CHAPTER FOUR

MONARCHICAL SOCIALISM

FEW DEVELOPMENTS in the recent history of German social politics have been more momentous, either in their contemporary influence or in their consequences, than "monarchical socialism." [1] The doctrinal content of the movement was principally the contribution of those academic economists who usually called themselves "state socialists" and who were frequently referred to by their detractors as "socialists of the university chair (*Kathedersozialisten*)." [2] Tracing its beginnings as an organized body of opinion roughly from 1870, monarchical socialism developed during the ensuing decades on three distinct (though not separate) planes—the theoretical, the popular and the practical. Promulgated in the first instance by professors, the doctrine was propagated by the Christian-Social Party of Court Preacher Adolf Stoecker, and was extensively translated into governmental policy after 1878 by Bismarck and his successors. Corporatist theories were influential in each of these three phases, forming integral

[1] The term is borrowed from the title of Elmer Roberts' *Monarchical Socialism in Germany* (New York, 1913), which contains a useful survey of the practical consequences of the movement down to the eve of the First World War.

[2] The group roughly coincided with the "younger historical school" of political economists. Wagner, Schmoller, Schäffle, Held, Brentano, Bucher, Nasse and Sombart are usually mentioned as the most eminent representatives of the school.

elements of the movement itself as well as of its historical legacy.

Monarchical socialism arose in response to many of the same social stresses and strains that evoked the contemporary Social Catholic movement. Both reflected many aspects of the rapid transition to an urban and industrial society through which Germany was passing during the last third of the nineteenth century. Like Ketteler, the theoretical pioneers of monarchical socialism were stirred by the challenge of a "social problem" that had its roots in the phenomenal growth of large cities, populated by steadily increasing numbers of factory workers who depended principally on money wages for their livelihood. Like the Social Catholics, too, the first laborers in the monarchical socialist vineyard were aroused to an acute awareness of this "social problem" by the spectacular electoral advances of Social Democracy. In an even more pronounced fashion than was typical of Social Catholicism, monarchical socialism was conceived as a kind of "counter-socialism" designed to strengthen and perpetuate the established scheme of things. It aimed primarily at vitiating the popular appeal of Marxism by eradicating those flagrant social abuses which monarchical socialists were unanimous in attributing to the pernicious influence of liberalism. To achieve this double purpose the instrument of reform was to be "the social monarchy of the Hohenzollerns," applying the Prussian cameralist tradition in an age of steam and electricity.

Owing in no small measure to the efforts of its academic progenitors, organized after 1872 in the Union for Social Politics,[3] monarchical socialism came to exercise a remarkably strong and extensive hegemony over conservative economic and political thinking in Germany during and after the age

[3] The *Verein für Sozialpolitik* was founded in the autumn of 1872 as the result of a conference at Eisenach attended by a distinguished company of economists, jurists, high administrative officials and sympathetic businessmen. Adolph Wagner and Gustav Schmoller had been the prime initiators of the

of Bismarck.[4] Even revolutionary socialism did not remain completely immune to its influence,[5] and from the monarchical socialism of Wagner and Schäffle not a few lines of descent run clearly and directly to the *Gemeinwirtschaft,* or "conservative socialism," of Rathenau and Moellendorff, as well as to National Socialism.[6]

Among the most influential theorists of monarchical socialism were two eminent professors of political economy—Adolph Wagner in Berlin [7] and Albert Schäffle in Tübingen.[8]

gathering. In the ensuing decades the academic members, who were exceptionally able and industrious scholars, occupying many of the nation's highest university posts, collaborated in producing a vast body of literature based on painstaking factual investigation and having for the most part a direct application to current national economic problems. Their teachings came to be virtually unquestioned on the upper administrative levels both of government and of private business, wielding an extraordinarily powerful influence upon German economic life down to and after 1914. A detailed account of the activities of the *Verein für Sozialpolitik* until its dissolution in 1936 is contained in the organization's official history written by its last Secretary, Franz Boese, *Geschichte des Vereins für Sozialpolitik* (Berlin, 1939).

[4] W. H. Dawson, *Bismarck and State Socialism* (London, 1891) 13.

[5] Reference is made to the noticeable abatement, after the turn of the century, of the party's distrust of the "bourgeois state" and to the increasing willingness of Social Democrats to make use of existing governmental machinery for "reformist" purposes. These developments were of course accompanied by the rise of "revisionist" theoretical tendencies which by 1914 had come to dominate the majority of the party's leadership.

[6] Explaining in 1934 his own conversion to Nazism, Werner Sombart wrote that "the German philosophy of the state" had had many illustrious defenders in earlier periods—"In the nineteenth century it was represented . . . by men such as . . . Karl Rodbertus, Albert Schäffle, Adolph Wagner, Adolf Stoecker, Adolf Held . . . and others, and at present we find among its protagonists many Italian Fascists and German National Socialists." *A New Social Philosophy* (Princeton, 1937), 113, translated from *Deutscher Sozialismus* (Charlottenburg, 1934).

[7] An excellent discussion of Wagner's contribution to the social philosophy of totalitarian nationalism is Evalyn A. Clark's "Adolf Wagner: From National Economist to National Socialist" (*Political Science Quarterly,* 1940, 378–411).

[8] Schäffle's ideas on social reform in general and on corporative organization in particular were elaborated in a series of three books: *Kapitalismus und Sozialismus* (Tübingen, 1870); *Die Quintessenz des Sozialismus* (1 ed. Tübingen,

The two men were intimately associated during the twenty-five years preceding Schäffle's death (in 1903) as co-editors of the *Zeitschrift für die gesamte Staatswissenschaft,* one of the school's chief organs. Though their interests were somewhat divergent, they were probably more completely in harmony on fundamentals than were any other two contemporary economists. Though Wagner soon withdrew from the Union for Social Politics in order to play a more active role as chairman of the Christian-Social Party and though Schäffle for personal and temperamental reasons never formally joined the organization, both were closely associated over a long period with its leading members. Both powerfully influenced the course and character of its activities, heartily endorsing and furthering its energetic campaigns in behalf of protectionism, heavier taxation, social legislation and workers' insurance.

Both Schäffle and Wagner contributed strongly to anti-liberal, anti-democratic and anti-Marxian currents of social thought in Germany. They elaborated an organic conception of state and society that was profoundly conservative in all its main ramifications. They vigorously upheld traditional class distinctions and insisted that the lower ranks of the social hierarchy should be rigidly subordinated to the higher according to a "leadership principle" founded in the laws of "social biology." They argued for private ownership and direction of productive facilities, urging only those restrictions upon the capitalist entrepreneur which would proceed from a

1874; 25 ed. Gotha, 1920); *Die Aussichtslosigkeit der Sozialdemokratie: Drei Briefe an einem Staatsmann zur Ergänzung der "Quintessenz des Sozialismus"* (Tübingen, 1885). The circulation of these books (particularly of the second) was very large, and their influence was especially felt in academic circles. The last of the series seems, however, to have attracted so much popular interest that a prominent Social Democratic pamphleteer, Hermann Bahr, felt called upon to demolish it in *Die Einsichtslosigkeit des Herrn Schäffle: Drei Briefe an einem Volksmann, als Antwort auf "Die Aussichtslosigkeit der Socialdemokratie"* (Zurich, 1886).

highly selective program of state intervention designed to preserve a "balance of forces" in economic life. Their corporatism was the design for an institutional scheme which they hoped would eliminate the disruptive consequences of social conflict without disturbing the fundamentally authoritarian, aristocratic and capitalistic social order to which they gave their allegiance.

Schäffle was older than Wagner and had come earlier in life to a set of mature convictions. On many matters he stood in the position of a mentor to his friend and collaborator. Wagner freely and more than once acknowledged his intellectual debt to Schäffle.[9] Dealing, as Schäffle's major works did, with the theme of social organization in the large, his contribution to corporatist theory was a more specific one than Wagner's. While the latter was by no means lacking in sympathy for his friend's corporatist ideas,[10] his scholarly interests lay mainly in the more specialized fields of money, banking and public finance, so that he was content to leave to his colleague the task of elaborating the corporatist doctrine which was to become an article of common faith for monarchical socialism.

