

Eugen Richter and Late German Manchester Liberalism: A Reevaluation

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For several generations now there has existed an overarching interpretation of modern history conditioning and shaping the views held by nearly all educated people on the issue of socialism and the market economy. This interpretation goes roughly as follows: once there was a “class”—“the” bourgeoisie—that came into being with the colossal economic and social changes of early modern history, and strove for recognition and domination. Liberalism, which admittedly helped to achieve a limited degree of human liberation, was the ideological expression of the bourgeoisie’s self-interested struggle.¹ Meanwhile, however, another, much larger class came into being, “the” working class, victims of the triumphant bourgeoisie. This class strove in its turn for recognition and domination, and, accordingly, developed its own ideology, socialism, which aimed, through revolution, at the transition to a higher, broader level of human liberation. The natural and inevitable conflict of interests of these two classes— basically, of the exploiters and the exploited—fills modern history, and has led in the end, in the welfare state of our own time, to a kind of accommodation and compromise. With this historical paradigm I think we are all quite familiar.

Recently, however, a different interpretation has begun to gain ground. The outstanding historian Ernst Nolte, of the Free University of Berlin, has expressed its central point:

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¹See, for instance, Theo Schiller, *Liberalismus in Europa* (Baden-Baden: Nomos, 1979), p. 19: “Our starting-point is the universally accepted conclusion that the social interest-situation of the bourgeoisie was the foundation of classical liberalism.”

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The real and modernising revolution is that of liberal capitalism or of economic freedom, which began 200 years ago in England and which was first completed in the USA. This revolution of individualism was challenged at an early date by the so-called revolutionary socialism, whose guideline was the archaic community, with its transparency of social conditions, as the most comprehensive counterrevolution, namely as the tendency for totalitarian collectivism.²

Although capitalism "radically chang[ed] the living conditions of all those affected in a relatively short time and improv[ed] them to an extraordinary degree, at least materially," "it did not understand how to awaken love."³ The great capitalist revolution called forth a socialist movement, which "in a certain sense [was] thoroughly reactionary, indeed, radical-reactionary."⁴

The Place of Liberalism

This more recent conception suggests a new interpretation of liberalism. Liberalism is, in fact, the ideology of the capitalist revolution that prodigiously raised the living standards of the mass of people; a doctrine gradually elaborated over several centuries, which offered a new concept of social order, encompassing freedom in the only form suited to the modern world. Step by step, in practice and theory, the various sectors of human activity were withdrawn from the jurisdiction of coercive authority and given over to the voluntary action of self-regulating society. The first great victory was freedom in religious matters. The world-historical significance of religious liberty lies precisely in the fact that it demonstrated, in this first, great area of human existence, how society could be left to its own devices.

Practically all the peoples of western and central Europe (as well as the Americans) contributed to the working out of the liberal idea and the liberal movement. Not just the Dutch, French, Scots, English, and Swiss, but, for instance, in Spain, the Late Scholastics of the School of Salamanca and elsewhere,⁵ and a number of Italians, especially at the beginning of political economy. In this evolution, the

²Ernst Nolte, "Between Myth and Revisionism: The Third Reich in the Perspective of the 1980s," in H. W. Koch, ed., *Aspects of the Third Reich* (London: Macmillan, 1985), p. 24. Nolte notes that the view he presents is that of Domenico Settembrini, of the University of Pisa.

³Ernst Nolte, *Marxism, Fascism, Cold War*, trans. Lawrence Krader (Atlantic Highlands, N.J.: Humanities Press, 1982), p. 79.

⁴*Ibid.*, p. viii. In fact, the similarities and historical connections between the conservative and socialist critiques of liberal capitalism are remarkable; see, for instance, *ibid.*, pp. 23-30.

⁵Alejandro A. Chaufen, *Christians for Freedom: Late Scholastic Economics* (San Francisco: Ignatius Press, 1986).

Germans also played an often overlooked part.⁶

Particularly striking for foreigners who have concerned themselves with the problem of German liberalism has been the bitter hostility that it met with in its own time and at the hands of historians, and which is linked to the first, conventional interpretation of modern history described above. Paul Kennedy has quite accurately referred to "the sheer venom and blind hatred behind so many of the assaults in Germany upon *Manchestertum* [Manchesterism]."⁷

This hostility was directed especially against the man who was for two generations in Germany *the* representative of the liberal movement that embraced all civilized nations: Eugen Richter. Malice has now been replaced by neglect. Last year, in July, was the 150th anniversary of Richter's birth, and if any notice was taken of the occasion in the Federal Republic, aside from my own very modest contribution,⁸ it has not come to my attention. That should not be surprising, however. Since both the conservatives and the socialists—the two camps that have by and large written the history of Germany—found Richter insufferable, he has usually been treated disparagingly or else disregarded. Thus, he remains virtually unknown to the great majority of even educated people. Given the older historical interpretation, this circumstance makes a certain sense; it by no means corresponds to the newer one. Thus, an attempt to evaluate Richter's significance for German liberalism and German history is perhaps called for.

Differences of Opinion on Richter

Eugen Richter⁹ was the brilliant, if occasionally too masterful, leader of the Progressive Party (*Fortschrittspartei*) and later of the Liberals (*Freisinn*), the political expressions of German "Left Liberal-

⁶See Ralph Raico, "Der deutsche Liberalismus und die deutsche Freihandelsbewegung: Eine Rückschau," *Zeitschrift für Wirtschaftspolitik* 36, no. 3 (1987): 263-81.

⁷Paul M. Kennedy, *The Rise of the Anglo-German Antagonism, 1860-1914* (London: Allen and Unwin, 1980), p. 152.

⁸Ralph Raico, "Eugen Richter: Ein unerbittlicher Liberaler," *Orientierungen zur Wirtschafts- und Gesellschaftspolitik* 37 (September 1988): 77-80.

⁹The literature on Richter is very meager. See, above all, Felix Rachfahl, "Eugen Richter und der Linksliberalismus im Neuen Reich," *Zeitschrift für Politik* 5, nos. 2-3 (1912): 261-374. Also, Eugen Richter, *Jugenderinnerungen* (Berlin: Verlag "Fortschritt," 1893); idem., *Im alten Reichstag: Erinnerungen*, 2 vols. (Berlin: Verlag "Fortschritt," (1894-1896); Oskar Klein-Hattungen, *Geschichte des deutschen Liberalismus*, vol. 2: *Von 1871 bis zur Gegenwart* (Berlin-Schöneberg: Fortschritt-Buchverlag der "Hilfe," 1912); Leopold Ullstein, *Eugen Richter als Publizist und Herausgeber: Ein Beitrag zum Thema "Parteipresse"* (Leipzig: Reinicke, 1930); and Jesse Rohfleisch, *Eugen Richter: Opponent of Bismarck*, unpubl. diss., history, University of California, Berkeley, 1946. The

ism,"¹⁰ or "determined" (*entschieden*) liberalism, through 30 years, in the Imperial German Reichstag and in the Prussian House of Representatives; he was, moreover, an untiring journalist and publisher.¹¹ Outside of a narrow group of friends and political associates, the attitudes and opinions on Richter, in his own time and afterwards, have been mostly very negative.¹² This is naturally the case on the authoritarian-conservative side: Crown Prince Wilhelm, later Kaiser Wilhelm II, even hatched a plan (never realized) to have Richter "beaten up" by six junior officers,¹³ and Richter's old adversary, Prince Bismarck, confided to the old Kaiser, Wilhelm I, that it was among men like Richter that "the material for deputies to the [French Revolutionary] Convention" was to be found.¹⁴ Hans Delbrück, whose portrayal of Richter influenced later writers, compared him to the Athenian demagogue Cleon and branded him the leader of a party whose highest passion was reserved for pieces of silver,¹⁵ while for the Marxist Franz Mehring, Richter was merely "a servant and helper of Big Capital."¹⁶ Richter's "rigidity," "dogmatism," and "carping doctrinairism" have been repeatedly attacked,¹⁷ and a present-day

most recent work on Richter, Ina Suzanne Lorenz, *Eugen Richter: Der entschiedene Liberalismus in wilhelminischer Zeit 1871 bis 1906* (Husum: Matthiesen, 1980), is unfortunately noteworthy above all because of the author's inexhaustible distaste for her subject and her total lack of understanding for Manchester liberalism in Germany.

