, even if well grounded, need not be considered of too great importance.

There is no very good reason why the city of the future should not be entirely built by public capital or by capital limited to a small investment return. There is no doubt that conditions of living would be vastly better for all residents. It is not even beyond the limits of the probable that in the future such publicly owned cities, with their vastly greater attractiveness, will outstrip in growth and prosperity and finally bankrupt cities built by private capital. Indeed, the tendency now beginning in Germany, though doubtlessly unintentional, is definitely working in that direction, and for that reason Germany is really beginning to solve the problem of housing and so far has made greater progress in the right direction than has any other country. The pressure of her population forces her into such a channel.

Sooner or later America will doubtless come to the same necessity. It would seem more profitable to anticipate it and initiate such projects now while the field is more nearly virgin.

## CHAPTER XXI

### GERMANY'S PRE-EMINENCE IN THE ARTS

**T**HE tremendous scientific, technical, industrial and commercial progress of Germany in the past generation has loomed so large upon the world's horizon that Germany is now being reproached for having turned her back upon art, literature and music, and the land of Goethe, Schiller, Mozart, Beethoven and Kant is accused of being only the land of Krupp, Thyssen, Siemens, Roentgen and Zeppelin. According to our British critics art has been submerged in Germany and the nation is abandoned to the false gods of the merely material.

Such accusations are a matter of amusement to the German and might well be disregarded, did they not place Germany in a false light and influence the world's opinion wrongly, to the cost of all concerned.

The truth is that there has never been a time in the history of Germany when art, literature and music have had a more profound hold upon the public in general than the present. There

has never been a time when the public expenditure for such cultural purposes was greater, there has never been a time when the German public has as much time and money to spend or has spent it as freely upon the arts as it does now and there has never been a time when, as a whole, the output of German fine art was as uniformly high as at present.

Whether Germany can or cannot at the moment boast of the presence of world-artists of the highest rank is unimportant, for such men are always accidents of time and no particular generation can be properly condemned for not having produced them.

Furthermore, the present is never the decisive judge of its contemporaries and some of the men of to-day may prove in the future as renowned as the most famous artists of the past. The leaders of German art are unquestionably the equal to-day of those of any other country, and Munich is as much a mecca of artists as Paris and far more so than London.

There has been during the past twenty-five years a marked renaissance in German art of all kinds and Germany has to-day a large number of writers, painters, musicians, sculptors and other artists whose productions are numerous and of high rank. The future of art is nowhere so bright as in Germany to-day and to prove that

she has not fallen behind in the past and is not now in less than the foremost position, needs but a glance at the names of those whose reputations are known the world over.

Among her noted writers and philosophers of the past and present are: Hauptmann, Sudermann, Heyse, Heine, Kant, Schopenhauer, Mommsen, Nietzsche, Goethe, Schiller, Schlegel, Hoffmannsthal, Fulda, Haeckel, Eucken, Wundt, von Hartmann, von Mach, Uhland, Körner, Reuckert, Tieck, Buerger, Kleist, Geibel, Fontane, Hegel, Freiligrath, Grillparzer, Hebbel, Ludwig, Freytag, Spielhagen, von Wildenbruch, Meyer, Keller, von Scheffel, Dehmen, Humboldt, von Liliencron, Frenssen, von Ranke, Treitschke, Lamprecht, Hoffman, von Arnim, Grimm Brothers, Lessing, Anzengruber, Fichte, Arndt, Gutzkow, Jean Paul, Wolzogen, Hartleben, Schnitzler, Halbe, Dreyer, Hirschfeld, Falke, Mann, George, Schankal; further, Clara Viebig, Helene Boehlan and Ricarda Huch.

Germany has also a Mark Twain in William Busch, and another in Fritz Reuter, not to mention perhaps the most famous of all humorists, "Baron Münchhausen."

Among painters are: Liebermann, von Lenbach, Böcklin, von Uhde, Thoma, von Kaulbach, von Stuck, Leibl, Klinger, von Menzel, Berg-



mann, Gundahl, Berker, Koester, Diez, Clarenbach, von Gebhardt, von Habermann, Kampf, Janssen, Trübner, Albrecht, Bantzer and Dittmann.

Among sculptors are: Lederer, Klimsch, Gaul, Kraus, Taschner, the painter von Stuck, Hahn, Bermann, von Hildebrand, Netzer, Schaper, Lewin-Funke, Schwegerle, Janssen, Fasnacht, Tuillon and von Gosen.

Among the critics and authorities on art are: Dr. Berenson, Dr. Laufer, Dr. Valentiner, Dr. Justi, Dr. Tschudi, Hirth, Friedlander, Sarre, Cohn, Kummel, Muther and Dr. Bode.

In music Germany's position is pre-eminent. The names of her great musicians are universally known and their works are unrivalled: Beethoven, Mozart, Mendelssohn, Schumann, Grieg, Meyerbeer, Liszt, von Weber, Richard Strauss, Wagner, Brahms, Schubert, Bach, Hadyn, Kienzl, d'Albert, Humperdinck, Pfitzner, Schreker, Bittner, Genss, Weingartner, Neitzel, Koenneke, Waghalter, Braunfels, Reger, Prohaska, von Dohanyi, Stange, Xaver, Philipp, Scharwenka, Koch, Hermann, Gernsheim, Ertel, Hummel, Juan, Noren, Kaun, Rezniceck, Schönberg, Fuchs, Goldmark, Koschat, Reinhold, Labor, Schütt, Leschetizky, Grädener, Heuberger, Krongold, and Poldini.