[9] On the occasion of Schäffle's seventieth birthday Wagner wrote him a warmly eulogistic letter in which he averred that "next to Rodbertus, no professional economist has more strongly influenced me than yourself." The full text of the letter is reproduced in Schäffle's memoirs, *Aus meinem Leben* (Berlin, 1905) II, 192–3. In 1901 Wagner dedicated to Schäffle the fourth volume of his own magnum opus, *Die Finanzwissenschaft*, "with the grateful respect of a pupil."

[10] As Stoecker's economic adviser Wagner had a leading part in framing the electoral programs of the Christian-Social Workers' Party. The first (1878) and the last (1896) of these programs contained specific demands for corporative institutions. The texts are contained in F. Salomon, *Die deutschen Parteiprogramme* (Leipzig, 1907) I, 47–8; II, 109 ff. All through the 1880's Wagner, as a perennial Reichstag candidate of the party in Berlin, took his stand publicly in support of the party's program as a whole, though he apparently never attempted any detailed theoretical treatment of the problems of corporative organization.

Some of Schäffle's ideas on "positive social reform" doubtless represented views which he alone held. He made a fetish of his intellectual independence and carried his aversion to parties and schools almost to the point of eccentricity. In most essentials, however, his corporatist economic and political philosophy was merely an explicit and coherent formulation of views to which many other monarchical socialists subscribed without feeling it necessary to give them systematic expression. Such was apparently the case with Wagner; and Gustav Schmoller, also without elaborating a body of corporatist theory in his own works, took pains to dissociate himself from "that conception of occupational freedom which calls for unconditional hostility to all corporative forms of economic organization." [11]

Schäffle and "Positive Social Reform"

Albert Schäffle (1831–1903) was a native of Württemberg. The son of a schoolmaster, he showed great mental precocity as a youth and was given an opportunity to study philosophy at Tübingen. He did not find academic discipline congenial, however, and in 1848, after only seven months of attendance at lectures, he enlisted with a band of fellow students who proposed to march to the assistance of the liberal uprising in Baden. Dislike of the classroom rather than zeal for the revolutionary cause had apparently prompted him to join the expedition, and he did not resume his formal studies after the adventure had ended in a bloodless fiasco. The incident confirmed his poor opinion of the political capacity of the "lower orders," however, and left him with a deep disgust for "every

[11] From an address before the general assembly of the Union for Social Politics, October 10, 1877, reprinted in Schmoller's collected articles and speeches on industrial organization: *Zur Sozial- und Gewerbepolitik der Gegenwart* (Leipzig, 1890), 147.

kind of aimless or self-seeking demagogy [*Volksverhetzung*]." [12] In the course of his brief university studies he had also formed a strong distaste for abstract philosophical speculation, and in particular for Hegelianism, which then reigned supreme at Tübingen. His own mature writings copiously reflected evolutionary, dialectical and abstract modes of thought, but his inspiration seems to have come for the most part from other sources, and in later life he rarely lost an occasion for attacking Hegel.

For ten years after 1850 Schäffle worked as a journalist, employing his leisure time to study law and economics. An adumbration of his later ideas on industrial organization appeared in an article which he wrote in 1856, entitled "The Guild: Its Decline and Its Reconstruction." [13] He took his stand at that time in favor of a scheme of professional associations which would be based on "occupational freedom" in the sense that each member of society would be free "to exercise the vocational function appropriate to his place in the social organism," a definition which he advanced in opposition to the laissez-faire concept of occupational freedom and which he continued to defend in his subsequent writings.

After a few years of self-instruction he was able to obtain his doctorate with great distinction, and in 1860 he refused a post as *Ministerialrat* in the Austrian ministry of commerce in order to occupy a proffered chair in political economy at Tübingen. Though he was a vigorous, stimulating lecturer, and though he wrote a textbook [14] which went through three editions between 1861 and 1873, he was not popular with his faculty colleagues, mainly because he obstinately took the part

[12] *Aus meinem Leben, op. cit.*, I, 17–18, 27–33.

[13] "Abbruch und Neubau der Zunft," reprinted in his *Gesammelte Aufsätze* (Tübingen, 1885) I, 37–45.

[14] *Das gesellschaftliche System der menschlichen Wirtschaft* (Tübingen, 1861; 3 ed. 1873).

of Austria down through the 1860's and sharply criticized Bismarck's methods of achieving national unification. For a time he was active in local politics, occupying a seat in the Württemberg Diet from 1861 until 1865, but his *Grossdeutsch* sentiments and his rather truculent personality were serious political handicaps which he eventually had to recognize as insurmountable.

In 1868 he accepted a call to the University of Vienna, where his lectures on "Capitalism and Socialism" [15] attracted much attention. Residence in Austria intensified his earlier aversion to liberalism and confirmed him in his opposition to the Austrian liberals' centralizing policies. A memorandum setting forth his ideas on the Hapsburg monarchy's nationality problems came to the Emperor's notice, and in the fall of 1870 Schäffle was invited to assist in forming a cabinet to carry some of his proposals into effect. Between February and October, 1871, he held office as Minister of Commerce, attempting in that capacity to transform the Dual Monarchy into a trinational state by giving the Czechs parity with Germans and Hungarians.[16] This program failed completely, and in 1872 Schäffle returned to his native Württemberg.

He did not re-enter academic life, choosing to live modestly on his ex-Minister's pension. He resumed his duties as editor of the *Zeitschrift für die gesamte Staatswissenschaft*, however, and spent the last thirty years of his life in private scholarly pursuits, supplemented more and more after 1878 by excursions into polemical writing on a wide range of topical subjects. He readily reconciled himself to Bismarck's Reich, and after the end of the "Liberal Era" in 1878 his acquiescence

[15] Published in book form as *Kapitalismus und Sozialismus, mit besondere Rücksicht auf Geschäfts- und Vermögensformen, Vorträge zur Versöhnung der Gegensätze von Lohnarbeit und Kapital* (Tübingen, 1870).

[16] *Aus meinem Leben, op. cit.*, I, 172 ff.

turned into eager enthusiasm. He was skeptical as to both the wisdom and the probable efficacy of the anti-socialist law, but during the 1880's and 1890's his pen was active in support of railroad nationalization, workers' insurance, factory inspection, higher tariffs, colonialism and naval expansion. In 1881 and 1882 he carried on an active correspondence with the imperial chancellor and was invited to Berlin for a series of interviews with Bismarck in which he sought, with what he considered to have been full success, to convince the latter of the desirability of organizing the pending social insurance schemes along corporative lines.[17] Schäffle's influence, in fact, may well have decided Bismarck to abandon his first, extremely bureaucratic project, which had been rejected by the Reichstag a few months earlier, and to submit instead a series of schemes that allowed considerable provincial and vocational autonomy in administration.[18]

Schäffle was inordinately proud of being a self-made man, of belonging to no political party or school of learning and of wearing no ribbons in his lapel. On the whole, he does not seem to have been particularly ingratiating as a person, for he was inclined to be arrogant and overbearing, and in later life he was obsessed with the idea that every major project of his career had been frustrated by the stupidity of lesser men. He was resentful of criticism or of opposition, tendentious in the extreme, and at times his behavior bordered closely on persecution mania.[19] *"Einsam und trotzig"* (solitary and defiant) was the motto he chose for the title page of his memoirs, and a more appropriate one would be difficult to find.

The intellectual armory from which Schäffle drew the

[17] *Ibid.*, II, 143–193 *passim*.

[18] See below, pp. 133–4.

[19] Article, "Schäffle," by W. Lang in *Deutsche Biographisches Jahrbuch* (1904).

weapons for his assault upon Social Democracy and liberal individualism [20] was a highly personalized amalgam of ideas deriving from several sources. Though he acknowledged no general indebtedness to any previous thinker or body of ideas, three main influences may be recognized as having shaped his central convictions about the nature of society and the mission of the state. These were positivism, social Darwinism and the "federalism" or "societarianism" of Karl Marlo.[21]

When he spoke of himself as "a positivist in matters of social science"[22] he meant principally that he had a profound distrust for all abstractions and for the deductive method, preferring an empirical approach that began with historically evolved actuality and then attempted by gradual steps to improve upon it without interrupting any essential continuity of development. Furthermore, his "reform positivism" rejected both liberalism and socialism, those "hostile brothers born of the . . . reasoned revolt of the individual against the positive social order of medieval and feudal times." [23] Both saw in the state "only a vast piece of machinery" existing purely for the sake of the individual and having "no value whatsoever as an historic, organic whole that binds together races, estates, corporative bodies and associations, families and individuals." Revolutionary socialism was especially abhorrent because it sought to set aside all existing authority, thereby "cutting short at a blow the whole continuity of social development." [24]

[20] The main burden of this attack was leveled against Marxian socialism, but so far as Schäffle was concerned there was little essential philosophic difference between the two forms of individualism—liberal and socialist.