¹⁰"Left Liberalism" is a direct translation of *Linksliberalismus* and refers to the middle- to late-nineteenth century German political movement in opposition to the regime-oriented National Liberals; it has no connection with what is sometimes called "left-liberalism" in the present day.

¹¹Kurt Koszyk and Karl H. Pruys, *Wörterbuch zur Publizistik* (Munich-Pullach/Berlin: Verlag Dokumentation, 1970), pp. 223-25.

¹²See also Ralph Raico, "Der deutsche Liberalismus," p. 275.

¹³According to the report of the Austro-Hungarian Crown Prince Rudolf, Brigitte Hamann, *Rudolf: Kronprinz und Rebell* (Munich/Zurich: Piper, 1978), p. 333.

¹⁴Otto von Bismarck, *Werke in Auswahl*, vol. 8, pt. A, *Erinnerung und Gedanke*, ed. Rudolf Buchner, with Georg Engel (Stuttgart: W. Kohlhammer, 1975), p. 732.

¹⁵Hans Delbrück, *Vor und nach dem Weltkrieg. Politische und historische Aufsätze 1902-1925* (Berlin: Stollberg, 1926), pp. 136-48; Annelise Thimme, *Hans Delbrück als Kritiker der wilhelminischen Epoche* (Düsseldorf: Droste, 1955), pp. 31-32.

¹⁶Franz Mehring, *Gesammelte Schriften*, Thomas Höhle, Hans Koch, and Josef Schleifstein, eds., vol. 14, *Politische Publizistik, 1891 bis 1914* ([East] Berlin: Dietz, 1964), p. 35. Why precisely of "Big Capital" is unclear.

¹⁷See, among innumerable other, Thomas Nipperdey, "Über einige Grundzüge der deutschen Parteigeschichte," in *Moderne deutsche Verfassungsgeschichte (1815-1918)*, Ernst-Wolfgang Böckenförde, ed., with Rainer Wahl (Cologne: Kiepenheuer and Witsch, 1972), p. 238, where the author writes of Richter's accentuation of the theoretical orientation of liberalism "to the very extreme of rigid dogmatism." Typical of many non-German historians is Kenneth D. Barkin, *The Controversy over German Industrialization, 1890-1902* (Chicago: University of Chicago Press, 1970),

German historian simply reflected the nearly unanimous view of his colleagues when he summarily characterized Richter as "the eternal nay-sayer."¹⁸

Yet even Bismarck was compelled to concede: "Richter was certainly the best speaker we had. Very well-informed and conscientious; with disobliging manners, but a man of character. Even now he does not turn with the wind. ..." ¹⁹ Another opponent, this time from the liberal camp, the first President of the Federal Republic, Theodor Heuss, admitted that Richter was "the most influential leader of 'determined' liberalism," and "certainly in detail work [sic] the most knowledgeable deputy in the German parliaments ..." ²⁰ An observer closer in spirit to his subject expressed it more simply: Richter "was the liberal doctrine incarnate."²¹

Richter's Career

Eugen Richter was born on July 30, 1838, in Düsseldorf, the son of a regimental doctor. The atmosphere in the parental home was "oppositional," e.g., the family read the *Kölnische Zeitung* "eagerly"—evidently, rather bold behavior for the time. Richter's "predominantly critical-rational disposition" developed from his early youth.²² He studied political science with Dahlmann at Bonn and with Robert von Mohl at Heidelberg, where he also studied public finance with Karl Heinrich Rau, then the most celebrated expert in the field. While still a student he went to Berlin, where the proceedings of the Prussian House of Representatives interested him much more than his university lectures. He began attending the meetings of the *Kongress deutscher Volkswirte* (Congress of German Economists) and, through newspapers and journal articles, avidly took part in the growing

p. 239, who complains that Richter "had not shed the dogmatic liberal principle of non-intervention."

¹⁸Winfried Baumgart, *Deutschland im Zeitalter des Imperialismus, 1890-1914. Grundkräfte, Thesen, und Strukturen*, 5th ed. (Stuttgart: W. Kohlhammer, 1986), p. 135. Curiously, Baumgart passes this verdict in connection with Left Liberalism's turn towards support for the armaments policy of Wilhelm II, made possible by Richter's death.

¹⁹Rachfahl, "Eugen Richter und der Linksliberalismus im Neuen Reich," p. 371. Theodor Barth, one of Richter's many liberal opponents, declared: "Bismarck was no match for Richter dialectically, and the frequent eruptions of the Bismarckian temper against the implacable man of the opposition often sprang from the feeling that the omnipotent Chancellor would come up short in dialectical argumentation with Richter." In *Politische Porträts*, new ed. (Berlin: Schneider, 1923), p. 84.

²⁰Theodor Heuss, *Friedrich Naumann: Der Mann, das Werk, die Zeit*, 2nd ed. (Stuttgart/Tübingen: Rainer Wunderlich, 1949), p. 180.

²¹Rachfahl, "Eugen Richter und der Linksliberalismus im Neuen Reich," p. 372.

²²*Ibid.*, pp. 262-63.

movement for economic liberalism in Germany; he was also active in the consumer cooperative movement.

By 1884 Richter headed a united Left Liberal party, the *Deutschfreisinnige Partei*, that boasted of more than 100 seats in the Reichstag. Liberalism's hour in Germany seemed to have come: the Kaiser, Wilhelm I, was very old, the Crown Prince, Friedrich, the most liberal of all the Hohenzollerns. It turned out otherwise, however, than might have been desirable for the Germans. Bismarck's political skill saw to it that the *Freisinnige Partei* was smashed in the next two elections, and when Friedrich finally ascended the throne, in 1888, he was already mortally ill. These vicissitudes could make no difference in Richter's political convictions, however. For another two decades he held fast to the same principles, which appeared increasingly obsolete and irrelevant. He was the last authentic liberal leader in the parliament of any great power.

Social Philosophy and the Two-Front Strategy

Regarding his early journalistic activity, it is noteworthy that, already as a young man, Richter emphasized not only the economic disadvantages of the antiquated mercantilist system, but at the same time the infringement of civil and political freedom bound up with that system. Thus, in an early brochure, *On the Freedom of the Tavern Trade*, he attacked the concessions-system, which invested the political authorities with wide-ranging licensing and regulatory authority for all trades and professions:

As long as the police administration in our state unites in itself such legislative, judicial, and executive powers, Prussia does not yet deserve the name of a *Rechtsstaat*.²³

The cornerstone of Richter's social philosophy was the connection between political and economic freedom, a conception that distinguished him, and Left Liberalism in general, from the mass of "National Liberals." Two decades later, Richter closed his great speech against Bismarck's protective tariff with the words:

Economic freedom has no security without political freedom, and political freedom can find its security only in economic freedom.²⁴

This tenet determined Richter's continuing political strategy. All his life, he conducted a "two-front war," against Bismarckian "pseudo-constitutionalism" and a recrudescing mercantilism on the one hand,

²³Ibid., p. 266.