Germany, too, has produced many famous

conductors, singers, and instrumentalists. Among the conductors are: Damrosch, Seidl, Thomas, Zerrahn, Henschel, Paur, Muck, Mahler, Bergmann, Gericke, Nikisch, Pohlig, von der Stucken and Leopold.

The singers include: Lili Lehmann, Frau Ritter-Götze, Mariame Brandt, Frau Seidl-Kraus, Fanny Moran-Olden, Milka Ternina, Schumann-Heink, Johanna Gadsby, Pauline Lucca, Frida Hempel, Emma Destinn, Mme. Sembrich, Julia Culp, Ella Gmeiner, Mme. Cahier, Frieda Langendorff, Margarete Matzenauer, Otilie Metzger-Lattermann, Lula Mysz-Gmeiner, Rost Sucher, Marie Brema and further: Knotte, Jörn, Barg, Athes, Jadlowker, Kirchhoff, Schmedes, Pennarini, Naval, Lieban, Kraus, Slezak, Urlus, Sommer, Feinhalz, Heinemann, Gura, Forsell, Knüpfer, Goritz, Weil, Sistermans, Perron, Rvov, Messchaert and von Milde, while the instrumentalists are a legion.

The whole attitude of the German public toward art is different from that which obtains in the United States and many other countries. Art in its various forms is an integral part of education, and not as in America, a mere accomplishment. The German public is devoted to the drama, music and the other arts, they appreciate and they support art both through the instrumentality of the government and by direct

patronage to an extent undreamed of in this country.

The foundations of governmental support of art, particularly of the drama and music were laid long ago. When what is now Germany was only small kingdoms and principalities, each little king, prince, elector or duke had in his capital his own state theatre. This institution was conducted at the expense of the public treasury if it did not pay its own way, which it seldom did, and it was devoted to dramas and opera of the highest type. It was not only a place of amusement, but more or less a social center and an educational influence of the highest character.

Large cities which were not the capitals of rulers in emulation of the capital cities opened their own municipal theatres and opera houses and the customs thus established have been continued, until to-day no German city of any consequence is without its city theatre and several have more than one, in addition to the numerous private theatres which have of course sprung up.

These municipal theatres are thus not recent experiments but are rich with the traditions of generations and are not unsuccessful or unappreciated rivals of commercial theatres, but the standards by which the latter are measured. Among the older city theatres are those of Metz, 1751; Mannheim, 1777; Ulm, 1781, and Nuremberg, 1831.

The methods followed in the conduct of municipal theatres take three general directions. The city owns and operates the theatre, or it owns it and leases it, or it subsidizes theatres under private management.

Over fifty German cities own their own theatres. Thirty-two of the cities have populations of over 80,000. Even very small cities such as Oppeln, Schweidnitz, Neisse and Bremerhaven, all less than 30,000 population, have city theatres, the latter having one which cost \$250,000 to erect.

Berlin has recently advanced \$500,000 towards the erection of a theatre by a private owner which has cost \$1,250,000 and one of the stipulations is that the theatre is to give not less than ten performances per season for elementary school children at prices not to exceed 12½ cents.

Very large amounts are spent in German municipal theatres, losses in fact that would stagger American managers.

The deficit at Leipzig for 1913 was \$225,000. Düsseldorf spends yearly \$110,000; Mayence, \$29,400; Mannheim, \$125,000; Kiel, \$65,000; Cologne, \$165,000; Frankfort-on-Main, \$150,000; Dortmund, \$90,000; Strassburg, \$27,500; Magdeburg, \$52,000, and Chemnitz, \$70,000.

The average for the greater part of the towns is not less than \$30,000 per season loss. It is

generally more expensive for a city to operate its own theatre than to lease it to a private manager with the stipulation that certain works shall be produced.

But these great losses, or so they would be regarded in this country, where they would have the effect of bankrupting most of our theatre managers, are not considered losses any more than we consider money spent on our public school system or on our public libraries as losses. Indeed the deficits represent only the margin between receipts and expenditures and the theatres as education institutions are considered as almost paying their own way and thus as the very cheapest form of education.

The effect of such a policy is widespread. The theatre enjoys a patronage and respect which is not accorded it in other countries. The classic masterpieces are regularly presented. Shakespeare is performed ten times in Germany to once in all English speaking countries together. His works are not "revived" but remain on the stage. The best of the dramatic literature of all the world is given its place on the German stage and the German public, as a result, is the only public which may be said to be familiar with the dramatic art of the whole world in its rich accumulations.

Of the greatest importance, too, is the low rate

of admission charged at the municipal theatres. There is no question of the fact that the public in any country desires and will attend the performances of the best dramatic literature when it has been properly taught to know what the best is and when the best is brought within the reach of its purse.