[21] Pseudonym of Karl-Georg Winkelblech (1810–1865). See above, pp. 53–8.

[22] *Die Aussichtslosigkeit der Sozialdemokratie,* 18, for example. Schäffle was in the habit of dating his adherence to positivism from the year 1856 but failed to indicate the manner of his conversion.

[23] *Ibid.,* 10.

[24] *Ibid.,* 12.

Conceptions borrowed from the Darwinian theory of biological evolution formed a second constituent element of Schäffle's social philosophy.[25] His writings were profusely ornamented with phrases like "the struggle for existence," "natural selection" and "adaptation to environment." Though he always steadfastly denied that Herbert Spencer's ideas had influenced him except in a negative sense,[26] Schäffle, like Spencer, was obsessed with a desire to demonstrate the existence of real analogies between biological and social phenomena. This was the theme—relentlessly elaborated down to the most minute detail—of his monumental *Structure and Life of the Social Body,*[27] upon which his reputation as a pioneer of systematic sociology in Germany mainly rests.[28]

As Schäffle conceived of the social body, it was a form of organic life—higher, to be sure, than the organisms of the physical world, but only because its principle of coherence was a spiritual rather than a physiological one. Social life and organismic life were subject to the same general biological laws of growth and development.[29] The state, according to this view, was merely the inevitable consequence of the social organism's struggle for existence. Just as self-preservation dictated a social mode of human existence, so the social condition

[25] He described himself as having been "enthralled" by the literature of social Darwinism and by contemporary pioneer works on "social psychology," in both of which he thoroughly steeped himself during the early 'Seventies. The former especially had *"eine packende Wirkung"* upon his thinking, according to his memoirs, *op. cit.*, II, 122. *Cf.* also "Darwinismus und Sozialismus" in his *Gesammelte Aufsätze,* II, 1–36.

[26] *Aus meinem Leben,* II, 122 f., 130.

[27] *Bau und Leben des sozialen Körpers* (1 ed. in 4 vols. Tübingen, 1875–78; 2 ed. in 2 vols. Tübingen, 1896). The second edition is cited.

[28] A discussion of the sociological purport of this work and an appraisal of its contribution to the theory of the state as an organism are presented in F. W. Coker, *Organismic Theories of the State* (New York, 1910).

[29] *Bau und Leben des sozialen Körpers,* I, iv–v, 264 ff.; II, 95.

itself imposed the need for authority, for a "central regulatory apparatus . . . to ensure the unified integration of all social will and action with a view to preserving the social whole and all its essential parts. . . . In the state—the central, universal corporation [*Universalkorporation*]—the whole nation achieves unity and individuality." [80]

According to this definition the state could hardly be an arbitrary or accidental phenomenon; nor was it a deliberate, voluntary creation of human beings or an instrument for realizing any conscious human purpose. Moreover, not only the state as an institution but even the particular form of the state corresponded to a given stage in the struggle of the social body to exist. Political predominance, wherever located, represented an adaptation to a given environment and was therefore not to be tampered with lightly, for to do so would involve harmful interference with "the historical process of social selection." [81] Although Schäffle was inclined to believe that the ultimate goal of political evolution was some kind of democracy, he was convinced that the end of this process was at least several centuries in the future. He himself was content to remain "a monarchist so long as there is any half-way capable dynasty to uphold or to re-establish." [82]

Marlo's "federalism" seems to have been a major source of inspiration for Schäffle in the field of economic theory. He even went so far as to borrow the term and to use it synonymously with "reform positivism" as a description of the economic order which he held to be the hope of the future. According to Schäffle, Marlo's aim had been "to reconcile liberty and authority, variety and unity" in economic life by building up from below "a federal structure resting upon a

[80] *Ibid.*, I, 428.
[81] *Ibid.*, I, 435, 448, 475.
[82] *Ibid.*, I, 515–53; *Die Aussichtslosigkeit der Sozialdemokratie*, 17.

free combination of proportionately developed forces." While calling in state assistance for this task, Marlo "did not for a moment entertain the idea that the whole of economic life could be directly ordered by the state." Instead, "federalism" contemplated the co-existence and harmonious interaction of three types of enterprise: public (*Gemeinwirtschaft*), private (*Privatwirtschaft*) and associative (*genossenschaftliche Betriebe*). Each would be supreme in its own sphere and none would encroach upon the sphere reserved for another. Marlo had sought by this means "to avoid the faults of both liberalism and communism while preserving the valid elements in each." [33]

Schäffle himself was perhaps more inclined than Marlo to exalt the middle term of the federal triad, the sphere of private enterprise. For the predictable future, he thought, "capitalist leadership of production" would remain the form of industrial organization most conducive to progress and efficiency. Its successful maintenance implied the persistence of a profit incentive as well as the retention of a system of wage labor. It was particularly important to realize that the employer must continue to be "the exclusively responsible commander [*Befehlshaber*] of labor in the productive process." [34] Schäffle did not consider that the maintenance of such an industrial order was in any way incompatible either with "the suitable remuneration of labor or with treatment of the wage-earner as a professional worker." These desiderata could and should be attained by "positive social reform" without disturbing any essential feature of the private enterprise system.

He was convinced that it was the central task of "positive social reform" in the economic field:

[33] *Kapitalismus und Sozialismus*, 159–60.
[34] *Die Aussichtslosigkeit der Sozialdemokratie*, 19, 85, 90.

To establish and to safeguard the further development of an organized, corporative (*standesmässig*) system for reaching agreements between employers and workers . . . on matters relating to wages and conditions of employment. . . . *A complete scheme of representative associations for both parties* is the most important point of support (*Stützpunkt*) for the program of positive social reform. . . . Not otherwise can we hope to overcome class antagonisms . . . on the basis of the existing and not yet obsolete stage of social development.[35]

As Schäffle looked about him, he was encouraged to think that "history is daily making powerful strides in the very direction indicated" by reform positivism. He was particularly impressed by the growth of trade unions on the one hand and by the appearance of cartels, trade associations and employers' organizations on the other. As a consequence of this "marshaling of all the forces of each side," he predicted, it would become more and more necessary and possible, as time went on, "to conduct the struggle over reciprocal terms on a more equal footing, with both sides pledged in advance to behave with fairness and good sense." [36] For the immediate future the social conflict might be somewhat intensified by the emergence of both capital and labor as "organized party powers," but once a full understanding of the new situation had been grasped on all sides, he was confident that stable, harmonious relations could and would be established. For "each class is thrown back upon the other; neither can exist without the other. . . . Hence each will be all the less eager to overpower or to exploit the other." Both would be more and more inclined to moderate their respective demands in order to avoid mutually injurious disturbances of production, and both

[35] *Ibid.*, 90–5. Italics as in original.
[36] *Ibid.*, 160, 93–5.

would "prove the more receptive to the influence which it is the state's mission to exercise" in industrial matters.[87]

The state could help to forward these desirable developments principally by taking a benevolent attitude toward the spontaneous movements already in progress. Certainly it should not place obstacles in the way of corporative industrial organization, and it might set a valuable example by encouraging the formation of "workers' committees" among employees of nationalized enterprises. In general, he held, the state's essential mission was "to provide firm, authoritative guidance in economic life," avoiding centralized interference as much as possible, but "constantly furthering, protecting and regulating . . . the play of private, associative and corporative forces" in the interest of the whole nation. The state should not attempt to impose a corporative industrial organization by legal fiat, for there was nothing to be gained thereby, and much that might be lost by compulsion. Once established, moreover, the new corporative bodies should be allowed to function "with as much freedom and relative independence as academic senates . . . enjoy at the present time." [88]

Schäffle hoped that compulsory schemes of workers' insurance, organized on corporative lines, would help greatly to promote class solidarity and to advance the cause of social peace.[89] These insurance schemes, he maintained, should be

[87] *Ibid.*, 115, 95.

[88] *Ibid.*, 16–17, 114–15.