²⁴Richter, *Im alten Reichstag*, vol. 2, p. 114.

and the rising socialist movement on the other.²⁵

Richter and the other *entschieden* liberals have often been reproached for this policy. Critics maintain that the Left Liberals should have allied with the Social Democrats, in a common resistance to the militarist-authoritarian Second Reich, and Richter's famous "rigidity" and "dogmatism" are supposed to be largely responsible for the fact that such a united front never came into existence. Some historians even give the impression that liberal opposition to Social Democracy in Imperial Germany is only comprehensible as the product of "fear" of the "lower orders."²⁶

But it can scarcely be surprising that Richter rejected such an alliance. He saw himself confronted with a socialist party that did not trouble to conceal its ultimate aim, abolition of the system of private property and the market economy, and that viewed "the class-struggle between bourgeoisie and proletariat as the 'pivot of all revolutionary socialism.'"²⁷ After 1875, the Social Democratic Party of Germany (SPD) was primarily a Marxist party, and, despite later revisionist tendencies, its acknowledged leaders, like Bebel, Liebknecht, and Kautsky, were confirmed orthodox Marxists. Of course, the SPD presented various democratic demands "to start with"; its ultimate goal remained, however, the social elimination of all "non-proletarians."

The Social Democratic standpoint confronting Richter may be illustrated by the example of Franz Mehring, a major theoretician and the biographer of Marx. In 1903, Mehring wrote, in the *Neue Zeit*, of the German "bourgeoisie" (and its defenders): "It had to be aware, and basically it was aware, that, without the help of the working-class, it could not defeat absolutism and feudalism. It had further to be aware, and basically it was also aware, that, in the moment of victory, its previous alliance-partner would face it as an adversary," at which point the bourgeoisie would presumably fall victim to the proletariat in the final, decisive conflict. Nonetheless, Mehring insisted that in this alleged state of affairs the bourgeoisie ought to draw the conclusion "that a pact

²⁵ August Bebel, leader of the German socialists, described an early encounter with Richter: "whose chilly, reserved nature struck me even then. Richter gave the impression that he viewed all of us with sovereign disdain." August Bebel, *Aus Meinem Leben* (1910; reprint, Frankfurt am Main: Europäische Verlaganstalt, n.d.), p. 92.

²⁶ See, e.g., Konstanze Wegner, *Theodor Barth und die Freisinnige Vereinigung. Studien zur Geschichte des Linksliberalismus im wilhelminischen Deutschland (1893-1910)* (Tübingen: J. C. B. Mohr [Paul Siebeck], 1968), p. 138.

²⁷ Ernst Engelberg, "Das Verhältnis zwischen kleinbürglicher Demokratie und Sozialdemokratie in den 80er Jahren des 19. Jahrhunderts," in Otto Pflange, ed., with Elisabeth Müller-Luckner, *Innenpolitische Probleme des Bismarck-Reiches* (Munich/Vienna: Oldenbourg, 1983), p. 26. The East German historian adds: "This conception was accepted not only by the most influential leaders around August Bebel, but also by the mass of members and sympathizers ..."

with the working-class on tolerable [sic] conditions offers it the only possibility it has."²⁸ But for liberals like Richter, the Marxist scenario was by no means all that "tolerable." It is understandable, therefore, that Richter held that the "Social Democratic state of the future," because it was hypothetical, was for the time being less dangerous than the existing "military state," yet essentially "much worse."²⁹

Even aside from the fact that "from 1869, meetings of the Progressive Party in Berlin were violently disrupted by the Social Democrats,"³⁰ how would an alliance with the Social Democrats have been at all ideologically conceivable? As liberals, men like Richter viewed socialism as a kind of counter-revolution, and believed that the achievement of the socialist goal would lead both to appalling poverty and to state absolutism. There was nothing in the socialist doctrine of the time that would suggest otherwise. Historians would do well to recognize that at least a part of the blame for the non-occurrence of a common front against militarism in Germany must be borne by the Social Democrats themselves.

Pictures of a Social Democratic Future

For their part, the socialists engaged in a relentlessly scathing critique of the liberal economic order. But, as Richter pointed out:

The Social Democrats are very garrulous in criticizing the present social order, but they are careful not to clarify in detail the goal that is supposed to be achieved through the latter's destruction.³¹

This omission Richter attempted to make good in his *Pictures of a Social Democratic Future*.³² In its time, this little book, with its ironic subtitle, "Freely drawn after Bebel," was a sensation. It was

²⁸Franz Mehring, *Gesammelte Schriften*, vol. 14, p. 553.

²⁹Quoted in Peter Gilg, *Die Erneuerung des demokratischen Denkens im wilhelminischen Deutschland. Eine ideengeschichtliche Studie zur Wende vom 19. zum 20. Jahrhundert* (Wiesbaden: Franz Steiner, 1965), pp. 135-36. Gilg adds, reasonably enough: "To this opposition [of Richter's] the theory of revolution of the Social Democratic program, which permitted collaboration solely as a means to winning autocratic rule, naturally contributed, as well as the successful competition of Social Democracy in the struggle for the urban voting masses." Ibid, p. 135.

³⁰Richter, *Im alten Reichstag*, vol. 2, pp. 63 and 178. "This occurred," according to Richter, "with the permission of the Minister of the Interior." In Britain, the Chartists had earlier used similar strong-arm methods against meetings of the anti-corn law movement; see Wendy Hinde, *Richard Cobden. A Victorian Outside* (New Haven, Conn.: Yale University Press, 1987), p. 65.

³¹Richter, *Politisches ABC-Buch: Ein Lexikon parlamentarischer Zeit- und Streitfragen*, 9th ed. (Berlin: Fortschritt Verlag, 1898), p. 307.

³²Richter, *Sozialdemokratische Zukunftsbilder: Frei nach Bebel* ([1891] Berlin: Verlagsanstalt Deutsche Presse, 1907). In 1922, in his *Socialism*, Ludwig von Mises undertook the same task, but on a totally different, strictly scientific level.

translated into a dozen languages, with more than a quarter-million copies printed in Germany alone. It must be conceded that in some respects Richter's narrative is dubious. It leans too heavily on the pathos of family problems under the new socialist regime; but that was to be expected, since it was directed at a wide, popular audience. Sometimes the work even verges on the ridiculous, especially in connection with the relations of social equality that will supposedly obtain under socialism, e.g., the new Reich Chancellor must shine his own boots and clean his own clothes, in Richter's account.

The explanation for this, however, is that Richter took the egalitarian promises of the socialists too literally, too *seriously*. He lacked any inkling of Marxism's tendency to bring to power a *new class of higher-echelon state functionaries*. Still, Richter was able to anticipate many of the characteristics later displayed by Marxist states. Emigration is prohibited in Marxist Germany, since "persons who owe their education and training to the State cannot be accorded the right to emigrate, so long as they are of an age when they are obliged to work."³³ Bribery and corruption are to be found everywhere,³⁴ and the products of the nationalized economy are unable to meet the standards of competition on the world market.³⁵ But above all, Richter emphasized the connection between economic and political freedom:

what is the use of freedom of the press, if the government is in possession of all the printing presses, what does freedom of assembly avail, if all the meeting places belong to the government? ... in a society in which there is no more personal and economic freedom, even the freest form of the state cannot make political independence possible.³⁶

When the worst imaginable happens and the socialist state proves incapable of provisioning the German Army as the Fatherland is invaded by France and Russia, a counter-revolution breaks out, restoring a free society.

Marxists and Conservatives: Mutual Aid

Richter often tried to present his two-sided campaign as part of one and the same war, by arguing that it was a question merely of two forms of state paternalism. Interestingly, this interpretation was supported from an unexpected quarter, although without Richter's normative charge. Accused of political offenses, the founder of German

³³Ibid., p. 32.

³⁴Ibid., pp. 42-43.

³⁵Ibid., p. 48.

