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MITTELEUROPA AND ORGANIC SOCIETY
IN THE WORK OF ALBERT E. P. SCHAPPLE
1848-1871

by

Robert Joseph Gentry

A THESIS SUBMITTED
IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF
DOCTOR OF PHILOSOPHY

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PREFACE

Central European society underwent far-reaching changes during Albert E. F. Schäffle's lifetime. In his youth civic life still revolved around the German Confederation and the particularist interests of the German princes. Dim memories of the past glories of the defunct Holy Roman empire gave an aura of splendor to provincial life in the German states. Society was still governed by absolutist monarchs and their bureaucracies, the prescriptive rights of German aristocrats, and hierarchical social ideals. Economic activity had only begun to move away from the world of artisans, guilds, and the manors of the landed aristocrats. Yet in Schäffle's lifetime the revolutionary movement of 1848 challenged the traditional social order and offered new political and economic ideals and institutions based on the principles of liberalism and nationalism. Schäffle observed at first hand the impact of the growth of industry and commerce and the beginnings of modern capitalism in Germany after 1850; and he witnessed the rise of German nationalism and the creation of the German empire. Before he died in 1903
Schäffle had seen Germany transformed; the Germans had taken their place among the great European industrial societies by the opening of the new century.

From the outset Schäffle had favored the creation of a modern industrial society in Germany and had devoted his energies to propagating the virtues of economic growth and commercial expansion. But during the years between 1848 and 1871 he looked upon liberalism and nationalism as unnecessary to the process of transforming German society. While he shared with the liberals their antagonism towards bureaucratic absolutism and their faith in economic progress, he believed that the principles of liberalism and nationalism could never create an atmosphere conducive to social and international harmony. In the decade following 1848 he became convinced that organic society and corporative institutions were the only alternatives to social and political chaos in central Europe.

By the time of the Italian War in 1859, Schäffle feared that the creation of a compact German national state would radically alter central European society and that the exclusion of Austria from Germany would lead to civil war, perhaps even to an international conflict. Believing that nationalism was not the answer to the problem of political organization in central Europe, he adopted the ideal of a Mitteleuropa based on the
existing Confederation as the only means of achieving a stable central European order. Throughout the 1860's he defended the existing state system as the only alternative to anarchy in central Europe. Even the demise of the Confederation and the formation of a Prussian-led North German Federation did not deter Schäffle from expounding the benefits of Mitteleuropa, and in 1871 he participated in an abortive attempt to reorganize the political and social structure of the Austrian empire in an effort to fight a rearguard action against what he saw as the divisive forces of liberalism and nationalism in central Europe.

Schäffle's propagation of his ideal of an organic society and his advocacy of Mitteleuropa in the 1850's and '60's offer the historian of nineteenth-century central Europe an excellent opportunity to view the events of these decades through the eyes of an acute and perceptive observer. More important, his public defense of corporative reform and his support for Mitteleuropa raise fundamental questions concerning the connection between industrialization and nationalism in the German Confederation. A careful study of his published writings can open the way for an assessment of several fundamental issues, such as, for instance, the relationship between the 1848 revolutions and Schäffle's early political and social thought, the nature of his social thought and the sources
he drew on for inspiration, the interrelationship between his organic social thought and his concept of Mittel-
europa, and his ideas about the connection between economic interests and the problem of defining German national goals during these fateful years.
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CHAPTER I
SCHÄFFLE'S EARLY SOCIAL THOUGHT

The origins of Schäffle's social thought lay with his response to the aftermath of the 1848 revolutions in Germany. His life and work in the decade following the upheavals reflected the contemporary concern with the impact on society of industrialism, science, secularism, and the political ideals of the French Revolution. Like many of his contemporaries, he was deeply impressed by the changes taking place around him and attempted to understand the significance of the alterations in the German social fabric.

His early reaction to the social changes introduced by the revolutions and the unprecedented economic growth which followed in their wake was hesitant. Like many of his fellow Germans, Schäffle questioned the ability of the monarchical governments to preserve social harmony and to safeguard Germany from foreign threats. The authority of the monarchs, their bureaucracies, and the principles of absolutism had been brought into question by the French Revolution, the Napoleonic wars, and the beginnings of industrialization in Germany. Yet, at the same time, he felt that liberalism had also been discredited by its
failure to replace absolutism in Germany. Schäffle rejected the idea that constitutional and parliamentary government could successfully build a free and open society in Germany after 1848. For him neither absolutism nor liberalism offered a stabilizing principle for German society.

Yet Schäffle was not a reactionary. He did not believe that one could return completely to the past. Accepting the inevitability of modern industrial society in Germany, he sought to turn capitalism into a conservative force. His social and political ideas placed him among those conservatives who attempted to discover in the German past a middle way between absolutism and liberalism, between necessity and freedom. He clung to the notion that organic or corporative institutions were the key to ending the threat of social atomism brought on by the conflict between absolutism and liberalism. Organic institutions offered the means of restoring community spirit which had been lost during the rise of the absolute monarchs.

Schäffle's organic reform program was in many ways a rational alternative to the competing creeds of liberalism and absolutism in Germany. It was an attempt to alter German institutions so that they conformed to the necessities of industrial growth and the rising demands for increased participation in the affairs of government. Unlike some conservative thinkers in Germany at this time,
Schäffle did not resort to authoritarian solutions; nor did he glorify the state as the sole means of maintaining social harmony in the face of rapid and confusing social changes. His effort to kindle the sparks of occupational representation was a "rational attempt to develop a new societal harmony for industrial society and implicitly admitted that the old aristocracy was no longer a feasible instrument for conservative harmony."¹ Within the context of organic social, economic, and political institutions, Schäffle hoped to find fertile ground for the creation of a German social monarchy devoted to the interests of all classes and powerful enough to insure that every individual received his just share of the fruits of society.

Understanding how Schäffle arrived at his social and political ideas and from what sources he drew inspiration helps place his defense of Austria in 1859,² his enthusiasm for the grossdeutsch program before 1866,³ his plans for


balancing the German middle states against Prussian and Austrian interests after 1866, and his part in the Hohenwart cabinet in Austria in 1871 in proper perspective. His ideas and actions take on added significance when seen as a part of his campaign to meet the challenges of the French and Industrial Revolutions. His national ideas cannot be comprehended apart from this context.

When Albert Schäffle was born in Nürtingen, Württemberg, in 1831 many of the rapid changes brought on by the French Revolution and the beginnings of industrial growth had already shaken the foundations of German society. The revolutionary events in France destroyed the last remnants of the medieval institutions left intact by the French kings. In 1789 the revolution swept away the last vestiges of medieval pluralism by proclaiming the doctrine of equality before the law, abolishing the idea of personal status in society, and altering the concept of property. With the traditional estates and guilds gone, the individual was left to his own devices.\(^4\) No longer did social

groups and institutions stand between state and individual.

Napoleon brought the revolution to Germany, and the French invasion challenged the existence of the closed world of Germany's representative estates, church holdings, guilds, and landed estates. In the western regions, where Napoleon's control was most direct, many of the mainstays of the old regime disappeared completely. Minor aristocrats lost their land and power; the guilds gave up what controls they had over the economy; and the introduction of French law codes brought the rights and privileges of the aristocrats into question. In 1806 the Holy Roman Empire collapsed, and for the next decade Napoleon rearranged the map of Germany.5

German intellectuals quickly lost their enthusiasm for revolutionary ideas when they saw the consequences of the French invasion of German territory. Johann Gottfried von Herder's cosmopolitan national thought gave way to an intensely national feeling in the early years of the nineteenth century. Friedrich Schleiermacher, preaching in Berlin, elaborated a philosophy of nationalism and called for national education to preserve the spirit of the German

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people. Johann Gottlieb Fichte, in his famous *Addresses to the German Nation*, called for a spiritual regeneration of the German people and developed the concept of the nation as a growing and living organism. Other expressions of national thought were more rabid; Father Jahn and Ernst Moritz Arndt, for instance, called for a united German people to rise up against the French intruders. By 1813 the cosmopolitan national feeling of Herder had been severely challenged by a modern spirit of German nationalism. 6

The political restoration following Napoleon's defeat in 1815 combatted the ideas of nationalism and liberalism. In 1815 most of Europe lay exhausted after decades of revolution and warfare. Monarchs and subjects alike demanded a period of domestic quiet and international stability. The statesmen at Vienna ignored the call for a united German nation state and instead created a German Confederation composed of thirty-nine states. Their ambition was to preserve as much of the looseness of the old empire as was possible and to return to the cosmopolitan ideas of the eighteenth century. Prince Clemens

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von Metternich's name is most closely associated with the attempt to maintain the status quo in central Europe after 1815 and to preserve the Vienna settlement. He recognized the inherent dangers of liberalism and nationalism to a multinational empire such as Austria, and, in the name of legitimacy and balance of power, he sought to safeguard the Habsburg monarchy from these new forces. His task was an impossible one. As Friedrich Gentz noted, "In an age of decay, the sole function of a statesman is to prop up mouldering institutions." After 1815 the moldering institutions were temporarily supported by the princes, aristocrats, and bureaucrats who returned to assume their interrupted duties. But it was impossible to return completely to the past. The uneven beginnings of industrial growth and a steady rise in population after 1815 stood in the way of such a retreat. Outwardly Germany still resembled the agrarian, semifeudal society of prerevolutionary days, but inwardly the outlines of modern


As a youth in Württemberg, Schäffle witnessed the effects of the debate over the relative value of older institutions, and he felt the consequences of the attempt to maintain the old order of things in the face of change. The kingdom of Württemberg was itself a product of the French Revolutionary wars and the Napoleonic invasions of Germany. It was created as a result of the destruction of the Holy Roman Empire in 1806. Absorbing the holdings of imperial knights, church lands, and other small independent territories, the kingdom became a member of Napoleon's Confederation of the Rhine in 1806. Surviving the Congress of Vienna, the king of Württemberg consolidated his holdings in the following years. Before 1848 there was an open contest between the king, the members of the traditional estates, and a growing number of liberals who wanted constitutional limitations. As a result of the failure of any single group to gain a balance of political power, the Württemberg constitution of 1819 reflected moderation. The monarch was willing to share power and the liberal tradition which developed in Württemberg was based on a faith in gradual change founded on existing
Schäffle's early life in Württemberg offered him a view of the security of older times and a glimpse of the future. In his memoirs, he looked back fondly on his childhood in Nürtingen. Both his parents came from Protestant peasant families. His father, a teacher in the local Realschule since 1817, had bettered himself socially. Schäffle remembered his mother as a cultured and educated woman who spent long hours reading to him. However, the family was not prosperous. Financial hardship almost overwhelmed it in the fall of 1839, when


10Albert E. F. Schäffle, Aus meinem Leben (2 vols., Berlin: Ernst Hofmann, 1905), Vol. I, pp. 3-7. Schäffle's autobiography is a valuable source for the development of his ideas and his part in the movement to maintain the German Confederation by reforming it. Although it was published after his death and before he had made all the corrections he had in mind, Schäffle's memoirs offer an opportunity to see how he viewed his own actions and thought from the perspective of the twentieth century. For an extremely critical evaluation of the work, see Hermann Oncken, "Albert Schäffles Lebenserinnerungen," Historische Zeitschrift, Vol. XCVI (1906), pp. 243-245.
Schäffle's father suddenly died. With five young children to care for, his widowed mother had a difficult time, and because the family was so poor, she decided to send Albert to study for the Protestant ministry. In the fall of 1844 he won a scholarship to study at the theological seminary at Stift Schönthal, which he attended for the next four years. In October, 1848, Schäffle left Schönthal for further study at Stift Tübingen, where he hoped to complete his religious education.