[89] This was the theme of his brochure *Der korporative Hülfskassenzwang* (1 ed. Tübingen, 1882; 2 ed. 1884), the substance of which he sent to Bismarck in manuscript form several months in advance of publication. An active correspondence with the Reichskanzler ensued (reproduced by Schäffle in his memoirs, *op. cit.*, II, 151–91), in which Bismarck repeatedly expressed wholehearted agreement with Schäffle's point of view, even summoning him to Berlin for direct consultation in January, 1882. Schäffle felt that he had been completely successful in winning Bismarck's approval of his corporative insur-

supported entirely by joint contributions from workers and employers, organized by trades in special "insurance societies." Administration should be wholly in the hands of mixed boards representing both management and labor. The state should make no contribution and should maintain only a very general supervision. He anticipated that in this way "a path would be opened for practical co-operation," which would help "to smooth away mutual distrust and avert much bitter class hostility." Such a result would be the more likely to follow because through the workers' participation in the management of the scheme "a field of honorable satisfaction would be provided for the highest ambitions of those wage-earners who are fitted for leading positions but who have no hope of becoming employers." A genuinely corporative system would tend on both sides to strengthen an awareness of the true community of interests between capital and labor. Supplemented by workers' and employers' representative bodies, by the establishment of arbitration courts and by a national structure of labor chambers, these "corporative mutual-aid funds" would substantially improve the worker's material condition and profoundly alter his mental attitude. "We may confidently expect, as the ultimate result, that strikes will be avoided altogether." [40]

In the political sphere one of Schäffle's major preoccupations was "the fearfully dangerous ground of unrestricted universal suffrage." Unless "dams and counter-weights" could be established, he saw no prospect of securing popular representative bodies that would be capable of serving as "the single expression of the will and power of the nation." He felt that uni-

ance scheme, and although the insurance laws subsequently enacted failed to satisfy him completely, Schäffle attributed their shortcomings to the fact that poor health had obliged Bismarck to delegate economic matters to subordinates more and more after 1881. (*Aus meinem Leben,* II, 179–80).

[40] *Die Aussichtslosigkeit der Sozialdemokratie,* 121–2.

versal suffrage made it impossible to avoid "a continual undoing of all that has been carefully built up" by preceding generations. He thought it only a matter of time before the democratic franchise would result in the election of a Social Democratic majority to the Reichstag, an event which would usher in "the tyranny of the proletariat, or even of the sword." For these reasons he considered that "the timely reform of the constitution above and beyond universal suffrage is the last and highest task of positive social reform." [41]

Such a "timely reform" would not, he argued, be a reversal of modern political development, but a new step forward in the march of constitutional progress. It was a delusion to believe that the will of a numerical majority could ever be equivalent to the general will, that it could ever be anything more than an "accidental average." Almost all members of the majority "surrender their own opinions under pressure of electioneering compromises and are forced into the stream on election day in a state of excited passion." It was an "insane idolatry" to think that a mere numerical majority of individuals "should reign supreme over the members and civilizing agencies of the nation . . . without any such check as is afforded by the institution that guards all interests because it is itself bound up by historical ties and family interests in solidarity with the nation—I mean, of course, the monarchy." [42]

When it came, however, to the problem of precisely what "dams and counter-weights" to oppose to universal suffrage, Schäffle admitted that it would not be easy to find a completely satisfactory solution. There could be no question of simply re-introducing property qualifications for voters. To do so would merely have the effect of substituting liberal in-

[41] *Ibid.*, 151–2.
[42] *Ibid.*, 153–4, 152.

dividualism for the democratic variety. It would result, moreover, in "driving the poison of revolution into the people's blood," for it would give political preponderance to capital. "To abolish the workers' suffrage would not strengthen but would weaken the kingly power," for in order to fulfill its mission of preventing class government by rendering impartial justice to all interests the monarchy must "retain its hold upon the hearts of the meanest and poorest." It could acquit itself of these tasks only if all conflicting interests were represented and able to make themselves heard.[43]

Schäffle's solution was a reform of the parliamentary system along corporative lines. To the existing national representative bodies he proposed to add "a body of representatives from the great public and popular groupings [*Gliederungen*], either in a separate chamber or as a section of both chambers." Among these "corporative deputies" should be delegates of local and provincial governments in addition to representatives of "the great public vocational unions [*Berufsverbände*]." As a sampling of the "vocational unions" which ought to be represented, Schäffle listed "agriculture, commerce, manufacturing industry, transportation, finance, insurance, the free professions, churches, universities and academies." [44] He did not, however, explain the exact manner in which his corporative deputies were to be chosen; nor did he indicate how or by whom an apportionment of seats was to be made between universal suffrage deputies and corporative deputies on the one hand, or between categories of corporative deputies on the other. He thought that something like one-third or two-fifths of the total number of seats in the national parliament should be assigned to the corporative deputies, of whom approximately half should be representatives of

[43] *Ibid.*, 153.
[44] *Ibid.*, 154, 157–8.

local and provincial governments.[45] Save for these rather casual suggestions, he contented himself with expressing confidence that a workable scheme could eventually be evolved through trial and error.

Such were the corporative institutions which Schäffle hoped for as the fruit of "positive social reform." He saw in them the means of strengthening the foundations of the monarchical state and of upholding the aristocratic society which liberal individualism had undermined and which democratic collectivism was bent on destroying. His corporatist doctrine aimed in the economic sphere at the elimination of industrial strife through reconciliation of class antagonisms. In political life his plan for a corporative reform of parliament "above and beyond universal suffrage" was an attempt to combine the popular and patriotic values of democracy with the "organic" demands of traditionalism and of authoritarianism in a national society retaining strong class distinctions. He was convinced that history was inexorably unfolding the plan of social salvation which he had in mind, and thought that little was needed in the way of organization from above. Other monarchical socialists were, however, less inclined to leave matters entirely in the hands of fate; Stoecker and Bismarck, in particular, preferred to trust in the more readily predictable operation of the Prussian *Polizeistaat*.

Adolf Stoecker and the Christian-Social Party

Born in 1835 at Halberstadt in the Prussian province of Saxony, Adolf Stoecker [46] was the son of a blacksmith who had

[45] "Weitere Kern- und Zeitfragen der Verfassungspolitik" in his *Deutsche Kern- und Zeitfragen, Neue Folge* (Berlin, 1895), 53–189.

[46] The most completely documented account of Stoecker's career is the official Nazi biography by Walter Frank, *Hofprediger Adolf Stoecker und die Christlich-soziale Bewegung* (1 ed. 1928; 2 ed. Hamburg, 1935). Although this is a book which Baldur von Schirach called "required reading" for members

risen in life to the station of army quartermaster. After studying theology at Halle and Berlin at a time when both universities were strongholds of Lutheran orthodoxy and of pietism, he was employed (1859–62) as a private tutor in several intensely conservative families of the German Baltic nobility. He received his first pastorate in the rural Saxon village of Seggerde in 1862. His second parish, where he served until 1871, was at Hammersleben, also in Saxony. In that small manufacturing and mining community he first became aware of the "social problem." During the years 1868–74 he continued to cultivate an interest in economic and social matters, contributing a steady stream of articles and book reviews to the *Neue Evangelische Kirchenzeitung*. Among others, he discussed works by Roscher, Wagner, Schmoller, Brentano and Schäffle. The writings of V. A. Huber, an early proponent of evangelical workingmen's associations, also attracted Stoecker's favorable notice at this period. He interpreted the Paris commune of 1871 as an omen that the church must turn at once and with all its forces to the previously neglected task of winning for Christianity the swarming masses of Europe's rapidly growing metropolitan centers. Prior to 1877, however, he seems to have relied mainly upon private charity and upon settlement work of the type carried on in several German cities for the previous quarter-century by the evangelical Inner Mission.

