

E. E. Williams, *Made in Germany* (1896)

Abstract

Ernest Edwin Williams was working as a journalist in 1895 when he was sent by a London publisher to look into the rise of the German export industry. Williams was a Fabian-style Socialist but had resigned from the Fabian Society in 1894. Tasked to find a single, simple reason for Germany's rapid industrial expansion, Williams instead produced a broad ranging but detailed treatise comparing manufacturing in Britain and Germany, which instantly became a runaway best-seller. The treatise included detailed case-studies and statistical comparisons and was first published in the *New Review* in five installments in early 1896, during a period of rising tension between Britain and Germany (with incidents such as the Kruger telegram further stoking anxiety). The final installment of Williams' work was eagerly awaited and found a large readership. The treatise was quickly republished as a stand-alone book that same year, and it ran through six editions before the year was out.

The excerpts here are from the introductory chapter and Chapter VII, entitled, "Why Germany Beats Us." The way in which Williams' rhetoric and insights still echo today is enlightening.

Source

The Industrial Supremacy of Great Britain has been long an axiomatic commonplace; and it is fast turning into a myth, as inappropriate to fact as the Chinese Emperor's computation of his own status. This is a strong statement. But it is neither wide nor short of the truth. The industrial glory of England is departing, and England does not know it. There are spasmodic outcries against foreign competition, but the impression they leave is fleeting and vague. The phrase, "Made in Germany," is raw material for a jape at the pantomime, or is made the text for a homily by the official guardians of some particular trade, in so far as the matter concerns themselves. British Consuls, too, send words of warning home, and the number of these is increasing with significant frequency. But the nation at large is yet as little alive to the impending danger as to the evil already wrought.

[...]

As It Was

There was a time when our industrial Empire was unchallenged. It was England which first emerged from the Small-Industry stage. She produced the Industrial Revolution about the middle of the last century, and well-nigh until the middle of this she developed her multitude of mills, and factories, and mines, and warehouses, undisturbed by war at home, and profiting by wars abroad. The great struggles which drained the energies of the Continental nations, sealed her industrial supremacy, and made her absolute mistress of the world-market. Thanks to them, she became the Universal Provider. English machinery, English pottery, English hardware, guns, and cutlery, English rails and bridge-work, English manufactures of well-nigh every kind formed the material of civilisation all over the globe. She covered the dry land with a network of railways, and the seas were alive with her own ships freighted with her own merchandise. Between 1793 and 1815 the value of her exports had risen from £17,000,000 to £58,000,000. Her industrial dominion was immense, unquestioned, unprecedented in the history of the human race; and not unnaturally we have come to regard her rule as eternal. But careless self-confidence makes not for Empire. While she was throwing wide her gates to the world at large, her sisters were building barriers of protection against her; and, behind those barriers, and aided often by State subventions, during the middle and later years of the century, they have developed industries of their own. Of course, this was to a certain extent inevitable. England could not hope for an eternal monopoly

of the world's manufactures; and industrial growths abroad do not of necessity sound the knell of her greatness. But she must discriminate in her equanimity. And most certainly she must discriminate against Germany. For Germany has entered into a deliberate and deadly rivalry with her, and is battling with might and main for the extinction of her supremacy.

[...]

The German Revolution

Up to a couple of decades ago, Germany was an agricultural State. Her manufactures were few and unimportant; her industrial capital was small; her export trade was too insignificant to merit the attention of the official statistician; she imported largely for her own consumption. Now she has changed all that. Her youth has crowded into English houses, has wormed its way into English manufacturing secrets, and has enriched her establishments with the knowledge thus purloined. She has educated her people in a fashion which has made it in some branches of industry the superior, and in most the equal of the English. Her capitalists have been content with a simple style, which has enabled them to dispense with big immediate profits, and to feed their capital.^[1] They have toiled at their desks, and made their sons do likewise; they have kept a strict controlling hand on all the strings of their businesses; they have obtained State aid in several ways—as special rates to shipping ports; they have insinuated themselves into every part of the world—civilised, barbarian, savage—learning the languages, and patiently studying the wants and tastes of the several peoples.

[...]

Her diplomatists have negotiated innumerable commercial treaties. The population of her cities has been increasing in a manner not unworthy of England in the Thirties and Forties. Like England, too, she is draining her rural districts for the massing of her children in huge factory towns. Her yards (as well as those of England) too, are ringing with the sound of hammers upon ships being builded [sic] for the transport of German merchandise. Her agents and travellers swarm through Russia, and wherever else there is a chance of trade on any terms—are even supplying the foreigner with German goods *at a loss*, that they may achieve their purpose in the end. In a word, an industrial development, unparalleled, save in England a century ago, is now her portion. A gigantic commercial State is arising to menace our prosperity, and contend with us for the trade of the world.

[...]

VII. Why Germany Beats Us

Wages and Hours of Labour

[...] German wages are lower and German hours of labour are longer than English. . . but there is great danger of making too much of it, and neglecting other causes.