Schäffle's first taste of higher education left him with a dislike for theoretical philosophy and the Hegelian idealism taught at Tübingen by Ferdinand Christian Bauer. In his memoirs, he expressed his gratitude over not receiving a professional knowledge of philosophy at Tübingen. He was much more impressed by practical


subjects and excelled in history, mathematics, and geography. His later work, however, reveals not only an interest in these practical matters but also evidences of Hegel's dialectical method. This was perhaps almost natural, since Hegel dominated German thought in the first half of the century. A second influence on Schäffle's early intellectual outlook was his accidental introduction to the works of Franz von Baader, the Bavarian Catholic thinker who attacked extreme liberalism and individualism in Germany during these decades. But Schäffle had time only to become slightly acquainted with Baader's works before his formal education came to an end.  

The outbreak of revolutions in most of the major German cities in 1848 interrupted Schäffle's formal education and influenced the direction of his intellectual and psychological development. News of the revolution in Paris in February, 1848, acted as a catalyst in Germany. The politically-conscious elements of the German middle classes began actively to strive to establish constitutional and parliamentary limits to the powers of the German princes and their bureaucracies. Their attack was directed against the bureaucratic system and its

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stifling effect on society. Since the early years of the century there had been complaints against the attempt to maintain strict administrative controls, but only in 1848 did the agitation take hold of a broad group within German society. The liberal demands coincided temporarily with unrest among the peasants, craftsmen, and unskilled workers who were feeling the harsh effects of the rapid rise in population and the inability of the German economy to make room for the increase in the labor force.  

In the early days of the revolution the constituted governments in Berlin and Vienna appeared to give in to the liberal demands; constitutions were promised and assemblies were called. An assembly for all of Germany met at Frankfurt on May 18, 1848, to give concrete reality to the German liberals' dreams of a constitutional and parliamentary government for the German people. But overwhelming problems soon confronted the Frankfurt assembly. In the first place, the liberals did not adopt a program which appealed to the craftsmen, unskilled workers, and peasants who wanted protection from the changes and uncertainties which came with the growth of industry.

Failing to win wide support for their aims, the constitutionalists stood alone against the governments during the last days of the revolution.  

Another problem facing the assembly was the division over the nature of the future united German state. The particularism of the states, the dualism between Austria and Prussia, and the intrusion of social issues into the assembly debates made it exceedingly difficult to work out a compromise solution. The assembly soon became preoccupied with the question of Germany's position in central Europe. The antagonism between Austria and Prussia became evident by October 19, 1848, during the debate over the form of the future German state. The delegates split into two camps: the kleindeutsch groups demanded that non-Germans be excluded from the new Germany; the grossdeutsch advocates wanted Austria and its non-German 

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16 An extreme statement of the concern for Germany's position in central Europe was made by Count Deym in a speech on October 26, 1848. "Our goal is to establish a giant empire of seventy, and if possible, of eighty or one hundred million and to plant the standards of Hermann in this Reich," he said. "Thus armed, we shall stand against both East and West, against the Slavic and Latin nations. This is Germany's future! In the face of this, all petty debates over the constitutional forms dwindle into insignificance." As quoted in Koppel S. Pinson, Modern Germany: Its History and Civilization (New York: The Macmillan Company, 1954), pp. 100-101.
territories included in the new Reich. These issues became academic when the Prussian king refused to accept the new German crown. When the assembly divided over this question a group of radicals withdrew to Stuttgart on May 31, 1849, hoping to continue the battle for a united Germany. Their assembly was broken up by Württemberg troops on June 18, 1849. After this, the revolution ended with futile uprisings in Saxony, Bavaria, and Baden.¹⁷

Schäffle watched these events as a young first-year seminary student at Tübingen. In the excitement and turmoil of the first days of the revolution in Württemberg, his first thoughts were to defend Germany against the French. With his fellow students he joined a brigade to defend the Neckar Valley against a rumored French invasion.¹⁸ When the French armies did not appear, Schäffle was caught up in the events taking place around him. He watched the peasants attempt to burn manorial and official records which had been stored for safekeeping in the Schönthal cloister. Wandering through the streets, he listened to the radical oratory and the demands for further revolution. He read the radical


newspapers and followed the proceedings of the Frankfurt parliament with extreme interest. When the assembly was threatened in June, 1849, Schäffle, carried away with youthful enthusiasm and a desire to see Germany united, joined a group of students and radicals who set out for Baden to defend the rump parliament against Prussian troops.\footnote{Schäffle, \textit{Aus meinem Leben}, Vol. I, pp. 24 and 27; Oncken, "Schäffles Lebenserinnerungen," pp. 244-245; Blaum, \textit{Albert Schäffle}, p. 18.}

With the failure of the revolution and the return of the legitimate governments, Schäffle found himself alone and frightened. His part in the revolutionary movements of 1848-1849 left him with lasting impressions which influenced his later thought. The pages of his autobiography reveal the mingling in his mind of enthusiasm for a united and strong German national state with a hostility, even contempt, for constitutional and parliamentary solutions. Later he maintained that his actions in 1848-1849 had been motivated by his desire for a united Germany and the hope that it could be achieved through the exhortations of the Frankfort parliament. He claimed that the radical phrases and the demands for social revolution had not affected him.\footnote{"The attraction of radical phrases had not been powerful over me. The effect of the speeches of the political 'cabbage heads' who blustered against those 'wasps of reaction who nibbled on all of the fruits on the tree of freedom' disgusted me with their lack of good}
on what he had witnessed in 1848-1849, he was firmly convinced that the failure of the liberal parliamentary experiment was proof that the tenets of liberalism and individualism were alien to Germany. He had seen the effects of revolution at first hand; the liberal efforts to unite Germany had given way to chaos, and for a time Germany had verged on civil war. Distaste for liberalism and individualism, distrust of liberal goals, and a fear of revolution and possible civil war were the lessons Schäffle drew from his personal experiences during 1848 and 1849.\(^\text{21}\)

His part in the revolutionary movements had been small, but it was enough to concern the authorities. Schäffle's participation in the march on Baden made it impossible for him to return to Tübingen to continue his education. Fearing arrest, he went into hiding at a friend's home in Orlach.\(^\text{22}\)

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authorities, Schäffle, with his parents dead and no money, decided to give up his studies for the ministry, and for a time he contemplated leaving Europe for America. But the king of Württemberg soon granted him an amnesty for his part in the revolution, and Schäffle was able to return to his native Württemberg. By 1850 he was determined to come to terms with the problem of social unrest and to work out a course of action which would enable the Germans to avoid the liberal errors and the faults of absolutism. He began a study of economics, politics, and history in order to gain a complete understanding of his experiences during the revolution. 23

The German society which Schäffle hoped to understand in 1850 was dominated by the lingering evidences of the failure of the revolutionary movements of 1848 and by the reaction which followed. The Confederation was restored with an Austrian presidency. The immediate results of the domestic reaction were uneven in the German states, but generally the governments reasserted their absolutist powers and the authority of the bureaucracy.

The victory of the legitimate regimes over the revolutionary forces in 1849 did not, however, signal the complete resurrection of the old ways and institutions. After 1848 the policies of the German governments were

directed towards strengthening control over possibly troublesome elements in society, and this program rested more on the use of bureaucratic instruments than on an unconscious acceptance of the right to govern. In Austria Prince Felix zu Schwarzenberg and Alexander Bach pursued a policy quite different from the Vormärz program of Metternich. De-emphasizing historic rights and privileges, their program rested on centralizing the administration and granting the German language a predominant place in education and administration. In Prussia the 1850 constitution remained in effect, but it was moderated by the introduction of a three class system of voting based on tax payments. Bureaucratic absolutism brought with it a return to arbitrary decisions and actions under the direction of Ferdinand von Westphalen. In the secondary German states similar policies were followed, but they varied in application and severity. In 1850 the Mecklenburgs abandoned the constitution of 1849. Saxony returned to the 1831 instrument of government. In nearly every German state the rulers strengthened their administrative machinery's grip on political, social, and economic institutions.  

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24 Hamerow, Restoration, Revolution, Reaction, pp. 200, 211, and 261.

The liberals generated the greatest fear among ruling circles. Defeated in 1849, their ranks continued to grow in the decades that followed. The extension of trade, the expansion of the factory system, the construction of highways and railroads, and the expansion of existing tariff unions gave the middle classes a new sense of identity and purpose. By the mid-1850's the German liberals were vocal in their demands for constitutional and parliamentary government and called for limitations on the authority of the German princes. They demanded freedom from the economic and social restrictions of bureaucratic governments; they attacked the traditional estates, guilds, landed estates, and the hierarchical system of class distinctions. In their desire to further German trade and industry, the liberals looked upon the German Confederation as a brake on economic progress. By the end of the decade the liberals in Prussia were challenging the prerogatives of the crown, and an open clash developed over army reforms and parliamentary privilege.  


watched the struggle between the government and liberals in Prussia with great interest.

Partly in response to the continuing strength of the liberals, the German governments and theorists developed programs designed to reconcile discordant elements in German society. The challenge to their authority in 1848 had given the monarchs a bad fright, and some of them learned valuable lessons from this threat. As early as March 16, 1848, Joseph Maria Radowitz, in his memorial to Frederick William IV, concluded that one of the chief causes of the social disturbances was the German workers' desire for security and organization in a society which was rapidly changing.27 This insight into the dissatisfaction among craftsmen and unskilled workers explains much of the thought behind the policies followed by many of the German governments after 1849. The governments which regained their powers after the revolution attempted to win over the masses with a program of social welfare and state aid. Peasant emancipation was carried through

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27 Radowitz's program is discussed in Pinson, Modern Germany, pp. 89-90; Hamerow, Restoration, Revolution, Reaction, pp. 200-201; and Friedrich Meinecke, Radowitz und die deutsche Revolution (Berlin: Ernst S. Mittler und Sohn, 1913), pp. 50-59 and 73-79.
to completion. The worker received some protection from the whims of the factory owner. And the growth of commerce and transportation was furthered. With the masses on their side, the governments felt that they could offset the weight of the liberals.