After the Franco-Prussian War Stoecker went to Metz, where he was attached to the garrison as divisional chaplain. His patriotic fervor had been excited to a high pitch by the recent

of the *Hitler Jugend*, Frank had access to official archives and incorporated much useful source material. D. von Oertzen, *Adolf Stoecker* (Berlin, 1910) is based on personal reminiscences; A. Poepke, *Der Christliche Sozialismus Adolf Stoeckers* (Würzburg, 1935) is a useful brief treatment; F. Niebergall, *Evangelischer Sozialismus* (Tübingen, 1920) recounts the later phases of the "Berlin movement" from the point of view of a participant.

military events, and this enthusiasm found its way into the sermons which he preached in dedication of numerous battlefield monuments during the next few years. Some of these came to the attention of Wilhelm I and made such a favorable impression that he called Stoecker to Berlin in 1874 to fill the rather exalted office of Fourth Court and Cathedral Preacher. Tenure of this post gave Stoecker ready access to Conservative party circles and provided him with a safe seat in the Reichstag (1881–93 and 1898–1908) as well as in the Prussian Chamber of Deputies (1879–1898).

In 1878, with the aid of Adolph Wagner and other *Kathedersozialisten,* he founded the Christian-Social Workers' Party and launched upon a vigorous campaign of popular agitation aimed at countering the influence of Social Democracy among the factory workers of Berlin's industrial suburbs. For an inveterate rabble-rouser like Stoecker, the necessity for self-restraint imposed by his official position proved extremely irksome, and he was continually overstepping the bounds of discretion. Lawsuits, court intrigues, reprimands from the ecclesiastical authorities, repeated warnings from his tireless protector the venerable Kaiser, friction with Bismarck, protests from influential personages (including Crown Prince Friedrich) against his anti-Semitic outbursts, and an uninterrupted succession of minor scandals and embarrassments marked the course of his hectic career for thirteen years until he was finally dismissed by Wilhelm II in 1891.

For the next five years Stoecker occupied himself with his party, with the Evangelical Social Congress which he had been largely responsible for founding, and with settlement work under the auspices of the Inner Mission. His party was now almost completely bereft of its popular following, and was increasingly threatened with schism in consequence of a developing internal conflict between the older Conservative

members and a radical wing made up of younger clerics and intellectuals under the leadership of Pastor Friedrich Naumann. This division eventually became so acute that Stoecker's personal authority no longer sufficed to hold the two factions together. In 1896 Naumann and his group of "non-Conservative Christian Socialists" seceded to form a "*National-Soziale Verein,*" leaving Stoecker with only a bare handful of extreme Conservative adherents. Wagner and his academic friends lost interest in the party, and during the remainder of his parliamentary career Stoecker figured as a docile occupant of the Conservative back-bench, disappearing almost completely from the public eye and wielding virtually no influence even in the Conservative party's inner councils. Failing health compelled him to retire from politics in 1908, and he died at his country home in February of the following year.

The vigorous agitation among the masses which Stoecker and Wagner carried on during the 1880's was not a little disquieting to many conservative members of the Union for Social Politics,[47] and Bismarck, who was generally sympathetic with the Christian-Social program if not with Stoecker's method of promoting it, was more than once on the point of invoking his anti-socialist law to suppress the latter's party.[48] Aiming, as they did, to bring about social reform mainly "from above," the leading theorists and practitioners of monarchical socialism did not greatly concern themselves with

[47] Many members of the *Verein für Sozialpolitik* were also active in the *Zentralverein für Sozialreform,* founded in 1877 by one of Stoecker's disciples, Pastor Rudolf Todt. This latter organization was at first inclined to look somewhat askance at Stoecker's project of fighting Social Democracy with its own agitational weapons, but the trend of events during the first years of the Berlin movement set conservative forebodings largely at rest, and in 1881 full harmony was re-established.

[48] Frank, *op. cit.,* 63, 96, 217.

winning a large popular following for their ideas. But while Stoecker was continually being reproached by conservative social reformers for "heating the stove of Social Democracy," he was nonetheless a faithful (if somewhat extreme) exponent of the monarchical socialist viewpoint, as well as of its distinctive corporatist doctrine. It was, in fact, largely through his efforts that those ideas received rather wide dissemination among the middle and (to a lesser degree) the lower strata of German society during the Bismarckian era.

Stoecker was always more monarchist than the Kaiser and, though a commoner by birth, he was a stanch upholder of aristocratic principles. He detested individualism, egalitarianism, liberalism, democracy and materialism; he was vehemently anti-Semitic; and he was an extremely intolerant German nationalist.[49] He was a bitter foe of Social Democracy in all its works and manifestations. Though he persistently and violently attacked "modern mammonism" and "money tyranny," his economic views had little in common with the Marxian critique of capitalism.[50] The "class conflict," in his opinion, was purely the figment of a demagogic imagination, for the true interests of capital and labor were identical in theory and reconcilable in practice. It was merely necessary that the state assume vigorous leadership in economic and social affairs with a view to inculcating a less hedonistic spirit in all classes. Corporative organization of industrial life would,

[49] An excellent analysis of Stoecker's nationalism is presented in the chapter devoted to him in L. L. Snyder, *From Bismarck to Hitler* (Williamsport, Pa., 1935) 13 ff.

[50] Labor, far from being the unique creator of value, was, according to Wagner and Stoecker, only one of several sources; land, capital and entrepreneurial ability also contributed, as did the state. Stoecker was willing to concede that some workers might be "exploited" by selfish or unscrupulous employers, but in general he believed that labor was justly remunerated in accordance with an "iron law of wages."

he hoped, create the favorable social milieu indispensable to the success of this program of moral regeneration.[51]

Christian Socialism, therefore, aimed "to construct within the framework of the existing social order a system of material and ideal assistance that will satisfy the worker." Its method was essentially that of paternalistic cameralism, as traditionally conceived and practiced by "the social monarchy of the Hohenzollerns." In the end, Stoecker felt, the exact number of political rights exercised by the workers was of secondary importance. The essential thing was to make them conscious of belonging to the incomparable German nation in a recognized and honored capacity. The "fourth estate" must be accorded a new position of dignity which would enable its members to regard themselves as integral parts of the social organism.[52]

The founding of the Christian-Social Workers' Party in January, 1878, was signalized by the promulgation of an electoral program [53] which announced the new organization's championship of Christian faith and of love for King and Fatherland. Social Democracy was rejected as "impracticable, un-Christian and unpatriotic." The movement's goal was stated to be "narrowing of the gulf between rich and poor, and the attainment of a higher degree of material security" for the worker. Following this résumé of "fundamental general principles" was an itemization of the party's specific demands. These embraced four categories of assistance required by the workers: (1) aid from the state—further classified under (a) labor organization, (b) labor protection, (c) state enterprise

[51] A wide selection from Stoecker's speeches and articles was published in 1885 under the title, *Christlich-Sozial*. A second edition, somewhat enlarged, appeared in 1890. Citations are from the 1890 collection, abbreviated as *C-S.*

[52] *C-S.*, 171 ff., 114.

[53] Salomon, *op. cit.*, I, 47–8.

and (d) taxation; (2) aid from the clergy; (3) aid from the possessing classes; and (4) self-help.

Listed at the head of the specific demands for *Staatshilfe* was a demand for the establishment of "obligatory vocational associations [*Fachgenossenschaften*], differentiated by trades, and embracing the whole Reich." The program went on to specify that these organizations should be legally empowered to represent labor in negotiations with management. Industrial arbitration courts should be set up with power to render final and binding decisions in all cases where collective bargaining produced no result. The vocational associations should establish and administer insurance schemes in which all workers would be obliged to participate. The regulation of matters relating to vocational education and to apprenticeship should also fall within the province of the associations. A concluding plea urged the workers to lend their "joyful support [to these new institutions] . . . as a substitute for what was good and useful in the guilds," and to be vigilant in "upholding personal and professional honor."

Stoecker had been struck by the success of Social Democracy in rallying the urban masses to its cause. He concluded that the crying need of the age was for "more, rather than less, organization of labor," and for leadership capable of directing the labor movement's great potential force into "wholesome" channels. In the age of the masses, organization and leadership had become decisive:

> The magic word [*Losungswort*] of the present day is *organization!* No idea on earth will ever amount to anything if it does not take on a definite shape and form, if all those who share it do not join together to make it a strong and living reality.[54]

[54] *C-S.*, 233. Emphasis follows the original.

He saw in the beginnings of trade unionism a clue to the type of labor organization demanded by modern conditions, but it was crucial, he felt, that the power of that movement be harnessed to serve Christian and patriotic ends. At all costs, the initiative in promoting labor organization must not be allowed to fall into the hands of those who would pervert the movement into an instrument of class warfare and national disruption. But he saw no way of averting precisely these developments if the monarchical state itself did not undertake the organizing task, assuming direct responsibility for seeing to it that labor unions became truly corporative bodies—in the words of his program of 1878, "peaceable organizations capable of carrying out, in harmony with the other elements of the nation, all necessary practical reforms." Only then would "the dawn of a new day" appear on the horizon.