³⁶Ibid., pp. 50 and 52.

socialism, Ferdinand Lassalle, addressed his judges as follows:

As wide are the differences that divide you and me from one another, Sirs, against this dissolution of all morality [threatening from the liberal camp] we stand shoulder to shoulder! I defend *with* you, the primeval Vestal flame of all civilization, the State, against those modern barbarians [the laissez-faire liberals].³⁷

Richter reiterated that the right-wing parties—the Conservatives and the Anti-Semites—aided socialism “especially [by] the agitation against mobile capital, against the exploitation it allegedly perpetrates, and, moreover, by the limitless promises handed out to all occupational classes of special state help and provision.”³⁸ In turn, socialism helped the Conservatives and Anti-Semites through its revolutionary threats, intimidating the middle classes and driving them into the arms of a strong State power.³⁹

State Socialism and *Sozialpolitik*

Richter fought the state-socialist program proposed by Bismarck, including the nationalization of the Prussian railroads and the establishment of state monopolies for tobacco and brandy, and, naturally, Bismarck’s turn towards protectionism, towards rendering dearer the cost of necessities, by which the great Chancellor, landowner, and hater of the “Manchester money-bags” manifested his compassion for the poor. A “passionate opponent of cartels,” Richter considered the planned tariff wall “the ideal nurturing ground for the formation of new cartels.”⁴⁰ While Richter, together with other liberal leaders, such as Ludwig Bamberger, supported the introduction of the gold standard in the newly formed Empire, unlike them he opposed the centralization of the banking system through the creation of a *Reichsbank*; such a central bank, he felt, would tend to privilege “big

³⁷Quoted in Werner Sombart, *Händler und Helden: Patriotische Besinnungen* (Munich/Leipzig: Duncker und Humblot, 1915), p. 77.

³⁸Richter, *Politisches ABC-Buch*, p. 306. Bismarck’s hatred of Richter and the Left Liberals on account of their economic liberalism was intense, e.g., his reference to “the Progressive Party and clique of Manchester politicians, the representative of the pitiless money-bags, have always been unfair to poor, they have always worked to the limit of their abilities, to prevent the state from helping them. Laissez-faire, the greatest possible self-government, no restraints, opportunity for the small business to be absorbed by Big Capital, for exploitation of the ignorant and inexperienced by the clever and crafty. The State is supposed to act only as police, especially for the exploiters.” Willy Andreas and K. F. Reinking, *Bismarcks Gespräche: Von der Reichsgründung bis zur Entlassung* (Bremen: Carl Schünemann, 1965), p. 339.

³⁹Richter, *Politisches ABC-Buch*, p. 322.

⁴⁰Fritz Blaich, *Kartell- und Monopolpolitik im kaiserlichen Deutschland. Das Problem der Marktmacht im deutschen Reichstag zwischen 1870 und 1914* (Düsseldorf: Droste, 1973), pp. 230 and 259.

capital and big industry."⁴¹

Perhaps Richter's most famous attack in this field was directed against Bismarck's *Sozialpolitik*, with which the modern welfare state was born. Richter, together with Bamberger, was the chief speaker in opposition to the program, which began with the accident insurance bill of 1881, and over the years he persevered in his point of view when other liberal critics were converted to the new approach. One remark of his was, and is, deemed particularly notorious: "A special social question does not exist for us [the Progressives]. *The social question is the sum of all cultural questions*"⁴²—by which he probably meant that, in the last analysis, the standard of living of working people can only be raised through higher productivity, a viewpoint perhaps not totally devoid of sense.

It is above all this opposition to *Sozialpolitik* with which Richter is reproached.⁴³ If one judges from the standpoint of world history as the tribunal of the world, Richter was certainly in the wrong. The welfare state is today in the process of conquering the whole globe; even the grandiose socialist idea is on the point of being reduced to a mere set of comprehensive welfare programs. Still, at least one of the reasons Richter advanced against the beginnings of the welfare state has a certain cogency.

By hindering or restricting the development of independent funds, one pressed along the road of state-help and here awoke *growing claims on the State that, in the long run, no political system can satisfy*.⁴⁴

⁴¹Richter, *Im alten Reichstag*, vol. 1, p. 112.

⁴²*Ibid.*, vol. 2, p. 86.

⁴³See, among many others, Dieter Langewiesche, *Liberalismus in Deutschland* (Frankfurt am Main: Suhrkamp, 1988), pp. 195-96, where Left Liberal opposition on this question is ascribed in part to "Manchesterite blindness." Oskar Stillich, *Die politischen Parteien in Deutschland*, vol. 2, *Der Liberalismus* (Leipzig: Klinkhardt, 1911), p. 125, referred to "ice-cold laissez-faire in the area of the workers' question," and even maintained that: "Liberalism was indifferent and without feeling towards the interest of the broad masses." Erich Eyck, *Bismarck*, vol. 3 (Erlenbach-Zurich: Rentsch, 1944), p. 372, demonstrated a rare understanding for the Left Liberal position: "In spite of all that, that opposition was not without an internal justification. For it rests on the idea that the feeling of personal responsibility of the individual citizen for his own destiny is indispensable for the sound development of a people, and that the omnipotence of the state is, in the long run, incompatible with the freedom of the individual." Eyck, too, favored the Bismarckian policy, however, as do all present-day German historians I have consulted. But it should be obvious that even the question of the economic effects of the program is not as simple as is usually supposed, and cannot be resolved by pure assumption: Bismarck's *Sozialpolitik* was based, in the last analysis, on *deductions* (either direct or indirect) from the wages of labor. Cf. W. H. Hutt, *The Strike-Threat System: The Economic Effects of Collective Bargaining* (New Rochelle, N.Y.: Arlington House, 1973), pp. 206-15.

⁴⁴Richter, *Politisches ABC-Buch*, p. 173; emphasis in original.

Richter's words give pause, when one considers the complex of problems gathered under the heading, "The Over-Straining of the Weimar Social State" (the "most progressive social state in the world" in its day), the collapse of the Weimar Republic, and the accompanying seizure of power of the National Socialists.⁴⁵ One might also reflect on a circumstance that today appears entirely possible: that, after so many fatal "contradictions" of capitalism have failed to materialize, in the end a genuine contradiction has emerged, one that may well destroy the system, namely the incompatibility of capitalism and the limitless state welfarism yielded by the functioning of a democratic order.

Civil Liberties and *Rechtsstaat*

While the majority of the Progressives supported the *Kulturkampf*—it was the celebrated liberal and friend of Richter's, Rudolf Virchow, who gave the crusade against the German Catholic Church the label, "struggle of cultures"—Richter generally opposed this fateful conflict, which contributed so much to hardening the Catholic Church's hostility to liberalism.⁴⁶ Although he did not challenge his own close political collaborators as much as he might have—he claimed the *Kulturkampf* "did not particularly excite" him⁴⁷—his own position was basically that of authentic liberalism, of, for instance, the French Catholic liberals and the Jeffersonians: absolute separation of State and Church, including complete freedom for private education and a principled rejection of any state subsidizing of any religion.⁴⁸

Particularly interesting in this connection is that, for Richter, "the private school was the last possible refuge."⁴⁹ In contrast to the majority of German (and of French and other) liberals of his time, Richter was not inclined to place obstacles in the way of the private school system in order to promote his own secular *Weltanschauung*. As he expressed it:

Even if it were true that by using the free private system of instruction schools would come into being less agreeable to my point of view

⁴⁵Cf. Jürgen von Krüedener, "Die Überforderung der Weimarer Republik als Sozialstaat," *Geschichte und Gesellschaft* 11, no. 3 (1985) *Kontroversen über die Wirtschaftspolitik in der Weimarer Republik*, Heinrich August Winkler, ed., pp. 358-76.

⁴⁶Richter, *Im alten Reichstag*, vol. 1, pp. 54-55.

⁴⁷*Ibid.*, p. 78.

⁴⁸Rohfleisch, *Eugen Richter: Opponent of Bismarck*, pp. 37-40, and Rachfahl, "Eugen Richter und der Linksliberalismus im Neuen Reich," p. 278.