After 1848, publicists, journalists, and academicians began to devote attention to social welfare theories and programs as a means of overcoming the liberal threat, and with the rise of the German worker movement in the 1860's the need for action seemed more urgent than ever. After 1848 Victor Amée Huber worked on plans for providing state aid for workers' associations. Leopold von Ranke urged Frederick William IV that every Prussian subject deserved the monarch's support and concern. The Prussian bureaucracy worked to make a reality of the system of providing state aid and protection to the workers and peasants. Otto von Manteuffel sought to guide Prussian policy into such channels. Even Otto von Bismarck believed that some kind of state aid was necessary to keep the workers from siding with the liberals in their efforts to limit the functions of the state. At the back of nearly every conservative mind was the feeling that somehow the state had to be made more responsive to the needs of every group in society in order to counter the liberal

philosophy.\textsuperscript{29}

While the \textit{Sozialfrage}--the popular contemporary term for concern about the problem of reconciling the craftsmen, unskilled laborers, and peasants to the constituted authority--came to dominate the minds of many German intellectuals and statesmen during the 1850's and '60's, some thinkers took a stand against the liberal philosophy and also expressed a desire to curb the growth of bureaucratic machinery. Albert Schäffle soon joined this fight.

The year 1850 marks the beginning of Schäffle's career as a publicist and journalist. It also signals his first step towards intellectual maturity and the expansion of his circle of important and influential friends in Württemberg and in Austria. Through the aid of one of his former professors, he found work as a writer for the \textit{Schwäbischer Merkur}, at that time one of the leading newspapers in Württemberg.\textsuperscript{30} For the next ten years Schäffle served out his apprenticeship, reporting on the leading events, both in Germany and abroad. During this time he also continued his education through self-study, hoping eventually to earn his degree. Gradually

\textsuperscript{29}Ibid., pp. 211-214.

he mastered the art of journalism, and by the end of the
decade he had earned a reputation as a shrewd commentator
on political and social issues. During these ten years
he met several influential persons who were instrumental
in bringing his ideas into focus and giving him access to
important statesmen and civil servants in Württemberg and
Austria. By the end of the decade his intellectual
horizons had widened considerably, while his hostility
towards liberalism, individualism, and absolutism had
taken on theoretical clothing.  

His years as a journalist were a valuable experience
for Schäffle's intellectual growth. Working for the
Schwäbischer Merkur taught him to write rapidly and
clearly, to draw practical conclusions from abstract
material, and to write to influence public opinion and
further the completion of a broad program. Fortunately,
the editorial policy of the Merkur at this time was
flexible enough to allow him to write freely on almost
whatever topic interested him. In his memoirs he recounts
how he read widely in political science, history, and
economics in preparing articles on the London Exposition
of 1851, the Crimean War, and other political and economic
events of the decade.  

In the course of his work Schäffle met Johann Georg Cotta, an important Stuttgart publisher. The aristocratic Cotta family had long been influential in Württemberg, and since the turn of the century they had become vitally interested in improving and expanding the German economy. Since the first years of the century Cotta's father had advocated the expansion of the tariff reforms. The younger Cotta was a warm friend of Austria and worked to create a closer economic and cultural union between the Confederation members and sought a place for Austria within the German customs union. He was an enthusiastic defender of the grossdeutsch program. From Cotta, Schäffle learned to see Germany's problems from this broad viewpoint.33 More immediately important for Schäffle was the forum Cotta gave him for the expression and refinement of his developing social and political ideas. Soon after they met Schäffle was writing independent economic and political essays for Cotta's Deutsche Vierteljahrschrift, an influential south German periodical devoted to current German political and economic prob-

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lems. Cotta added Schäffle to the editorial staff of his Augsburg Allgemeine Zeitung. Socially, Cotta enlarged Schäffle's circle of friends by introducing him to leading Württemberg and Austrian statesmen and civil servants. Schäffle met Karl von Czörnig, head of the Austrian Statistical Bureau, and Karl von Hock, a member of the Austrian finance ministry. Both men contributed to his knowledge of Austria and the problems of political and economic change in Germany, and from them Schäffle learned of the need for closer economic and cultural ties between all the German states.

During the 1850's Schäffle came of age intellectually. His newspaper work, his friendship with Cotta and his friends, and his independent reading enabled him to pass the Württemberg ministry of interior's higher service examination in 1855, and in the same year he received his degree from the University of Tübingen without having

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attended a single university lecture.\footnote{\textit{Schäffle, Aus meinem Leben}, Vol. I, pp. 43-44 and 47; \textit{Blaum, Albert Schäffle}, p. 30.} His essays earned him the respect of many important groups in Württemberg, and his work came to the attention of government officials in Vienna. His reputation spread when he gave a series of lectures to groups of businessmen in Stuttgart. By 1860, when he became a professor at the University of Tübingen, Schäffle had developed his own views on the leading political and economic problems facing the German people.\footnote{\textit{Schäffle, Aus meinem Leben}, Vol. I, pp. 63-65 and 80; \textit{Blaum, Albert Schäffle}, pp. 76-77.}

Schäffle's early social thought was complicated by his eclecticism and his desire to synthesize liberalism and bureaucratic absolutism. His response to the social questions of his day was colored by his attempt to blend some of the western liberal traditions with the heritage of the German idealists and romanticists he read while preparing for the state examination. He combined an abiding faith in rationalism with intuitive romanticist thought. His interest in using empirical methods in solving social problems was partially muted by his adoption of the conservative influences of German historicism. In approaching the nationality question, he combined a cosmopolitan outlook with \textit{grosseutsch}
nationalism. The mingling in Schäffle's thought of western liberal ideas with the organic historicism of the German Romanticists is indicative of the dilemma he faced. He never fully accepted the traditions of western liberalism and its faith in the goodness of the individual, but neither did he accept the romantic myth of an idyllic agrarian paradise founded on a completely beneficent community spirit. The conflicts and tensions between these two facets of his thought can be seen in the solutions he worked out for the problems of political organization and economic growth.39

The central theme of Schäffle's social thought after 1850 is his attempt to come to terms with the causes of social and economic unrest in Germany. The early antipathy towards liberalism and individualism which he had gained during the revolutionary days of 1848 was reinforced when he undertook an examination of the impact of industrial growth and political unrest on German society. He was struck by the effects of the industrial revolution and the political and economic philosophies of the liberals

after 1848. The revolutionary movements of 1848 had demonstrated to him the inability of the liberals to maintain social order; he saw that the growing alienation among the handicraft workers, unskilled factory workers, and the peasantry had no place in the liberal world view. Yet the governmental reaction after 1848 had also disappointed Schäffle because only halting efforts were made to reconcile discontented elements and too large a role was given to the bureaucracy. By 1856 he viewed the German social scene with alarm. He discerned a widening social cleavage between rich and poor, between handicraft worker and unskilled laborer, and between the city and countryside. The crux of the problem for Schäffle was the effects of both liberalism and absolutism on society. Both contributed to the growing atomism in German society in which the isolated individual stood alone against the powers of the state. What Schäffle sought was some means of offsetting the impact of this process of alienation in German society.

In his first published articles Schäffle developed this theme of social polarization and attempted to explain historically why neither liberalism nor absolutism was

\[\text{40} \] Schäffle, "Der moderne Adelsbegriff," p. 173; Bowen, German Theories of the Corporative State, p. 128; Blaum, Albert Schäffle, pp. 38-39.
able to resolve this problem.\textsuperscript{41} His answer to the social question was the revival of organic society in Germany. Corporative institutions were for Schäffle the only means of synthesizing order and freedom, of allowing the state to maintain its proper relationship to society, and of allowing the fullest expression of individual personality. Between 1856 and 1860 Schäffle constantly returned to the idea of an organic society and tried to show how it was the key to the major political, economic, and social problems of his era.

His early antagonism towards liberalism and individualism increased during the years before 1860. He was in agreement with the liberal effort to limit the powers of the German rulers, but he rejected the liberals' emphasis on constitutions and parliaments. The liberal faith in the existence of a natural harmony of individual interests, their belief that individuals existed in society as separate entities with rights existing prior to government or society, and their argument that individual interests were resolved through rational discussion were dismissed by Schäffle. Taken together, the tenets of liberalism

increased the tendency towards social atomism. The liberal
dismissal of community interests and their desire severely
to limit the powers of the state were for Schäffle a form
of social suicide for Germany. He admitted that the
liberal creed and the ideas of constitutional and parlia-
mentary government might function in England, where they
were tied to historically-evolved institutions, but he
argued that they could not be transplanted whole into
German soil. 42

While condemning the attempt to make political
liberalism the basis for modern society in Germany,
Schäffle at the same time struck out at the bureaucratic
structure which had grown up in Germany since the days of
the early absolute monarchs of the seventeenth century.
In his mind bureaucratic absolutism increased the polar-
ization of society. Since at least the eighteenth century
the monarchs in Germany had concentrated their power in
the central administrative machinery and had weakened, if

42Schäffle, "Der bürokratische Staat," pp. 107-109,
111-112, and 128-129; Albert E. F. Schäffle, "Die Wiener
Zollconferenzen," Deutsche Vierteljahrschrift, 1858, pp.
258-259. See also Kurt von Raumer, "Absoluter Staat,
Korporative Libertät, persönliche Freiheit," Historische
Zeitschrift, Vol. CLXXXIII (1957), pp. 55-60 and passim;
Dietrich Gerhard, "Regionalismus und ständisches Wesen
als ein Grundthema europäischer Geschichte," Historische
Zeitschrift, Vol. CLXXIV (1952), pp. 330-337; and Karl
Tuschinsky, "Albert Schäffles Werdegang als Sozialpolitiker"
(unpublished doctoral dissertation, University of Hamburg,
1921).
not destroyed, local self-administration. Comparing French and German administrative institutions, Schäffle noted the harsh effects centralization had on French society. He saw continued reliance on bureaucratic solutions as a prelude to a similar course of events in Germany. He was deeply pessimistic about the possibility of maintaining social harmony in Germany by using state administrative organs alone.\footnote{Schäffle, "Die Besoldungsfrage," p. 330; Schäffle, "Der bürokratische Staat," pp. 133 and 140; Schäffle, "Die Wiener Zollconferenzen," pp. 258-259; Albert E. F. Schäffle, "Die Konkurrenz der Organe des Staatsleben. Beiträge zu einer Revision der Grundbegriffe der neueren Staatslehre," Zeitschrift für die gesamte Staatswissenschaft, Vol. XVIII (1862), pp. 558-559, 566-567, and 578-579.}

In their protest against liberalism and individualism and fear of an overpowerful bureaucracy, Schäffle's early writings are reminiscent of the romantic protest against the excesses of the French Revolution and the Napoleonic occupation of Germany. When the revolution led to warfare many German intellectuals quickly lost their enthusiasm for the revolutionary doctrines. What they had earlier seen as cosmopolitan ideals became merely a disguise for French interests and a continuation of the policies of Louis XIV. The ideas of the rights of man, equality before the law, representative parliamentary government, written constitutions based on the concept of natural law, and the
sovereignty of the people, in fact, the whole range of French Revolutionary ideals, were rejected by the German romanticists in the early years of the nineteenth century. Concern for the future of their own country blended with the general European romantic feeling to produce a unique reaction among the German romanticists. The movement which began as a literary protest against classical tradition became a political movement among the intellectuals who protested the acceptance of the ideas of the French enlightenment.