The spirit of the new age, infusing its corporative institutions, would be "socialist" in the sense that its mission—"as momentous as that which confronted Luther's generation in the ecclesiastical sphere"—was that of overcoming "egoism" and "mammonism." The mighty force to be set in motion toward these goals was that of the Hohenzollern monarchy, acting through its bureaucracy and operating simultaneously on two levels. "From above" there was to be initiated an energetic program of social reform, while at the same time the effort was to be pressed "from below" to bring about a thoroughgoing change of attitude among the masses toward the existing political and economic order. The instrument for producing this psychological transformation was to be a corporative organization of industry, and the organization itself was to be fashioned for the masses by their betters. Stoecker never tired of insisting that if this latter task were neglected the first line of attack (concessions from above) could not alone yield the desired result. "I do not believe that the state

can carry out its plans for social betterment in a wholesome fashion if it relies solely on the method of bureaucratic regulation." Rather, corporative bodies must "stand midway between the freedom of the individual and the compulsion exercised by the state, mediating between them and improving both": [55]

> To bring together once again the atoms that today are scattered, and that cannot find their way back to a true union; to establish guilds [*Innungen*] and factory associations; to organize labor on sound lines—these are the problems of our generation. . . . *Die Korporation ist ein erweiteter Leib, beseelt wie dieser.*[56]

Stoecker anticipated that a corporative organization of labor would provide the wage-earner not only with a somewhat increased measure of material security but also—and this figured as the more important consideration—with a field of practical activity which would absorb his interests and dull his susceptibility to revolutionary agitation. With Schäffle, he hoped that out of the experience gained in administering (jointly with employers) a system of corporative insurance funds would arise a new sense of solidarity between management and labor, and that as a result an enhanced appreciation

[55] *C-S.*, 121. From a speech in the *Berliner Eiskeller*, December 2, 1881, in which Stoecker hailed the imperial message of November 17, 1881, on social insurance as "the dawn of a new day." The message had announced the government's intention of "protecting and encouraging *korporative Genossenschaften.*" On this same occasion, incidentally, Stoecker traced the origins of the modern social problem to the French Revolution as the source of subsequent perversions of the true meaning of liberty and equality: "Just as liberty can be falsely interpreted as absence of constraint, as license to break the law, to scorn the traditions of the nation, to destroy the social order, to dissolve the corporations, to undermine the family—just so can 'equality' become a pernicious word. When it is believed that everyone should have and be as much as every other, then the notion of equality becomes a perilous one, for the world rests upon distinctions."

[56] *C-S.*, 121.

of the viewpoint of practical business would gradually make itself felt among the leaders of labor.

Employers would, he thought, be well advised to encourage these developments by consulting as frequently as possible with workers' representatives on matters pertaining to factory rules and regulations, recreational programs and welfare activities. It was thoroughly characteristic of Stoecker's fundamentally paternalistic, authoritarian point of view, however, that he would countenance "no meddling [*Dreinreden*] by the worker in the technical, financial, or economic policy of the enterprise." The employer should be a "leader" and, while he should feel responsibility for the welfare of his "followers," there could be no question of democracy in the factory. "The absolute employer must become a constitutional sovereign," just as the Hohenzollerns had voluntarily consented to limit the exercise of their absolute prerogatives, but the factory must remain a monarchy. Further than this, "the employer-employee relationship must take on the character of a family tie. The boss [*Herr*] must become a patriarch [*Hausvater*], his workers must become his enlarged family." [57]

Stoecker had originally hoped to build his Christian-Social Workers' Party upon the support of factory workers attracted away from the false prophets of Social Democracy. His success in this enterprise was negligible, if not actually negative.[58] It soon became evident that the party was making no headway with the followers of Bebel and Liebknecht. Beginning in 1879, therefore, Stoecker began to turn more and more to

[57] *C-S.*, 210, 213.

[58] The party was seriously embarrassed only a few months after its debut when its General Secretary (a "redeemed" Social Democrat and former agitator named Grüneberg) was found to have been engaging in forgery and embezzlement of party funds. He was expelled forthwith, whereupon he proceeded to sell highly sensational, but mostly manufactured, "revelations" about Stoecker to the left-wing press. (Frank, *op. cit.*, 44, 55–60.)

the middle strata of Berlin's population as a more promising field of endeavor. His increasing reliance on "the Jewish problem" was part of this tactical shift, and the result was both immediate and gratifying. Early in 1880 police agents assigned to observe his meetings began to report the presence, in growing numbers, of "better-educated persons." [59] Stoecker's associates presently began pointing out that, while only 150–200 of the party's several thousand enrolled members were wage-earners, many potential adherents among the white-collar group were hesitant to identify themselves with a "Workers' " party. Stoecker reluctantly conceded the soundness of this argument and in January, 1881, the offending word was officially dropped from the organization's title. Thereafter petty tradesmen, minor state functionaries, junior officers, students, craftsmen and other "respectable citizens" flocked to the fold in swelling numbers.[60]

The Christian-Social Party never elected a deputy to the Reichstag or to any other representative body. At the height of its popularity in 1887 only 72,000 votes were cast in Berlin for the combined list of Conservative and Christian-Social candidates. In 1890 their vote was only 34,000, and in the same year the Social Democrats became the strongest party in the Reich capital with 125,000 votes. Furthermore, a large part of the Christian-Social following was undoubtedly attracted not so much by the party's economic and social program as by its anti-Semitic agitation, a field in which Stoecker and Wagner were then pioneers.[61] One of the main reasons for the party's

[59] *Ibid.*, 77.

[60] *Ibid.*, 60, 77–9.

[61] Frank cites police reports showing that attendance at Christian-Social meetings was regularly double or triple the normal figure on those occasions when Stoecker announced in advance that he would discuss *"die Judenfrage."* His next best drawing cards seem to have been "The Handicraft Worker—Then and Now," and "Compulsory Accident Insurance." *Ibid.*, 126.

eclipse after 1887 was its loss of this anti-Semitic support to more extreme "racial" leaders. The latter rapidly outdistanced Stoecker, whose campaigns had been conducted mainly on the religious and cultural planes. After 1890 the anti-Semitic movement in Germany developed almost independently of his influence.[62]

In 1878 it had been Stoecker's dearest hope that Bismarck could be induced to abandon his uneasy alliance with liberalism, together with the laissez-faire economic and social policies that had cemented that incongruous union. Like his academic friends in the Union for Social Politics, Stoecker wholeheartedly endorsed the government's definitive break with the liberals when it finally occurred in the following year, and he welcomed the turn toward more intense economic nationalism and more comprehensive social legislation which ensued. Throughout the 1880's, as a Conservative deputy in the Reichstag and as a *Volkstribun* among the masses, he labored valiantly in behalf of the policies so largely carried into effect by the imperial government. He was at the same time a vocal and effective proponent of the corporatist conception which Bismarck, with somewhat less than complete success, endeavored to translate into practice as one of the elements in his famous "double-edged" program of forcibly suppressing socialist agitation while extending a series of economic concessions designed to undermine the Marxist movement's popular support.

Bismarck's Corporative Experiments

Bismarck's efforts to promote the development of corporative political and economic institutions during the decade 1880–90 were closely bound up with his "new orientation" away from liberalism. His plan to supplement (or perhaps

[62] *Ibid.*, 80.

even to replace) the democratically elected Reichstag by establishing a National Economic Council was defeated. He came somewhat closer to a realization of corporatist ideas in the insurance schemes which he carried through, and his corporatist sympathies were also strongly reflected in the amendments to the Trades Law (*Gewerbeordnung*) enacted under his auspices in the same period. He was thus only partly successful in his efforts to find in corporatism a means of counteracting what he considered to be the socially and nationally disruptive tendencies deriving from both economic liberalism and democratic collectivism. The history of his corporatist experimentation is worth recounting, however, if only because of the powerful subsequent influence of his precept and example.

