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"AGRARIANS" VERSUS "INDUSTRIALIZERS"

SOCIAL CONSERVATIVE RESISTANCE TO INDUSTRIALISM AND CAPITALISM IN LATE NINETEENTH CENTURY GERMANY

In his book *Imperial Germany and the Industrial Revolution* Thorstein Veblen argued that the relative lateness of the advent of German industrialization permitted her to avoid "the penalty of taking the lead". She could borrow on a massive scale from the accumulated knowledge and technology of already industrialized societies. While this judgment may hold true on the purely technological level, it is not true that German society made the transition from the basically agrarian-commercial society of the mid-nineteenth century to the predominantly industrial society of the twentieth century without penalties.[1] In recent years specialists on the developing nations have directed our attention to the dislocation, hardships, and complexity which the processes of industrialisation, urbanization, and modernization are introducing into traditional societies.[2] In our scholarly concern for the problems of development in the non-Western world, we have, until quite recently, tended to forget that large segments of the populations of European societies had to be "dragged kicking and screaming into the twentieth century", to use Adlai Stevenson's telling phrase.[3] In the case of Germany around 1900 only part of the nation was brought into the new era while another sizeable portion of the

[1] Thorstein Veblen, Imperial Germany and the Industrial Revolution (New York, 1915), pp. 17-41. Veblen was of course aware that there were social penalties; however, he predicted the payment of the penalties for a later, more advanced, period. He did not detect Germany's grave social malaise of the years before the war.

[2] See e.g., Daniel Lerner, The Passing of Traditional Society: Modernizing the Middle East (Glencoe, I11., 1958), and Amitai and Eva Etzioni, Social Change (New York and London, 1964), esp. essay by Reinhard Bendix, "Industrialization, Ideologies, and Social Structure", pp. 300-09.

[3] That this recognition has come in United States history is evidenced in the excellent interpretation by Samuel P. Hays, The Response to Industrialism, 1885-1914 (Chicago, 1957). For an earlier period of social crisis precipitated by rapid industrial advance see Neil Smelser, Social Change in the Industrial Revolution: An Application of Theory to the British Cotton Industry (Chicago, 1959).

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population, to Germany's later misfortune, was aided by the Imperial Establishment in its efforts to build a protective wall around itself to keep out the new machine age. I shall argue that the strongest part of that wall was erected in the years between 1894 and 1902, between the fall of Caprivi and the passage of the protective tariff of 1902. In these years German society endured an economic and intellectual crisis which extended beyond merely the selfish attempts of the East Elbian Junkers to maintain their economic and political position.[1] Peasant proprietors were deeply involved. Artisans were affected. And even the leading theoreticians of the Social Democratic party stood confused before the crisis.

The economic crisis came to a head at the time of Germany's great surge forward in industrial development. The resulting threatened and actual social dislocation will be examined, as it was both the major cause and the context of the polemics which marked the intellectual crisis. These polemics took the form of a series of debates on all levels of German society about the social and political implications of commercial and industrial advance. Contemporaries simplified the issues by championing either an "industrial state" or an "agrarian state" as the goal for the future. The debate was launched by the right-wing Christian socialists in the *Evangelisch-sozialer Kongress*, an organization founded in 1890 by, among others, Friedrich Naumann and Adolf Stöcker. It reflected the thinking of leading Protestant social reformers in the universities, in government, and to a degree, in Court circles. Very quickly members of the *Verein für Sozialpolitik* [Union for Social Policy] took sides in the intellectual warfare. By the turn of the century, the *Verein*, which had been founded in 1872 by social scientists and officials concerned with social issues to study means whereby Germany's social conflicts might find peaceable solutions, had become also the major professional organization of academic economists and social scientists. Finally, while the bourgeois intellectuals disputed, the German Social Democratic party had to fight out its own agrarian-

[1] In his brilliant study Bread and Democracy in Germany (Berkeley and Los Angeles, 1943) Alexander Gerschenkron made a strong case for the decisiveness of the Junkers in the perversion of the economic and political development of Germany such that the flowering of democracy before World War I was inhibited and the first attempt at republican government was undermined. The nearly twenty-five years which have passed since Professor Gerschenkron's study appeared have given us a new perspective on the problem. We no longer can lay the blame solely on the Junkers; and Professor Gerschenkron himself in his Economic Backwardness in Historical Perspective: A Book of Essays (Cambridge, Mass., 1962), esp. ch. I, has helped deepen our understanding of the complex of factors involved in the problems of European economic backwardness.

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industrial debate when the revisionists in the party denied the Marxian claim that with economic advance the middle strata of society would dissolve into the great proletarian mass. From the point of view of democratic development, the conflict within and among the Protestant elite, academic intellectuals, and the working class movement was settled by means of the worst possible sets of compromises.[1] These economic and intellectual dilemmas which plagued Germany in the decade of the 90's were already coming into focus in the Bismarckian era. Their successful resolution became an ever more pressing concern as the nineteenth century drew to a close.

The rapid pace of economic development in Germany during the last quarter of the nineteenth century hastened structural changes in the economy and in the constitution of the society.[2] Technological innovation, stimulated by an expanding market economy, was tying the national economy into one vast closely-meshed net.[3] The population was growing steadily despite emigration. In 1880 Germany counted a population of 45.2 millions; in 1895, 52.3 millions.[4] This represented an increase of 15.7 percent in a decade and a half. In 1875 nearly two thirds of the population lived in villages and towns of 2,000 inhabitants or less. By 1900 this proportion had been reduced to less than half of the population.[5] Large scale industry, especially the most heavily capitalized branches of it, was both expanding activities and concentrating in ownership at an increasingly rapid rate.[6] By the mid-70's

[1] I hope to show that more was at stake in this dispute between "agrarians" and "industrializers" than "haggling for...a [tariff] compromise" between industry and agriculture as Professor Gerschenkron contends (Bread and Democracy, pp. 59-60), or sheer romantic nonsense as Eckart Kehr implies in his otherwise incisive Schlachtflottenbau und Parteipolitik, 1894-1901 (Berlin, 1930), or even trade policy in general as assumed by Franz Eulenburg in his "Aussenhandel und Aussenhandelspolitik", in: Grundriss der Sozialökonomik (Tübingen, 1929), vol. VIII.

[2] Karl Erich Born, "Der soziale und wirtschaftliche Strukturwandel Deutschlands am Ende des 19. Jahrhunderts", in: Vierteljahrschrift für Sozial- und Wirtschaftsgeschichte, L (1963), pp. 361-76.

[3] See, e.g., W. W. Rostow, The Stages of Economic Growth: A Non-Communist Manifesto (Cambridge, Eng.: Cambridge University Press paperback, 1962), pp. 9-10, 59-72.

[4] Statistisches Reichsamt, Deutsche Wirtschaftskunde (Berlin, 1930), p. 1; see further Heinrich Bechtel, Wirtschaftsgeschichte Deutschlands (3 vols.; Munich, 1956), III, p. 286.

[5] Deutsche Wirtschaftskunde, pp. 8-9.

[6] Joseph Schumpeter, Business Cycles: A Theoretical, Historical, and Statistical Analysis of the Capitalist Process (2 vols.; New York and London, 1939), I, pp. 439-44.

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German agriculture was no longer able alone to feed the growing population.[1] In the 1880's and 1890's the challenge of vigorous foreign competition was a major factor in soaring agricultural indebtedness.[2] Artisan industry was giving way to more advanced forms of factory production. The size and economic importance of the industrial bourgeoisie, as well as the industrial proletariat, were rapidly growing.[3] Germany was experiencing that intense phase of economic development termed by W. W. Rostow "the drive to maturity".[4] The coming of age of German industrial capitalism was confirmed in law with the revision of the Code of Commercial Law in 1897, the first major revision since 1869-70, since the unification and the beginnings of accelerated economic growth. But this part of the story of German economic and social history has been told all too often as if with technological progress peasants and artisans disappeared from the land.[5]

During the last quarter of the nineteenth century large pockets of pre-industrial and non-industrial life continued to exist and even to prosper. To be sure, the agricultural population (counting forestry and fisheries) declined from 19,225,455 individuals in 1882 to 18,501,307 individuals in 1895. Put as a percentage of the total population, individuals (including dependents) engaged in agriculture comprised 42.5 percent of the whole in 1882, and had declined to 35.8 percent by 1895.[6]

[1] In the case of some grains the transition from net exports to net imports took place earlier. Rye imports exceeded exports already in the period 1843-1852; barley, 1867; oats, 1872; and wheat, 1875. Heinz Haushofer, Die deutsche Landwirtschaft im technischen Zeitalter, vol. V of the series Deutsche Agrargeschichte, ed. by Günther Franz (Stuttgart, 1963), p. 179.

[2] Schumpeter's estimate of total agricultural indebtedness around the turn of the century was 17.5 billion gold marks. Business Cycles, II, p. 740. See further August Skalweit, Agrarpolitik (Berlin, 1924), p. 203, and the article by Kurt Ritter, "Getreideproduktion", in: Handwörterbuch der Staatswissenschaften (4th ed., Jena, 1923-29), IV, p. 916.

[3] A. Sartorius von Waltershausen, Deutsche Wirtschaftsgeschichte, 1815-1914 (2nd expanded ed., Jena, 1923), pp. 486, 492; Deutsche Wirtschaftskunde, pp. 173ff.

[4] Rostow's description of German economic development dates the "take off" between the years 1850-73 (p. 38), the period of the "drive to maturity" in the years between 1873 and 1910 (see chart facing p. 1). As a "rough symbolic date" he offers 1910 as the point at which Germany may be described as having attained "technological maturity" (p. 59).

[5] Cf., e.g., Gustav Stolper, German Economy, 1870-1940 (New York, 1940), Part II, esp. pp. 40-44; Shepard B. Clough and Charles W. Cole, Economic History of Europe (Boston, 1941), esp. ch. XX.

[6] This data is based on the calculations of Ernst L. Bogart, Economic History of Europe, 1760-1939 (London, New York, Toronto, 1942), p. 275, based in turn on the census returns of the two years. However his estimate of the extent of the decline of the agricultural population between 1882 and 1895 seems too great. His figure for 1895 is 29.6 percent of the total, which conflicts with my

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But as John Clapham has shown, this decline was less a result of peasants giving up farming than it was a product of farm laborers (mostly from large estates) leaving the countryside for jobs in the cities.[1] Indeed, the percentage of farms worked by peasant cultivators, i.e., holdings of between two and one hundred hectares, remained almost unaltered between 1882 and 1895. In 1882 peasants had worked 69.9 percent of the land under cultivation; by 1895 the peasants' share had even increased slightly to 70.3 percent.[2] Although by no means the most efficient agriculturalists in Europe, or even in Germany, the peasantry was managing to increase output and to hang onto their farms at the end of the nineteenth century.[3] In this period of intense industrial expansion over one third of the population was still living from agricultural pursuits.

The lot of artisans and small shopkeepers is more difficult to determine. In official German statistics artisans and shopkeepers were counted in the returns for industry and trade and commerce. From 1882 to 1895 the workers (counting dependents) in these categories increased from 45.5 percent to 50.6 percent of the total population.[4] Obviously most of this increase must be read as an increase in the industrial labor force and of employees in modern commercial enterprises. Summarizing the findings of the most exhaustive study of the economic condition of artisans at the end of the nineteenth century, Paul Voigt concluded that in 1895 there were 1.43 million independent workers in traditionally artisan trades. This finding marked a significant decline from the 1882 estimate of 1.55 million.[5] Enterprises employing fewer than five workmen, surely all fairly within the definition

computations based on the returns in the Deutsche Wirtschaftskunde, p. 1 and with Waltershausen, p. 486.

