COMMERCIAL EDUCATION IN GERMANY

BY

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PREFACE

In 1850 Germany was an agricultural nation occupying a position of relatively little significance in the industrial world. In 1910 its foreign trade was second only to that of Great Britain, and the time is not very remote when, in all probability, England will no longer be the foremost commercial nation of the world. Yet the major portion of this marvelous development of Germany has occurred since 1884. In 1882 agriculture occupied the attention of 19,225,455 of the population of the German Empire. Twenty-five years later, in 1907, this number had decreased to 17,681,176, a loss of approximately eight per cent. During this same period the industrial population had increased from 16,058,080 to 26,386,537, a gain of more than sixty-four per cent. At the same time the expansion of commercial activity was even more pronounced, growing from 4,531,080 to 8,276,239 participants. To give another concrete and more significant illustration, which is a natural consequence of the figures just quoted, in 1880 Germany, with forty-six millions of people, had a foreign trade of $31 per capita, as against

the United States, with fifty millions of people and a trade of $32 per capita. In 1910 Germany's population had become sixty-four millions, and her foreign trade had increased to $62 per capita, while in the United States the corresponding figures were ninety millions of population and $37 per capita in foreign trade. (It is a source of no little satisfaction to note that unofficial figures for the unprecedented year 1912 show an increase of the American foreign trade to more than $45 per capita.) In other words, Germany's per capita foreign trade had exactly doubled in thirty years, while that of the United States, which to Americans seems to have made enormous strides, had increased less than one-sixth.

The fundamental reasons for the transformation of the German people from an agricultural nation to an industrial nation are relatively patent. They are ultimately based upon the very large increase in population in proportion to the agrarian area which has to support that population. The analysis of the forces by which this change has been brought about, however, is a much more difficult problem, and one that falls within the province of the economist rather than the educator. It is evident, nevertheless, that education has played a by no means inconsiderable part in this evolution, and it is the aim of this monograph to describe with considerable detail the purpose and the work of certain types of the schools that seem to have been contributing factors in

this movement, with the hope of casting some additional light on the larger social problem, for "of all species of extravagant waste there is none more unpardonable than that which permits one nation to remain in ignorance of the clever and successful methods devised in another for gaining important ends."

The information presented herewith embodies the results of two trips to Germany, one through the cities of Berlin, Cologne, Frankfort, Leipzig, Mannheim, and Munich, in the spring of 1912, these cities having been selected partly because their schools are particularly typical of all kinds of vocational education, and partly because they are the only centers in Germany where one finds completely organized *Handelshochschulen,* or, in American phraseology, "Colleges of Commerce"; and the other, in the spring of 1913, to the commercial port of Hamburg, and through the cities of Barmen, Cologne, Dortmund, Düsseldorf, Duisburg, Elberfeld, and Essen, the most important centers of Rhineland and Westphalia, that teeming hive of modern industrial Germany, whose commercial relations with America and other foreign countries occupy the attention of hundreds of merchants and provide work for scores of thousands of laborers. Of all these the Munich schools are the best known in America, and deservedly so; for, in that city, one finds a most elaborate system of schools of every type for pupils of from thirteen or fourteen to seventeen

or eighteen years of age, probably the finest system of vocational schools in the world. Although there is considerable similarity of organization among these various cities, with some excelling in one grade of work while others lead in others, there are, nevertheless, manifest differences to be expected, for Barmen, Berlin, Cologne, Dortmund, Düsseldorf, Duisburg, Elberfeld, Essen, and Frankfort are in Prussia, Mannheim is in Baden, Munich in Bavaria, Leipzig in Saxony, while Hamburg is a free city, ranking in every respect with Prussia, Baden, Bavaria, and Saxony, and each of these German states has its own independent system of educational organization. Some of the more fundamental differences will be indicated in the course of our study.

It is a pleasure to bear witness to the uniform courtesy manifested by administrative officials and teachers everywhere. The list would indeed be long should I attempt to record by name every individual to whom I am indebted, but I cannot refrain from making public acknowledgment of my special obligations to Geh. Ob.-Reg.-R. Dr. Reinhardt, of the Kultusministerium; Geh. Reg.-R. Dr. Kühne, of the Handels- und Gewerbeministerium, and Dr. Knörk, Direktor der kaufmännischen Schulen der Korporation der Kaufmannschaft von Berlin; to Direktor Kuemmel, of Barmen; to Professor Dr. Eckert, Direktor Dr. Cüppers, Direktor Rosenthal, and Dr. Carpenter, of Cologne; to Direktor Dr. May, of