As a young man in the years just before 1848 Bismarck had been a warm partisan of the "estates" theory of political organization propounded by Stahl and von Gerlach, the leading contemporary protagonists of Junker conservatism. Stahl's chief preoccupation had been with justifying the traditionally privileged position enjoyed by the land-holding nobility of Prussia. His ideal *Ständestaat* had been a rigidly stratified structure in which the three estates represented in the United Prussian Landtag of 1847 were accorded hereditary predominance in the state by reason of the "superior social value" of their members.[63] In the early 1840's Bismarck had been thoroughly convinced of the eternal rightness of such a scheme of *"ständisch aufgebaute Volksvertretung."* In 1848, however, he came to the conclusion that a "fourth estate of the dispossessed" should be drawn into the political scheme as a counter-weight to the liberal middle classes. Like his political mentors and associates, Stahl and von Gerlach, he still had as

[63] *Rechts- und Staatslehre auf der Grundlage christlicher Weltanschauung* (1 ed. 1830–33; 3 ed. 1854–56. 2 vols.). See especially II, 2–3, 9, 18, 177, 236, 536.

little use for the "head-counting" principle of universal suffrage as for the three-class system of property qualifications subsequently adopted for the Prussian Chamber of Deputies.[64]

After 1851, as a result of his experiences under the post-revolutionary absolutist regime, Bismarck became more and more firmly persuaded that the lower classes disfranchised by the *Zensus* were, when all was said and done, "better royalists than . . . the bourgeoisie and upper classes." [65] After 1859, when the three-class franchise began to produce liberal majorities in the Landtag—majorities which in the 1860's had the temerity to obstruct the government's military program—Bismarck came to see in universal manhood suffrage a means of breaking the parliamentary dominance of liberalism and of rallying the masses to the cause of forcible national unification. These counsels of *Realpolitik,* and not any change of heart regarding the absolute desirability of *"ständische Volksvertretung,"* led him to base the constitution of the North German Confederation (1867) and of the German Empire (1871) upon a democratic franchise.[66] By way of precaution, he provided for an independent executive branch not dissimilar to that envisaged by the framers of the American constitution, adding to its prerogatives the power of dissolving the legislature, and substituting a hereditary monarch for an elected chief magistrate.[67] His political ideal remained "a monarchical power . . . controlled by an independent representative body resting upon estates or upon vocational associations [*durch eine unabhängige . . . ständische oder berufsgenossenschaftliche Landesvertretung . . . kontroll-*

[64] R. Mönig, *Heinrich von Treitschkes und Bismarcks Systeme der Sozialpolitik* (Giessen, 1933), 141.

[65] From a speech made in 1854, quoted in Mönig, *op. cit.,* 141–2.

[66] *Ibid.,* 142.

[67] A. Wahl, *Deutsche Geschichte von der Reichsgründung bis zum Ausbruch des Weltkrieges* (1871–1914) (Stuttgart, 1926–32) I, 3 ff.

iert] to the degree necessary to ensure that neither monarch nor parliament can change the constitution without the consent of the other.[68]

The new Reich was not many years old before its chief architect began to feel very keenly that its parliamentary institutions were woefully inadequate. As the virtual unanimity inspired by the stirring events attending the *Reichsgründung* began to give way to embittered party battles, as the Reichstag began to fight for power and influence over the government and as the parliamentary strength of an avowedly *"reichsfeindlich"* revolutionary socialist party increased by leaps and bounds,[69] the Imperial Chancellor grew more and more disillusioned with his experiment in democratic parliamentarism, and seems to have turned once again to the political ideal of his youth, brought up to date by the newer theories of Schäffle on "vocational representation."

He grew more sharply critical of "individual suffrage" and of "individual economy," publicly alluding to the need for substituting "collective ties." [70] He repeatedly voiced his disappointment with the Reichstag's low level of competence in economic matters and deplored the fact that the majority of its members were "not drawn from the producing classes . . . but rather are estranged from the real working life of the nation by reason of their literary or scientific interests, having neither sympathy nor understanding for its weal and woe." [71] He lamented that "political parties will be the ruin of our constitution and of our future." [72] He told the Prussian Land-

[68] *Gedanken und Erinnerungen* (Stuttgart, 1898), I, 15.

[69] Wahl, *op. cit.*, I, 46–60, 479–97, 575–7.

[70] *Die politischen Reden des Fürsten Bismarcks*, ed. H. Kohl (Stuttgart, 1893), VII, 290 f.

[71] Cited without indication of exact source by J. Curtius, *Bismarcks Plan eines deutschen Volkswirtschaftsrats* (Heidelberg, 1919), 12.

[72] *Politischen Reden*, X, 130.

tag that "we must find means of becoming independent of the obstruction of a majority in the Reichstag. . . . I will not allow the achievements of our army to perish through internal discord, and I will find a way to prevent this." [73]

Bismarck made his first attempt to find such a way in 1880–81, when he brought forward his project for setting up a National Economic Council (*Reichsvolkswirtschaftsrat*). He seems to have hoped that the success of this project would be a first step toward his ultimate goal of modifying the democratic franchise and of supplementing or perhaps superseding the Reichstag by means of a corporative chamber based upon vocational associations.[74] After his retirement, he frequently laid claim to a belief of many years' standing that "in Prussia, as well as in the Reich, our electoral laws could be founded upon . . . vocational bodies, with each of these associations enjoying the right to be represented directly by its own deputies." [75]

During the Reichstag debates which culminated in June, 1881, in that body's refusal to vote funds for the National Economic Council (already constituted by Imperial decree in January of the same year), the opposition speakers were as one man in accusing the Chancellor of hostile designs against

[73] January 28, 1886. *Politischen Reden*, XI, 446 f.

[74] Most German students of this episode agree in attributing to Bismarck the ultimate aim of getting rid of the Reichstag in order to substitute a corporative parliament. *Cf.* Mönig, *op. cit.*, 142–3; Curtius, *op. cit.*, 13–14, 54; H. Herrfahrdt, *Das Problem der berufsständischen Vertretung* (Stuttgart and Berlin, 1921), 65–7, 81; K. Bachem, *Vorgeschichte, Geschichte und Politik der deutschen Zentrumspartei* (Köln, 1927–32), IV, 83; H. Rothfels, *Prinzipienfrage der Bismarck'schen Sozialpolitik* (Königsberg, 1929), 16–17. Wahl, *op. cit.*, concludes (II, 117–19) that Bismarck certainly wanted a corporative chamber "at least to complement" the Reichstag, but that his parliamentary opponents were probably unjustified in their fear that he planned to supersede the Reichstag altogether.

[75] Speech of April 17, 1895, greeting delegates of the craft guilds. *Politischen Reden*, XIII, 357.

the existing parliamentary system.[76] Bismarck himself, in two powerful speeches defending his project, scornfully disavowed even the remotest inclination in such a direction, but his critics remained unimpressed.

The National Economic Council was to have been a consultative body of 125 members. All proposals for economic legislation were to have been submitted to it for study and evaluation prior to action in parliament or, in the case of decrees, prior to promulgation. It was principally intended to serve as a central organ for co-ordinating the views of existing interest-group organizations like the *Deutscher Handelstag,* the *Deutscher Landwirtschaftsrat* and the *Zentralverband Deutscher Industrieller* on pending questions of national economic policy.[77]

An Economic Council of seventy-five members had been established in Prussia some two months before the creation of the national body on an almost identical plan. Funds for this council were duly voted by the more docile Landtag, and for several years it functioned as an expert advisory body on economic and social questions. It laid some of the groundwork for the basic social insurance laws in its sessions of 1882, 1884 and 1887, and in 1884 it was called upon to appraise a bill to amend the Trades Law. Frustrated in his plan to extend the institution to the whole Reich, however, Bismarck soon

[76] *Stenographische Berichte über die Verhandlungen des deutschen Reichstags,* 1881. The main opposition speeches were made by Richter of the *Fortschrittspartei* (II, 1592, 1604), by von Bennigsen of the National Liberal Party (II, 159), and by Windthorst and Reichensperger of the Center (II, 1287, 1692). The last two approved the stated purposes of the government's project, opposing the National Economic Council purely out of mistrust of Bismarck's ulterior motives. A minority of the Center, led by Baron von Schorlemer-Alst, voted in support of Bismarck, who also received the votes of both the Conservatives and the Free Conservatives.