⁴⁹Urs Müller-Plantenberg, *Der Freisinn nach Bismarcks Sturz: Ein Versuch über die Schwierigkeiten des liberalen Bürgertums, im wilhelminischen Deutschland zu Macht und politischem Einfluss zu gelangen* (unpubl. diss.; Free University of Berlin, 1971), p. 201.

than the public schools, I would still not let myself be led astray, or desist, out of a fear of Catholics or a fear of socialists.⁵⁰

Similarly, Richter took to the field against the emerging anti-Semitic movement,⁵¹ with which Bismarck coquetted in another of his efforts to subvert the liberals. Richter branded the anti-Semites "unnational," referring to them as "this movement damaging to our national honor." In turn, the anti-Semites labelled the Left Liberals around Richter "Jew guard-troops,"⁵² and attempted, as had the Social Democrats, to disrupt liberal meetings in Berlin through violence.⁵³ Until the end of Richter's career, the German-Jewish middle classes formed an important part of the liberal following, largely on account of the liberal principle of separation of Church and State.⁵⁴

In general, Richter had learned very well from the great theoreticians of the *Rechtsstaat*, Dahlmann and Mohl. He fought a bill to criminalize the slander and mockery of state institutions, marriage, and private property.⁵⁵ In the case of the Social Democrats themselves, he opposed the notorious and futile Socialist Laws, with which Bismarck attempted to suppress the SPD.⁵⁶ (In this matter, however, Richter appears for once to have played, in the midst of Reichstag machinations, the politician rather than the principled liberal.⁵⁷) Similarly in the case of measures for the suppression of the Poles in Germany's eastern territories. Ideas and competing cultural values, in Richter's view, were not to be combatted by force.⁵⁸

Richter's familiarity with the financial affairs of Prussia and of Germany was unequalled.⁵⁹ From the beginning of his parliamentary

⁵⁰Ibid.

⁵¹See Richter, *Im alten Reichstag*, vol. 2, pp. 176-83, 200-03, and the articles, "Anti-Semiten" and "Juden," in *ABC-Buch*, pp. 17-23 and 174-79; also Alfred D. Low, *Jews in the Eyes of the Germans: From the Enlightenment to Imperial Germany* (Philadelphia: Institute for the Study of Human Issues, 1979), pp. 392-94.

⁵²Fritz Stern, *Gold and Iron: Bismarck, Bleichröder, and the Building of the German Empire* (New York: Viking/Penguin, 1987), p. 524.

⁵³To protect their meetings against anti-Semitic assaults, the liberals had recourse to a sort of private police agency; Richter, *Im alten Reichstag*, vol. 2, p. 203.

⁵⁴Low, *Jews in the Eyes of the Germans*, pp. 389-90.

⁵⁵Richter, *Im alten Reichstag*, vol. 2, pp. 128-29.

⁵⁶Ibid., pp. 81-84; Wolfgang Pack, *Das Parlamentarische Ringen um das Sozialistengesetz Bismarcks 1878-1890* (Düsseldorf: Droste, 1961), pp. 81-82.

⁵⁷Ibid., pp. 153-60.

⁵⁸Richter's lifelong fight for the *Rechtsstaat* and the predominance of parliament is so well known in the literature that Leonard Krieger's assertion, "Radical liberalism in him tended to be wholly absorbed in the dogma of economic freedom," *The German Idea of Freedom* (Boston: Beacon Press, 1957), p. 397, can probably only be explained by political *parti pris*.

⁵⁹Rachfahl, "Eugen Richter und der Linksliberalismus im Neuen Reich," pp. 274-75.

service, his attention was focused most particularly on the military budget, and this old question, which had produced the great constitutional conflict of the 1860s and split German liberalism on several occasions, accompanied him throughout his whole political life. A proponent of low taxes, especially for the poorer classes,⁶⁰ Richter was concerned with moderating the enormous financial demands of the military; in this effort he did not shy away even from arguments with the venerable Count von Moltke. Above all, he was concerned that the authority of the people's representatives, the Reichstag, should prevail over the Army, that the citizen should not be submerged in the soldier. Thus, his insistence on the two-year, rather than three-year, military service, which led to a further split in the liberal party, in 1893.⁶¹ His tireless probing into every single expenditure once caused Bismarck to cry out that in this fashion one would never come to the end of a budget.⁶² Regarding his interrogation of a minister on a financial matter, Richter wrote, with proud underscoring: "*But I didn't let go.*"⁶³ In the field of the spending of public money, that could have been his motto. Max Weber, a National rather than a Left Liberal, nevertheless declared:

Despite Eugen Richter's pronounced unpopularity within his own party, he enjoyed an unshakable power position, which rested on his unequalled knowledge of the budget. He was surely the last representative who could check over every penny spent, to the very last canteen, with the War Minister; at least, this is what, despite any annoyance they felt, has often been admitted to me by gentlemen of this department.⁶⁴

In this continuing feature of Richter's activity it is possible to see the most significant example in the whole history of parliamentary liberalism of the standpoint expressed by Frédéric Bastiat, when he wrote of peace and freedom and their connection with the "icy numbers" of a "vulgar state budget":

The connection is as close as possible. A war, a threat of war, a negotiation that could lead to war—none of these is capable of coming to pass except by virtue of a small clause inscribed in this great volume [the budget], the terror of taxpayers. ... Let us seek first of all frugality in government—peace and freedom we will have as a bonus.⁶⁵

⁶⁰ See, e.g., Richter, *Im alten Reichstag*, vol. 1, pp. 103, 127; vol. 2, pp. 58, 68-69.

⁶¹ Müller-Plantenberg, *Der Freisinn nach Bismarcks Sturz*.

⁶² Rohlfleisch, *Eugen Richter: Opponent of Bismarck*, p. 103.

⁶³ Richter, *Im alten Reichstag*, vol. 1, p. 68.

⁶⁴ Max Weber, *Gesammelte Politische Schriften*, ed. Johannes Winckelmann (Tübingen: J. C. B. Mohr [Paul Siebeck], 1958), p. 333. Weber's allusion to Richter's unpopularity refers to others in the liberal leadership, not to the ordinary liberal voters.

⁶⁵ Frédéric Bastiat, "Paix et liberté, ou le budget républicain," *Oeuvres complètes* 5 (Paris: Guillaumin, 1854), pp. 410-11. Even Lorenz, in her highly critical work on

War, Peace, and Imperialism

As for his position on war and peace, Richter by and large shared the views of the radical-liberals, or "Manchester men," of the nineteenth century, who were hostile to war and highly skeptical of the arguments for large military establishments and colonial adventures.⁶⁶ In Britain this was the position, for instance, of Richard Cobden and John Bright, and later of Herbert Spencer; in France, of Benjamin Constant, Jean-Baptiste Say, Frédéric Bastiat, and many others. The German liberals, too, placed a high value on peace (although their attitude was somewhat skewed by the problem of national unification). John Prince Smith and his followers were spokesmen for the ideal of "peace through free trade."⁶⁷

Richter criticized increases in the strength of German military forces, "which [have] substantially contributed to a subsequent reciprocal increase in relation to France and Russia."⁶⁸ Admiral von Tirpitz's Naval Bills, from 1898 on, which, by setting Germany on a collision course with England, proved to be so fateful, were rejected and denounced by Richter.⁶⁹ For Wilhelm II's "Weltpolitik," he simply had no understanding. To the question, "What is 'Weltpolitik'?" Richter replied: "Wanting to be present wherever something is going wrong."⁷⁰ Under his leadership, the *Freisinnige Volkspartei* continued to spurn it. The growing hostility between England and Germany nearly drove him to despair.⁷¹

Richter experienced the Age of Imperialism, which began for

Richter, *Eugen Richter: Der entschiedene Liberalismus in wilhelminischer Zeit 1871 bis 1906*, p. 235, suggests that, with all of Richter's haggling over military expenditures, at many points one can sense "the spirit of unconditional opposition, that, beyond the saving of money, wanted to spare the people militarism" as well.

⁶⁶Cf. E. K. Bramsted and K. J. Melhuish, *Western Liberalism. A History in Documents from Locke to Croce* (London/New York: Longman, 1978), pp. 278-84. Richter always kept his distance from the organized German peace movement, however, although his cousin, Adolf Richter, and a close political collaborator, Max Hirsch, were among its leaders. Roger Chickering, *Imperial Germany and a World Without War. The Peace Movement and German Society, 1892-1914* (Princeton: Princeton University Press, 1975), pp. 252 and 254.

