

## THE ECONOMIC OUTLOOK IN GERMANY

THE insane wage demands and extortions of the working classes have caused expenses to rise beyond all measure. Up to now they have been afforded, and could be afforded because the most of the ironworks had abundant stocks, which were warehoused in order to assist in the transition to peace business conditions. Now these are exhausted or are dwindling from day to day, and everyone can pretty exactly foresee the time when their bank balances will be gone, and they will be incurring bank debts. That is the point which will bring weeping and gnashing of teeth to all those who believed they were bettering themselves by excessive demands. For when nothing is left, even the workman has lost his rights. The works, however, cannot incur bank debts for long, in order to pay wages. All the less so, as they are deprived of the possibility of going on working, if they cannot obtain the means of changing over to peace conditions, and of the purchase of raw materials, etc. The financial position of works, formerly brilliantly prosperous, goes steadily and irresistibly downwards, and now they have fallen into the slavery of debt to the banks. To be free of this was formerly their pride, and it was also to the advantage of their workmen, as the more independent they were, the freer they remained in wage policy, and the sooner they could show themselves willing to meet just and reasonable demands. If this state of things lasts a few weeks longer, it is certain that by the stoppage of development the dead point will soon be reached, and unemployment will become greater than ever.

Here further troubles are threatened to the workers, in spite of the supposed

improvement of their lot by increased wages. It was a settled thing that after the war there would be great activity in house building. The local authorities were to take in hand the building of dwellings on a great scale. Manufacturing companies and private builders were also to erect dwellings. Of all this there is now little or nothing to be noticed. Bricks are wanting, it is said, also iron and wood. Of money no one speaks, and that is just where the difficulty lies. For the erection of dwellings, in consequence of the rise of prices and wages, twice or three times, and even four times, the amount is needed to-day which formerly had to be expended. That naturally frightens everybody who has to reckon in any way with the future. Representatives of public bodies, as well as private business men, tell themselves that the present developments cannot last forever. If they were now to take in hand building to any great extent, they would expend capital and incur enormous interest liabilities, which sooner or later, when the reaction came, they would be unable to meet. Consequently at present necessary works are not being undertaken, which would remove thousands from the streets, and would relieve the city unemployment funds. About the threatening communism or socialization which is at work one need not speak.

In the meantime the application of the eight-hour day is blamed for the stoppage of increased work in nearly all industries. That is correct, and it is also true that its sudden introduction has raised the expenses of the whole industry in wages alone enormously. To-day even coke and smelting furnaces are short of labor. And when the works try to close down, they frequently meet with opposition from the local authorities, who declare that they cannot feed further masses of workmen.

because already the increase in number of workers brought in by the eight-hour day is out of proportion to the available stocks of foodstuffs. The introduction of the eight-hour shift in the present scarcity of raw material and the prevailing traffic difficulties, not to mention the enormous increase in expense for wages, has yet further raised the cost of production, because it has made necessary costly internal changes in the industries. For the employment of three shifts throughout the whole day is not possible. One must be satisfied with one or at best with two shifts, and cannot have continuous work, the fires must be let out or damped down, and relighted, and, therefore, much more fuel is required than in continuous working. The constant labor troubles do more to increase the evil. It is no longer a question of political rights and freedom, unless the right of extortion, threats, and reckless forcing of wage demands may be considered political. Thus the output of coal and production of iron are falling off, and work is at a standstill in other districts, where it will be long in restarting.

The Berlin government looks on impotently while continually new bodies are formed who act of their own accord. If they had the will and the power, they could soon put an end to the whole disorder by energetic action. In both respects, however, they are wanting, and the confusion, therefore, is growing with no end in sight. Also the depreciation of our currency and our growing indebtedness to foreign countries cannot be remedied, for the first requisite thereto is the speediest increase in production of goods and vigorous resumption of exports. As things are, we cannot cover our own requirements, and still less can we send anything abroad. What we need besides exports, are foreign credits, with which we could take in hand the reestablishment of our in-