One of the most important political concepts developed by the German romanticists was the idea of an organic society based on corporative institutions. They developed the idea in order to combat the political theories of the enlightenment. In rejecting the doctrine of natural rights and the contractual nature of the state, the German romanticists argued that the state and society were neither accidental nor the products of rational actions of men. In place of a rational social contract as the justification for government and society they maintained that society was held together by organic bonds of blood, tradition, and

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custom. In their minds society was much more than the sum of its individualist parts; it was an organic whole. Society was pictured by the romanticists as a living organism which could not be tampered with.\(^45\) Edmund Burke's *Reflections on the Revolution in France*, which was translated into German by Friedrich Gentz soon after its publication, became a favorite source of inspiration for the German romanticists. Burke's defense of organic society, his deep regard for traditional institutions, and his faith in the strength of historical continuity was incorporated into their political thought.\(^46\)

The German romanticists, however, overlooked the fact that Burke was defending existing institutions in England. His ideas were a part of the tradition of 1689 and the "bloodless revolution." In Germany the case was very different. In combatting the propagation of the doctrines of the rights of man and the contractual nature of the modern state and society, the German romanticists were not defending existing institutions; they were looking


\(^{46}\) Alfred Cobban, *Edmund Burke and the Revolt against the Eighteenth Century* (London: George Allen and Unwin, Ltd., 1929), passim; Golo Mann, *Secretary of Europe: the Life of Friedrich Gentz, Enemy of Napoleon*, translated by William Wogliom (New Haven, Conn.: Yale University Press, 1946), passim.
to the German past for inspiration and hoped to restore earlier institutions. They found their model for organic society in their version of medieval German society. Stressing the virtues of medieval community life and the communal bonds created by the corporative institutions, the German romanticists idealized medieval social bodies—the church, the guilds, the representational estates, the landed estates, and the hierarchical society they formed—and argued that these corporations had provided medieval society with a societal harmony which had remained unbroken until the outbreak of revolution in 1789. They interpreted the French Revolution as the final destroyer of medieval pluralism and believed that the loss of the older institutions explained the failure of the revolutionary movement to build a stable new society in France. To offset this trend in Germany, the romanticists demanded the restoration of German corporative institutions as a means of reviving true individual freedom and creating a stable society. 47 They spoke of a living society in which legal distinctions, social privilege, constituted authority, and social hierarchy stemmed from corporative organizations which harmonized discordant elements at every level of society.

47 Aris, History of Political Thought in Germany, pp. 311-312 and 333-335; Bowen, German Theories of the Corporative State, pp. 7 and 31-33.
In hoping to restore the institutions of the past, the German romanticists were backward-looking. Their political and social thought was based on pre-capitalist notions. Adam Müller, the best known of the German romanticists who devoted attention to political problems, reflects this yearning for the past. He sought refuge from what he thought was the imminent collapse of society. For the most part, he and the other romanticists offered the prospect of a closed society based on a compromise between the monarchs and the traditional representative estates, hoping in time to return to the period before the absolutist monarchs had garnered control over many of the legislative and administrative functions in Germany. They assumed that Germany would maintain an agrarian economy and that the guilds would bring order to the cities.⁴⁸

Schäffle accepted the romanticist ideal of an organic society based on corporative institutions, and much of his later thought reflects this organic approach to social problems. He viewed society from a broad perspective with the aim of grasping the living nature of societal institutions. Like the romanticists, he wanted to reestablish the moral and spiritual bonds of German society by using

⁴⁸Aris, History of Political Thought in Germany, pp. 333-334; Bowen, German Theories of the Corporative State, pp. 31-32.
essentially German institutions. But Schäffle doubted that the simple political and economic principles of the romanticists would suffice in the complicated Germany of the 1850's; and he condemned the romanticist faith that past institutions—the guilds and other corporative bodies—could be resurrected without alteration. He criticized the romantic program because it assumed that society remained static and that the old ways and ideas could be restored. For Schäffle the most serious romanticist failing was neglect of the evolutionary nature of society. With the need for finding ways to revitalize social and spiritual bonds within German society firmly in his mind, Schäffle turned to the German past.

In seeking to go beyond the German romanticists' conception of the organic society and to discover the future course of the evolution of German society, Schäffle undertook an examination of German history. He studied the history of the relationship between the state and society in Germany since the middle ages, hoping to discover how the moral and spiritual authority of that era


had been lost. In his examination of German history he concentrated on the relationship between moral authority and economic activity because he wanted to find not only a new moral order but also a way to achieve it within the context of industrial growth.\footnote{Schäffle, "Der moderne Adelsbegriff," p. 328; Schäffle, "Der bürokratische Staat," pp. 133-139; Albert E. F. Schäffle, "Vorschläge zu einer gemeinsamen Ordnung der Gewerbebefugnisse und Heimatrechtsverhältnisse in Deutschland nach den Grundsätzen der Gewerbefreiheit und der Freizügigkeit," Deutsche Vierteljahrschrift, 1859, pp. 230-238.}

In his analysis of the past in order to provide answers for contemporary problems, Schäffle reflects his age's faith in the possibility of discovering the direction in which society was moving by analyzing past changes. Earlier in the century Georg F. W. Hegel had given philosophy a new emphasis when he stressed the evolutionary character of the world. Hegel found that civilization moved from stage to stage through the resolution of opposites. His philosophical inquiries led him to conclude that the moving force in history was the absolute ideal.\footnote{George H. Sabine, A History of Political Theory (3rd ed., New York: Holt, Rinehart and Winston, 1961), pp. 620-628 and 636-642; John H. Hallowell, Main Currents in Modern Political Thought (New York: Rinehart and Winston, 1950), pp. 258-268; Herbert Marcuse, Reason and Revolution: Hegel and the Rise of Social Theory (2nd ed., Boston: Beacon Press, 1960), pp. 88-90 and 183-185.}

At the time Schäffle was beginning to make his study of the
evolution of German institutions the Hegelian method dominated the German universities. Karl Marx used Hegelian dialectics to show that social change came as a result of material causes. More specifically, Marx argued that the economic environment determined a society's institutions and ideas. Schäffle was concerned with both spiritual and material sources of change. His study of history led him to conclude that economic institutions and interests strengthened spiritual values which promoted social unity. Thus Schäffle attempted to straddle the philosophical problem of deciding between ideal and material causes.

The vital connection between economic structures and spiritual values became evident to Schäffle as he analyzed the German past. In two of his early articles he examined the changes in the nature of the German guilds and cities and the impact these changes had on society in general. Schäffle agreed with the romanticist idea that the German


middle ages had been a period of greatness. At that time the Germans had enjoyed the widest participation in community affairs. This public spirit was a product of the corporative institutions: the church, the guilds, the cloisters, the religious orders, the cities, the estates, and the empire—all of these institutions contributed to strengthening the bonds of medieval society. For Schäffle the guilds occupied a prominent place in medieval society because they exerted a moral force beyond their purely economic interests. The guilds gave their members a feeling of participation in public life and protected them through welfare measures, educational policies, and economic regulation.\textsuperscript{55}

In his analysis of the German past, Schäffle tried to understand why the guilds failed to maintain the social harmony of the high middle ages. By the late fifteenth century the guilds, after prospering for so long, had decayed and lost their prominent position in society. Schäffle saw the reason for this failure of the guilds in their reaction to the changes in the economy.\textsuperscript{56} With the economic decline of the early modern period, the German guilds shrank into their own private economic spheres and


became merely competing economic interest groups. The members of the guilds failed to recognize the importance of coming to terms with the growing influence of moveable capital; instead, they attempted to thwart its development.\textsuperscript{57} With their influence diminished, the guilds never recaptured their moral position within society.

The decline of the guilds coincided with the rise of the absolute monarchs in Germany. Schäffle noted that as the guilds lost their moral authority, the German princes gathered political power into their own hands. Professional bureaucracies aided the princes in their quest for political power. For Schäffle, the growth of central authority in most of the German states had two consequences. It increased political authority and gave the state a strength which it had never had during the middle ages. This made it possible for some of the German states to stand off foreign threats. But the absolute princes were unable to revive the lost spiritual authority of the medieval corporative institutions. The growth of monarchical power and bureaucratic machinery during the early modern period stood out in Schäffle's mind as an increase in political power which contributed further to the loosening of societal bonds and curtailed the individual's

\textsuperscript{57}Ibid.
participation in public affairs.\(^{58}\)

In Schäffle's account of the loss of public spirit in German society the next significant change in social life came in the eighteenth century with the liberal attempt to limit the authority of the absolute rulers. Schäffle admired the motives behind the liberal effort to place limits on the exercise of political power and to set aside the concept of divine right monarchy, but he criticized the liberal movement for its failure to offer any substitute for absolutism and bureaucracy. The liberals raised the banner of representative government, but their emphasis on individual rights neglected the needs of the community; and their assumption that the state ought to be severely limited in its functions left a power vacuum in society.\(^{59}\) Their emphasis on natural laws and abstract rights ignored the manifold institutions which had earlier guaranteed a balance between the state and individuals who were members of social groups and bodies. Schäffle pointed to recent events in France to demonstrate the futility of liberal policy. There Napoleon III had only recently consolidated his power because the revolutions in France had stripped society of all other institutions and groups except for the bureaucracy which Napoleon III

\(^{58}\)Schäffle, "Der bureauratische Staat," p. 141.

\(^{59}\)Ibid., pp. 116 and 132.
used for his own interest.\textsuperscript{60} Schäffle wanted to avoid this dramatic consequence in Germany.

His analysis of Germany's past gave Schäffle an insight into the social problems of his own day. He discerned a pattern in the history of Germany's public institutions. He noted that during the middle ages, when German society had been most clearly united, the guilds formed the nucleus of the community and transmitted an aura of moral and spiritual authority. What fascinated him most about the guilds was the way material interests which had originally brought the guild members together eventually grew into spiritual bonds.\textsuperscript{61} In such a situation society became stratified into distinct classes. Schäffle believed that the members of these classes had the opportunity to develop their personality to the fullest as a member of one of the corporations. Economic interests were the basis of class membership but did not completely limit an individual to a single class. Schäffle noted that in the middle ages there was more movement from one class to another than was generally recognized. But

\textsuperscript{60}Ibid., pp. 134-136; Schäffle, "Der moderne Adelsbegriff," pp. 326-327.