[1] John Clapham, Economic Development of France and Germany, 1815-1914 (4th ed., Cambridge, Eng., 1955), pp. 205-08.

[2] Waltershausen, p. 465; cf. also the table in Bogart, p. 276. A hectare is equal to approximately 2.47 acres.

[3] Between the two census years large landowners, owning 0.5 percent of the farms continued to cultivate approximately one quarter of the land (24.4 percent in 1882; 24.1 percent in 1895). It was these cultivators, as Clapham has demonstrated, who worked the landmost efficiently and increased their yield per acre most dramatically in the years between 1860 and 1910. Clapham, p. 219; Bogart and Waltershausen, loc. cit.

[4] Computed from tabulations of Waltershausen, p. 486.

[5] Paul Voigt, "Das deutsche Handwerk nach den Berufzählungen von 1882 und 1895", ch. XVII of the Untersuchungen über die Lage des Handwerks in Deutschland mit besonderer Rücksicht auf seine Konkurrenzfähigkeit gegenüber der Grossindustrie, Karl Bücher, general ed., Schriften des Vereins für Sozialpolitik (Leipzig, 1897), LXX, p. 641. The study comprised nine volumes of the Verein Schriften (62nd to 70th), appearing between 1895 and 1897, of which this last is largely a summary of the findings.

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of artisan industry and small business, numbered nearly 2 million in 1895 and employed nearly 3.2 million persons. Many of the enterprises categorized in official statistics as employing between six and fifty workers – some 140,000 firms employing 1.9 million individuals – were probably pre-industrial in management and technology.[1] Just how many, is difficult to compute or even guess; for this data included masters, journeymen, apprentices, as well as workmen who should most properly be classified as factory workers. Voigt's own estimate was that in 1895 there were approximately 1.3 million master artisans alone plying their trade. These masters and their immediate families comprised roughly 4 million members of the population in 1895, a decline of one half million from 1882.[2] This decline was most evident in industries in which artisans competed most directly with modern forms of production,[3] especially in large urban centers.[4] Nevertheless, if we count masters, journeymen, and apprentices (and their families) still working as artisans in artisan industries in 1895, the total would probably approach 11 million.[5]

[1] See the table in Waltershausen, p. 489.
[2] Voigt, pp. 663-64.
[3] Ibid., pp. 665-70. The problem of determining the alterations in the structure of artisan industry and commerce is quite complex. Industrialism had already gone a long way in the elimination of artisan industry in textiles, for example. One need only recall the protest movement of the Silesian weavers as far back as 1844, which Gerhart Hauptmann dramatized in his play of 1892, "The Weavers", written significantly during the crisis decade of the 90's. In newer skilled industries, such as machine tools, the decline of artisan labor was slower. Some of the needle trades had gone over to mass production technology, but custom tailoring held its own. Watchmakers, upholsterers, bakers, butchers, barbers, and many specialists in the building trades were increasing at a rate proportionate to the growth of population. See further the tables in Voigt, pp. 635-40.
[4] Karl Bücher estimated in 1897 that more than half of the country's artisans lived and worked in the countryside and that a significant number continued to practice their crafts in small towns. Because customs changed less rapidly in the countryside, because artisans could always take in repair work (even if only farm machinery), because the local artisan was a friend and neighbor to many people, and finally, because he and his family could cultivate a little agricultural plot on the side, Bücher concluded optimistically that by and large rural craftsmen "were secure for the foreseeable future". "Die Handwerkerfrage", in: Verhandlungen der vom 23. bis 25. September 1897 in Köln abgehaltenen Generalversammlung des Vereins für Sozialpolitik, Schriften des Vereins für Sozialpolitik (Leipzig, 1898), LXXVI, pp. 30-33.
[5] This admittedly crude estimate breaks down:

1.3	million	master artisans;
1.9	„	journeymen and apprentices in shops employing less than six;
8.0	„	wives and a modest 1.5 children per family; equals
11.2	„	artisans and members of their families.

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Thus as late as 1895 more than half the population was still engaged, or dependent on persons engaged, in the essentially pre-industrial activities of peasant agriculture or artisan crafts and commerce.[1] But the trends in commercial life could only make them fearful for their future economic well-being. From the early 70's onwards Russian, American, Austro-Hungarian, and Argentinian grain growers began to undersell German production abroad and even at home.[2] Peasant cultivators borrowed to keep going, but also to modernize;[3] however, they suffered from burdensome taxes and a shortage of credit on reasonable terms.[4] The adoption of the gold standard in the Reich in 1873 hurt the indebted farmers, who began to agitate for a "soft money" policy, i.e., bimetallism and the coinage of silver at the hopefully inflationary ratio to gold of $15\frac{1}{2}:1$.[5] Symbolic of the thrust of development, finally, were the activities of future traders at the German commodity exchanges, who often managed to combine to drive down the prices paid to the growers.[6]

[1] Peasants, fishermen, lumber workers, and their families (excluding large landowners) comprised 17.6 millions. With 11 million artisans and dependents the total is 28.7 millions. This works out as roughly 55 percent of a population of 52.3 million. The margin of error is surely enormous; the data here was compiled solely to give the reader a feeling for the magnitude of the pre-industrial population. I wish to establish here that there were enough peasants and artisans in 1895 for a government to devote some attention to their economic and social conditions out of considerations of sheer numbers alone. A better perspective on the meaning of this data might be gained if we had some studies of this population in Britain, France, Italy, and the United States to serve as a control by comparison. I know of no such work of a utility comparable to the German inquiries.

[2] Sarah Rebecca Tirrell, German Agrarian Politics After Bismarck's Fall: The Formation of the Farmers' League, no. 566 of the Columbia University Studies in History, Economics, and Public Law (New York, 1951), pp. 21-22. See further Heinrich Dade, "Die Agrarzölle", in: Beiträge zur neuesten Handelspolitik Deutschlands, Schriften des Vereins für Sozialpolitik (Leipzig, 1901), XCI, pp. 66-67. On the other hand, the prices of commodities and livestock (cattle, hogs, fowl, eggs, hops, tobacco) frequently produced by peasants did not suffer the declines experienced by wheat and rye prices in the last quarter of the century. Dade, pp. 6-12.

[3] By 1895 nearly half of the smaller cultivators and over three quarters of the larger ones were using some sort of machinery on their farms. Tirrell, p. 23.

[4] After 1890 agrarians received some tax relief in Prussia. Ibid., pp. 28-29. See also William H. Dawson, The Evolution of Modern Germany (London and New York, 1908), pp. 245-47.

[5] Johannes Croner, Die Geschichte der agrarischen Bewegung in Deutschland (Berlin, 1909), pp. 193-241. The American Populists entertained the same sorts of inflationary expectations in the 1890's with their demands for the coinage of silver at a ratio of 16:1. In both cases the representatives of the industrial age, i.e., industrialists and workers, held out for a "hard currency". In Germany the last silver Taler was withdrawn in 1907.

[6] Ibid., p. 176.

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The situation of artisans was even worse; for industrial workers have to eat, but they do not necessarily need hand-carved cuckoo clocks. The general editor of the great study of artisan industry carried on by the *Verein für Sozialpolitik* at the end of the century, Karl Bücher, argued that, although new competing forms of production were injurious, the major factor hurting artisan labor was the expansion of demand and its concentration in large buying centers such as towns, consumer cooperatives, and the military. Moreover, as products became more standardized the unique quality of artisan industry – making things to specifications on order – proved a costly liability. In the course of the nineteenth century artisans had increasingly to produce for an abstract "market" as their special customers melted away.[1] At this market place they had to compete with factories which organized a division of labor consistent with the new machinery rather than along traditional lines. The factories hired away their skilled journeymen and apprentices after the masters had carefully trained them. The factories took over certain productive activities, such as nail making, in which artisans could not hope to compete even with a "better product". Their traditional orientation made it difficult for artisans to keep up with increasingly rapid changes of taste. And insofar as they had to sell to large purchasing units, such as large urban stores, they became irrevocably involved and dependent on the conditions of the competitive market, for which they were neither economically nor psychologically prepared.[2]

Even when artisans could formulate their grievances and organize to petition for remedies, they had to be satisfied with primarily vocational demands rather than more sweeping requests. For artisans could hope to maintain artisan labor where it was entrenched; they could not expect the government to wipe out large scale enterprise in their behalf. In late May of 1882 there was convened what was to that time the largest general artisan meeting in Germany. Three hundred and thirty two delegates representing perhaps 100,000 artisans assembled in Magdeburg to work out what would be the basic legislative demands of artisans in the subsequent two and a half decades. These artisan spokesmen demanded of the federal government legislation which would: 1) permit an exception to the freedom of trade legislation of 1869 so that artisans might create legally enforceable compulsory gilds in the various artisan industries; 2) make it mandatory for a workman to possess masters' papers (the so-called *Befähigungsnachweis*) in order to practice a craft and train apprentices; 3) require journeymen and apprentices to carry a work book containing certification of the passage

[1] Karl Bücher, Schriften des Vereins für Sozialpolitik, LXXVI, pp. 22-23.
[2] Ibid., pp. 24-29.

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of apprenticeship requirements and of the journeyman's examination; and 4) create, with governmental aid, Chambers of Artisans to act as spokesmen and consultative organs vis-a-vis governmental agencies.[1] The artisans, then hoped to save themselves by invoking governmental aid in controlling the training, admission, and the standards of their trades.

To accede entirely to the petitions of craftsmen, shopkeepers, and farmers would have forced the Imperial government to intervene in the economy to slow the tempo of economic development. It would have had to protect under law economic groups which could be viewed only as economic liabilities to the nation. Modern industrialists could be expected to fight any artisan legislation which would artificially restrict the supply or training of skilled labor, since most of this labor was still trained and recruited from artisan ranks. To ease the lot of shopkeepers would inevitably raise the cost of living. So too, peasant relief would raise the cost of food in various ways. It would most likely take the form of protective tariffs, interference with banking and the commodity exchanges, tinkering with the currency, and alteration of the tax structure. Industrialists wanted to conquer the world market; agriculturalists wanted protection from it. Junkers wanted high grain tariffs; peasants wanted low fodder prices. But industrialists, Junkers, artisans, and peasants were all agreed on the need for some form of social ballast to keep the new Empire from tipping over. These were the dilemmas facing Prince Bismarck as he tried to rule his patched-together Reich.

Bismarck had presided over Germany's first great wave of industrial advance in the 1860's and 1870's. He had helped cut the fetters which restrained continued economic expansion by supplying Germany with a *national state* appropriate to the already extant *national economy*. "What Bismarck [had attempted] to do", in the words of Robert A. Brady, "was to compress the political economy of an age of mass production into the outmoded framework of a society adopted to promote a pre-industrial national life."[2] His efforts were rewarded by the political support of the majority of the commercial and industrial upper

[1] Wilhelm Stieda, article "Handwerk" in the Handwörterbuch der Staatswissenschaften (3rd ed., Jena, 1910), V, pp. 377-93, esp. p. 385.