[77] Bismarck's speech at the inaugural session of the Prussian Economic Council, January 27, 1881. Cited by Curtius, *op. cit.,* 16.

lost interest in his Prussian Economic Council, and it was not again convened after 1887.[78]

A somewhat larger measure of success attended his efforts —apparently inspired principally by Schäffle—to organize workers' insurance along corporative lines. Testimony confirming such an interpretation of his policy can be cited abundantly out of his own mouth. In an article published in the *Hamburger Nachrichten* [79] after his dismissal he referred to his desire, as Chancellor, to promote the development of groups "within which the tasks of social politics, *in specie* those of [workers'] . . . insurance, could be worked out on corporative [*genossenschaftlich*] lines and which, . . . when established by legislation, could have formed the foundation for electoral colleges in a system of national representation."

In 1883 he had told a co-worker that he considered accident insurance a matter of secondary importance in itself, his intention being to use it as the foundation upon which to establish a structure of "corporative associations which little by little must be extended to include all productive classes of the nation." [80]

There is some reason for thinking (though it cannot be conclusively established) that Schäffle's influence was a decisive factor in producing Bismarck's rather striking about-face in 1881–2 with respect to his plans for workers' insurance. In April, 1881, the Reichstag had found much fault with his first project of law on compulsory, state-supported insurance. This proposal had been extremely centralistic and bureaucratic in conception, and had contained no reference

[78] Curtius, *op. cit.*, 19–20.

[79] January 18, 1893. The article is reprinted in H. Hofmann, *Fürst Bismarck 1890–1898* (8 ed. Stuttgart, 1914), II, 199 ff.

[80] H. Rothfels, *Theodor Lohmann und die Kampfjahre der staatlichen Sozialpolitik* (Berlin, 1927) 63–4.

to corporative bodies. Centrists, particularly, had opposed the idea of an all-embracing *Reichsversicherungsanstalt,* and had led the opposition in amending the bill in committee so as to eliminate this feature, as well as to strike out the state subsidy. In its amended form the bill provided for provincial administration of the scheme. It was passed by the Reichstag only to be rejected by Bismarck, acting through the Bundesrat, on June 25, 1881.[81]

At some time during the next five months Bismarck seems to have discarded his earlier, centralistic plan in favor of one that embodied definite corporatist features, for on November 17 an imperial message on social insurance [82] announced the government's intention of basing the projected system upon "corporative associations." Schäffle had been active in urging his ideas on Bismarck in the interval, and the correspondence between them indicates that Schäffle's suggestions met with a very sympathetic response.[83] Further correspondence took place during December, and in January, 1881, Schäffle was invited to Berlin to confer in person with the *Reithskanzler.* Schäffle received the impression, at that time, that he had been completely successful in winning Bismarck over to his own corporatist conception. At any rate, whether owing to Schäffle's arguments or to Bismarck's calculation of the tactical advantages to be derived from appealing to corporatist sentiment in the Center, or to both factors in conjunction, the government's new project of law on sickness and accident insurance, laid before the Reichstag in the following spring, eliminated the earlier bureaucratic feature of a central *Reichsanstalt,* and provided instead for the administration of the

[81] Wahl, *op. cit.,* II, 145–51.

[82] See Note 55 above.

[83] Reproduced by Schäffle in his memoirs, *op. cit.,* II, 151–191. See Note 39 above.

scheme by *"genossenschaftlichen Organisationen der in Betracht kommenden industriellen Betriebe."* [84]

The accident insurance law of July 6, 1884, represented in fact the closest approach under the Hohenzollern Empire to a practical realization of industrial associations of the type approved by the corporatist theory of monarchical socialism. Vocational bodies comprising both employers and workers were made the "bearers" of the insurance liability. All workers covered by the law were obliged to become members of the "insurance society" established for their particular trade. The state bore only the cost of maintaining a National Insurance Office, which was charged with general supervisory responsibility.[85]

The only other important legislative enactments bearing a recognizable imprint of monarchical socialist corporative doctrine were the amendments of 1881, 1884 and 1886 to the Trades Law of 1869. The original statute had been adopted under liberal auspices by the parliament of the North German Confederation, and had been re-enacted after the *Reichsgründung*. Its main provisions had abolished all surviving legal sanctions upon which the craft guilds depended for the enforcement of their regulations. The amendments successfully sponsored by Bismarck in the 1880's revived a number of those sanctions and limited the right to engage in certain occupations independently of governmental or guild authorization. The principal effect of these reversions to the pre-liberal industrial regime was to strengthen and extend guild organization in some fields as against factory industry and, incidentally, to hamper the radical trade union movement.[86]

[84] Wahl, *op. cit.*, II, 151.
[85] Dawson, *op. cit.*, 109–27; Wahl, *op. cit.*, II, 156 ff.
[86] Clapham, *op. cit.*, 334.

The Legacy of Monarchical Socialism

The corporatist doctrines of monarchical socialism had only a slight impact on contemporary institutional developments; their practical effects during the Bismarckian era were out of all proportion to their subsequent influence. The effort to make workers' insurance a staging ground for the eventual development of a corporative industrial and political structure did not yield any of the results envisaged by Schäffle, Stoecker, Bismarck and their collaborators. Bismarck's attempt to achieve a corporative reform of parliament by way of a National Economic Council met with complete failure, though the idea remained alive and reappeared nearly forty years later when it became a hotly contested issue in the constitutional debate at Weimar.

On the whole, however, the main currents of the age were moving in another direction, and during the years following Bismarck's dismissal the omens became progressively less propitious for the type of corporative organization contemplated by monarchical socialists. Labor organization became more and more a matter of independent trade unionism under Marxist political leadership. On the side of management the period 1890–1914 witnessed an impressive growth of cartels, trade associations, employers' organizations and economic pressure-groups on a pattern which followed fairly closely the model approved by Schäffle and his associates. Industrial courts of arbitration were widely established, but there is no reason to think that their purely advisory decisions contributed significantly to the advancement of industrial peace.

Monarchical socialism and its stepchild the Christian-Social movement fell somewhat out of fashion during the

1890's when the era of energetic social reform from above was succeeded by an *"Aera Stumm,"* so-called in recognition of the achievement of the Saar industrialist Baron von Stumm, in promoting his economic philosophy. The central dogmas of his creed were that paternalistic employers should be absolute masters in their own houses, unhampered by labor organization of any type, and that the "free play of forces" in industrial life should be disturbed as seldom and as superficially as possible by bureaucratic tampering. Wilhelm II faithfully mirrored this attitude of many industrial leaders when in 1896 he confided to von Stumm that, in his august opinion, *"Christlich-Sozial ist Unsinn."*

A partial explanation of this change is perhaps to be found in the passing of the "long depression." With the advent of a new era of expansive prosperity after 1896, the industrial population experienced a noticeable improvement in its material conditions of life. Popular discontent abated somewhat as real wages increased.[87] Responsible leaders of the labor movement lost much of their original ardor for radical social change and settled down to gather the "attainable" fruits of reformism. The growing influence of "revisionist" tendencies in Social Democracy was a closely related phenomenon. And the more *"salonfähig"* the workers' party became, the less did conservative groups feel the urgency of "positive social reform."

Thus the corporatist doctrines elaborated by the leading proponents of monarchical socialism did not flourish conspicuously beyond the troubled times in which they had been conceived. It would not, however, be correct to conclude that the corporatist teachings of Schäffle, Wagner, Stoecker and

[87] A. Sartorius von Waltershausen, *Deutsche Wirtschaftsgeschichte 1815–1914* (2 ed. Jena, 1923), 523 ff., esp. 526. This rise in real wages may have amounted to as much as one per cent per year, on the average, between 1894 and 1904.

Bismarck were thereafter consigned to the museum of extinct social theories. The generations of students that passed through the German university system between 1870 and 1914 found the major premises of "monarchical corporatism" set forth as axiomatic social truths in their textbooks and heard their most celebrated professors of social science propound the superior virtues of a corporatively organized community in comparison with an "atomistic" or "inorganic" society resting upon the individual values common to Kantian liberalism and Marxian socialism. The rising generation thus derived instruction and inspiration from the example of Bismarck and his fellow laborers in the vineyard of monarchical socialism. And when Germany's collapse in 1917–18 ushered in a new time of troubles, many members of the conservative educated classes—filled with consternation at the apparently imminent prospect of social dissolution—again discovered a lively interest in corporatist solutions to the problem of social conflict.