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CHAPTER I

GERMANY AND ITS EDUCATIONAL SYSTEM

Economists have long recognized the interdependence between the production of wealth and its distribution, but, however ready the American business man has been to admit this theoretically, it is becoming more and more patent that, in many respects, his practice is lagging far behind his theory. We have been handicapped in this country by an excess of natural resources. Paradoxical though it may seem, this has undoubtedly been conducive to commercial inertness. Marketing of raw products is a relatively simple matter, for the market seeks the supply. Comparatively seldom is it necessary to create a demand for materials of this type. It does not change the facts in the case to admit that these same raw materials are largely necessities, while the manufactured articles are more often the luxuries of our modern life. Running through the character of the American export trade one must be struck with the preponderating weight exerted by raw materials—cotton, lumber, oil, wheat, and other

Production and Distribution.

agricultural products. The notable exceptions are largely confined to manufactured articles, like typewriters, sewing machines, harvesting machines—products that are due to the inventive genius of American minds—but the monopoly created by the present peculiar conditions will continue only through the life of the existing patents. The time is not far distant when these patents will run out, and then our manufacturers will be forced to meet the competition of Germany and other foreign producers, for the American ideas that have made this monopoly possible will then become public property. The fact remains that, in those fields where there is anything like an international distribution of production, the American distributor is falling behind. While cheap labor and other foreign advantages of production are large factors, American conservatism in distribution also plays a very significant rôle.

German vs. English Attitude.

There is undoubtedly much truth in the English contention that the Germans are a nation of commercial travelers, and in the retaliatory rejoinder that the English are a nation of shopkeepers, but, at the present moment, the commercial travelers seem to be succeeding at the expense of the shopkeepers. One secret of the German commercial success is that "the German foreign trader gives his customers what they want. He gets the trade, if he can make the price, and, if he can't, there is not

much use of any other trader trying." [1] Not long ago a London manufacturer devised a special kind of nut because none of those on the market met his particular needs. He sent the drawing to a Sheffield firm, and requested them to make up an order for him in accordance with his plans and specifications. With characteristic British conservatism they replied that they could not do so without an entire new set of dies, and the amount of the order would not justify the expense. Although they had been told very plainly that none of their models answered the purpose, the typical British dogged pertinacity came to the fore when they suggested again that some one of their patterns would surely be found satisfactory. The London merchant thereupon made a similar request of a German machinist, and received a prompt compliance with the order. This particular commission was probably no more profitable to the German than it would have been to the English firm, but the German was looking to future orders.

German Trade Methods.

Not only does the German merchant believe in giving people what they want, but he also takes pains to ascertain this accurately, by sending out representatives who can talk with prospective customers in their native tongue. Furthermore, the German merchant receives every encouragement from his government to aid him in his conquest of

[1] WHELPLEY, JAMES D., in *Century*, February, 1912, p. 490.

the foreign markets—an encouragement that may even take the form of special rates for transportation of raw material and manufactured products over the nationally owned railroads. "'Trading made easy,' is the motto of the German government, and it is being lived up to wherever possible." Not only is the material side of distribution looked at from a national point of view, but, on the production side, the government provides the higher educational institutions to develop the manufacturer's experts, the lower educational institutions to train his operatives, as well as furnishing institutions all along the line that shall train the "spiritual side" of the distributing staff, in the office force, and the commercial traveler. It is this spiritual side of the distribution problem—various types of commercial schools—that will occupy our attention in the following chapters.

German Specialization.

Although there is some justification for the claim of Fabian Ware, written in 1901, that "those who seek for the educational foundations of Germany's past commercial success must study her *Realschulen* and *Oberrealschulen*," one must take vigorous exception to the assertion of that same writer that there is less special education in Germany than in any other country. In the first of these statements Mr. Ware has expressed only a partial truth. He might, with equal justification, have added by name each one of the other groups of typical German schools,

not forgetting the great technical schools, for no one or two classes of schools is responsible for the nation's progress. The query as to the reasons for Teutonic commercial success cannot be expressed in a simple linear equation, but must be written as an equation of higher degree, whose solution gives many roots. In order to show the fallacy in the second statement of Mr. Ware, one has only to point to the trade schools of almost every conceivable type that are to be found throughout the empire, from Königsberg to Stuttgart, from Kiel to Munich. If there is any country in the world where specialization is rampant that country is Germany. She believes in finding out early what a lad is to do, and then in training him specifically for that particular line of work and for no other.

Social and Vocational Stratification.