[2] Robert A. Brady, "The Economic Impact of Imperial Germany: Industrial Policy", in: The Task of Economic History; Papers presented at the Third Annual Meeting of the Economic History Association, Princeton, 3-4 September 1943, reprinted in the Supplement for Dec. 1943 of the Journal of Economic History, p. 108; Ivo Nikolai Lambi, Free Trade and Protection in Germany, 1868-1879, Beiheft no. 44 of Vierteljahrschrift für Sozial- und Wirtschaftsgeschichte (Wiesbaden, 1963), pp. 226-40.

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middle class, of the educated middle class, and the grudging concurrence of most of the great landowners.[1] His wooing of artisans and peasants was of necessity more half-hearted, but adequate enough to gain and to keep their support.

In 1879 Bismarck ended the Reich's brief free trade era with the passage of a tariff on the importation of iron, rye, and wheat. Although he himself had not gone over ideologically to protection, he saw the tariff as a means of increasing Imperial revenue and consolidating the political support of the great agrarians and the great western industrialists. Spokesmen for the peasantry of southern and western Germany, (above all the Catholic Center party) joined this "solidarity bloc" less for economic reasons than that Bismarck had halted the *Kulturkampf*.[2] His first concessions to big farmers, then, were economic; to small farmers he offered an end to the persecution of the faith to which many of them adhered. In 1881 flour and fresh grapes received higher tariff walls. In 1885 the duty on both rye and wheat trebled. Duties on oats, leguminous crops, barley, and buckwheat – primarily feed crops – rose by 100 to 200 percent. In 1887 the duties on rye and wheat were set at five times the levels of 1879 and fodder crop tariffs had been pushed up appreciably. Bismarck also raised cattle duties through the 1880's.[3] The net effect of the Bismarckian tariff policy was to drive up the domestic price of wheat and rye, which benefited primarily the Junkers. The tariffs on feed crops hurt peasant cattle and dairy farmers who had to pay more for domestic Junker-grown feed, or pay higher prices for imported feed. Some of the peasantry was in turn rewarded by protection of high cost dairy and cattle operations and, in the grape growing districts of the West and Southwest, by high protective walls against French grape imports.

As a complement to his efforts to shield German agrarians from the world free market, Bismarck also attempted to regulate the domestic grain market. He tried to curb the "usurers" at the bourses in 1881 by levying a tax on various financial transactions, especially trade in grain futures and those in which foreign interests were involved. As in

[1] Arthur Rosenberg, Imperial Germany: The Birth of the German Republic, 1871-1918, trans. Ian F. D. Morrow (Boston: Beacon press paperback, 1964), ch. I. See further Walter Struve, Elite *versus* Democracy: The Conflict of Elite Theories with the Ideals of Political Democracy in Germany, 1918-1933 (Yale University doctoral diss., 1962), ch. II.

[2] Croner, p. 104; Gerschenkron, Bread and Democracy, pp. 44, 57. Lambi (pp. 163-90) argues that he was never ideologically a free trader. In other words, his approach to trade questions did not follow from abstract theoretical premises, but rather from considerations of interest politics.

[3] Clapham, Economic Development of France and Germany, pp. 209-11; Croner, pp. 104-28.

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the case of the tariff of 1879 the agrarians were disappointed both by the low financial return of the tax and by its failure to stop practices injurious to the agricultural population. Consequently, in 1885 the rates were again raised.[1]

Only the political skill of a Bismarck, increasing demand for agricultural products in the bourgeoning cities, and the good will – or more accurately – the passivity of the peasant population kept the peasantry loyal to Bismarck's Empire. With agriculture Bismarck had pursued a policy of making injurious practices or market conditions *costly, but not impossible*, for those who chose to exploit such opportunities. The same principle seemed to guide his legislation in the area of artisan industry.

In 1878 workers under the age of 21 were required by law to carry a work book. In the same year the competition of factories which profited from the exploitation of youthful workers was mitigated by the creation of a factory inspectorate entrusted with seeing to it that they were treated and worked at least as fairly as in artisan shops. In 1881 gilds were once more brought under the protection of the laws governing "public bodies", a right they had lost in 1869. Travelling sales activities, a great source of competition especially to rural artisans and shopkeepers, came under strict official regulation and supervision in 1883. Finally, in the years 1884 and 1887 federal legislation permitted gilds, with the permission of the authorities, to assess non-members for the costs of maintaining hostels, trade schools, and arbitration courts. The latter act, moreover, permitted gild employers greater power in the determination of apprenticeship regulations than conferred on non-members.[2]

As long as Bismarck remained in power, he managed to hold together the political, social, and economic coalitions which supported the new Reich. He managed to retain the loyalty of the great industrialists and the market-oriented Junkers by proposing legislation in their interest. Meanwhile, by judicious half-measures he had integrated the peasants and the artisans into the structure of what was becoming,

[1] Croner, pp. 176-79; Gerschenkron, Bread and Democracy, pp. 44ff.

[2] There are fine summaries of this legislation by scholars who lived through the crisis years; see Georg Meyer and Edgar Loening, "Gewerbegesetzgebung (Deutschland)", IV, pp. 902-03 and M. Biermer, "Mittelstandsbewegung", VI, p. 739, both in the 3rd: 1910 ed. of the Handwörterbuch der Staatswissenschaften. The government acted on the promptings of the Verein selbständiger Handwerker und Fabrikanten [Union of Independent Artisans and Manufacturers]. Waltershausen, Deutsche Wirtschaftsgeschichte, p. 495. Voigt calculated that by 1895 321,219 masters, or 25 percent of all artisan masters, belonged to gilds. Voigt, Schriften des Vereins für Sozialpolitik, LXX, p. 663.

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as a result, a curious-appearing social and economic hybrid.[1] But not even Bismarck did enough for all the groups upon whose support he had to depend. Perhaps he could not. For in the words of Hans Rosenberg, "the pressures, tensions, and energies released and the ruptures caused by the trend depression of 1873-1896 ... appear to have been compelling enough to upset the traditional balance of political and social forces and ideas."[2] Bismarck's fall in 1890 brought to light the inadequacies of his agrarian and commercial policies. In the 1890's his legacy would be tried by pressures greater than he had designed it to bear.

The "crisis of the 1890's" delivered a double blow to the pre-industrial segments of the economy. Firstly, after a speculative boom between 1888 and 1890, a depression lasting four and a half years struck another blow at agriculture and artisan industry. In 1892 grain prices tumbled to new lows. As the most inefficient firms in the market, artisan shops suffered most. Secondly, Bismarck was no longer there to help and the new chancellor, General Georg Leo Caprivi, had initiated a new policy of agrarian tariff reductions.[3] Bismarcks's nice accommodation between industry and agriculture was falling apart. Moreover, since the prices of butter and pigs had not fallen as had those of grains, the community of interest in the agrarian sector also became strained.[4] The large agrarians responded to the threat of the

[1] His social legislation of the 1880's was less effective in co-opting the industrial workers, perhaps because at the same time he was attempting outright suppression of the Socialist movement. When both courses had manifestly failed, his thinking turned to ideas of coup d'état. On the failure of the Antisocialist Law of 1878 see, e.g., Carl Landauer, European Socialism (2 vols.; Berkeley and Los Angeles, 1959), I: From the Industrial Revolution to the First World War and its Aftermath, pp. 267-77. Most useful on Bismarck's coup d'etat plans, especially in respect to his dread of revolution and his toying with the idea of the dissolution of the Imperial political structure in order to avoid worse transformations, see Werner Pöls, Sozialistenfrage und Revolutionsfurcht in ihrem Zusammenhang mit den angeblichen Staatsstreichplänen Bismarcks, Historische Studien, Heft 377 (Lübeck and Hamburg, 1960), pp. 25-83, 96-99.

[2] Hans Rosenberg, "Political and Social Consequences of the Great Depression of 1873-1896 in Central Europe", in: Economic History Review, XIII (1943), p. 72. Professor Rosenberg has newly devoted a more extensive study to this period in his Grosse Depression und Bismarckzeit: Wirtschaftsablauf, Gesellschaft und Politik in Mitteleuropa (Berlin, 1967). I have not been able to obtain a copy of this work from Europe in time for me to use it for this study.

[3] Waltershausen, p. 619; Gerschenkron, Bread and Democracy, p. 49; Tirrell, German Agrarian Politics, pp. 69ff.; Walther Lotz, Die Handelspolitik Caprivis und Hohenlohes, 1890-1900, Schriften des Vereins für Sozialpolitik (Leipzig, 1901), XCII, pp. 47ff.

[4] Caprivi's pro-industry bias was evidenced in the tariff agreements he concluded between 1891-1894 with Austria-Hungary, Italy, Belgium, Switzerland, Serbia, Rumania, Spain, and Russia in which Germany agreed to reduce duties on

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"New Course" and of losing their peasant shield with the organization in 1893 of an independent agrarian pressure group, the *Bund der Landwirte* [Farmers' League].[1] Primarily through the propaganda and lobbying activities of this organization in the 1890's the peasantry was convinced that protective tariffs were in the interest of all German agriculture.[2]

One aspect of the crisis of the peasantry and artisans was relieved in 1894 with the fall of Caprivi. This proponent of high industrial exports, low agrarian tariffs, and the legal toleration of the Social Democrats had to resign after his position had been weakened by his agrarian opponents and the proponents of a *coup d'état* against the growing socialist movement.[3] He was followed in office by the aged (75) Bavarian aristocrat Prince Chlodwig Hohenlohe-Schillingsfürst.

In the year of Caprivi's dismissal the conservative *Kreuzzeitung* attempted to put the crisis of the 90's into clear focus for its readers: "Agriculture represents the strongest and, because of its social signifi-

agricultural imports in exchange for reductions on the part of these trading partners of their tariffs on German industrial products. This part of the story is told best in Tirrell, chs. IV-V, VIII-IX and Gerschenkron, loc. cit.

[1] On the organization of the Bund der Landwirte see Tirrell, ch. VI, esp. pp. 158ff. and Croner, Geschichte der agrarischen Bewegung, pp. 135-37. Before the year was out the German Peasants' League, comprising 40,000 members, dissolved itself and most of its members (as well as its treasury) joined the Bund. The Poles and the peasant organizations of Catholic South Germany refused official membership, but expressed support of the organization's major goals. By 1895 the Bund had 188,620 members, most of whom were cultivators of small and medium holdings. Nevertheless, as Miss Tirrell has shown, "of the 43 chairmen and vice-chairmen at the head of the provincial and state divisions, 19 were *Rittergut* owners. There were in addition 7 *Gut* owners, 2 counts, 3 barons, a general, and 5 government officials. At least 28 of the board belonged to the aristocracy." Tirrell, pp. 170-71, 177-79, 182. See also Haushofer, Die deutsche Landwirtschaft im technischen Zeitalter, p. 213.

[2] Gerschenkron, Bread and Democracy, p. 57. The program adopted at the constituent meeting of the Bund at the Tivoli brewery hall in Berlin on 18 February 1893 was framed to encompass the demands of both peasants and large farmers to further the creation of a united agrarian front. It contained demands for tariff protection, no negotiated tariff reductions by means of commercial treaties, tariffs and tax concessions for agriculture-related peasant industries (brewing, spirits, sugar), no importation of cattle from countries suspected of having cattle diseases, bimetallism, agricultural chambers, further regulation of labor in the countryside and removal of border controls, closer regulation of commodity exchanges, revision of legislation governing rural indebtedness according to the German concept of justice, and relief for rural self-governing bodies. Tirell, pp. 166-67. The actual process of the co-optation of the peasantry, if that it was, has yet to be studied.