⁶⁷Julius Paul Köhler, *Staat und Gesellschaft in der deutschen Theorie der auswärtigen Wirtschaftspolitik und des internationalen Handels von Schlettwein bis auf Fr. List und Prince-Smith* (Stuttgart: Kohlhammer, 1926), pp. 22-42.

⁶⁸Richter, *Im alten Reichstag*, vol. 1, p. 93.

⁶⁹Richter, *ABC-Buch*, "Die deutsche Flotte," pp. 416-90.

⁷⁰Quoted by Müller-Plantenberg, *Der Freisinn nach Bismarcks Sturz*, p. 284. In the author's opinion, "no bourgeois politician fought against the military, naval, and colonial policy of Wilhelmine Germany as sharply, energetically, and consistently as Eugen Richter." Ibid.

⁷¹Paul Kennedy, *The Rise of the Anglo-German Antagonism, 1860-1914*, pp. 150-51.

Germany with Bismarck's initiatives in 1884-85 regarding Africa and the South Seas. Although Richter repudiated these early initiatives, his attitude eventually was somewhat ambivalent, and requires an examination.

Richter's initial position, which he expressed in June, 1884, was that "colonial policy is extraordinarily expensive," and

the responsibility for the material development of the colony, as well as for its formation, [is] to be left to the activity and entrepreneurial spirit of our seafaring and trading fellow citizens; the procedure followed should be less of the form of annexation of overseas provinces to the German Reich, than of the form of the granting of charters, on the model of the English royal charters ... at the same time, to the parties interested in the colony should essentially be left its governing, and they should be accorded only the possibility of European jurisdiction and its protection that we could furnish without having standing garrisons there. For the rest, we hope that the tree will generally thrive through the activity of the gardeners who planted it, and if it does not, then the plant is an abortive one, and the damages affect less the Reich, since the costs we require are not significant, than the entrepreneurs, who were mistaken in their undertakings.⁷²

Not "Dogmatism," but Pragmatism was Richter's Failing

A critic of Richter's, the afterwards-influential Weimar radical-democratic historian Eckart Kehr, maintained that Richter rejected the Naval Bills and *Weltpolitik* merely from "capitalist motives"—simply because they were not profitable.⁷³ The truth is that, as always, Richter supported his position with statistics and "pragmatic" reasons of all kinds. But even Kehr had to concede that, for Richter, there were also certain principles involved. As Kehr put it, Richter's standpoint was

that the State should leave exports to the exporters, to industry, and to the merchants, and should not identify itself with the interests of the exporting class. ... If industry ... values the protection afforded by warships, let them go and shell out a part of the surplus profit they have captured in this way and build the cruisers for themselves.⁷⁴

In other words, in this question Richter defended the same principle as on the questions of *Sozialpolitik* and the protective tariff: the State exists for the common good, and it ought not to be debased to

⁷²Quoted in Hans Spellmayer, *Deutsche Kolonialpolitik im Reichstag* (Stuttgart: Kohlhammer, 1931), pp. 15-16.

⁷³Eckart Kehr, *Schlachtflottenbau und Parteipolitik, 1894-1901* (Berlin: Ebering, 1930), p. 293.

⁷⁴*Ibid.*, pp. 297-98.

an instrument of special interests. As naive as this attitude may be, it demonstrates that Richter manifested traits of what can be called the civic humanism or classical republicanism of the Stein-Hardenberg variety.⁷⁵

The genuine failing in Richter's approach to imperialism is that he never systematically posed the question: "Profitable for *whom*?" It is true that Richter opposed Bismarck's colonial plans in the conviction that their core was "the burdening of the relatively unpropertied to the advantage of the relatively propertied."⁷⁶ Yet, in the next decade, when Germany occupied Kiaochow and undertook the construction of a railroad in Shantung, Richter showed himself much more amenable than before.⁷⁷ He declared:

we [the *Freisinn*] view the acquisition of [Kiaochow] Bay otherwise and more favorably than all the previous flag-raising in Africa and Australia [i.e., New Guinea]. The difference for us is that ... China is an old civilized country ... and that transformations that have been introduced into China, especially by the last Sino-Japanese War, could cause it to appear desirable to possess a base there for safeguarding our interests.⁷⁸

Yet, Richter's last parliamentary speeches, in 1904, both in the Reichstag and in the Prussian House of Representatives, dealt with colonial questions in a sharply negative manner; again, he put himself forward as, above all, "the representative of the whole community, the representative of the taxpayers," and complained of "the neglect of urgent needs in domestic policy on account of the demands of a misconceived colonial policy."⁷⁹

In explaining Richter's inconsistency in this area, the comment of Lothar Albertin is pertinent: Richter "remained, in regard to imperialism, without a theory [*theorielos*]."⁸⁰ He was never able to advance to the interpretation of imperialism of a Richard Cobden, according to which economic expansion supported by means of the state *always* redounds to the advantage of certain interests and to the disadvantage of the taxpayers and the majority. Thus, on this issue Richter belonged, in Wolfgang Mommsen's suggestive typology, to the

⁷⁵ A civic humanist, rather than liberal slant is evident also in Richter's advocacy of a "citizen-army," recruited by conscription.

⁷⁶ Hans-Ulrich Wehler, *Bismarck und der Imperialismus* (Cologne/Berlin: Kiepenheuer and Witsch, 1969), p. 444.

⁷⁷ Spellmayer, *Deutsche Kolonialpolitik im Reichstag*, pp. 81 and 89.

⁷⁸ Quoted in Ludwig Elm, "Freisinnige Volkspartei," in *Die bürgerlichen Parteien in Deutschland*, Dieter Fricke, et al., eds., vol. 2 ([East] Berlin: Das europäische Buch, 1970), p. 84.

⁷⁹ Rachfahl, "Eugen Richter und der Linksliberalismus im Neuen Reich," pp. 369-70.

⁸⁰ Lothar Albertin, "Das Friedensthema bei den Linksliberalen vor 1914: Die Schwäche Ihrer Argumente und Aktivitäten," in Karl Holl und Günther List, eds., *Liberalismus und*

“pragmatic” *entschieden* liberals, rather than to the “principled” radical-liberals.⁸¹

The Liberal Surrender

The final capitulation of German liberalism was inaugurated by the famous Friedrich Naumann,⁸² today viewed in what pass for liberal circles in the Federal Republic as a kind of secular saint. Ambitious and endowed with enormous drive, Naumann was politically insightful as well. He recognized how the rules of the political game had changed:

What fundamentally destroyed liberalism was the entry of the class-movement into modern politics, the entry of the agrarian and industrial-proletarian movement[s] ... The old liberalism was no representative of a class-movement, but a world-view that balanced all differences among classes and social orders ...⁸³

In many respects, Naumann anticipated what is often considered the central insight of the School of Public Choice, when he described the development of modern democracy:

The economic classes contemplated to what end they might make use of the new means of parliamentarianism ... gradually, they learned that politics is fundamentally a great business, a struggling and a haggling [*Markten*] for advantages, over whose lap collects the most rewards cast by the legislation-machine.⁸⁴

Richter, too, understood this.⁸⁵ The difference, however, was that Naumann *endorsed* the new rules of the game and wished to see a revived liberal movement adopt them wholeheartedly.⁸⁶ Together with his close friend, Max Weber, Naumann tried to fashion a liberalism more “adapted” to the circumstances of the twentieth century, and to win liberal leaders like Theodor Barth to his strategy. In

Imperialistischer Staat. Der Imperialismus als Problem liberaler Parteien in Deutschland, 1890-1914 (Göttingen: Vandenhoeck and Ruprecht, 1975), pp. 92-93.

⁸¹Wolfgang Mommsen, “Wandlungen der liberalen Idee im Zeitalter des Imperialismus,” in *ibid.*, p. 122.