Indeed the stratification of German social and industrial life is so rigid that there is very little movement vertically, except within certain narrow limits. It is this very characteristic that makes the German educational problem so relatively simple, and its working out so marvelously effective. A boy is more than likely to follow the business of his father. At all events, once he has elected to follow any particular career, the competition is so keen that he is forced to stand by his choice, even though he ekes out but a precarious existence. Every other career to which he might turn will probably be similarly over-

crowded, and, in any case, he would there come into competition with others who had already become proficient in the occupation in question. This is a situation that it is very difficult for an American to comprehend, for our people live in a land of large opportunity, where failure in one line of work does not preclude the possibility of success in some other field of endeavor, nor even is it at all difficult for one to enter this other field. The result of the situation in Germany is that everybody is forced to become a specialist, and that the choice must be made early—in most cases in the lower reaches of the commercial or industrial world by the time the boy is ready to leave the elementary school (*Volksschule*) at fourteen years of age. This immensely simplifies the problem of course of study for the educational authorities, for, given the career the boy is to follow, they determine with fair readiness and accuracy the subjects and parts of subjects that make up the most profitable course of study for the pupil to pursue. When the boy completes the elementary school course at fourteen he finds a position in the business world, starting his career as an apprentice—it may be in a tinsmith's, it may be in a barber's or a watchmaker's shop, it may be with a grocer. When he enters the continuation school at the opening of the next school year he is put in a class with other boys who are engaged in exactly the same kind of work. During the following three or four years, while

he is completing his apprenticeship, he is also attending the school for a certain number of hours per week, ranging usually from four to nine in the various communities, and here the schools are devoting themselves to developing the theoretical and business aspects of his trade or career *alongside* his real work. Whatever may be the kind of work he is doing, his employer is not only required by law to give him time off to attend the school, but is held responsible for seeing that he attends.

In view of the radical differences in educational organization between the United States and Germany, it may be well at the outset to describe very briefly the school situation one finds across the water.[1] In the first place, although the educational control is not so thoroughly centralized as it is in France, it is admittedly to be considered from a national, or rather a state, point of view. Prussia established that fact indisputably in the last decade of the eighteenth century, even before its humiliation by Napoleon had all but crushed its vitality. With these fundamental assumptions still on the statute books—that schools are state institutions, to be founded only with the knowledge and consent of the state, and to be at all times subject to its examination and inspec-

Educational Organization: 1. National Control.

[1] See frontispiece for schematic arrangement of the German educational system.

tion—the reorganization schemes of Von Stein and Von Humboldt were all the more readily carried through. Although the latter had been at one time opposed to state control of education, the ruin and devastation wrought by Napoleon convinced him that the state and the state alone was powerful enough to cope with the situation. Later events have demonstrated the soundness of his conclusion, and this has been the guiding principle in Prussia ever since. The unification of the German Empire under Bismarck and Emperor William still left a large measure of autonomy to the separate states, but everywhere in each state this same idea is still dominant: that education is a matter of state control. Prussia has its system of schools; Saxony, Bavaria, Baden, Würtemberg, and all the rest, each has its own.[1] Of course there are minor differences of detail—though far, far less than one finds among the states of our own nation—but the fundamental ideas and the general organization are everywhere the same, and they are all working toward a common end, the welfare of the nation as a whole.

Each state has its minister of education, who is the active head of the educational system of the state, and whose control reaches into the far corners of the do-

[1] Prussia, with its forty millions of people out of sixty-four millions in the whole empire, naturally exerts a preponderating influence, and may fairly be taken as representative of the best and most progressive ideas of the nation.

main. In general all control of the so-called *interna* of school affairs emanates directly or indirectly from this office, while local autonomy, such as there is, is restricted to the *externa*. Programs of study, qualifications of teachers, training of teachers, choice of textbooks, and the like fall under the first category, while construction of schools, school equipment, and kindred affairs not directly connected with the processes of instruction are included under the second group. Thus the really vital matters of school polity are administered by a central professionally competent authority, over which the individual citizen has no control, and upon which he can exert no influence, political or otherwise. Of a truth the educational systems of Germany are under strictly professional control.

In the second place, Germany is a monarchy, with all the monarchical ideas and ideals thoroughly dominant. The aristocracy in the political life likewise carries over into the social and the educational world. Germany is still far from conforming to Huxley's standard, that "no system of public education is worth the name of national unless it creates a great educational ladder, with one end in the gutter and the other in the university." Nor even is there any evidence that she is tending in that direction. Bismarck's specter of the educated proletariat still looms

2. Monarchical Ideals.

large on the horizon of the German political leader. Not that there is any lack of educational opportunity. Far from it, for there is probably more widespread popular education in Germany to-day than in any other country of the world. One has only to look at the two-tenths of one per cent. of illiterates among the recruits for the German army, as opposed to the seven and seven-tenths per cent. in the total population of the United States, and even three per cent. among the native whites, in order to become convinced of the truth of this assertion, at least as far as our country is concerned. But this educational opportunity is decidedly limited in scope, and is largely determined by the financial status of the parent. In other words, while the elementary schools are open to all without money and without price, the secondary schools, which constitute the sole open sesame to the university and all professional careers, as well as to many positions in the civil service, are invariably fee institutions. Not only must the parent be able to pay the tuition fees, but he must also be in position to support his son for one or more years of inactivity, while the young man is preparing for examinations, or waiting for an appointment. The ten per cent. or so of scholarships available for distribution in the secondary schools can thus accomplish very little in ameliorating this state of affairs. It is said on good authority that probably not one boy in ten thousand who goes through