[3] Tirrell, ch. X; J. Alden Nichols, Germany After Bismarck: The Caprivi Era, 1890-1894 (Cambridge, Mass., 1958), esp. ch. IX.

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cance, the most important force against the radical transformation of the existing social and economic order. We see in Germany's development into an industrial nation a great danger which threatens our fatherland and our monarch..."[1] But the Caprivi tariff reductions remained in effect after his departure from office; nothing had been done for the artisans during his chancellorship, and up to the mid-90's, only those clearly protecting vested interests had spoken out in behalf of the farmers and artisans. In 1895 the federal government undertook the first national census since 1882. When the *Statistisches Reichsamt* began to tabulate and publish its findings, new voices began to proclaim that the social and economic problems of the peasantry and artisans had become identical with the great issue confronting the German people as a whole: order and stability through the preservation of a large pre-industrial population, or economic growth, national wealth, and social instability through continuing the tempo of rapid industrial development.

When Friedrich Naumann had participated in the founding of the *Evangelisch-sozialer Kongress* in 1890, he had expected this multi-tendency organization to work for a Christian socialist solution to the social and economic problems posed by industrial life. By the mid-90's its growing conservatism as well as the tendency of some of its members to equate the social question with the problems of the middle classes had alienated him. Soon after he had written "*God wants technological progress; he wants the machine*", he left the organization.[2] The year after his departure, on 10 June 1897, the economist Karl Oldenberg arose to address the eighth annual meeting of the body on the theme "Concerning Germany as an Industrial State".

Oldenberg began by pointing to the correlation between industrial development and the ongoing decline of the proportion of the agrarian population relative to the total in the major industrial lands of the world. And Germany, he asserted, was driving towards the creation of a completely industrial society at the fastest rate of all. The continuation of this trend could bring only harm for Germany, for he argued, "we can live without industry, but not without food." But Germans had become "infected by the dogma of the Manchester School..., by a pronounced hankering after industrial progress..." The profit motive dictated further industrialization, rather than a policy of population

[1] Quoted from James J. Sheehan, The Career of Lujo Brentano: A Study in Liberalism and Social Reform in Imperial Germany (Chicago and London, 1966), p. 131.

[2] Friedrich Naumann, Was heisst Christlich-Sozial? Gesammelte Aufsätze (2nd ed., Leipzig, 1896), pp. 35, 61-63. Italics in original. See also his Neudeutsche Wirtschaftspolitik (3rd ed., Berlin-Schöneberg, 1911), esp. pp. 361-66.

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growth; for export industries yielded higher financial returns than did agriculture. But dependence on wealth from the exportation of industrial goods was a precarious business, he warned; when a nation relied on the production of foreigners, it put itself in grave danger. He was troubled, moreover, by the potential loss in an industrial society of that sense of purpose instilled by the old "ideal of vocation" [*Berufsgedanke*].[1]

How could industrial development be discouraged? Oldenberg posed an alternative as vague and as sophisticated as his analysis of the problems of industrialism. "Therefore as the goal: self-sufficiency – that is power, without insolence [*Breitspurigkeit*]." He went on to assure his audience of the elite of German social scientists, Lutheran ministers, and officials concerned with the formulation of Imperial social policies that he was not calling for the immediate dismantling of the export industries, nor the end of competition, nor the manipulation of population growth, nor a protective system designed to benefit solely the agrarians, and certainly not the "Closed Commercial State" projected by Fichte. He did not understand "self-sufficiency" to mean "repudiation of *Weltpolitik*, of a strong fleet, or of colonies". A successful policy of self-sufficiency would mean simply "that we remain masters in our own house". He concluded by posing the alternatives open to his audience and to Germany: "on the one hand, there was industrialism and extreme individualism; on the other, rural civilization [*ländliche Kultur*], the primordial conservative sovereign."[2]

In the discussion period which followed Max Weber rose to denounce the speaker's agrarian romanticism in sharp language. He attacked Oldenberg for giving his audience the impression that, since Germany traded extensively with the underdeveloped world, the industrialization of these regions would mean the loss of the German export market. On the contrary, Weber argued, Germany's best customer was highly industrialized Britain. As to the question of the risks of foreign trade, Weber pointed to the fact that all nations took certain risks in the evolution of economic interdependence – not just Germany. And even if Germans were to attempt to turn away from their destiny as an industrial society, the "bucolic idyl of *Herrn Kollegen* Oldenberg" would be no nearer realization. Rather, the emigration of Germany's most able men and the intensification of the Bismarckian "national economic policy" of the years after 1879 would be the consequences. Weber pointed out to his auditors that it was just these two factors

[1] Die Verhandlungen des 8. Evangelisch-sozialen Kongresses, abgehalten zu Leipzig am 10. und 11. Juni 1897. Nach den stenographischen Protokollen (Göttingen, 1897), pp. 64-68, 70, 74, 76.
[2] Ibid., pp. 96-104.

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which had permitted the assimilation of the industrial bourgeoisie to the interests of the great landowners – which had brought about "the feudalization of bourgeois capital". Speaking again at the end of the debate, Weber corrected the "agrarians"' identification of a large rural population with an adequate supply of domestically grown food. Fewer farmers meant larger farms and greater food production; more farmers meant more inefficiency and more rural mouths to feed. Weber identified industrialism and national greatness. His remarks reflected his strong belief that Germany's challenge to greatness should not meet with a cowardly response.[1]

The outraged "industrialists" controlled the rest of the debate. The writer Max Lorenz denounced Oldenberg's arguments as "the reactionary fantasies of a strained logic".[2] Among the distinguished social scientists present only the conservative social reformer Adolf Wagner strongly supported Oldenberg's position.[3] But the next speaker came to Oldenberg's and the "agrarian's" rescue.

Oldenberg had emphasized primarily the economic side of the "agrarian" case. The participants at the Congress next heard Gustav Schmoller, Germany's leading expert on the problems of the agricultural and industrial middle classes, present the thesis that, thus far, industrialism had not extensively modified the social structure. The *Mittelstand* [literally, middle estate], that segment of society which belonged to neither the upper nor the lower classes, was proving itself viable in the new age, he asserted. He refused to read the economic trends of the preceeding decades, as revealed by the census of 1895 and the studies of the *Verein für Sozialpolitik*, as the death sentence of the *Mittelstand*. Admittedly, artisans in manufacturing and commerce had perhaps declined somewhat in numbers; but from 1850 to 1897 the number and economic position of the agricultural *Mittelstand* had remained approximately constant. He even claimed to see "tendencies for the reconstruction of the *Mittelstand*", although he did not specify the nature of these tendencies. But that well over half of German families belonged to the *Mittelstand* was in itself sufficient grounds for sanguine hopes. Hypothesizing 12 million families in a population of

[1] Ibid., pp. 105-11, 113, 122-23. Weber's concern for this problem was great and longterm; see his judgment of the danger of Germany being ruled by agrarians and "agrarians" in Sheehan, p. 133.

[2] Verhandlungen des 8. Evangelisch-sozialen Kongresses, pp. 113-16.

[3] And this in a few remarks only. Ibid., pp. 116-22. His book dedicated to the support of the "agrarian" position would soon appear: Agrar- und Industriestaat: Die Kehrseite des Industriestaates und die Rechtfertigung agrarischen Zollschutzes mit besonderer Rücksicht auf die Bevölkerungsfrage (Jena, 1902).

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54.3 millions, he supported his optimism statistically. There were in Germany:[1]

0.25 million families	of the rich and titled, higher official medical doctors, artists and rentiers;
2.75 million families	belonging to the "upper *Mittelstand*" comprising cultivators of medium-sized agricultural holdings, businessmen, most officials, and many practitioners of the liberal arts;
3.75 million families	belonging to the "lower *Mittelstand*" comprising small peasant proprietors, artisans, small merchants, subordinate officials, foremen, and better paid workers;
5.25 million families	belonging to the lower class comprising workers, the lowest class of state employees, poor artisans, and the poorest of the peasantry.

This four class social ladder bore little relationship to the economic and social realities of the day. How could Junkers and artists be lumped into the same social category, or indeed, businessmen and medium peasant proprietors? How could better paid workmen, the backbone of the trade union movement and of the Social Democratic party, be classified with artisans and small merchants as part of the "lower *Mittelstand*"? What purpose could be served in lumping 6.50 million families in a population of 12 million families under the rubric "*Mittelstand*"?

Schmoller, I believe, was expressing a hope for the future. He was saying in effect that the social structure of the Empire had not become, and was not becoming, polarized with a few capitalists at the top and a vast proletariat at the bottom, as Marx had predicted of continued industrial development. Oldenberg's discussion had been a prelude to an appeal to his audience to help work to reverse the trend of industrial advance. Now Schmoller's social analysis seemed a statistical confirmation that such a reversal was conceivable, and indeed, perhaps was on the verge of starting.

Despite the harsh attacks on Oldenberg by Max Weber and Max Lorenz, and despite the questionability of Schmoller's analysis, the majority of their auditors seem to have been convinced. The Evangelical-Social Congress closed its meeting of 1897 with a motion (passed unanimously by a voice vote, according to the minutes) in support of Schmoller's analysis. The motion denied that the economic trends of the modern age would inevitably eliminate a group as important to the religious life of the nation and for the "mediation of social contra-

[1] Verhandlungen des 8. Evangelisch-sozialen Kongresses, pp. 159-60.

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dictions" as the *Mittelstand*. If part of the *Mittelstand* would disappear, other parts would hold their own, and new elements of the population would enter the *Mittelstand* to replace those departing. The motion concluded by supporting the improvement of the academic and technical education of the *Mittelstand* and "the strengthening of the moral energies of the nation as a whole" so that even "that part of the population which would not rise into the *Mittelstand* might benefit socially and economically".[1]

Surely Oldenberg, Schmoller, and much of their audience had been smitten by that sense of nostalgia for a lost golden age which often comes to the fore among intellectuals in societies on the verge of joining the fully industrialized nations of the world.[2] A similar alienation from the complexities of an industrial society affected the German middle class youth at the turn of the century who donned *Lederhosen* to tramp out into the countryside where they sat around campfires and played old German folksongs on their guitars.[3] If the reactions of these two economics scholars and of the Youth Movement had been only a

[1] Ibid., pp. 161-62.

[2] See, e.g., the discussion of such attitudes in developing nations in Mary Matossian, "Ideologies of Delayed Industrialization: Some Tensions and Ambiguities", in: John H. Kautsky, ed., Political Change in Underdeveloped Countries: Nationalism and Communism (New York and London, 1962), pp. 252-64. But the phenomenon is by no means rare in more advanced lands. Richard Hofstadter in his Age of Reform (New York, 1955) offers essentially this type of interpretation to explain many of the attitudes of American Progressives. On France see the two books by Eugen Weber, The Nationalist Revival in France, 1905-1914 (Berkeley, 1959), and Action Française: Royalism and Reaction inTwentieth Century France (Stanford, 1962), esp. chs. I-II. For Germany there are excellent insights in Paul Massing, Rehearsal for Destruction (New York, 1949) and Fritz Stern, The Politics of Cultural Despair: A Study in the Rise of the Germanic Ideology (Berkeley and Los Angeles, 1961), esp. the Introduction. In his The Crisis of German Ideology (New York: Universal Library, 1964) George Mosse has studied the second and third rate literary expression of these nostalgic currents. Looking back to the 1890's Friedrich Meinecke recalled a "profound change" in Germany. In poetry, the fine arts, and the humanities "there stirred a new and deeper longing for what was genuine and true, but also a new sense for the fragmentary and problematic in modern life..." Erlebtes, 1862-1901 (Leipzig, 1941), pp. 167-68, quoted from Stern, p. 165.