⁸²See Peter Theiner, *Sozialer Liberalismus und deutsche Weltpolitik: Friedrich Naumann im Wilhelminischen Deutschland (1860-1919)*, (Baden-Baden: Nomos, 1983), and William O. Shanahan, “Liberalism and Foreign Affairs: Naumann and the Prewar German View,” *The Review of Politics* 21, no. 1 (January 1959): 188-223.

⁸³Friedrich Naumann, “Der Niedergang des Liberalismus,” *Werke*, vol. 4 (Opladen: Westdeutscher Verlag, 1964), p. 218.

⁸⁴*Ibid.*, p. 220.

⁸⁵See, for instance, his remarks regarding Bismarck’s protectionist legislation (“the foyer of the Reichstag resembled a market-place.”), cited in Raico, “Der deutsche Liberalismus,” p. 279.

⁸⁶Friedrich Naumann, “Klassenpolitik des Liberalismus,” *Werke*, vol. 4, pp. 257-58.

contrast to the hopelessly prosaic Richter, Naumann knew how to shape a political vision and offer it to a new generation alienated from classical liberal ideas.⁸⁷ In his conception, liberalism had to make its peace with Social Democracy, by taking up the cause of *Sozialpolitik* and other “claims” of labor. At the same time, it had to snatch the national cause from the conservatives, by becoming the most zealous advocate of *Weltpolitik* and imperialism, and learning to appreciate the German drive to authority and prestige in the world (*Weltgeltung*). It must both “absorb state-socialist elements,”⁸⁸ and develop “an understanding for the power-struggle among the nations.”⁸⁹ In short, liberalism must become “national-social.” Naturally, Naumann was quite wild about the naval build-up. Already in 1900, he was convinced that war with England was a “certainty.”⁹⁰

For the sake of liberalism’s future in Germany, Eugen Richter had to be “definitely fought.”⁹¹ Towards Richter, now the grand old man of Left Liberalism, Naumann had a kind of good-natured contempt. To one of his National Social audiences, he declared:

Eugen Richter is unchangeable, and that is his greatness [Laughter]. But under this man, with his unique tenacity in work and will—which must be admired even by those who consider him a peculiar fossil—there are a whole series of people who say, in assemblies and in private: Of course we are for the fleet, but as long as Richter is alive—the man surely has his greatness [Laughter] ...⁹²

Evolution or Dissolution of Liberalism?

Even from the ranks of the younger leaders of Richter’s own party there was growing criticism of his position on the colonies and the

⁸⁷Of Richter, Urs Müller-Plantenberg, *Der Freisinn nach Bismarcks Sturz*, p. 89, very correctly writes: “In his ABC-Books for liberal voters, Richter processed a plethora of statistics, dates, facts, and legislative paragraphs into rational arguments, which, absent a whole that behind it all might have come to light, could never have their full effect.”

⁸⁸Friedrich Naumann, “Liberalismus als Prinzip,” *Werke*, vol. 4, p. 252.

⁸⁹Friedrich Naumann, “Niedergang des Liberalismus,” *ibid.*, p. 224.

⁹⁰Paul M. Kennedy, *The Rise of the Anglo-German Antagonism, 1860-1914*, p. 340. Typical of the historical treatment of the Richter-Naumann dichotomy, Winfried Baumgart, *Deutschland im Zeitalter des Imperialismus, 1890-1914*, p. 160, writes of “the mitigation of the earlier [liberal] dogmatism” in foreign as in domestic policy, that is “to be ascribed to the work of Friedrich Naumann.” When all is said and done, however, one may well be of the opinion that even more important than whether a given foreign-policy position was or was not “dogmatic” is whether it promoted peace or war. One may also question whether the concept of “dogmatism” itself has much heuristic, in contrast to polemical, value.

⁹¹Friedrich Naumann, “Niedergang des Liberalismus,” *Werke*, vol. 4, p. 234.

⁹²*Ibid.*, p. 232. Theodor Heuss follows his mentor Naumann, when he writes of Richter: “he saw the objective of the power-state only in the distortion of militarism,” *Friedrich Naumann: Der Mann, das Werk, die Zeit*, p. 242.

naval build-up. In 1902, on the floor of the Reichstag one of Richter's own protégés, Richard Eickhoff, thanked the War Minister on behalf of his constituents for a new armaments contract, taking the opportunity to request still more contracts, and joking that, *l'appetit vient en mangeant*.⁹³ With Richter's death in 1906, the old liberal negativity and carping criticism in military matters—and the history of German Manchesterism—came to an end. German Left Liberalism had no further objections to the Imperial military budget. Eight years later would come that summer of 1914 and the fateful machinations of the German General Staff, in the meanwhile grown omnipotent.

A few years after Richter's death, the then well-known nationalist historian, Erich Marcks, spoke of the "supersession of the older liberalism." This liberalism had, to be sure, saturated and impregnated the whole life of the modern nations; its effects continued to be felt everywhere. It was indestructible. But, added the biographer and adulator of Bismarck:

With its own most distinctive political principle it has now been eclipsed. The idea of increased state force, the idea of power, has displaced it. And it is this idea that everywhere fills the leading men mightily and decisively dominates them: we have met with this same drive, quite apart from Russia, where it never disappeared, in [Theodore] Roosevelt and [Joseph] Chamberlain, and recognize it in Bismarck and Kaiser Wilhelm II.⁹⁴

German Liberalism as "English Trader-Spirit"

Ultimately, the hostility between England and Germany, which Richter had so bitterly fought, contributed greatly to the outbreak of the World War I—the *hostility*, it should be noted, not the *economic competition*, since England and America were also in that sense competitors (and, of course, also customers), a circumstance that did not result in contention. German hatred of England⁹⁵ found its apotheosis, and its *reductio ad absurdum*, in a work by the scholar who was then perhaps the most famous economic historian in the world: Werner Sombart, a leader of the interventionist *Verein für Sozialpolitik*. If one wishes to understand what the German anti-liberalism of the earlier twentieth century meant, one must consult this

⁹³Roger Chickering, *Imperial Germany and a World Without War. The Peace Movement and German Society, 1892-1914*, p. 255.

⁹⁴Erich Marcks, *Männer und Zeiten: Aufsätze und Reden zur neueren Geschichte*, 4th rev. ed. (Leipzig: Quelle und Meyer, 1916), p. 260.

⁹⁵Concerning the perhaps even more fateful English hatred of Germany, see my contribution, "The Politics of Hunger: A Review," *The Review of Austrian Economics* 3 (1988): 253-59.

book. It is titled, *Traders and Heroes*,⁹⁶ and appeared in the war-year 1915. The underlying thesis is that there exist two spirits whose eternal strife comprises world history, the trader-spirit and the hero-spirit, and two peoples who today incarnate one or the other of these. Naturally, the English are the traders, the Germans the heroes. Sombart's work, to the extent that it is not a hymn of praise to war and death, is often amusing, e.g., when the author asserts: "The foundation of everything English is certainly the unfathomable spiritual limitedness of this people"⁹⁷; or when he devotes a chapter to English science without mentioning Isaac Newton⁹⁸; or when he maintains that the English since the time of Shakespeare have produced no cultural value.⁹⁹

Much more serious and characteristic for the time is Sombart's seconding of Ferdinand Lassalle in dismissing the liberal ideal as merely that of "the nightwatchman state."¹⁰⁰ Many in the next two generations would echo Sombart's judgment on German liberalism, when he described its golden age and decline:

But then there came another bleak time for Germany, when in the 1860s and 1870s the representatives of the so-called Manchester School quite shamelessly hawked imported English goods on the streets of Germany as German products. ... And it is well-known how today this "Manchester theory" has been contemptuously shoved aside by theoreticians and practitioners in Germany as totally mistaken and useless.