\textsuperscript{61}Albert E. F. Schäffle, "Rechtsphilosophische Zeitgedanken über politische Bedeutung der Nationalität, historisches Recht, Autonomie und Polizeistaat," Deutsche Vierteljahrschrift, 1861, pp. 310-312; Blaum, Albert Schäffle, p. 29.
the important thing for Schäffle was that economic interests formed the basis for a **ständischer Organismus**—a society in which individuals were members of a **Stand** which protected their economic and social interests. The corporations appeared in history as the bearers of spiritual and material interests of society and helped unite individual members of a society into a harmonious whole. 62

These views on the function of material interests in the formation of interest groups are extremely important for Schäffle's political and social thought, and they form the background for his political and social ideas. He felt that there was an analogy between the 1850's in Germany and the period of the guild's preeminence. He noted that in his own day there were associations—gilds, **Vereine**, and **Genossenschaften**—which appeared to offer the basis for the creation of an organic society in Germany. 63 Such organic institutions were the means of achieving social balance between the state, moral purpose as it was manifested in community spirit, and individual rights. Schäffle concluded that these associations offered the


means of creating a synthesis of order and freedom, of the powers of absolutism and the liberal demands for individual rights. This synthesis, however, would be more than a blend of absolutism and liberalism. It added the necessary organic spirit of the corporative society.  

Although this synthesis appeared as a very real possibility to Schäffle, he recognized that the growing numbers of Vereine and Genossenschaften in Germany were still too much concerned with purely private material goals and directed towards the interests of the early struggle for individual freedom against bureaucratic controls. But he felt that with time these groups could form the nucleus for the revival of a new sense of moral purpose in Germany. With the example of the medieval guild in mind, Schäffle hoped that the associations would eventually lose their private interests in favor of public welfare, and he thought that the medieval guild's chief error—the failure to come to grips with nascent capitalism—could be avoided. From the beginning he attempted to mold his idea of the organic corporations to fit into modern industrial society.

The existence of the associations in Germany after

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64 Schäffle, "Die Besoldungsfrage," p. 296; Schäffle, "Das Wachstum des englischen Verwaltungsstaates," p. 262; Blaum, Albert Schäffle, pp. 45-46.

1848 meant for Schäffle the answer to the fundamental problems facing the German people. He sought to make the liberal idea of political freedom a reality in the world of day-to-day administration. The associations provided the opportunity of effectively limiting the powers of the state and curbing the exercise of bureaucratic power while maintaining the central authority needed to ensure the integration of social groups and to provide for defense against foreign attack. He sought to solve the social problem not by eliminating the state but by creating institutions which insured that it would be responsive to all social groups. He concentrated on devising institutions designed to reflect the interests and opinions of these social groups.

In order to guarantee that every class would be represented, two major changes were needed in German social and political life. Schäffle wanted a system of occupational representation to advise the bureaucracy, and he sought to foster self-administration wherever it was possible. Both of these goals had been discussed by several German thinkers before 1848. Karl Marlo had put


forward the demand for occupational representation in 1848 as a means of guaranteeing the position of the handicraft workers against encroachments by the factory system. He developed the idea that an economic chamber enabled the members of the guilds to maintain their position in society and insured that they would have a voice in determining changes in the economy. Schäffle was intrigued by these ideas, but he did not accept them uncritically. He recognized that Marlo's ideas were based on a desire to protect the guilds and that they called for compulsory guild membership. Schäffle wanted to avoid the compulsory nature of Marlo's proposals and his reliance on close association with the guilds. He argued that a voluntary system of associations could lead to the formation of a broad middle class, which could narrow the gap between rich and poor and contribute to the eradication of social atomism in Germany.

As a first step towards the creation of this broad

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middle class Schäffle advocated the establishment of a series of occupational chambers based on the creation of a fluid and flexible network of associations of professions, cities, and provinces. Basically, what Schäffle wanted was a decentralized system of occupational groups. Members of professions, peasants, intellectuals, workers, craftsmen, industrialists, churchmen, bureaucrats, and nobility could join together in their own local Berufs-
genossenschaften. These groups could send representatives to provincial assemblies, which in turn could elect delegates to attend a national representative assembly (Volksvertretung). The members of this assembly would have the task of working in close relationship with the civil service.  

Schäffle remained vague in his discussion of the nature of the powers of this chamber. Nevertheless, he counted on close cooperation between its members and the bureaucrats. He argued that such a system would guarantee an administration responsive to the desires of the public because occupational representative bodies allowed the expression of the interests of all groups in German society since the industrialists, workers, middle classes, and peasants all participated in the

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formulation of policy.71

In Schäffle's opinion, the associations and occupational chambers would blunt the demands for popular sovereignty and equality which were causing much of the social unrest in Germany after the failure of the 1848 revolutions. Demands for popular representation and parliamentary government were founded on the industrial nature of modern society; moveable capital wiped out the distinctions of landed property. The liberals concluded that all economic power was individual power and that political power rested with the individual represented through parliamentary institutions. Carried away with this argument, the liberals believed that written constitutions and parliamentary institutions were capable of safeguarding the rights of individuals. Schäffle, however, countered these arguments by attempting to show that individual rights were more surely guaranteed by the occupational chambers and associations. He believed that such intermediary organizations had the advantage of safeguarding the expression of individual interests without limiting the sphere of state activity. Membership in one or more of the associations gave the individual a much

better chance of having his grievances heard than if he stood isolated in society. For Schäffle the associations and occupational chambers guaranteed individual rights with far more certainty than the liberal ideal of constitutions and parliaments.  

Schäffle urged that the associations could limit the powers of the state because they would remain free of state interference and regulation. According to him, the state’s function was limited to laying down the ground rules for the formation of these groups. He firmly believed that the associations would remain free of state intimidation and could dispose of their own affairs independently. He never clearly stated how this autonomy could be achieved in Germany.

The second portion of Schäffle's corporative program—the fulfillment of self-administration in Germany—was for him a continuation of an interrupted trend in German history. He saw it as a practical means of revitalizing the spirit of public administration begun by the early guilds. During the 1850's he examined English administrative practices not to adapt them to the German social


context but to make clearer the problems of creating self-administration based on purely German institutions and ideas. He expressed his lack of faith in the idea of adapting foreign institutions and ideas to the German social scene. He believed that each nation had to work within the framework of its own past institutions. After a careful reading of Rudolph Gneist's book on English administrative practice Schäffle found that many of Great Britain's administrative organs were excellent examples of self-administration. He was especially impressed by the British and Foreign Schools Society and other committees on education. He concluded, however, that the English example of self-administration did not suit German society because it afforded too little opportunity for participation by social groups other than the aristocracy.\textsuperscript{74}

In his opinion, German society required more social participation in self-administrative organs. These associations offered the key to the solution of this problem.\textsuperscript{75} While maintaining the need for a strong central administration which was legally limited in its powers, Schäffle argued that the state must give up all its duties


\textsuperscript{75} Schäffle, "Die Besoldungsfrage," pp. 297, 328, and 333-337.
which were not general in nature. He included within the state's sphere of action the duty of representation of the Germans in the European state system, maintaining public highways, and the educational system. Specific tasks of administration could be handled by the Berufsgenossenschaften, the cities, and provinces. In each geographical and occupational area these groups could attend to their own specific interests; both locally and occupationally the associations offered an organic solution to the problem of creating self-administration in Germany. Schäffle ignored or glossed over the question of the relationship between the various levels of self-administration and dismissed the idea that the state might not be willing to hand over its controls to these groups. He was content merely to state that the new organic administrative organization had to be openly and freely determined and that nothing must be allowed to restrict or hinder the fullest development of the German economy. He placed his faith in the gradual development of economic and cultural interests which would become the foundation for these institutions.

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77 Schäffle, "Der bürokratische Staat," pp. 126-127; Blaum, Albert Schäffle, p. 70.
Not only did Schäffle offer political alternatives to liberalism and absolutism by outlining his system of occupational chambers and self-administrative organs; he also developed a program of economic reform to offset liberal influence on German economic thought and action. He made a careful examination of the capitalist system as it developed in Germany during the first half of the nineteenth century, hoping to discover the economic causes of social discontent and to find ways to end them. From this study Schäffle became convinced that political reform could succeed only within the context of economic reform. He hoped to fit the occupational parliaments and self-administrative institutions into a general program of organic social reform for Germany.  

Schäffle's early venture into economic thought was directed primarily against the German liberals and their growing influence on economic thought and action. He fought the acceptance of liberal economic doctrines in Germany and tried to counter the classical economic ideals worked out by Adam Smith in the eighteenth century and elaborated by the British and French liberal economists.

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in the early years of the nineteenth century. Schäffle opposed the individualist assumptions underlying classical economic thought and the liberals' efforts to make them the basis of a social theory.

One of the fundamental tenets of liberal political economy was that, in seeking to further his own private interests, every individual contributed unknowingly to the common welfare. Private economic interests were transformed into public good by the operation of natural economic laws. In the eighteenth century Adam Smith had laid the foundation for classical liberal economic ideas in his struggle to free the English economy from the restrictive ideas and institutions developed during earlier times. In combatting the mercantilist policies of the British government, Smith argued that the economy was guided by a "hidden hand" which offered a better means of regulating the economy than governmental interference. For Smith, the "hidden hand" guided individual actions and elevated them beyond simple self-interest. Through self-interest, the economy became almost self-regulating. The later classical economists adopted Smith's ideas and argued that the existence of natural laws governing the economy solved the fundamental problem of economic regulation. The natural workings of the market provided all the economic policing that was necessary to guarantee the orderly functioning of society.
The liberals condemned governmental interference in economic affairs because it only hindered the operation of the economy. For the same reason, they looked upon the guilds and all other similar institutions as barriers to economic growth because they stifled individual initiative. The liberal economists concluded that economic and social harmony was best achieved with as little governmental interference as possible.  

After reading the liberal economists Schäffle questioned the social implications of their economic thought. Viewing society from the perspective of increased productivity and the economic problems involved, the liberal political economists made a fatal mistake by separating political and economic questions. In Schäffle's mind this was a false method and a dangerous one. In concentrating on the role of the isolated individual the

liberal economists failed to see the importance of the role of the government. Their individualist assumptions allowed the liberals to exclude the state from nearly every social function. Their philosophy of society was based on the economic and political experiences of England, where it seemed that natural laws were indeed bringing economic growth. Poverty, poor working conditions, social discontent, and unrest were explained as an unfortunate but necessary part of the capitalist system.  