[3] It is therefore significant that the Youth Movement started among *Gymnasium* students in the middle class Berlin suburb of Steglitz in 1901 and spread quickly among middle class young men living in suburbs and small towns. That the movement experienced internal crises over the membership of Jews ("uprooted", "urban", "modernists") and women ("weak", "disruptive", "belonging at home") is also appropriate. See Walter Z. Laqueur, Young Germany: A History of the German Youth Movement (New York, 1962), esp. chs. VII and IX. See further Howard Becker, German Youth: Bond or Free? (London, 1946) and Hermann Mau, "Die deutsche Jugendbewegung. Rückblick und Ausblick", in: Zeitschrift für Religions- und Geistesgeschichte, I (1948), pp. 135-49.

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case of a longing look backwards before they endorsed a great step forward,[1] we could classify them with the residents of Dahlem, the prosperous Berlin suburb, who prevailed upon the Imperial authorities to build them a subway station on the model of a quaint North German peasant cottage – thatched roof and all. The men who got on at "Dahlem-Dorf" entered the cottage to board trains which would take them to their jobs in modern industrial and commercial firms in the great city of Berlin. "Dahlem-Dorf" was a harmless version of the contemporary rustic romanticism on the part of suburbanites who perhaps did not know quite what to make of their little town which was being transformed into a bedroom suburb. But more than just advocates of Christian uplift, boys and commuters believed Germany to be at a crossroads.

The themes of the meeting of the *Verein für Sozialpolitik* in 1893 had been the problem of rural labor, the division of land, and the safeguarding of small holdings. In 1894 the *Verein* debated the economic consequences of the splintering of agricultural holdings which resulted from the inheritance customs of the peasantry. Many of the participants in 1894 advocated legislation governing inheritance with the aim of keeping the size of agricultural holdings at an economically viable level. The social liberal Lujo Brentano and the agricultural expert Max Sering became involved in an acrimonious debate when Brentano emphatically denied any need for grain tariffs, or legislation governing inheritance or peasant indebtedness. In 1897 the *Verein* celebrated its

[1] As was the case with Ferdinand Tönnies whose famous Gemeinschaft und Gesellschaft had first appeared in 1887. In it he had drawn a typological distinction between the organization, values, and modes of thought of pre-industrial communities and those of industrial societies. Although the first edition went almost unnoticed for many years, the second edition in 1902 aroused great interest in academic circles. Born on a farm in Schleswig-Holstein, Tönnies himself felt the loss of the passing communitarian mode of life; but unlike the socially conservative "agrarians", he attempted to balance this emotion with empirical investigations of labor conditions among Hamburg dockworkers and with a realistic appraisal of the possibilities of making the lot of the working man in industrial society bearable by means of co-operatives and trade unions. The 8th edition of his book (Leipzig, 1935) is the most readily available. See also the abridged, but useful translation of Charles P. Loomis, containing introductions by the translator, Pitirim Sorokin, and Rudolf Heberle, together with a "Summing Up" by Tönnies written by Tönnies nearly fifty years after his first formulations. This edition is available under the title Community and Society (New York, Evanston, London: Harper Torchbooks, 1963). For an attempt to appropriate Tönnies for the cause of social conservatism see Hans Freyer, "Ferdinand Tönnies und seine Bedeutung in der deutschen Soziologie", in: Weltwirtschaftliches Archiv, XLIV (1936), pp. 1-9 and by the same author Soziologie als Wirklichkeitswissenschaft (Leipzig and Berlin, 1930), pp. 185ff., 233ff.

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twenty-fifth year in existence by concerning itself again with the problems of the *Mittelstand*. The first session discussed the "artisan question". The second topic was devoted to the discussion of how effective were the various agricultural credit cooperatives. Meeting in Breslau in 1899 the members of the *Verein* heard papers on the condition of the German cottage industries [*Hausindustrien*], itinerant sales activity, and the trends in the retail trades. In the summary to his address on retail commerce Werner Sombart aggressively defended the department stores against their pro-artisan detractors. He championed the trends of economic progress, he told his listeners, "against all regulations derived from considerations of ethics and all ideas and policies [*Entwicklungen*] based on feelings of justice [sic]". Finally in 1901, a year before the expiration of the Caprivi tariff treaties, the *Verein* members addressed themselves to the topic "The Results of Our Present Trade Policy and the Goals of Future Policy, especially from the Point of View of Social Welfare".[1] It had come to a second showdown between "agrarians" and "industrialists".

Of the three principal speakers, Walther Lotz, Hermann Schumacher, and Ludwig Pohle, only Lotz argued the "industrialist" case. Schumacher spoke in support of the new protective tariff just introduced in the Reichstag and on the benefits German traders might expect from it. Pohle supported tariff protection for both agriculture and industry.

Lotz presented the classic liberal arguments in favor of free trade and

[1] In the Schriften of the Verein für Sozialpolitik the minutes of these meetings were published in the following volumes: 1893: 58; 1894: 61; 1897: 76; 1899: 88; and 1901: 98. The proceedings are briefly summarized in Franz Boese, Geschichte des Vereins für Sozialpolitik, Schriften, vol. 188 (Berlin, 1937), pp. 65-98. The almost single-minded attention devoted by the members of this most outstanding organization of professional social scientists and social reformers to the problems of artisans and peasants is evidenced by the topics of the studies the Verein sponsored in the 1890's: Cottage industries (vols. 39-42, 48: 1889-91); government and administration of rural communities in Prussia (vols. 43-44: 1890); international trade policies of Germany and her agricultural competitors (vols. 49-51: 1892); emigration (vol. 52: 1892); rural labor (vols. 53-55: 1892); inner colonization of the depopulated eastern provinces (vol. 56: 1893; the condition of artisan industry and commerce (vols. 62-70: 1895-97); peasant credit problems (vols. 73-74: 1896); travelling sales activity in Germany and other lands (vols. 77-83: 1898-99); Cottage industries, again (vols. 84-87: 1899); German trade policy, again (vols. 90-92: 1900-01). In that decade, then, the Verein Schriftenreihe contained thirty-nine volumes (omitting the Proceedings of the usually biennial meetings) on Germany's pre-industrial classes and their problems. There were several volumes on other lands (vols. 57, 59, 71-72). There were only *four* studies appropriate to an industrial age: labor contracts and workers' committees in German industry (vols. 45-46: 1890); cartels (vol. 60: 1894); transport costs on waterways and railroads (vol. 89: 1900).

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industrial development. He pointed out that, since only a small percentage of many German farmers' incomes came from grain sales, grain tariffs could not help them out of their distress. Grain duties would drive up industrial duties and promote further industrial cartellization. Higher agrarian tariffs would drive up food prices, putting new pressures on workingmen and their employers and disturbing social peace. Finally, like Oldenberg, he acknowledged that Germany was at a turning point. It could acceed to the special interests pushing for protection, or it could promote free trade in grain and encourage German farmers to convert to mixed and dairy farming and thus follow the good example of Holland, Belgium, and Denmark who were following that path out of their agricultural crises.[1]

Assuming a posture of moderation, Ludwig Pohle, when his turn came, began by rejecting both complete free trade and complete autarky as possible policies. Moreover, he claimed he would not make the agrarian case with arguments based on the threat of war, or special pleading, or the "aesthetic" superiority of an agrarian land, or the superiority of peasant recruits (although city-bred soldiers had yet to prove themselves). Rather, Pohle raised the question of whether Germany could always be assured of exchanging her industrial production for the agricultural commodities she might need in the future, and would the expansion of German industrialization continue at a pace which would guarantee that Germany could afford the purchase of agricultural production in the quantities required? Finally, Pohle pointed out that the terribly exploitive German cottage industries might be aided in re-orienting to a domestic market by means of judicious tariff policies. Thus the causes both of social justice and of economic calculation would be simultaneously furthered.[2]

The debate from the floor which followed the presentation of the papers lasted a day and a half. Karl Oldenberg added to his arguments of four years before by asserting that the state had the right to correct the malfunctioning of the market mechanism "in its own interest", and that food autarky [*Nahrungsautarkie*] was dictated by *raison d'état*.[3] Max Sering justified a new protective tariff as a protection to the vast majority of German farmers, the "peasant estate" [*Bauernstand*], "the

[1] Schriften des Vereins für Sozialpolitik (Leipzig, 1902), XCVIII, pp. 122-46. Lotz' address largely summarized the attack against the "agrarians" he had published the year before, Schutz der deutschen Landwirtschaft und die Aufgaben der künftigen deutschen Handelspolitik, in the series Volkswirtschaftliche Zeitfragen, LXX (1900), pp. 71-133.

[2] Verein Schriften, XCVIII, pp. 200-22. An analysis of Schumacher's contribution would add little to the discussion. The next year Pohle elaborated his arguments in his Deutschland am Scheideweg (Leipzig, 1902).

[3] Schriften, XCVIII, pp. 231-36.

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foundation of our whole social constitution".[1] Schmoller again put his prestige at the service of the agrarians.[2]

Although Adolf Wagner remained silent during the debate, he had already put himself at the forefront of the "agrarian" ranks. Soon after the meeting he published his *Agrar- und Industriestaat* in which he dramatically asserted that "the preservation of a productive agriculture means the preservation of the German people, now and in the future." The apparent advantages of increased industrial predominance in the economy sank into insignificance before the horrors he could envision:

> "[Industrialization] will drive our population in growing numbers from the land and from agriculture into the cities and industry, increasing the shortage of rural labor to crisis proportions, intensify more and more the economic and social contradictions between property and labor, employer and worker, the rich and the poor – even with an admittedly manifold improvement of the economic position of the lower classes..."

What were the advantages of a system which produced such consequences, he asked rhetorically.[3]

In 1901, as at the 1897 meeting of the Evangelic-Social Congress, the proponents of further industrialization (and therefore opponents of high agricultural tariffs) were younger men, mostly of liberal persuasion, enjoying lesser prestige in the academic profession. Alfred Weber, brother of Max Weber, had to be warned by the chairman to moderate his tone. Heinrich Dietzel predicted that the economic consequences of a grain tariff would swell the ranks of the Social Democratic movement.[4] Voicing the views of the export industries, *Bergrat* Gothein charged that the chief beneficiaries of a grain tariff would be the large growers. He believed that the German heavy industries were quite as efficient as those of Great Britain and the United States, and should be allowed freely to compete on the world market.[5]

Lujo Brentano's remarks were quite brief but he had already made

[1] Ibid., pp. 238-45. See also his article "Die deutsche Bauernschaft und die Handelspolitik", in: Deutsche Monatsschrift, I (1901), pp. 228-41. Although an "agrarian" Sering had little use for the Junker landowners; to him the agrarian question was always identical with the problems of the peasantry. Some years later, reviewing the controversy, he gave the laurels to the "agrarians", in "Agrar- und Industriestaat", in: Wörterbuch der Volkswirtschaft (2nd ed., Jena, 1906-07), vol. I.

[2] See his subsequent Grundriss der allgemeinen Volkswirtschaftslehre (2 vols.; Leipzig, 1900-04), II, pp. 641-47.

[3] Agrar- und Industriestaat, pp. 2, 221.

[4] Schriften, XCVIII, pp. 247, 250ff. Dietzel had already presented his case in his Weltwirtschaft und Volkswirtschaft (Dresden, 1900) and Kornzoll und Socialpolitik (Berlin, 1901).