The public only attends performances of inferior works when they are cheap and when it is uneducated. The numerous "blood and thunder" melodramas once so prevalent on the American stage and which are now almost the sole recourse of the moving pictures, are a reproach to the educational system of the United States. The educated public does not go to such performances, or such portion of it as does go is driven there for want of better amusement within its financial horizon. The existence of such shows demonstrates that in appreciation of dramatic art the public is almost wholly uneducated, is in fact artistically illiterate. The reason for this is that in spite of the enormous expenditures for education purposes, very little of it is devoted to the development of true culture.

When the public is properly educated and when the finer works of dramatic art are produced at prices within their reach, the drama will become the same reality to us that it is to the German public. It is no reproach of the public

to say that it will not support Shakespeare and the classics. The public if left to itself to pay an admission price at school or at a library would be but poorly educated. It should not be expected to make Shakespeare pay any more than it makes geography pay. The province of the commercial manager does not lie in educating the public taste. He should not be expected to do so nor criticised for seeking only productions of profit, for otherwise he would soon disappear.

The real fault in America lies in the ancient Puritanism imported from England, which in its bigotry cut off this branch of the educational tree, and which still has such a powerfully reactionary influence as to prevent municipal support of theatres as a means of education.

The exotic character of the influence of the drama on the general public is further shown by the fact that the theatre is first of all a social institution, the best phases of which are exclusively reserved for persons of wealth. The prices of admission are so high, the few actors who enjoy a vogue so excessively salaried and the central location of the theatres demands such a great real estate investment that the doors of the theatre are practically closed to the general public, especially since the public looks at the social side first and refuses to occupy the cheaper grades of theatres and see inferior works on the stage than to see the better works from the cheaper seats.

Thus social pretension takes precedence over love of art. Such is not the case in Germany. The best play is sought out and witnessed irrespective of the particular part of the theatre in which the individual's means confine him. Love of display is secondary to love of art, but America will continue to prefer the former until the public becomes really educated and demands the art irrespective of the social phase of the event.

The large deficits regularly met by German cities in supporting their theatres has the effect of enabling a standard of excellence to be maintained irrespective of financial considerations. This standard forms and purifies the taste of the public and in the criterion to which the commercial managers must conform. The whole tone of the drama is thus raised in a way which would not be otherwise possible, and the theatre, thus as an established and recognized institution attracts to artistic careers a much higher class of men and women than are attracted under other circumstances. This larger body of more competent artists in turn enables plays to be produced at less expense and with greater artistic effects, and thus there is established, not the vicious circle of commercial management, the further debasement of public taste by the managers at the behest of an already debased taste, but the beneficent circle of an improved perform-



ance constantly purifying public taste and in turn responding with higher efforts to such improved taste.

Opera in Germany occupies an equally important position. The municipal theatres are devoted both to opera and drama concurrently, and there are over 150 houses in all in which grand operas are given during either part or all of the season.

Germany has 21 conservatories conducted or subsidized by the government besides hundreds of private conservatories. Over fifty musical journals are published in Germany to nine in the United States. These figures are merely an index of the enormous difference in which Germans and Americans hold music, one of the greatest cultural influences at the command of mankind.

In pictorial and plastic arts the same difference is found. Art galleries are more numerous and the only approach America has as yet made in this respect is in the collections made by men of great wealth as matters of self advertisement. These collections will have but small influence until they are made to serve educational purposes.

This summary, though necessarily brief, will suffice, however, to show that the arts in Germany are not submerged by science and industry. Indeed artistic activity is far greater than ever before. In America the public is devoted to sports,

baseball and the like, and on the social side to auxiliary church activities, which are almost wholly unknown in Germany, for the German takes his religion seriously and not as a sewing society or club. The energy which the American devotes to such pursuits the German puts into art. There can be little doubt of the superiority of the German plan.

And this devotion to art is not only of benefit to Germany, but to all the world, for Germany is the mecca of the art student and the modern well spring of artistic and musical progress, and her art leaders are the heralds of new developments in art in other countries. Everything in this respect that she is doing for herself, and she is doing wonders, she is likewise doing for the rest of the world, and instead of her efforts and accomplishments being minimized and disparaged, other countries owe it to their own progress to recognize and emulate her achievements.

One of the most widely discussed topics of the present is that of "Kultur." Every time an Englishman hears a Frenchman's account of something, he claims the Germans have done or undone, he growls German culture. He has no very clear idea of what German "Kultur" is. He imagines it is the same thing that the English word culture stands for, but the similarity of the English word culture and the German word

“Kultur,” extends no further than the sound and spelling. Culture as used in English means about what “Manierlichkeit” in German means. But “Kultur” in German, if properly translated into English would be, as nearly as may be stated, civilization ideals. German Kultur is that whole body of philosophy, organized thought, morality, statesmanship and social relations, which constituted the contribution of Germany toward the advancement and progress of the world ideally, morally, spiritually and materially.

I have recounted some of the most notable exponents of German Kultur. All that they have done, all that all Germans have done for Germany and for the world at large, makes up a great sum in the totals of progress towards a higher plane of world civilization and enlightenment. That is German Kultur, and no nation or people has ever contributed more toward world culture than has the German. For that reason the Germans may well be proud of their Kultur for, however much it is misunderstood, or deliberately misrepresented, it is the truth and the truth in time will prevail.

## CHAPTER XXII

### THE WORLD'S DEBT TO GERMAN TECHNIQUE

**I**N recounting the enormous progress Germany has made, it is difficult to avoid creating the impression that it has all been done by Germany solely for her own individual good.