Schäffle concluded that the liberal economic creed was as much a cover for private interests as it was a conscious science. More important for Germany, it contributed to social unrest and confusion. Liberal demands for a severely limited state opened the way for unfettered economic competition, which heightened the existing social divisions in German society.  


the interests of all classes could not be safeguarded; the workers and craftsmen had no defense against the growing influence of the entrepreneurs; small merchants were being squeezed out of the market; and the resulting social confusion and discontent weakened the state and left it open to foreign threats. Remembering the events of 1848, Schäffle did not want German society split wide open again. 82

According to Schäffle, the liberal economic philosophy was also harmful to Germany because it challenged other institutions besides the state. The liberals attacked social organs Schäffle considered vital to social harmony. In their haste to dismantle all the older German institutions—the guilds, landed estates, the church, and other corporative bodies—the liberals too readily assumed that there was no need to replace them with modern equivalents. They argued that modern man could stand on his own and did not need the protection of corporative institutions. For Schäffle this was a fundamental error which, if left uncorrected, would continue to add to the growing unrest


among the workers. \textsuperscript{83}

In spite of his criticism of liberal economic ideas and their adverse impact on the state and corporative bodies, Schäffle did not reject the capitalist system itself. He claimed that he wanted to preserve free enterprise by releasing it from the individualist ideas of the liberal economists. He was convinced that capitalism would become a conservative force in society once it was stripped of these assumptions. In describing the capitalist system, Schäffle at times sounded more optimistic about its features than the liberals did. He believed that the system led to a higher stage of civilization because it offered the opportunity of advancing the moral progress of mankind. \textsuperscript{84} Industrialization and the formation of business corporations were pictured by him as beneficial to all social classes. He was convinced that industry and technology did not necessarily destroy social harmony but that in the long run they contributed to it. They offered the means of solving a fundamental problem of society—raising the living standards of all classes.


He predicted that in the future incomes and living standards would not sink but would continue to rise as they had since 1850.\textsuperscript{85} For Schäffle the joint stock company was an agent of progress which appeared in history in order to raise mankind to a higher stage of development.

Schäffle's early optimism that the capitalist system could be reformed was based on his conviction that, once the harmful effects of liberal influence had been removed, German economic institutions could be created. By German institutions he meant that the state and the organic bodies would be given their proper place alongside the modern business corporation. Such reform could be achieved by insuring that the three sectors of the economy—the public, private, and associative enterprises—enjoyed autonomy.\textsuperscript{86} Once a harmonious balance had been struck

\textsuperscript{85}Schäffle, "Die Besoldungsfrage," pp. 306 and 321; Mann, "Schäffle als Wirtschafts- und Finanzsoziologe," p. 14. On the issue of whether wages and living standards would rise or decline in the long run, Schäffle stood in direct opposition to Karl Marx, whose fundamental idea was that the conditions of the worker would continue to deteriorate until finally the working class would rise up against the owning classes. See Karl Marx and Friedrich Engels, \textit{Manifesto of the Communist Party}, translated by Samuel Moore (New York: Socialist Labor Party Press, 1888).

between these three spheres, it would prove less difficult to maintain social harmony. Recognition of the absolute necessity to retain the balance between public, private, and associative interests offered an opportunity to foster a broadly-based middle class which would stand between the rich and poor. Such a middle class would soften the dissensions between the two poles of society and lead to a smoothly functioning society. 87 The state had a definite role to play in society: the government could regulate business activity in the interest of guaranteeing a fair distribution of goods; but his regulation did not mean that the private corporations would not be free to continue growing and prospering. The associative elements would have the duty of using moral suasion and education to reconcile the working classes to their proper place in society; and, combined with state welfare, the work of the associations would act to bolster the community spirit. 88

Schäffle's economic reform program called for time. He argued that in the long run the growth of industry in Germany would bring the owning and working classes together when they finally recognized that their mutual interests were more important than their differences. Unlike Marx,


who was at this time basing his predictions of class warfare and proletarian victory on an ever-increasing social cleavage between the bourgeoisie and the proletariat, Schäffle argued that class warfare was not inevitable. All that was needed was time for these individual economic interests to grow into cultural and spiritual bonds. Remembering how in the middle ages a similar course of events had led to the great era of the guilds, he predicted that the expansion of industry and the growth of the economy were generating the material basis for the organic reformation of German society. On the eve of the Italian War of 1859 Schäffle believed that he had discovered a way out of the dilemma facing German society: organic reforms could overcome the crippling impact of both absolutism and liberalism.89

CHAPTER II

SCHÄFFLE'S RESPONSE TO THE REVIVAL OF
GERMAN NATIONALISM IN 1859

Schäffle interpreted the revival of German nationalism in 1859 as a threat to his program for organic reform in Germany. With the renewal of nationalist sentiment and aroused public interest in the problem of giving concrete political organization to growing German national consciousness, he recognized that the setting of the German question was radically changed. The images of Austria and the Confederation were brought into question, and in the face of liberal demands for immediate political national unification under the leadership of Prussia, Schäffle turned to the problem of defining German national interests and giving German national consciousness political form.¹

Schäffle's response to the revival of nationalism and the harsh criticism of the Confederation and Austria in 1859 stemmed from his distrust of the German liberals and of Prussian dynastic ambitions. In his mind he connected the turmoil of 1848 with the liberal demands for immediate unification under the imperial constitution of 1849 and the tendency of liberals to look to Prussia as the only means of achieving their goals. He rejected the kleindeutsch program and the principle of national self-determination as the basis for German unity. For him liberal nationalism was not only a concept alien to central Europe but also a guise for liberal political ambitions and Prussian desires for hegemony in Germany. The formation of a German national state on such principles would be a revolutionary act in 1859 and would lead to social chaos, civil war, and possibly to international conflict.

Convinced that neither the liberals nor the Prussian state embodied German national interests or offered the authority necessary for national unity, Schäffle sought an alternative to the national state concept as it had developed in western Europe since the end of the middle ages. While he recognized the cultural achievements of Germany, he wanted to avoid the romantic overemphasis on

nationality and national rights as the basis for national unity. He developed the idea that only a **gроссdeutsch** national consciousness—embracing Austria, Prussia, and the lesser German states and fulfilling the demands for economic and material unity—could create the framework for closer political integration in central Europe.

His thought was based on the belief that German national interests were deeply embedded in the pre-industrial and pre-national society which had been challenged in 1848 but not overthrown. For him there could be no radical departure from the institutions and ideals which had evolved in central Europe since the time of the reformation. In practical terms this meant that the Confederation, the individual states, and uniquely German social and political institutions had to be preserved against nationalist demands.²

Schäffle's defense of the Confederation and Austria did not mean that he clung blindly to the past out of fear

of the social and political consequences of revolution and nationalism. His dismissal of liberal nationalism, national self-determination, and Prussian dynastic ambitions was predicated on his interpretation of the pattern of development which he saw in the German past. For him the rapid economic growth of the 1850's and the beginning of a capitalist system of production were in themselves enough of a break with the past. Herein lay the key to successful national unity. The gradual formation of mutual economic and cultural bonds in Germany would eventually generate a national consciousness strong enough to overcome the particularist interests of the individual states and create conditions favorable to political unification. Schäffle's confidence in the supremacy of economic and material interests over political and dynastic issues led him to conclude that the political confrontation between Austria and Prussia, the anxiety of the leaders of the smaller states, and the agitation among liberals would be resolved once the fundamental problem of creating common material bonds for all Germany was resolved.  

Schäffle became aware of the larger world of Germany and central Europe in the years following 1848. His

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employer Johann Georg Cotta introduced him to the problems created by the aftermath of revolution, pointed out the political stalemate within the federal diet, and explained the overriding significance of the rapid economic expansion that was taking place in central Europe.

Schäffle’s work as a journalist carried him to Vienna to report on the international statistics conference in 1857, and he attended the customs union conference there in the following year. Before the outbreak of the Italian War in 1859 he had begun a long association with several Austrian officials of the Bismarck regime, and by the end of the decade he had adopted from these men a **grossdeutsch** outlook on the question of German unity.  

In approaching the problem of national unity, Schäffle had to contend with the legacy of the 1848 revolutions and the political clash between Austria and Prussia. Since the end of the Napoleonic wars the German Confederation had offered the only source of political unity for the German states and their inhabitants. With the outbreak of revolution in 1848 the loose alliance of German states crumbled amid confusion. But in attempting to construct a modern national state as a replacement for the Confederation, the men at Frankfurt found more problems than they

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The failure of the revolution left German society bewildered and its rulers with the task of restoring what they could of the old order. While attempting to overcome the revolutionary threat to their authority at home most of the German princes wondered what the impact of the Frankfurt assembly would be on Germany, how strong the nationalist sentiment actually was, and what could be done to avoid a recurrence of revolution. The two major German powers stood facing each other in 1850. Josef Maria von Radowitz urged Frederick William IV of Prussia to attempt to bring closer union under Prussian leadership. The
result was a meeting of princes at Erfurt. For a while it appeared that many liberals were willing to support Prussia's bid for hegemony as a means of pushing to a conclusion their program for national unification. But as the Austrian government regained its will and turned to the problem of ending the national uprisings within the empire, Felix zu Schwarzenberg set about restoring Habsburg prestige in Germany. Countering the Erfurt Union project with careful diplomacy and direct action, he pushed his policy to the verge of war between Austria and Prussia. He wanted to strengthen Austria by reviving the Confederation, by turning the diet into an effective instrument for governing the Germanies, and by bringing all of the Habsburg territories into the Confederation. His program rested on winning over the middle states and the Russian tsar to Austria's side on the German question.

By November, 1850, the Prussian king dismissed Radowitz, gave up the Erfurt project, and agreed to the restoration of the Confederation. The Prussian decision, however, did not mean a complete Austrian victory.

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Schwarzenberg's project for the Gesamteintritt of the whole empire into the Confederation met stiff opposition from many of the lesser German states and from the tsar, who was content to see the status quo ante reestablished in Germany. By the middle of 1851 the Confederation, with its old boundaries, seemed the only alternative left open to the German rulers. Since 1848 events seemed to demonstrate that neither the liberal bid for a constitutional nation state nor the dynastic policies of Austria or Prussia could overcome the widespread opposition to the political consolidation of Germany. At the end of the revolutionary upheaval the problem was to make the old institutions function in a changed atmosphere.  