[5] Schriften, XCVIII, pp. 279-83.

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himself Wagner's chief opponent by the sheer bulk and intensity of his publications in 1900 and 1901 in behalf of free trade and of further industrial progress. There was a grain of truth in his charge that Oldenberg, Wagner, and their friends were pursuing a line of reasoning the consequences of which would lead Germany to the re-constitution of a primitive agricultural society.[1]

At the end of the meeting the chairman, Baron von Berlepsch, found it impossible to come to any conclusions other than that the two outlooks were irreconcilable. At the turn of the century Germany's greatest social scientists, jurists, and officials interested in solving the social question could not arrive at a consensus in favor of continued industrial progress and its social consequences.[2] But neither could the movement which saw itself as the chief beneficiary of continued industrial advance, German Social Democracy.

As early as 1848 in the pages of the *Communist Manifesto* Marx and Engels were quite clear as to what they believed would befall the *Mittelstand*:

> "The low strata of the middle class – the small tradespeople, shopkeepers, and retired tradesmen generally, the artisan and peasant – all these sink gradually into the proletariat, partly because their diminutive capital does not suffice for the scale on which modern industry is carried on, and is swamped in the competition with the large capitalists, partly because their specialized skills are rendered worthless by new methods of production. Thus the proletariat is recruited from all classes of the population."[3]

[1] Die Schrecken des überwiegenden Industriestaats (Berlin, 1901), p. 29. See further his Das Freihandelsargument (Berlin-Schöneberg, 1900), "Cobdens Argument gegen Flottenvermehrungen", in: Die Nation, 13 Jan. 1900; "Die Schwierigkeiten der Freihandelsbewegung in Deutschland", in: Die Hilfe, 6 Jan. 1901; and his direct attacks on Wagner's position, "Adolf Wagner und die Getreidezölle", in: Die Hilfe, 13 Jan. 1901, and "Adolf Wagner über Agrarstaat und Industriestaat", in: Die Zeit, 9, 16, 23, 30 June, 7, 14 July 1901.

[2] For a reconsideration of debate, narrowly conceived as one of commercial policy, see the treatment by a proponent of industrial society during the Weimar Republic, Franz Eulenburg, "Aussenhandel und Aussenhandelspolitik", in: Grundriss der Sozialökonomik (Tübingen, 1929), vol. VIII; C. von Dietze in the article "Agrar- und Industriestaat", in: Wörterbuch der Volkswirtschaft (4th ed., 1931-33), I, pp. 26-31, offers a brief survey of the most important literature.

[3] Karl Marx [and Friedrich Engels], Communist Manifesto (Chicago: Gateway Ed., 1954), p. 19. That this was not yet the case in 1848 is ably shown in Theodore S. Hamerow, Restoration, Revolution, and Reaction: Economics and Politics in Germany, 1815-1871 (Princeton, 1958) and more recently in Paul Noyes, Organization and Revolution: Working Class Associations in the German Revolutions of 1848-49 (Princeton, 1966). See also David Mitrany, Marx Against the Peasant: A Study in Social Dogmatism (Chapel Hill, 1951), ch. II.

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When in 1869 the legislature of the North German Confederation was debating the bill initiating freedom of trade, the Socialist spokesman August Bebel offered an amendment aimed at abolishing an older law requiring workmen to carry a work book.[1] Bebel surely saw this move as an extension of freedom for the proletariat, but passage would just as surely hurt the cause of the self-conscious artisan population. Passage of the amendment was the only success of the tiny Socialist group in this body. Whatever their conflicts, the representatives of the great bourgeoisie and of the proletariat could unite in behalf of the industrial world and against the old middle classes.

Soon after the fall of Bismarck, representatives of the Social Democratic party emerged from the semi-underground into which the anti-Socialists laws had forced them to proclaim the most militantly Marxist program of the party's history. The Erfurt program of 1891 once again pronounced an anticipatory funeral oration over the *Mittelstand.*[2] Only during the 90's, with the emergence of the revisionist tendency within the party, did this doctrine begin to come into question.

It was the South German wing which pressed most energetically for a revision of the party's stand. The party had fared surprisingly well in relatively unindustrialized and overwhelmingly peasant-farmed Bavaria. Here the party succeeded because it "studied the country and the people, and accommodated our agitation accordingly", Georg von Vollmar told the delegates to the Frankfurt party congress of 1894.[3] Bavarian-style agitation involved refraining from telling the peasantry of their imminent destruction at the hands of the larger and supposedly more efficient great cultivators and (contrary to party policy) voting for Landtag budgets which included measures intended to aid the peasantry. The Frankfurt congress passed a resolution which contained the usual prediction that the peasantry was being proletarianized, but, at Vollmar's urgings, the resolution also called for state protection for the peasantry in their capacity as taxpayers, debtors, and farmers.[4]

[1] Franz Mehring, Geschichte der deutschen Sozialdemokratie (2 vols.; Berlin, 1960), II, p. 337. Bebel was aware of the injury being done to the artisan interests. See his Aus meinem Leben (3 vols.; Stuttgart, 1911-1914), II, pp. 159-61.

[2] Karl Kautsky, Das Erfuhrter Programm, in seinem grundsätzlichen theil (Stuttgart, 1892), pp. 1-6, 16-30.

[3] Cited from Carl Schorske, German Social Democracy, 1905-1917: The Development of the Great Schism (New York: Science Eds., 1965), p. 8.

[4] There is a useful analysis of this resolution in Socialismus und Landwirtschaft (Berlin, 1903), pp. 39ff., by Eduard David, himself a proponent of a pro-peasant line in the SPD. The text may be found in the Protokoll über die Verhandlungen des Parteitages der Sozialdemokratischen Partei Deutschlands. Abgehalten zu Frankfurt a.M. vom 21. bis 27. Oktober 1894 (Berlin, 1894), pp. 134ff.

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But why try to protect forms of production which are doomed by the march of history?[1] At the party congress of 1895 the relatively innocuous report of an agrarian commission appointed at Frankfurt to study the peasant question was voted down overwhelmingly (158 to 63). As Karl Kautsky put it in his motion for rejection, "for this program holds out to the peasantry the prospect of the improvement of their situation; in other words, the consolidation of their private property."[2]

Although the reaffirmation of the Marxist doctrine of the proletarianization of the peasantry (and artisans) embodied in Kautsky's 1895 resolution, remained the official party position to the end of the Empire, Vollmar and his friends continued their agitation within the party for a new agrarian program. As in the case of the bourgeois "agrarians", the publication of the 1895 census seemed to aid their cause more than that of their enemies. Kautsky, in his role as perennial defender of orthodoxy, lept into the breach with an analysis confirming the *hidden* decline of the peasantry via its greater indebtedness (and thus virtual expropriation) and via the growth of tenant farming.[3] However, later that same year Eduard Bernstein published his major statement of the revisionist view, his *Voraussetzungen des Sozialismus und die Aufgaben der Sozialdemokratie*.[4] Among other principles of Marxian orthodoxy, he denied the validity of the law of economic concentration. His reading of German as well as other European census statistics had convinced him that neither in industry, nor in commerce, nor in agriculture were small and medium sized enterprises being driven out by the large operators. Indeed he wrote, "if the collapse of modern society depends on the disappearance of the middle ranks between the apex and the base of the social pyramid, if it is dependent upon the absorption of these middle ranks by the extremes above and below them, then its realization is no nearer in England, France, and Germany today than at any earlier time in the ninteenth century."[5] In 1903 Eduard David,

[1] This is the essence of Engels's criticism of the Frankfurt resolution and similar ones passed at French Socialist congresses in 1892 and 1894 in his article "Die Bauernfrage in Frankreich und Deutschland", in: Neue Zeit, XIII (1895), pp. 292ff.

[2] David, p. 46.

[3] Die Agrarfrage: Eine Übersicht über die Tendenzen der modernen Landwirtschaft und die Agrarpolitik der Socialdemokratie (Stuttgart, 1899), esp. chs. VIII-XI.

[4] [The Presuppositions of Socialism and the Tasks of Social Democracy] (Stuttgart, 1899). The English translation is called Evolutionary Socialism in the translation by Edith C. Harvey (New York: Schocken Books, 1961).

[5] Ibid., ch. II, sec. (c), esp. p. 65; trans., p. 72. Bernstein could sound almost like one of the "agrarians" of the Verein für Sozialpolitik. In arguing for Socialist

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the leading theoretician of the SPD "agrarians", perhaps emboldened by Bernstein's writings, flatly argued that the Marxian doctrine of economic concentration simply did not apply to agriculture. Not only were the middling peasants holding their own, but also they were capable of (and to some extent were already) working their farms more efficiently than the great agrarians – machinery, greater capital, and cheap labor notwithstanding. The future of German agriculture lay with intensive cultivation, and therefore with the peasantry. And this being the case, the SPD should include the protection of the peasantry in its program; for "the winning of the working land cultivating masses is indispensable for the conquest of political power."[1]

The Bavarian Landtag delegates, as well as those of Baden, Hesse, and Württemberg, continued to vote in favor of legislation aimed at improving the lot of the peasantry offered by non-Socialist governments. The party's formal condemnation of revisionism in 1903 stopped neither such policies nor revisionist pleading for a new agricultural program.[2]

What forms did this intellectual furor take in the realms of social and economic policy? As both bourgeois and socialist intellectuals debated, the state presented the Reichstag with proposed legislation which may be described most charitably as offering only an ambiguous resolution to the controversy. Or rather, the Imperial governments of the 90's pursued a course which Karl Helfferich (not yet the reactionary Nationalist of the Weimar years) declared at the 1901 meeting of the *Verein für Sozialpolitik* more dangerous than continued rapid industrialization: "that, *living in an industrial society, we pursue an agrarian*

promotion of agricultural co-operatives he wrote "the advantage of the existence of models of such associations would not be bought so very dearly at the price of a somewhat slower growth of the monstrous towns." Ibid., p. 116; trans., p. 154.

[1] David, Socialismus und Landwirtschaft, pp. 687, 693, 703, and "Schlusswort". To be sure, David wished to have special legislation favoring the great cultivators – administrative power, grain tariffs, etc. – removed in the interest of society and of the peasantry (pp. 699-700). Lenin thought David's book pernicious enough to prepare a statistical syllabus of errors of it, "The 'Work' of the German Bulgakov, E. David", in: Collected Works (Moscow, 1962), XIII, pp. 171-216.

[2] David, pp. 21-60; Gerschenkron, Bread and Democracy, pp. 28-32. See further the rather tendentious discussion by Mitrany, Marx Against the Peasant, pp. 7-23. Only in 1927 did the SPD proclaim a new agrarian program which now accepted David's contention that the doctrine of concentration did not apply to agriculture, called for the distribution of Junker land to peasant proprietors, and, although still opposed to tariffs, decried free trade as economically wasteful. See Gerschenkron, pp. 126-32; Fritz Baade, "Stabilizierung der Getreidepreise", in: Die Gesellschaft, IV (1927), pp. 250-80.