When a more comprehensive view is taken, however, it will be seen that while the effort has of course been primarily to advance Germany and Germany's interests, the result has been of incalculable benefit to mankind as a whole. Though Germany may reap small profit and a certain prestige, civilization as a whole is the real beneficiary, and the temporary advantage which the German technician gains for himself by a new discovery or improvement is but the merest drop in the bucket to the benefits he pours out to the world as a whole.

The connections between modern nations in commerce and industry are so innumerable and intimate that the progress of each is inseparable from the progress of the others and the pioneer can at best keep but a few years in advance of the procession of other progressive nations. In

considering German triumphs in the field of technics, thus, the idea of isolation must be discarded. Germany is no more isolated from the world than the State of New York is from the other States of the Union, as far as interchange of ideas and discoveries is concerned, and to whatever extent she is in advance is due alone to the slowness of other nations to adopt her improvements rather than any effort or possibility on her own part to keep them from coming into general use.

Indeed, so quickly often are her improvements adopted and so widespread is their use, that their origin is quickly forgotten and it comes as a surprise to the student of the history of technical progress to find where they originated.

This is one of the reasons why the numerous detractors of Germany, acting under English inspiration, and rushing forward to controvert the rightful claims of Germany have denied the facts of her progress through being ignorant of what she has really done.

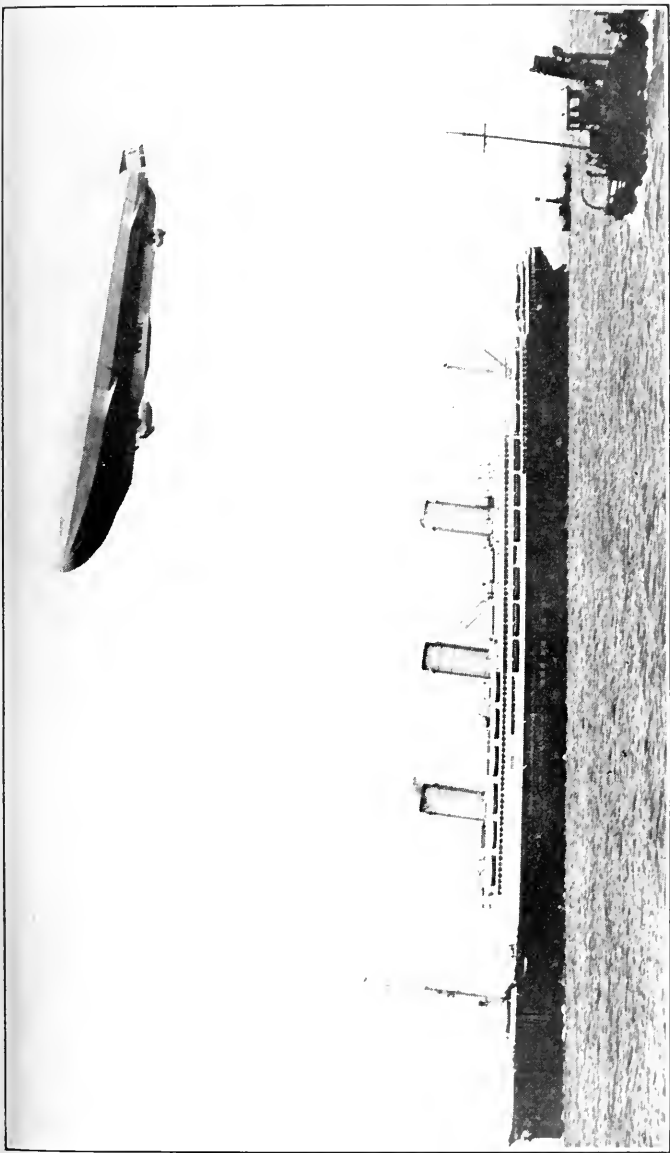
A brief summary, therefore, of some of Germany's leading contributions to the world's progress is desirable, to refute the reckless and ignorant claims of her detractors.

An index of her great progress, as has been mentioned, is in the number of her technical publications. In 1910 a total of 15,540 technical

books was published throughout the world, of which 10,400 volumes were in the German language and 2,000 in French, while the technical works of all the English speaking nations together amounted to but 2,100 volumes. These figures do not include technical periodicals in the number of which Germany also outstrips all other nations combined.

Another valuable index of her achievements is seen in the awards of the Nobel prizes. As is well known Alfred Nobel established a fund for the purpose of rewarding the leaders the world over in physics, chemistry, medicine, literature, and peace endeavors. These prizes are awarded by a board selected by Swedish and Norwegian officials. Although Nobel originally intended the prizes to go to men who were just making their maiden achievements, as a means of freeing them from financial worries so that they could pursue their work, the spirit in which he made the bequest has been disregarded and the awards now go to those who are pre-eminently great in their various fields. It serves, therefore, for the present as a measure of the greatest achievements, and Germany's position in winning such a large proportion of the prizes proves to be even more notable than might be the case had the original spirit of the awards been preserved.

Five prizes of some \$40,000 each are distrib-



**The Largest Steamship in the World, 'Vaterland.'**

950 feet long, 100 feet beam, 58,000 tons, 83,000 horsepower, 23½ knots an hour. Personnel: Commandore, four Captains, and 1,234 men. Accommodations for 3,687 passengers.