The two sentences that conclude this passage, however, end in question marks:

So that perhaps we may say that in the conception of the state, it is the German spirit that in Germany itself has achieved sole sway? Or does the English trader-spirit still haunt some heads?¹⁰¹

As regards Richter, it would be pointless to deny that a certain air of "trader-spirit," or, rather, of a middle-class mentality, always surrounded him. There is certainly some truth in Theodor Heuss's accusation of a "monumental petty-bourgeois quality."¹⁰² Richter knew no foreign languages, and the few times he travelled abroad it was to vacation in Switzerland. He seems to have had little interest in the affairs of other countries, even in the fortunes of the liberal

⁹⁶Werner Sombart, *Händler und Helden: Patriotische Besinnungen* (Munich/Leipzig: Duncker and Humblot, 1915).

⁹⁷Ibid., p. 9.

⁹⁸Ibid., pp. 17-34.

⁹⁹Ibid., p. 48.

¹⁰⁰Ibid., p. 25.

¹⁰¹Ibid., p. 75.

¹⁰²Heuss, *Friedrich Naumann: Der Mann, das Werk, die Zeit*, p. 180.

movement there. Theodor Barth, spokesman for a Left Liberalism associated with the big banks and exporting merchant houses, jokingly replied to the question, what distinguished his own party from Richter's: if a man can tell Mosel from Rhine wine, he was a member of Barth's party, if not, then of Richter's.¹⁰³ But Richter's "petty-bourgeois quality" was something that his followers in the German middle-classes, in the liberal professions and small business, particularly in the great cities and above all in Berlin, felt, understood, and responded to.¹⁰⁴ A dwindling remnant as the years went by, they represented by and large a German version of William Graham Sumner's "Forgotten Man."¹⁰⁵ Six years after Sumner's classic description was published in the United States, the journalist Alexander Meyer wrote in Richter's *Freisinnige Zeitung* that the liberals were

the party of the small man, who depends on himself and his own powers, who demands no gifts from the state, but only wants not to be hindered in improving his position to the best of his abilities and to strive to leave his children a better lot in life than came to him.¹⁰⁶

A rare glimpse of such a German "forgotten man" is given in the moving portrayal by Bruno Walter of his father, a Berlin Jew,

accountant in a larger silk firm, for which he worked, in gradually rising positions and with a growing income, for over fifty years. He was a quiet man, with a strict sense of duty and total dependability, and outside of his profession he knew only his family ... he voted liberal and venerated Rudolf von Virchow and Eugen Richter.¹⁰⁷

Undeniably "petty-bourgeois" through and through, such men had no great love for *Weltpolitik* and invigorating wars, or for the overthrow of all existing social conditions in the name of a Marxist dream; and they stood by Richter to the end.¹⁰⁸

"What Richter Can Still Mean for Us"

In 1931, the 25th anniversary of Richter's death, the social-liberal historian Erich Eyck posed the question whether Eugen Richter could

¹⁰³Konstanze Wegner, *Theodor Barth und die Freisinnige Vereinigung. Studien zur Geschichte des Linksliberalismus im wilhelminischen Deutschland (1893-1910)*, p. 100.

¹⁰⁴*Ibid.*, pp. 99-101.

¹⁰⁵William Graham Sumner, "On the Case of a Certain Man Who is Never Thought Of" and "The Case of the Forgotten Man Further Considered" (1884), in *idem.*, *War and Other Essays*, Albert Galloway Keller, ed. (New Haven, Conn.: Yale University Press, 1911), p. 247-68.

¹⁰⁶Quoted in Müller-Plantenberg, *Der Freisinn nach Bismarcks Sturz*, p. 146.

¹⁰⁷Bruno Walter, *Thema und Variationen: Erinnerungen und Gedanken* (Stockholm: Bermann-Fischer, 1947), pp. 16 and 21.

¹⁰⁸Cf. Franz Mehring's view, admittedly sardonic, "that [Richter] did not create the

“still mean something for us.”¹⁰⁹ After all that the Germans have gone through since Richter’s time, it is easier to ascertain where his significance lies. He was, as regards Germany, *the* great advocate of the liberal world-revolution that constitutes the meaning of modern history. Through four decades he fought, as politician and publicist, for what Werner Sombart spurned as the “English trader-spirit”: for peace; a decent life for all classes through the market economy and free trade; pluralism and the peaceable, rather than violent, clash of world-views and cultural values; citizenly self-respect, instead of servility; and the independence of the individual. As against all conservative reproaches, he was always a proud patriot, and could never understand why it was the Germans, of all people, who should not enjoy individual rights.

Florin Afthalion has remarked, in the case of Frédéric Bastiat:

How are we to explain that a man who fought for free trade a century before the majority of the industrialized nations made it their official doctrine, who condemned colonialism also a century before decolonization ... who, above all, proclaimed an era of economic progress and the enrichment of all classes of society, should be forgotten, while the majority of his intellectual adversaries, prophets of stagnation and of pauperization, who were wrong, still have freedom of the city?¹¹⁰

The case of Eugen Richter is similar, and perhaps even more egregious. Certainly, in his own time Richter “failed.” But if this is proposed as the grounds for neglecting the most important of the political leaders of authentic liberalism in Germany, then the ready reply would be: which politician in modern German history before Adenauer and Erhard did *not* sooner or later fail? When all is said and done, Eugen Richter was a harbinger of the rule of law, free trade and the market economy, pluralism and peace, tendencies that, after the catastrophes promoted by the opposition camps, have brought in a rich harvest—that is to say, he was a harbinger of modernity. For what he was and what he represented—if one may say so: from the mere fact that this German “never trusted any government”¹¹¹—the old Rhineland liberal deserves to be better treated by the historians and, by the Germans, not to be completely forgotten.

Freisinnige Partei in his own image, but that they chose him as their leader, because they saw in him their most fitting image.” *Gesammelte Schriften*, Thomas Höhle, Hans Kock, and Josef Schleifstein, eds., vol. 15, *Politische Publizistik 1905 bis 1918* ([East] Berlin: Dietz, 1966), p. 165.

¹⁰⁹Erich Eyck, “Eugen Richter,” in *Auf Deutschlands Politischem Forum* (Erlenbach-Zurich: Rentsch, 1963), p. 47.

¹¹⁰Florin Afthalion, “Introduction,” in Frédéric Bastiat, *Oeuvres économiques* (Paris: Presses Universitaires de France, 1983), p. 8.

¹¹¹Müller-Plantenberg, *Der Freisinn nach Bismarcks Sturz*, p. 200.

Ludwig von Mises as Social Rationalist

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For the most part Ludwig von Mises's writings on society and social evolution have been ignored by the participants in the current revivals of both Austrian economics and classical liberal political philosophy. When his social theory has been addressed, Mises appears to his critics (Barry 1987, p. 59) as "a child of the Enlightenment wrongly deposited in the twentieth century." But this assessment is inaccurate for two reasons. First, Mises severely criticizes the social meliorism of the Enlightenment liberals and demonstrates that their position is inconsistent with one that assigns the central position to human reason in social evolution. Second, in developing his own uniquely rationalist position, Mises has much to say about matters of central importance to modern Austrians, libertarians, and classical liberals who are either critics or adherents of the "spontaneous order" and/or social evolutionist positions staked out by Hayek.

I limit myself here to a systematic exposition of Mises's thinking about society and social evolution. I make no attempt to critically analyze Mises's thought or to explicitly compare it to that of other social thinkers. However, I do employ certain well-known positions of Hayek's work as a foil to facilitate the elaboration of Mises's arguments and to demonstrate their contemporary relevance.

In the following section I present Mises's view that all social interactions and relationships are thought out in advance and that, therefore, society originates and evolves as a product of reason and teleological striving, as a "man-made mode of acting" and a consciously devised "strategy." Section three sets forth Mises's argument that law, normative rules of conduct, and social institutions are at one and the same time the product of a long evolutionary process and the outcome of attempts by individual human beings to rationally and purposively adjust their behavior to the requirements of social cooperation under division of labor.

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