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policy".[1] Around 1910 Germany would achieve industrial maturity, although governmental economic legislation in the preceeding two decades seemed often aimed in the opposite direction.[2]

Under Bismarck's successors the program of resettling peasants in the sparsely settled lands of northeastern Germany, which he had initiated a few years before his fall, was continued. Junker resistance to a policy they could only construe as an incipient land reform movement and the tenacity of the Polish settlers limited the number of new peasant homesteads in East Elbia to 44,000 up to 1917. The legislation enacted in 1889 to facilitate the legal establishment of rural co-operatives had better results. The number of co-operatives rose from 3,000 in 1890 to 13,600 ten years later.[3] On assuming office in 1894 Hohenlohe introduced a compromise policy of grain protection intended to benefit the large rye growers while at the same time permitting fairly easy importation of wheat.[4] That same year a resolution favoring the introduction of bi-metallism passed both houses of the Prussian Landtag by large majorities; but like the "free silver" agitation in the United States, little relief was offered by national legislation.[5] In 1895 the Prussian state government founded a land bank created to extend low interest loans to agricultural co-operatives and small businessmen. State financial aid was already being extended by the governments of Bavaria, Baden, Württemberg, and Saxony to the financial organs of the *Mittelstand*.[6] The next year the Reichstag passed a "Law to Combat Unfair Competitive Practices", which curbed excessive advertising and various business practices considered unfair by the small shopkeepers. In other legislation of that year travelling sales were so restricted that such commercial activity was (at least temporarily) severely curbed. In December the law governing co-operatives was amended to restrict the size of these arch rivals of the small shopkeepers by making it illegal and punishable for them to sell to anyone who was not a member and for members to resell anything bought at their consumer

[1] Verein Schriften, XCVIII, p. 259. Italics in original. As James J. Sheehan put it, "much of the strength of the agrarian movement was drawn from a willingness to compromise with modern life, on the one hand, and a rigid reactionary outlook, on the other." The Career of Lujo Brentano, p. 128.

[2] Rostow, The Stages of Economic Growth, pp. 59ff.

[3] Gerschenkron, Bread and Democracy, pp. 101-03; Haushofer, Die deutsche Landwirtschaft im technischen Zeitalter, p. 218.

[4] By means of "grain import certificates"; ibid., p. 216.

[5] Tirrell, German Agrarian Politics after Bismarck's Fall, pp. 303-04.

[6] The Preussische Centralgenossenschaftskasse was intended as a kind of Reichsbank for the *Mittelstand*. It supplemented the activities of the Raiffeisen and Schultze-Delitzsch co-operative loan banks in small towns and in the countryside. "Der ländliche Personalkredit", in: Verhandlungen des Vereins für Sozialpolitik, 1897, Schriften, LXXVI, pp. 172-74, 179-95, 229-36; Haushofer, p. 188.

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co-operative. Also in 1896 at the behest primarily of the large growers, futures trading was prohibited at the commodity exchanges. Between 1897 and 1900 the Berlin commodity exchange was so crippled by this law that for all practical purposes it ceased to function.[1] Finally, in the late summer of 1896 the Prussian Ministry of Commerce laid a new artisan bill before the Bundesrat.

This bill went as far in the direction of meeting the demands advanced at the artisan meeting at Magdeburg back in 1882 as the Imperial government was prepared to go. The bill would permit artisans to form gilds with membership compulsory for all craftsmen in the district working in that trade if a majority of them so voted. The dissolution of such a gild, however, would require a vote of three quarters of the membership. Individuals who had not passed their journeymen's examination, or alternatively, worked at least five years in the trade, were barred from the practice of a craft or the training of apprentices. Finally, the law created "Chambers of Artisans" [*Handwerkerkammer*] to be entrusted with the execution of legislation governing artisan industry in general and apprenticeship training in particular. Where no compulsory gilds existed, the Artisan Chamber was to regulate the craft according to the provisions of artisan legislation. It would also be the task of the Chambers to establish and govern craft schools and libraries, sponsor demonstrations and exhibitions, and generally look after the technical education of artisans in the region.[2]

When it was brought to a vote, the Social Democrats voted in opposition to it. The spokesmen for many artisans seemed rather lukewarm; for the bill did not have in it much that would positively advance the artisan population. The Center party, responsive to its large *Mittelstand* constituency especially in the South, gave the measure strong support. The parties of the right favored it.[3] A little more than six weeks after the Evangelical-Social Congress had heard Oldenberg and Schmoller speak in behalf of the *Mittelstand*, on 26 July 1897, the

[1] M. Biermer, article "Mittelstandsbewegung", in: Handwörterbuch der Staatswissenschaften (3rd ed., Jena, 1910), VI, pp. 746-56; Tirrell, pp. 305-06; Haushofer, p. 216; Croner, Geschichte der agrarischen Bewegung, p. 190.

[2] Cf. the initial drafts in the Stenographische Berichte über die Verhandlungen des Reichstages, 1897, vol. VII of Anlage, nos. 713, 819 and a favorable analysis of it by Professor Hitze, artisan sympathizer, theologian, and a Centrist member of the Reichstag in "Handwerkerfrage", in: Verhandlungen des Vereins für Sozialpolitik, 1897, Schriften, LXXVI, pp. 35-68.

[3] Cf., e.g., the debates on the first reading in Stenographische Berichte, 4. Leg. 9. Sess., VII-VIII, pp. 5385ff., 5394ff., 5421ff. See also the speech by Minister of Trade and Commerce Brefeld in behalf of the artisan bill in which he described German artisans as the bulwark of discipline and order and the pillar of throne and altar, expressed sanguine expectations for the survival of artisan industry, and was roundly cheered from the right of the chamber. Ibid., p. 5429.

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bill passed into law. Not long before, the new liberale Code of Commercial Law had also gone into effect.

The artisan law itself reflected the Janus-faced workings of Imperial social and economic policy. If the artisans wanted protection, they should have it; but not at the expense of the great industrialists and merchants. The law contained no provision for a work book for workmen over twenty-one, so that admission into a craft could be more readily supervised. The corporate ideal was acknowledged in the creation of *Handwerkerkammer*; but these would function largely to remove some of the administrative burdens from governmental bureaucracies and to raise the quality of skilled labor. Above all, the law did not give artisans control of admission into a craft. It must be kept in mind that in this period most skilled industrial workers still first learned their craft from artisan masters as a prelude to taking up jobs in industry. The German industrialists who could make their voices heard in the Reichstag and in governmental circles (especially in this the Stumm era) were not prepared to permit this economically backward artisan class, whose interests were basically antithetical to their own, to control their supply of skilled labor.[1] The numerically more significant peasantry, behind whom the Junkers could make demands in behalf of all "agriculture", could hope for somewhat more sympathetic treatment. This they were to receive with the passage of the tariff of 1902.

Prince Bernhard von Bülow, when he took office in 1900, was expected to be rather more friendly to the agrarians than old Hohenlohe had been.[2] With the Caprivi tariff treaties with Austria-Hungary, Italy, Belgium, Switzerland, Serbia, Rumania, and Russia all due to expire at the end of 1903, Bülow had to take a stand on the raging debate between "agrarians" and "industrialists". For any new tariff policy could well be decisive in determining which position won the day in practice. But Bülow, aligning himself with the consistent tradition of Imperial policy since the time of Bismarck (excluding the Caprivi interlude), opted for "both". He argued for a balance between German agriculture and industry. This meant as the first priority special aid

[1] As Chancellor Hohenlohe wrote in his journal when the new bill was first mooted in the summer of 1896, "The Bill is foolish enough. But if the artisans want to have compulsion [i.e., compulsory gilds], then we must give it them, with the proviso, as I expressly insisted, that those districts, provinces, or States which do not want compulsion shall be free from it." Fürst Chlodwig zu Hohenlohe-Schillingsfürst, Denkwürdigkeiten, Friedrich Curtius, ed., (2 vols.; Stuttgart and Leipzig, 1907), II, p. 525.

[2] Hohenlohe considered the demands of the agrarians excessive, although he deprecated the imposition of industrial tariffs from 1879 on which had so encouraged industrial development. Ibid., pp. 523-24.

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for the agrarian sector, since he believed, as he wrote some years later, that "German industry ... [had grown] strong at the expense of agriculture during the first decade of its development. If nothing were done, agriculture was in danger of falling under the hammers of industry and of being crushed."[1] Drawing arguments from the arsenal of the "agrarians", he emphasized the economic importance of a strong food-growing sector of the economy, the fact that the "healthiest" (physically and morally) soldiers were recruited from the countryside, that the agricultural population was the most important domestic market for German industry, and that the ever-present possibility of war required the potential for economic self-sufficiency.[2]

The "industrialists" had already heard these arguments and had already disposed of them, to their own satisfaction at least. Germany could buy grains more cheaply abroad; why subsidize an economically inefficient industry? Rural Germany was no longer the prime source of military trainees, quite irrespective of questions of health.[3] By selling protected German farmers machinery and artificial fertilizers would not the competitive position of a high cost German industry be hurt on the important international market? Constant economic preparation for war would not only produce an inefficiently run economy, it would make the outbreak of war the more likely. And finally, the notion that the ideal of a "correct" balance between industry and agriculture in Bülow's and the "agrarians'" sense is devoid of any economic meaning.[4]

Nevertheless, results in parliamentary politics (even in the sham parliament of Imperial Germany) are determined not by the soundest arguments, but by the most votes. Bülow gained the support of the Conservatives without too much difficulty, although many Junkers grumbled at what they believed to be the inadequacy of the rates on many of the grains.[5] The party of the great industrialists, the National

[1] Prince Bernhard von Bülow, Imperial Germany, trans. Marie A. Lewenz (new revised ed., New York, 1917), p. 275; Gerschenkron, Bread and Democracy, p. 60.
[2] Bülow, pp. 269-84.
[3] As clearly demonstrated by the able statistician Rudolf Kuczynski in his Ist die Landwirtschaft die wichtigste Grundlage der deutschen Wehrkraft? (Berlin, 1905), esp. pp. 21-25. This essay had apparently appeared in an earlier form in 1900 with Brentano as co-author, according to Sheehan, Brentano, p. 207. Kuczynski felt unable to pass on the alledgedly superior moral qualifications of peasant recruits.
[4] Lionel Robbins, The Economic Basis of Class Conflict (London, 1939), pp. 129-30; Gerschenkron, Bread and Democracy, p. 60.
[5] Even after Bülow had raised most rates to make them conform to the maximum demands of the representatives of agriculture, 16 of the 52 members of the German Conservative party later boycotted the vote on trade treaties negotiated on the basis of the higher rates. Croner, Geschichte der agrarischen Bewegung, table on p. 243, 261; Gerschenkron, ibid., p. 61.

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Liberals, went along with a tariff, which would drive up food costs (and therefore wages) at home and hurt them on the international market, to keep their part of a bargain struck when, in the spring of 1900, the Conservatives had helped vote passage of a new naval building program.[1] The Center was eager for the tariff, but had to propitiate its working class voters by exacting from Bülow a widows' and orphans' insurance fund to be financed from tariff revenue. Only the Social Democrats and the party of liberal commerce, the Progressives, resisted passage of the bill strenuously; but their attempt to talk the bill to death was broken when its supporters violated the House rules to bring a vote.[2] Thus a tariff was passed which would guarantee to the Junker growers of rye, wheat, and malt barley and to the peasant producers of livestock, meat, and butter what was probably the largest operating hothouse in any of the advanced nations of the world.[3]

The results of the census of 1907 seemed to confirm that Bülow's answer of "both" to the question of whether Germany would remain a commercial-agrarian society or become an overwhelmingly industrial society was being realized. The returns for agriculture were most encouraging to the "agrarians". Although the agricultural population (counting forestry and fishing) had fallen to 17,681,176 it still comprised 28.6 percent of the total. More importantly, although the big farms (100 hectares and more) had slipped from 0.5 to 0.4 percent of the total, cultivating 10.9 percent less of the land than in 1895, the peasant population had grown. In 1907 peasant cultivators (2-100 hectares) owned 40.7 percent of the farms and cultivated 72.4 percent of the land. Not only was this a significant improvement over the situation in 1895, but the increase had been greatest among the middling farms of 5 to 20 hectares (9.4 percent).[4]

Nevertheless, the great firms and the industrial population had also continued to grow rapidly since 1895. Individuals (including their families) working in industry, trade, and commerce had increased by 32.2 percent since 1895. Most marked was the increase of individuals

[1] Eckart Kehr, "Englandhass und Weltpolitik", in: Der Primat der Innenpolitik: Gesammelte Aufsätze zur preussisch-deutschen Sozialgeschichte im 19. und 20. Jahrhundert, Hans-Ulrich Wehler, ed., (Berlin, 1965), pp. 149-75.