**Excursion Zeppelin Airship, 'Hansa.'**

485 feet long, 48 feet beam, 671,000 cubic feet, 510 horsepower, maximum speed 50 miles per hour. Carrying capacity 24 passengers and crew of eight.





uted yearly. In some instances a prize is divided in two. In the 13 years (from 1901 to 1913) during which the awards have been made, Germany has won 17 full and 2 half prizes of a total of 65 prizes possible. She received just twice as many as France (7 full and 4 half prizes) and 240 per cent. more than England, the next best competitor (7 full and 1 half prize). A few prizes in addition went to German professors connected with foreign universities.

These figures indicate as well as may be done the prestige which Germany commands in the world of modern achievement. The fact that the prizes are awarded by Swedish and Norwegian tribunals indicates their impartiality for the tendency of public opinion in Sweden, if public opinion influenced the awards in any way would be toward jealousy of Germany rather than toward any partiality.

Among the most notable of Germany's triumphs are those in the field of chemistry and physics which she has in modern times almost wholly occupied. The chemical discoveries of Germany has been in both organic and inorganic chemistry, including the fields of medicine, pharmacy, electro-chemistry, metallurgy, and the like.

Prominent among German chemists who have been awarded the Nobel prizes are: Professors

Ostwald, Fischer, Buchner, Wallach, von Boeyer, and von Hoff; while Professors Röntgen, Philipp Brand and Wien were awarded the Nobel prizes in physics. In medicine the Nobel prizes in Germany to Prof. Ehrlich; the discovery of salvarsan (606); Koch, bacteriology; Behring, diphtheria, serum, and Kossel, Professor of Physiology at Heidelberg.

Other noted German chemists and physicists are Prof. Virchow, cellular pathology and archaeological anthropology; Liebig, carbon compounds and chloroform; Bunsen, burner, and with Woehler, aluminum; Welsbach, gas mantle; Merck, coal tar by-products, and Pintsch, gas.

Many of these men are eminent in other branches as well, and in scientific work generally are a large number of names of men whose activities are by no means identified with any one branch, such as Professors Helmholtz, Haeckel, Eucken, Clausius, and Wiedemann.

Closely allied with discoveries in chemistry and physics are men eminent in electricity, and in this field is to be found perhaps the greatest of the world's inventors, Werner von Siemens, whose most noted achievement was in the development of electric dynamo. This machine has made possible practically the whole field of modern applied electricity. Siemens is admittedly a far greater inventor than Edison. He

built in 1879 the first electric street railway system, the first third rail system, and he invented the glass insulator for telegraph wires, and the means of locating breaks in undersea cables. He invented electro-plating and numberless improvements of the greatest value in all branches of electricity. The Siemens companies, including the branches in foreign countries, employed in 1912 more than 80,000 people, and it is today the largest electrical concern in the world. Siemens also invented among numerous other important inventions the glass furnace which bears his name and which made the open hearth furnace possible.

Other prominent names in electricity and the allied art of power production include Hertz, the discoverer of Hertzian waves, the basis of wireless telegraphy; Goldsmidt, who improved the wireless system to such an extent that Germany can transmit messages 4,000 to 6,000 miles, greatly outdistancing the Marconi system.

The Bell telephone is in reality the invention of a German, Edward Reis, Bell simply improving the Reis apparatus, and very narrowly escaped having his patents annulled for lack of originality.

In physical apparatus, such as telescopes, microscopes, and photographic instruments and lenses of various kinds, Germany is supreme.

The success of modern photography is almost wholly due to the invention of Jena glass, and Zeiss, Goertz, and Voightlander lenses are known as the best. The materials of photography, such as Barytha coated paper and the multitude of chemical preparations used are all from formulas of German origin.

Prof. Gauss and Weber constructed at Goettingen, 1833, the first telegraphic plant, while Prof. Steinheil of Munich shortly afterwards improved the telegraph, being the first to use the earth as a return circuit, a method which is now being used for both low and high tension electric transmission systems.

The first high tension long distance electric transmission system was constructed in 1891 between Laufen and Frankfort-on-the-Main, a distance of 45 miles, utilizing the water power of the Rhine for the operation of machinery and the supplying of light at the exhibition at Frankfort in that year.

The development of the electric light in its different forms and the competition to which the makers of gas lamps were forced is one of the great romances of modern technic. The incandescent lamp first became known as an invention of Edison, but was in reality the work of a German in his employ who was unable to gain justice in American courts. The old Edison lamp was

some years ago superseded by the various brilliant forms of lamps using tungsten, tantalum and other filaments in place of the carbon filament, and very lately by the nitrogen lamp, in which the globe is filled with nitrogen gas instead of being, as in the old "Edison lamp" a partial vacuum. Germany is producing a 5,000 candle power nitrogen lamp, but in this country none above 2,000 have been made. The improvements are all of German origin and in the case of the tungsten lamp, \$1,010,000 and a large royalty was paid for five patents, whereupon the arbitrary and meaningless trade name of "Mazda" was given to the lamp, in connection with the name of Edison. Doubtless the term mazda will presently be dropped and the name Edison used to designate the German inventions.