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Making the Confederation work as an instrument for resolving differences between its member states and as an institution to further economic and material expansion proved difficult in the decade following 1850. The greatest obstacle to streamlining the machinery of the Confederation was the continuing struggle between Austria and Prussia for prestige within the diet. The aim of Austrian policy was to transform the diet into a legis-

lative body by reducing the number of issues requiring the consent of all members. On the other hand, the Prussians opposed every action on the part of Austria, no matter how insignificant it appeared, as an attempt to diminish Prussia's role in Germany. If they could not dominate the Confederation, Prussian statesmen wanted at least parity with Austria. Delegates from the middle states tended to steer carefully between the two major powers in order to maintain their own freedom of action and the "sovereignty" of their own states.9

From Württemberg Schäffle watched with mixed feelings the failure of the revolutionary movement to create a modern German national state and the development of a political stalemate in the Confederation after 1850. Since the last days of the revolution he had become increasingly disillusioned by the intrusion of a partisan spirit into the nationalist movement. To him, liberals, moderates, and radicals alike were merely posturing.10 Observing the outcome of the momentary clash between Austria and Prussia in 1850, he felt that neither of the


German great powers embodied a truly national spirit. The precarious balance of particularist interests inside the diet left him convinced that politics and debate were not the way to German national unity. Like many of his contemporaries, Schäffle turned away from politics as an answer to the problems facing the German people after 1850.\footnote{Krieger, The German Idea of Freedom, pp. 347-349; Theodore S. Hamerow, The Social Foundations of German Unification, 1858-1871: Ideas and Institutions (Princeton, N.J.: Princeton University Press, 1969), pp. 66-69 and 104-105.}

The political reaction which followed the collapse of the 1848 revolutions masked the fundamental transformation of German economic life which began in 1850; within the next twenty years the foundations of modern industrial society were laid.\footnote{Walt Whitman Rostow, The Stages of Economic Growth: a Non-Communist Manifesto (Cambridge, England: University Press, 1960), pp. 9, 27, and 36; William O. Henderson, The Industrial Revolution in Europe: Germany, France, Russia, 1815-1914 (Chicago, Ill.: Quadrangle Books, 1961), pp. 16-22 and 29-38; William O. Henderson, The Zollverein (Chicago, Ill.: Quadrangle Books, 1959), passim; Hamerow, Social Foundations of German Unification, pp. 22-38.} Before 1848 the lack of economic and political unity had hindered economic growth. Since the founding of the Confederation in 1815 the individual princes had exercised control over economic and commercial activity within their own states and had not concerned themselves with a German economy. Currency, tariffs,
communications, agriculture, mining and manufactures, and banking—all had developed in isolation. Furthermore, the regulations imposed by the states and guilds had imposed extreme limitations on the expansion of economic life in the Confederation. But following the collapse of the revolutionary movements, conditions were more favorable to the beginnings of industrial "take-off." The Zollverein, which had begun in 1819 as a Prussian customs union, had been expanded during the following years to include most of the other German states. By 1850 the reorganization of existing banks and the founding of new ones offered the means for increasing investment. At the same time, organizational changes led to the creation of numerous joint-stock companies. Begun in the 1840's, railway construction continued throughout the decade following the revolutions. Textile factories and iron and coal mines increased production. The German economy was strong enough to withstand the pressures of the panic of 1857.\(^{13}\)

As public opinion became more favorable towards industrialization and economic expansion in the 1850's, serious questions about the Confederation arose. The rapid introduction of machinery and new processes and the accompanying prosperity raised the question of whether the archaic political machinery of the Confederation could meet the

\(^{13}\)Henderson, Industrial Revolution in Europe, p. 29.
challenges presented by the demands for new services. Many industrialists and liberal publicists doubted that it was possible to build a modern economy within the constricting bounds of the Confederation and the old institutions. While the German liberals had lost much of the self-confidence and idealism which had characterized their thought before 1848, the economic expansion after 1850 tended to reinforce their conviction that history was on their side and that the growth of an industrial economy would soon burst the bounds of the Confederation and its outmoded institutional framework.

Conservatives in all of the German states remained basically satisfied with the organs of the Confederation. Their faith in its viability was founded on a respect for tradition, prescriptive rights, and historical institutions which only the Confederation could protect from the forces of revolution that had recently swept through Europe. The conservatives' faith in the old system was tied to their belief that the Confederation maintained the proper balance of interests between Austria, Prussia, and the lesser German states within the international order of


princes. On a more pedestrian level, since they were agrarians or state servants, they saw no conflict between their own economic and social interests and the limits the Confederation placed on economic expansion. Some German conservatives were willing to remedy the most glaring defects of the Confederation; but they always insisted that change had to be based on agreements between the princes and that both Austria and Prussia had to remain within the Confederation.¹⁶

Schäffle observed the debate over the impact of industrial growth on the Confederation and the dispute over its viability. In the early years of the decade he came to view the rapid economic changes with optimism and urged material reforms to bring Germany into the modern world of capitalism and economic growth. By 1857 he had turned to the practical question of commercial and economic reform of the Confederation. In his study of the impact industrialization was making on existing social and political institutions, Schäffle had concluded that capitalism could be transformed into a conservative force by introducing organic reforms drawn from the German past.¹⁷ On a national scale, industrialization and economic expansion could

¹⁶Ibid., pp. 190-191.

provide the basis for reordering the Confederation and its institutions in order to create a framework for national unity. Schäffle realized that the success of an organic reform program, both within the individual states and in the Confederation as a whole, rested with the continuation of the rise in the standard of living which had begun in Germany after the end of the revolutions.

He recognized that in order to ensure prosperity the economic disabilities of the Confederation had to be overcome, and he agreed with the liberals that the failure to build an economically united Germany was a brake on economic progress and the growth of industry; but he did not abandon the Confederation in favor of a centralized German state. His whole program of social reform was constructed around the idea that societal harmony was derived from institutions which reflected the interests of all social classes. He based his ideas on the assumptions that cultural and economic interests would slowly gain strength and that German political unity could be successfully achieved only after cultural and economic unity had been won. 18

During the years before 1859 Schäffle continually returned to the need for economic unity. In his writings

he urged gradual reforms of economic institutions. He called for a common currency and weights and measures, a German statistics bureau, common banking institutions—economic institutions which would lead to the gradual unification of the German economy. But with every suggestion he offered, Schäffle reminded his readers that such reform had to be made within the existing Confederation and with the local interests of every German state in mind. Without elaborating on how this could be achieved, Schäffle was firmly convinced that the avenue of political reform had been effectively closed off since the revolutions.

Schäffle's optimistic views on the Confederation's capacity to keep up with the rapid social and economic changes stemmed from his interpretation of trends which he saw working toward unity. Since 1850 the diet had accomplished some of the groundbreaking work necessary for economic and material union. At the Dresden Conference in 1851, the economic committee had called for the material and commercial unification of all the German states as one of Germany's fundamental goals. After 1851, some measure of success was achieved in carrying through this program.

19Schäffle, "Vorschläge zu einer gemeinsamen Ordnung," pp. 221-222, 276-279, and 293-296; Albert E. F. Schäffle, "Die politischen Bestrebungen der Gegenwart und Deutschlands wahres Bedürfniss," Deutsche Vierteljahrschrift, 1859, pp. 244-245.
of consolidating economic life in Germany. The diet heard a recommendation for a common patent law. In 1855 the Bavarian government called for a project to unify the commercial codes of all the German states. At Gotha delegates from ten of the states prepared a general law on domicile and residence, hoping to create a climate for freedom of movement between the states; by 1860 all of the Confederation members except Denmark had accepted the new code. Negotiations for a common commercial code began at Nürnberg in 1857. Witnessing this activity, which appeared to him as the first solid step towards material union, Schäffle pushed the political stalemate in the Confederation into the back of his mind and concentrated on the practical economic efforts already under way.²⁰

The outbreak of war between Austria and Sardinia in 1859 forced Schäffle to concentrate on the diplomatic and political aspects of the question of national unification. The war in Italy altered the political and diplomatic calculations of European statesmen and demanded of them a reassessment of the foundations of their policies. The Vienna settlement of 1815, long the basis of European

stability, had been badly shaken by the Crimean War, and during 1859 Louis Napoleon toyed with the idea of revising the settlement by attempting to redraw the European map on the basis of national self-determination. 21

Within the Confederation the war had serious repercussions. When the Austrians appealed to the diet for aid against the Italians and French, the antagonisms between Austria and Prussia became a major stumbling block to preparing a defense against what many Germans saw as a foreign threat. 22 In the face of the growing fear among some publicists that Louis Napoleon planned to dominate the continent by exploiting the rising spirit of nationalism, the hesitation and indecision displayed by the delegates to the federal diet seemed to underline the desperate need for reform. 23


Public opinion in the Confederation at first favored supporting the Austrians against the Italians and French; temporarily, political and social differences were submerged beneath the wave of patriotic feeling. Only a few diehard '48ers openly condemned Austria during the first days of the war and came out in support of the Italian nationalist cause. The general response was at first quite the opposite. In southwestern Germany Catholics feared the impact of the war on the church's position in Italy and the repercussions the war would have on Catholic interests in Germany. German conservatives were dismayed by Count Camillo Benso di Cavour's revolutionary methods and by his association with Louis Napoleon. At the courts in most of the smaller states there was a general feeling that with Austria's defeat the Confederation would be left at the mercy of Prussia and that this would mean the loss of sovereignty for the little states. Other Germans were moved to support the Habsburgs out of fear of Louis Napoleon and the possibility of French domination of the continent. German liberals had to weigh in their minds their professed respect for the principle of national self-determination against the certain loss of what had been considered by many to be traditionally German territory.  

24Holborn, History of Modern Germany, pp. 117-118.
During the first days of the war Schäffle shared the patriotic feelings aroused by the war in northern Italy. It seemed to him that the danger of his student days had returned. The Napoleonic threat seemed ominous in Württemberg. Schäffle had been warned as early as 1857 by his colleague Cotta that the meeting between Louis Napoleon and Alexander II of Russia in Stuttgart foretold of international intrigue and some kind of alliance between the two rulers.\(^{25}\) As rumors of this meeting and its consequences for Germany and Europe spread throughout Württemberg, Schäffle used the pages of the Cotta press as a forum from which he warned the German public of the impending danger emanating from France.\(^{26}\) With the outbreak of war in 1859, these earlier intuitions seemed confirmed. Schäffle intensified his press campaign against Louis Napoleon and the Russians. He interpreted the French support of the Italian nationalist movement as the first step in a calculated campaign to reestablish French continental hegemony. Reminding his readers that the first Napoleon had begun his career in northern Italy,


Schäffle concluded that Louis Napoleon was attempting to repeat history. In his memoirs, Schäffle later proudly noted that he had been among the first to raise the cry that "the Rhine had to be defended on the Po."  

The patriotic stirring in Germany aroused by the war pleased Schäffle during the first weeks of the war, and he hoped that the sense of common danger would reawaken the national feelings of the wars of liberation in 1813. For a time he felt that the shadow of Napoleonic despotism would bring the German people and governments together in the Confederation and that a common program of action would result. However, his enthusiasm soon faded. Efforts to bring all the German states to the defense of Austria’s position in Italy met insurmountable obstacles in the federal diet. Count Usedom, the Prussian delegate, opposed every attempt by the members from the lesser states to offer support to Austria. The Confederation was unable to dispatch an army to the south; the Prussians did mobilize in the north, but only as a precautionary measure against the French and as a means of offering evidence


that Prussia was concerned about the fate of the Confederation. Meanwhile, the chief antagonists—Francis Joseph and Louis Napoleon—stopped the fighting and agreed to peace terms at Villafranca on July 11, 1859. The war was over; the criticism of the Confederation and its inadequacies was just beginning.  