[2] Gerschenkron, ibid., pp. 62-64.

[3] Ibid., Croner, p. 243.

[4] Deutsche Wirtschaftskunde, pp. 1, 8-9; Waltershausen, Deutsche Wirtschaftsgeschichte, pp. 449-86; August Skalweit, Agrarpolitik (Berlin, 1924), p. 203; Max Sering, Agrarpolitik auf geschichtlicher und landeskundlicher Grundlage (Leipzig, 1934), p. 27. Lenin read the 1907 census as confirming the predictions about agriculture of Marxian orthodoxy. See his analysis (published only after his death), "The Capitalist System of Modern Agriculture", in: Collected Works (Moscow, 1963), XVI, pp. 427-46.

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working in large factories (more than 51 employees), up 35.7 percent since 1895; and medium factories (6-50 employees), up 42.7 percent.[1]

Artisan industry fared more poorly. Firms employing between 1 and 6 workers increased about 10.6 percent in numbers; but this was quite little compared to the over 12 percent growth in population. Moreover, the artisan labor force increased hardly at all. Since the passage of the artisan law of 1897 the number of gilds had increased by 10 percent and their membership by 54 percent. In 1907 there were 233,000 members of compulsory gilds as opposed to 289,000 members of free gilds. As soon as the census returns had confirmed that major artisan problems had not been solved by the law of 1897, the Bülow government introduced a new artisan bill which would limit the training of apprentices to workmen with "master's credentials". However, the law of 1908 did not actually require these men to be gild-masters, or to belong to a compulsory gild, or indeed to any gild at all. Thus this law, like the rest of the artisan legislation of the Empire, served to renew the sense of solidarity among German craftsmen, but at the same time it also heightened a collective consciousness of impending economic doom.[2]

But while the artisan population declined in numbers and economic importance with economic development, the forces of their destruction were engendering a new *Mittelstand* to augment their ranks. The areas of trade and commerce were the fastest growing parts of the economy, up from 5,966,846 in 1895 to 8,278,239 in 1907 (including their families). As Germany approached industrial maturity the demands of commerce and higher university enrollments were creating a rapidly growing number of both university-educated and non-university white collar employees in public and private employ. Economic advance, itself, was producing Schmoller's hoped-for renewal of the *Mittelstand* by its creation of a new white collar middle class.[3] In the days of the Weimar republic this group would become one of the important social bases of the neo-conservative movement, but under the Empire it represented

[1] Waltershausen, pp. 486-503; Schumpeter, Business Cycles, I, pp. 439-44.

[2] Heinz Spitz, "Das Organisationswesen im Handwerk", in Bernhard Harms, ed., Strukturwandlungen der deutschen Volkswirtschaft (2 vols.; 2nd ed., Berlin, 1929), II, pp. 42ff.; Biermer, "Mittelstandsbewegung", in: Handwörterbuch der Staatswissenschaften (3rd ed.), VI, pp. 40-41. Cf. the data on the decline of artisan labor in such industries as beer brewing, tanning, textiles, and nail and chain making before World War I in the Deutsche Wirtschaftskunde, p. 181.

[3] Waltershausen, p. 384; see also Fritz Croner's tabulations of the relative size of this white collar labor force in various periods in René König, "Zur Soziologie der Zwanziger Jahre", in: Leonard Reinisch, ed., Die Zeit ohne Eigenschaften: Eine Bilanz der zwanziger Jahre (Stuttgart, 1961), p. 85; Emil Lederer, Die Privatangestellten in der modernen Wirtschaftsordnung (Tubingen, 1912).

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little more than the hope on the part of the parties of both the left and the right for new recruits to their ranks.[1]

Who then won the great intellectual and policy debate between the "agrarians" and the "industrialists"? If we agree with Bülow that Imperial policy aided both, then the laurels must go to the "agrarians", for the agrarian myth was not swept from the field and Germany was committed to the pursuit of an agrarian policy in its industrial age.

When the same issues and the same complex of arguments arose in Britain in the 1830's and 1840's, at a point in her economic development equivalent to Germany's at the turn of the century,[2] the Corn Laws were repealed. But in Britain it had been the industrialists, through their Anti-Corn Law League who had first raised the issue. It is said that Cobden was not overly fond of cotton mills, and Peel, the prime minister of repeal, "'on moral and social grounds', preferred cornfields to cotton factories". The great anachronism, the Duke of Wellington, performed his last major act for his Queen by piloting the repeal bill through Lords. In the words of Donald Read, "Richard Cobden knew that this great ... victory [the 1846 repeal] would do much to end the crisis of the Industrial Revolution. Repeal of the Corn Laws was a political act which fully recognized the significance of the great economic and social changes brought by the Industrial Revolution."[3] When the agrarian crisis finally struck in Britain in the 1880's and

[1] Walter Struve, "Hans Zehrer as a Neoconservative Elite Theorist", in: American Historical Review, LXX (1965), pp. 1035-1057. The notes to this article contain references to the major works on the "new middle class".

[2] According to Rostow Britain achieved economic maturity in the mid-1840's; his date for Germany is around 1910. Stages of Economic Growth, pp. 59ff. Gerschenkron's critique of the Rostow stage theory (Economic Backwardness in Historical Perspective, ch. XIV: "The Approach to European Industrialization: A Postscript") is quite well-taken. My use of Rostow's language and my assumption that we can draw analogies between the social and economic development of Germany at the turn of the century and England at mid-century should not be construed as an acceptance of the Rostow model.

[3] Donald Read, The English Provinces: c. 1760-1960, A Study in Influence (New York, 1964), pp. 137, 139-50. The analogy is further strengthened by the existence at the turn of the century of a German Anti-Corn Law League, The Commercial Treaties Association [Handelsvertragsverein], which proved much weaker, poorer, and more inept than its English predecessor. Gustav Ruhland, whom Pauline Anderson describes as the leading theoretician of the Bund der Landwirte, expressly denied that any comparison with English economic and social development was possible. For England the social question was one of wage earners; for Germany it was the problem of the maintenance of the independent *Mittelstand* – which in turn would aid the German worker. Pauline Anderson, The Background of Anti-English Feeling in Germany, 1890-1902 (Washington, D.C., 1939), pp. 155-65, 143.

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1890's, agriculture was left to its fate. As we have seen, this was not the case in Germany.

Large numbers of economically inefficient artisans and peasants, continued to ply their crafts to the outbreak of World War I. In exchange for their support the Imperial Establishment prolonged their economic existences; many conservative intellectuals continued to dream of the good old Germany; and many Socialists continued trying to bend the party program in their direction, while the national leadership continued dogmatically to foretell their doom.

Yet just as the old *Mittelstand* seemed to be gaining some respite from its downward slide, Germany began to feel the impact of her Second Industrial Revolution. Around the turn of the century new technological and economic trends began to emerge, which would become ever more dominant in the following decades. In the years after the turn of the century there began an increasingly rapid transition from the era of steam and steel to one of electricity, chemistry, and motors, to employ the terminology of Joseph Schumpeter.[1] The World War further intensified these trends and the pressures on the *Mittelstand*. In the war years industry benefited more than agriculture, and large firms, of necessity, were favored by governmental policies over their smaller industrial and commercial competitors.[2] The German Revolution of 1918 was the penultimate calamity of the *Mittelstand*.

The Revolution destroyed the political order of Imperial Germany, the order which had buffered much of the *Mittelstand* against excessive economic harm. The Revolution did not however destroy the social and economic order of Imperial Germany. It merely placed the arch ene-

[1] See his Business Cycles, I, pp. 397ff., 170ff. The turn of the century marked for Professor Schumpeter the beginnings of the third great business cycle in western industrial history. The first had begun in the era of the industrial revolution. The second, beginning in the 1840's, was associated with the innovations resulting from the application of steam power and steel in industry. He traced the third cycle into the years of the Weimar Republic and beyond, thus treating the period 1900-1932 as an economic whole. We do not have to accept the projection of half-century long business cycles to accept Professor Schumpeter's judgment that at the turn of the century "a significant 'break in trends' occurred".

[2] Albrecht Mendelssohn-Bartholdy, The War and German Society: The Testament of a Liberal, in: James T. Shotwell, general ed., Economic and Social History of the War (New Haven and London, 1937), pp. 195, 232; M. J. Bonn, Das Schicksal des deutschen Kapitalismus (Berlin, 1931), p. 7; Gustav Stolper, German Economy, 1870-1940, pp. 108-20; Heinrich Bechtel, Wirtschaftsgeschichte Deutschlands, III, pp. 363-79; W. F. Bruck, Social and Economic History of Germany from William II to Hitler (New York, 1962), pp. 134-43; and most recently, Gerald D. Feldman, Army, Industry, and Labor in Germany, 1914-1918 (Princeton, 1966).

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mies of the *Mittelstand* at the head of a new republican state which followed, or more often threatened to follow, policies which would lead to its economic destruction. These fears radicalized both the old and the new *Mittelstand* and sent them in search of a protected place in the new republic and an ideology appropriate to their position and aspirations. They found that ideology in the tenets of social conservatism.[1] In Britain Oswald Mosley failed miserably in large measure because there were no large numbers of the political disaffected middle classes looking for a new economic and social philosophy.[2] The German *Mittelstand* experienced its ultimate disaster when large numbers of them thought that the National Socialists and Adolf Hitler offered in a Third Reich what they had had in the Second.[3]

[1] I have dealt with the emergence of the ideology and movements of social conservatism and their political capture by the National Socialists during the Weimar Republic in my A Socialism for the German Middle Classes: The Social Conservative Response to Industrialism, 1900-1933 (Yale University doctoral diss., 1965) on microfilm from University Microfilms, Ann Arbor, Mich.
[2] Collin Cross, The Fascists in Britain (New York, 1963), pp. 166-68, 180-82.
[3] A Socialism for the German Middle Classes, pp. 348-66; Arthur Schweitzer, Big Business in the Third Reich (Bloomington, Ind., 1964), chs. II-V; Hans Gerth, "The Nazi Party: Its Leadership and Composition", in: Robert K. Merton, et al., Reader in Bureaucracy (Glencoe, 1962); Carl J. Friedrich, "The Peasant as Evil Genius of Dictatorship", in: Yale Review, XXVI (1937), pp. 724-740; Rudolf Heberle, Landbevölkerung und Nationalsozialismus: Eine soziologische Untersuchung der politischen Willensbildung in Schleswig-Holstein, 1918-1932, Schriftenreihe der Vierteljahrshefte für Zeitgeschichte, (Stuttgart, 1963), esp. pp. 130ff.

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