The Nerst lamp, the various improvements in arc lamps, the flaming arc and others are also all German inventions, as are the improvements in small coal gas lamps such as the Welsbach already noted, and the large coal gas lamps of 2,000 to 3,000 candle power, recent improvements not as yet introduced in this country.

Another notable invention of the utmost importance which has been referred to in an earlier chapter is air nitrate, the result, as are many German inventions of collaborations of several in-

ventors, or of numerous inventors attached to the great manufacturing or chemical concerns.

Similarly formation of ozone from the air by means of ozonizing apparatus, and the use of such ozonizers to purify the air of crowded places and for therapeutic purposes and for the purification of the water supply of cities, as in St. Petersburg ("Petrograd"), is a German invention.

German superiority in railroading is not generally recognized in America. The Marienfelfe-Zossen experimental road near Berlin has shown speeds of German electric locomotives up to 125 miles an hour, while the best in this country has been only 68. The United States formerly led in steam locomotives, but is now far behind, while in steam power plant work Germany has outdistanced us, particularly in the superheated steam engine. Only in the very largest engines does the United States compare favorably with Germany, while in the average and small sizes, our engines consume from two to three times as much steam in producing an equal output of work, which means the wasting annually of millions of dollars' worth of coal in the production of steam as compared with German practice.

In the development of the steam turbine, the gas engine using blast furnace gases, and oil and gasoline engines, the United States is similarly burdened with inferior machinery. Diesel, the

famous inventor of the oil engine, in which crude oils and tar are being utilized for fuel instead of the higher priced gasoline, stands at the very head of the inventors of Germany who have endowed the world with great inventions. Even the English battleships use Diesel engines. The vast savings due to the use of this engine are indicated when it is understood that 12 per cent. is the highest efficiency of the very best steam engines, while the Diesel engine's efficiency is 28 per cent. That is, from fuels of equivalent heating value, the Diesel engine will produce more than twice as much power as will the steam engine.

In navigation Germany has produced among other notable inventions, the Schlick stabilizing apparatus and the water balance system, preventing rolling of ships, and the wireless-directed boat. Her great liners are admittedly the peer of all merchant ships and her naval vessels are now recognized as the equal of any, while the exploits of her submarines have placed them at the very front of naval achievement.

In air navigation, all the progress that has been made is largely the result of the sacrifice of Lilienthal, whose work in 1896 was taken up after his tragic death by a fall from a biplane with a 2½ horse power motor, by Chanute in this country and later carried more fully into practice by the Wright brothers, who made their first

flight with a power propelled biplane at Kitty Hawk, December 17, 1903. Today Germany has a fleet of aeroplanes which hold the world's records in all kinds of flights, and in addition she has built many dirigibles; as invented by Zeppelin, Grosse, Parsefal, Schütte-Lanz; her fleets of these air vessels being the greatest in the world.

In automobiling the Daimler motor was the first in the field and the American Selden patent so long contested was finally upset on this ground.

In armament, the guns of the Krupp works have international fame, in fact the very name is synonymous with the best in this line. The Männlicher rifle too, is among the best of the world's small arms, while the Mauser rifle is likewise of world wide fame. The guns invented by a German, Gathmann, in this country, and the 42 centimeter Krupp howitzer are unrivalled products.

In fields too numerous to mention, Germany has scored triumphs, such as in electric farming, electric mining, in the by-products of coal tar from which her famous dyes are made, as well as numerous pharmaceutical substances and medicinal serums and preparations such as those which are utilized to produce "twilight sleep," the greatest boon of its kind since the invention of anesthetics, in city planning and city operation, in the sewage disposal systems, the Imhoff tank and the



Emscher tank representing the latest improvements, the blue gas and tank system which enables the shipment of gas and the consequent elimination of gas mains, and in metallurgy, as in electro-steels where she is ten years ahead of this country.

And it is not to be forgotten that in the art preservative of arts, Germany has scored the greatest of triumphs. Guttenberg was the first to make use of movable type, Koenig invented the cylinder power press, while a German, Mergenthaler, in this country produced the linotype. The half-tone process and rotogravure, the latest printing improvements, are also German inventions.

In addition to the technique of science and industry, Germany has developed to a marked, indeed to a pre-eminent extent, the technique of administration; that is, the best way of doing things, the right way to do the right thing at the right time, both industrially and governmentally. The leaders of the German army, of the navy, of the legislative and executive branches of the government, of banking and of great industrial undertakings, of education and agricultural pursuits are men who apply the German spirit of technique to administration no less than it is applied to industry.

Notable among the great names of contempo-

rary Germans of affairs are Von Hindenberg, the hero of the East Prussian-Poland campaign, Von Moltke, head of the General Staff, Count Häsele, the grand old man of the German army, and Grand Admiral von Koester, head of the navy league of 1,250,000 members, the grand old man of the German navy whose active work is being carried on in its present fulfilment by Von Tirpitz, Count Zeppelin, the popular hero of aeronautics, Alfred Ballin, the moving spirit of Germany's oversea commerce, Otto von Gwinner, the greatest of Germany's bankers and the builder of the Bagdad and other great foreign railroads, Emil Rathenau, head of the Allgemeine Electricitäts Gesellschaft, a billion dollar electrical concern, August Thyssen, a coal and iron Carnegie, and August Scherl, the world's greatest publisher, with five dailies and a dozen weeklies of enormous circulation.