Strikes

Many people assert that the prevalence of strikes in England is one of the main, if not the main, reason why England's industrial supremacy is waning . . . let me join the chorus . . . As soon as the gates of our English works are locked, the German rushes into the suspended market, to fill up the vacancy.

Cheap and Nasty Goods

“Billig und schnell” was the verdict bestowed by a candid German on some of his country's products which he had seen abroad . . . German goods are bought . . . because they are cheap . . . [but] there are reasons for German cheapness apart from low wages and scamped workmanship.

The Merchandise Marks Act of 1887

[The Act demands that] when it is made in Germany, the mug must state so much. [...] [This] operates as a free advertisement of German manufactures. The colonial buyer (to take an instance) sends orders to England for goods. He receives these orders stamped "Made in Germany." Obviously, he says, the English middleman has made a profit; and he may add, "I will purchase direct from the German houses, and save the commission." On his next journey to Europe, he divides his stay between England and Germany. Having gone to Germany for one class of goods, he is made acquainted with the virtues and prices of others, and being on the spot, he purchases things he would otherwise have bought in England.

STATE HELP

Protection

Protective Tariffs in Germany have injured English Industry . . .

The fact that English goods entering Germany—(the same is, of course, true of other foreign countries, and also, alas! of British Possessions)—have to pay a toll at the port of debarkation, adds to the cost of production of those goods when they are offered for sale to the German consumer.

. . . The German Tariff System [also] enables German manufacturers to flood England with German goods . . . German manufacturers, with a Protected home-market, can charge their home-customers such prices as will make them a profit; the overplus can then conveniently be sent abroad, and sold at a lower rate—at the cost of production, if necessary. Indeed, German goods are often sold outside Germany at a price which is beneath the cost of production, for the purpose of forcing a way into the market.

Transport

. . . the lowness of German railway charges has its origin in State-aid. German lines are owned and worked by the Government, and they form in consequence a public service . . . English railways are run by private capitalists with the one object of extracting dividends . . . the railway companies, unaided by the State, cannot reduce their rates to anything like the German level without landing themselves in bankruptcy. (pp. 145-147)

Commercial Consuls

It must be admitted that the German service takes greater care of its commercial side than does the English. In my first chapter, I gave an instance from the German Legation at Chicago of the eagerness and intelligence with which the German Government assists its traders. . . . It is told of Prince Bismarck himself that when, as Chancellor, he was interviewing a Chinese Ambassador on diplomatic business, he would not let the mandarin depart till he had induced him to place a large contract for steel rails with a German firm.

The English service is organised on a different footing. It does not altogether reject the policy so successfully carried out by the Germans, but it halts a long way behind. We have Commercial Attaches, but only three for the whole of Europe—at Paris, St. Petersburg, and Constantinople!

Education

The attention paid by the State in Germany to Education—and particularly to Scientific and Technical Education—is matter of common knowledge the world over, though the knowledge has not yet effectually dislodged the notion that the Germans are a people devoted to dreamy philosophy or plodding research into remote by-paths of knowledge . . . There are dry-as-dust enthusiasts everywhere,

and Germany has her share of them; but the scientific training of the mass of her people is not dry-as-dust at all. It is severely practical. The Technical Education to be obtained in Germany is thorough, and thoroughly scientific; *but it is meant for application.*

SELF HELP

Push

It is a little word, but it conveys the meaning of perhaps the biggest part of Germany's success. The German has set out to conquer the world of industry. Difficulties which might well have daunted the bravest and the most enthusiastic have beset this path; but, so far from turning him back, they have apparently but nerved him to renewed exertion.

Adaptability

Mere push, however, is not enough. It must be wedded to adaptability; and this union Germany has consummated. Intelligence, tact, and the determination to please are everywhere conspicuously apparent in the German's business dealings.

In General

German inventive genius, which in the past was somewhat backward, is now developing at a rate which bids fair soon to place the German beyond the need of English models. One special cause of complaint against him is that his imitations are inferior to the models, though (apart from fraud) his copy is often sufficiently like the British original to deceive the purchaser, and where it is of cheaper workmanship, and can therefore be sold at a lower price, the English maker is heavily handicapped. But it must not be forgotten that the German imitation is not as a rule inferior in all respects. In the matter of artistic finish it is often—one may say, as a rule—decidedly better.

These are the reasons why Germany beats us. The list has been a long one yet I could not well have made it shorter, without leaving out items any one of which is capable of accounting for much of England's failure.

NOTES

[1] For example, one Rhenish ironworks makes it a rule, whatever its profits, not to pay a higher dividend than 5 percent. The rest goes into a reserve fund, and a fund for the purchase of fresh and improved plant and machinery.

Source: Ernest Edwin Williams, *Made in Germany*. London: William Heinemann, 1896, pp. 6–10; 130–163.

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