dustries, the revival of building, the supply of raw materials. Doubtless we should get help from abroad if we worked as we did formerly, but as long as economic anarchy prevails, and chaotic socialistic schemes are threatened, no one abroad will think of investing his capital in German undertakings. At the same time our interior money conditions continually get worse. The Spartacists, we were told lately, took possession of the Imperial Printing Office, and found there considerable stocks of paper money ready for circulation. Three days later a hushing-up announcement was made to the effect that the Spartacists are certainly in possession of the Imperial Printing Office, but could not get at the paper money. Now it has been proved at the end of the house fighting that the Spartacus soldiers received pay at the rate of twenty Marks a day. It may well be asked where the money for this came from, for even of the present government it can hardly be supposed that they would assist their enemies with money. It may easily be conjectured that the Spartacists seized the stocks of the Printing Office, and divided them among their followers. In this case notes are in circulation which do not appear in the statements of the Imperial Bank and Loan Office, and it would be well to announce immediately how large the amount was which fell into the hands of the Spartacists. The directors of the Imperial Bank should clear the matter up. They have lately departed from their beloved ostrich policy in the matter of the War Loans, and they might also very well express an opinion on the question of the note circulation, especially as the last weekly statement showed a further increase therein, and the inflation of currency, therefore, makes further progress, and values continue to depreciate abroad. The greater it becomes the

more unfavorable is our balance of payments and claims. All these things are the economic acquisitions of the so highly lauded great German revolution.

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### PROLET-KULT, OR BOL-SHEVIK EDUCATION

[The following article throws an interesting light on one aspect of Bolshevik rule. Under the title of 'Prolet-Kult,' it appeared in the *Frankfurter Zeitung* of January 19, 1919, over the signature of Alfons Paquet, the Russian correspondent of that journal, who has lately returned from Moscow.]

THIS new watchword of Bolshevik Russia is short for *Proletarian Culture*. Prolet-Kult is a creation of the Commissary for Popular Enlightenment. The Commissariat, with its six or seven departments, is housed in the building of one of the old Imperial lyceums at Moscow, and it is one of these departments which centralizes the work of the Popular Education Committees that have been founded in the towns and in the country districts under the name of Prolet-Kult. . . .

When, in November, 1917, the Commissaries of the Workmen's and Peasants' Republic took over the heritage of the old ministries, it was A. Lunacarski, a *littérateur*, to whom Lenine assigned the task of popular education. The duties of this Commissariat included the settling of the relations of Bolshevism with the Church and with religion in general; the development of a new system of education, including the working out of a wholly new curriculum in common schools and technical institutes; the protection of monuments and antiquities; the management of museums; and, finally, the introduction of art to the masses. These tasks are more difficult in Russia than in any other country, since they involve such duties as that of protecting priceless examples of the Dutch School of

Painting, Chinese vases, and sixteenth century religious pictures, in a country threatened with attack from without and suffering from famine and class warfare within, from the indiscreet attentions of factory committees, Red Guards, sailors' detachments and even of the 'Extraordinary Commission.' . . .

Yet, in some respects, the Ministry has an easier task than elsewhere. Intellectually speaking, the Russian people presents an almost virgin page; approach it with a powerful propaganda, and it will bring to the understanding of even complicated intellectual issues a natural freedom from prejudice, an engaging talent and a childlike versatility and receptiveness which one would be inclined to overrate if only one could forget how the average Russian deteriorates in intellectual quality as he grows older.

The Hydra of the Soviet Ministry has changed many of its heads in the course of the first year of the revolution, but Lunacarski's prudent headpiece has so far remained in position. In the midst of stormy all-night sittings in the Kremlin, amid mobilization decrees and the Terror, negotiations about the plots of foreign diplomats, exciting party conflicts, debates about emergency measures and wholesale proscriptions, he has been able to wrest from his comrades decrees for the nationalization of the Petrograd Conservatoires and the protection of antiquities and to secure credits for his educational Budget. More than once, on such occasions, Lenine has roughly counseled his friend to hold his tongue and go to bed; yet, some day, it will perhaps be admitted that Lunacarski's work has done more for the prestige of the Soviet Republic than a million placards against usurers or propaganda leaflets heralding the world revolution.

Lunacarski and a small group of pro-