The list could be extended almost indefinitely with the names of Germans equally if not better known, though perhaps of limited fame outside of Germany itself.

Such men are not, as Germans as a rule are not, self advertisers. Germany has been content to pursue her own way and achieve her own achievements unostentatiously. She has not concerned herself to any extent to herald her ideas or to boast of her progress, and for that reason her accomplishments are but little known.

But unheralded or not, their influence is beginning to make itself universally felt, and Europe has already realized as this country must soon do, that Germany is the pace maker of progress and that her work must be recognized and emulated if we are not to drop too far behind.

## CHAPTER XXIII

### THE MUTUAL INTERESTS OF GERMANY AND THE UNITED STATES

**I**N the great melting pot of the United States, into which so many races have been thrown, the fusion that we know today as Americans is a far different fusion than that of half a century ago. Although the individual is cast in the institutions of the country and takes the impress of the mould of language and civil customs, and calls himself an Anglo-Saxon, he is only an Anglo-Saxon by tradition and label; for in reality his metal is very different from the metal of the Anglo-Saxon which has preserved itself in England.

Thus, though in language, in law and in governmental procedure and literary traditions English, Americans are of such complex derivation as to be entirely distinct from the races out of which they have been formed, and from none are they much more distinct than from the modern Englishman. That there is a real racial antipathy to the modern Englishman is shown by the sub-surface hostility which Americans meet in

England and in London especially. This is glossed over and concealed by the self interest of those in authority, and the real attitude of the two countries is thus not actually understood except by the few who have travelled abroad and have brought home by word of mouth the truth.

The action of England during the Civil War in contributing as far as was in her power to the attempt to destroy the Union proved her true attitude. Her present assumption of friendly interest arises solely out of the necessitous position in which she finds herself.

As a matter of fact, the English strain in the American national genealogy is less in volume than either the German or the Irish. That is to say, including those of pure English, Irish, and German stock and those having such strains in the blood in whatever degree, the German stock is the largest single element.

The investigation of the racial strains of Americans has been undertaken by a number of authorities, and counting the population here at the time of the Revolutionary War and the subsequent immigration and making proper allowance for increases, the estimates agree that the German element is now the largest single element.

Assuming that there had been no intermarriage of races, and allowing an equal rate of increase for all, which is rather an unfair assump-

tion for Germans as they multiply faster than other races, there would now be from 20,000,000 to 25,000,000 pure Germans here, 10,000,000 to 12,000,000 pure English, and 13,000,000 to 15,000,000 pure Irish. This disregards the Scotch, Welsh, and Canadian elements which are of limited extent. Scandinavians, French and other Latin stocks, Slavs and Hebrews constitute some 20,000,000. The remainder of the population is of Negro, Indian, and Oriental stock.

There are, of course, due to intermarriage no such numbers of pure Germans, English, or Irish, but allowing an equal tendency to intermarriage, the diffusion would be proportionately equal, so that that affects each race in the same manner and hence does not enter into the calculation. The diffusion in fact is so great that it is quite likely that 50 per cent. of Americans, if not more, have some strain of German blood in them, while perhaps 50 per cent. have Irish blood, and 50 per cent. English blood, and 50 per cent. Latin or other strains, the several 50 per cents overlapping each other, with many individuals having half a dozen or more strains of blood.

The investigations prove conclusively that the German element is the largest single element, that German characteristics and German methods of thought are more characteristic of Americans than are English characteristics and meth-

ods, and that America is certainly much more a Germanic than a British nation.

The marked tendency of Germans immigrating to this country to become naturalized citizens and the complete fusion of their interests with American interests as compared with the reluctance of British subjects to become citizens and the aloofness with which they maintain themselves, prove still further that American and British have less affinity for each other than have Americans and Germans.

Nor is the advent of the German a recent one in this country. New York was at one time known as New Netherlands and was settled by the Dutch, a low-German race, while Germans from the various kingdoms and states which make up the present German Empire came here in very large numbers at very early dates.

Peter Minnewit from Wesel, Germany, in 1626 bought Manhattan Island and he was its first Governor. Jacob Leisler of Frankfort, Governor of New York, was executed in 1691, a patriot martyr of his adopted country. William Penn was from Krefeld, while Peter Zenger, from the Pfalz, in 1730 in New York established the freedom of the press.

Germans have fought for America. Steuben, Von Kalb, Osterhaus, Custer (Köster), Schurz, Sigel and numerous others are high on the roll of

fame, while 187,000 Germans fought for the Union in the Civil War.

In business and commerce the list of men of German birth and parentage is almost endless. Roebing, Havemeyer, Guggenheim, Spreckles, Brill, Weyerhäuser, Astor, Frick, Heinze, Drexel, Herreshof, Wanamaker, Westinghouse, and Rockefeller are names so well known that their German origin is almost forgotten.

Thus Germans from the earliest times, with increasing importance have occupied the foremost places in America, and these facts, so well known to Germans, account for the feeling of injustice under which the large German element of our population labors in the present fictitious state of public opinion, so unconscionably fomented by our pro-British press.

The German in this country has not made his influence felt as a German at any time, as he takes but little interest in political preferment, though a conscientious citizen and voter and his interests become so thoroughly identified with the interests of his adopted country that he does not make himself a political issue. There is never, has never been and will never be in this country a German "problem," in the sense that other immigrant races create problems. The very suggestion of such a thing indicates how impossible it is and proves how thoroughly and com-



pletely the German becomes an American. He fuses immediately as no other nationality fuses.

This lack of self assertiveness as a German and the German's lack of interest in politics has permitted the country to be dominated to a great extent by the more politically inclined Irish, especially in local affairs, and nationally by the politicians of the old English administrative class, who in Virginia and the New England States handed down from generation to generation largely of lawyers, the traditions and ambitions of political career.

Thus though but little seen on the surface, the German element entertains a strong sympathy in the present crisis for Germany, and the vigorous expression which has finally been made of the great pro-German feeling has surprised and disconcerted the large section of the press which takes its tone from London. The truth, Germans feel, will, however, gradually prevail, once the issue has been made as it has been made and when it does Germans are confident that the establishment of closer relations between America and Germany cannot fail to be of the greatest mutual benefit to both countries.

Politically Germany is the European counterweight which maintains the balance of power without which this country would have to take its place in the scale pan of international rivalry.

With a strong and united Germany, no European nation directly or as the ally of Japan would dare involve itself in a war with this country. Any diminution of Germany's power means added danger for America, a consideration to which the public is entirely blinded by the inspired favoritism of the press for England.

Germany finds in America one of her greatest reservoirs of raw materials and one of her greatest customers for manufactured products, while America has equally important commercial incentives toward a closer understanding with Germany. Germany is the best customer America has in numerous lines and the source of a large supply of her partly manufactured products or products used in the finished products of American factories. There is no more reason for Germany and the United States to exercise commercial hostility toward each other than for Massachusetts and Alabama or Pennsylvania and Kansas to do so.

The day has long since gone by to raise the cry of cheap German labor, for the laborer in Germany is better paid today in Germany than in the United States, while the technical man is vastly better off.

America, in the grip of trusts and combinations, with narrowing opportunities for her business men as independent units, and with the

increasing pressure of population is meeting problems that Germany has successfully solved during the past generation. There is no secret made of Germany's methods, whoever runs may read, and Germany is an open book from which America has many and valuable lessons to learn.

And one of the greatest of the lessons that is to be learned is the lesson of learning that lessons may be learned.

If we continue to believe that we have nothing to learn from any other country, we must continue to lose ground to every country that either originates or learns any particular lesson.

One of the first and greatest lessons that Germany has ever learned is the lesson that she can learn from others. And she does not hesitate to act upon that lesson. She has been and still is ready, willing and anxious to learn anything that can be learned from any source. And for this she is even reproached, and by those to whom she pays the compliment of attention to their achievements. Yet when she has lessons to offer, such countries instead of learning with willingness and profit, turn to disparagement and detraction; instead of being spurred to greater efforts by her competition, combine in the desperate attempt to destroy the greatest single source of modern progress.

In America it is unquestionably admitted that

the rich are growing richer and the poor poorer, that discontent is increasing, that opportunities are diminishing, that the ideal of democracy is not being fulfilled, that in reality the control of the country is in the hands of classes and individuals who are determined to exploit the country as far as possible for their own personal advantage and that the will of the people is neither definitely formed nor when formed to any extent, capable of finding through our institutions prompt and adequate expression.

Since 1907 we have suffered from a depression which instead of being relieved is steadily growing worse and in fact which is impossible of relief until fundamental changes of policy and method have been made.

During the lean years which have come upon us, Germany has been enjoying fat years; while we have at best only been holding our own in the international procession and while we have been losing ground internally, Germany has been gaining both internationally and internally.

During the same time England has been rapidly losing ground both externally and internally. And England has been during the past generation, the least progressive country and in England the contrast between wealth and poverty is most marked. In Germany on the other hand the distribution of wealth is more general and equitable than in any other country.

In America the divergence between wealth and poverty is rapidly becoming as marked as in England. In short we are going the way that England is going, the path of plutocratic destruction, the path that led to the fall of Rome and the path that ultimately destroys every country which permits itself to be so led.

Germany is not on that path.

Will America choose to follow the example of England or of Germany?

Will the American business man, the American artisan seek to study the German methods and learn individually for himself the German secrets of success in principle and practice, so invaluable to him whatever his walk, as the German learns wherever he can, or will he follow the British plan of sticking his head ostrichlike in the sands of self sufficiency and using his heels for defence instead of for progress? And will the American people as a whole, so change their methods of administration as to secure the proper results of self government, or will they be content to see wealth continue to pile up in the hands of the few while the hands of the many remain empty?

The lessons of Germany and of England are before us.

There are not wanting signs of an awakening but it will need persistence and courage to shake

off the lethargy of political indifference, and an aroused spirit of co-operation, a vigorous and sustained effort and a much larger devotion of the individual to the welfare of the whole than has been characteristic of our political life during the past generation if we are to attain the position that our natural talents and opportunities entitle us to enjoy and if we are to maintain our place in the procession of progress.

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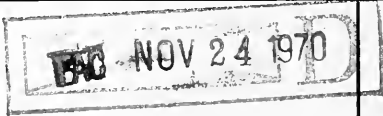


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