The beginning of the unification of Italy, the uncertainty of Russia’s response to the altered diplomatic scene, and the failure of the Confederation to take any decisive action to defend German interests coalesced in 1859 to produce a sense of anxiety in Germany. Statesmen and publicists from every state and of every shade of opinion had to weigh carefully their particularist interests and political goals against their national interests. The feeling of helplessness and anxiety created demands for a German state capable of defending the nation against foreign threats, and the revival of nationalist sentiment raised the thorny problem of the position of the Confederation and Austria in central Europe. Before the end of the year the atmosphere of the 1848 debate over the nature of Germany and the rivalry between Kleindeutschland and Grossdeutschland was again spreading throughout

Germany.  

The kleindeutsch solution to the problem of German unification had been proposed at Frankfurt in 1848 during the debates over the nature of the future German state and the principles to be used in drawing its boundaries. At that time the complexities involved in including the Austrian empire as a part of Germany became apparent. Given the multinational makeup of the empire and the reluctance of the Austrians to separate the German-speaking parts of their realm from the areas inhabited by non-German nationalities, the task of creating a Grossdeutschland seemed overwhelming to many of the delegates at Frankfurt.  

The difficulties of including the Habsburg lands led the delegates reluctantly to decide that only a Kleindeutschland was feasible at the moment. Even this hope was dashed when the Prussian king


contemptuously rejected the proffered crown of the new Reich. 33

In the decade following the collapse of the revolution, the kleindeutsch idea reappeared from time to time, mainly among the liberals and in connection with Prussian leadership. From the Gotha meeting in 1849, when the moderate liberals from Frankfurt expressed their support for the Prussian union project, to the beginning of the "new era" in Prussia in 1858, German liberal nationalists tended to look to Prussia for guidance in the hope that somehow the Prussian regime would undergo liberalization on its own. The 1850 constitution remained in force in Prussia; the Zollverein appeared to the liberals as a long stride in the direction of economic unity; the Prussian bureaucracy seemed progressive; and with the beginnings of industrial growth in the western provinces the Prussians appeared to be in the vanguard of modernization. 34 The "new era" intensified liberal hopes that Prussia would take the lead in creating a modern national state for Germany. With the appointment

33Stadelmann, Geschichte der Revolution von 1848, pp. 177-179.

of liberal ministers in Prussia and the Prussian monarch's vague statement concerning "moral conquests" as a means of uniting Germany, liberals everywhere in Germany watched events in Prussia with anticipation. The impact of the Italian War and the poor showing of the Confederation politicized the liberals; they began to demand immediate change.\(^\text{35}\)

The intensification of the liberal demands for political unification was expressed by liberal publicists, historians, and economists; and by the end of 1859 political organizations gave institutional form to these demands. Heinrich von Treitschke gave the most radical statement of the need for immediate unification when he called upon the German public to adopt the Italian example of successful unification by revolution. Rudolf Haym weighed the possible French threat to German interests against what he saw as Austrian domination of the Confederation and concluded that the internal dissension which would result from national reform was a price worth paying for German

unification without Austria. 36

By September, 1859, these individual opinions were collectively expressed by the Nationalverein which was established in the same year to promote the kleindeutsch program. Under the leadership of Rudolf Bennigsen and Hermann Schulze-Delitzsch and the sponsorship of the Duke of Saxe-Coburg, the Nationalverein soon had a membership of about 25,000. It expressed liberal views on the measures necessary to protect German national interests and on the type of government the new Germany should have. 37 The first program of the association stated in rather vague language the liberal belief that the altered international situation called for the creation of a strong and united German state to replace the impotent Confederation. The liberals felt that the seriousness of the problems facing Germany left no alternative to accepting Prussian leadership in the foundation of a new empire, although they continued to hope that Prussian statesmen


would recognize the wisdom of implementing the 1849 imperial constitution as the basis for the new state and that they would call delegates to a national parliament. There was no room in the kleindeutsch program for the Habsburg empire. Necessity demanded its exclusion. 38

Not everyone in Germany was willing to see Austria excluded from the German cultural realm; nor had everyone lost faith in the ability of the Confederation to protect German national interests. The creation of the Nationalverein and the spread of nationalist sentiment actually led to a vigorous defense of the Confederation and Austria. Assembled under the common banner of a Grossdeutschland, the supporters of the Confederation had little else to unite them. German conservatives felt that nationalism was a disruptive force which would upset the delicate balance of interests upon which the security of Germany and European peace rested. They connected nationalism with Louis Napoleon’s strange talk of redrawning European boundaries along nationality lines. For them Austria was a bulwark of the old order. German Catholics saw the liberal national movement as an effort to exclude Catholic Austria from Germany and as a direct threat to

old order was rapidly being undermined, Frantz refused to accept the idea that a compact nation state would solve Germany's problems. He argued that an age of world powers and world diplomacy was approaching. Large territorial holdings, strong naval power, and the possession of colonies would be the signs of greatness and power in the future. To reduce Germany in size and strength by imposing a *kleindeutsch* state on the German states and leaving Austria isolated in the Danube basin would mean closing the door to future German greatness.\(^{40}\)

Other publicists viewed the question of German unification from the perspective of international economic developments. As early as 1819 Friedrich List had petitioned the princes at the federal diet to create a large economic unit out of the checker board of interests created at Vienna. List advocated a customs union which would include all the members of the Confederation. Although no one heeded List at the time, his ideas survived him. Before the 1848 revolutions Karl Freiherr von Bruck outlined his version of a central European customs union under Habsburg leadership, and following

the end of the revolutions he continued to work for the establishment of an "empire of seventy millions." By 1859 numerous other German publicists, historians, and economists—especially in south Germany and in Austria—advocated the commercial and economic union of Germany. **Kleindeutschland** was seen by them as a divisive force harmful to Germany's economic progress.\(^{41}\)

The apparent helplessness of the Confederation and the Austrian defeat in 1859 combined with the revival of **kleindeutsch** sentiment to shake Schäffle's optimistic views on German national life. During the war he found himself drawn into the debate over Germany's future. The precariousness of European relations created in his mind a sense of anxiety as France seemed willing to dominate the continent and Russia stood in the wings. Like the most vocal of the critics of the Confederation and Austria, he recognized that national reform and closer cohesion were imperative. But Schäffle remained firmly convinced that the Nationalverein program transcended the realm of the possible in 1859. The creation of a compact nation state under Prussian leadership meant for him the loss of an opportunity to carry through what he saw as a truly

national policy. Of necessity, Schäffle joined the *grosse-
deutsch* defenders of the Confederation and Austria.

Faced with the task of outlining a *grosseutsch*
alternative to the agitation for a compact German state,
Schäffle felt he had to win over the German public to the
Confederation and to restore its tarnished image. In an
effort to influence the German public and to gain support
for the Confederation and Austria, he sought to demonstrate
that the principle of national self-determination was wrong
for central Europe. His ideas on this subject in 1859
reflected his belief that overwhelming political, social,
and diplomatic obstacles could not be overcome through
the adoption of the *kleindeutsch* solution. He reviewed
the events of the past decade with the intention of showing
that an alternative to liberal nationalism was needed for
central Europe and to demonstrate that a federal union
on the basis of the Confederation was possible in 1859.

In the politically charged atmosphere which swept
across Germany in 1859 Schäffle set the general theme of
his reaction to the rise of German nationalism and the
revival of *kleindeutsch* demands. His principal targets
were the program of the Nationalverein and the apparent
willingness of Prussian statesmen to encourage or use
the spread of liberal nationalist sentiment as a weapon
in their struggle against Austrian control of the Con-
federation. In several articles Schäffle brought together
ideas which had been developing in his mind since the
end of the 1848 revolutions and which had played only a
secondary role in his writings since 1850. The thrust
of his criticism at this time was based on his belief
that the professed Realpolitik of the liberals and
of Prussian officials ran counter to diplomatic, politi-
cal and social realities in Germany and Europe.\textsuperscript{42}

In his opinion, the kleindeutsch efforts to build
a compact national state under the leadership of Prussia
by excluding the Habsburgs from Germany was based on
doctrinaire and false principles and had serious, if not
fatal, consequences for Germany. The liberals claimed
that the rapidly altering diplomatic scene left no
alternative to the kleindeutsch state, but for Schäffle
a small Germany meant Napoleonic hegemony in Europe.\textsuperscript{43}

Both Austria and Prussia were necessary for the defense
of German interests and European peace. Schäffle
questioned the motives of both the liberals and Prussian
statesmen who claimed to represent truly national

\textsuperscript{42} Schäffle, \textit{Aus meinem Leben}, Vol. I, pp. 57-58;
Schäffle, "Realpolitische Gedanken," pp. 286-289; Schäffle,
"Politischen Bestrebungen," pp. 226 and 282-283; and
Blaum, \textit{Albert Schäffle}, p. 62.

\textsuperscript{43} Schäffle, "Realpolitische Gedanken," pp. 262-274,
276, and 279; Schäffle, "Politischen Bestrebungen," pp.
231-232, 244, and 249; Schäffle, "Rechtsphilosophische
Zeitgedanken," pp. 296 and 301; Blaum, \textit{Albert Schäffle},
pp. 60-62; Oncken, "Schäffles Lebenserinnerungen,"
p. 246.
interests. He saw the Nationalverein as an instrument of partisan liberal goals, and he regarded the Prussian program as a continuation of dynastic efforts to extend Hohenzollern control over as much of Germany as possible. Combined with the particularism of the lesser German states and other interest groups, liberal and Prussian particularism, in his eyes, hindered the work of the Confederation and the cause of national union.

Particularism could, however, be overcome and German national interests safeguarded if the German public could be convinced to accept a *grossdeutsch* national structure which encompassed both Austria and Prussia, the lesser states, and the interests of the liberals. For Schäffle a true *Realpolitik* had to be based on the peaceful resolution of competing particularist differences within the Confederation. His economic studies and close contacts with Austrian officials and ideas led him to conclude that only through emphasizing common material and cultural interests would it be possible to bring all

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Germans together in a federal union. Towards the close of 1859 he attempted to demonstrate that conditions were ripe for the material and cultural union of Germany in a *grossdeutsch* sense.

The precarious international situation which resulted from the Crimean War and the Italian struggle for national unification bothered Schäffle, but he found the response of the Nationalverein and the Prussian officials to the crisis even more disturbing.  

47 Members of the Nationalverein urged the German public to accept the argument that only a *kleindeutsch* national state was capable of protecting national interests. A compact, central state would provide the unity needed to face the developing foreign crisis. Earlier the liberals at Frankfurt in 1848 had concluded that disabling nationality problems had crippled the Austrian empire and had made it impossible to include the German-speaking Austrians in the projected national state.  

48 Even in the years of reaction following 1849 most German liberals had looked upon Vienna as a millstone around the neck of Germany and an obstacle to the integration of German economic and political life. By 1859 the poor showing of the Austrian


army in Italy combined with the failures of the Confederation to demonstrate to the liberals once again the impossible complications involved in keeping Austria in the Confederation.\footnote{49}{Clark, Franz Joseph and Bismarck, pp. 7-9; Mommsen, "Zur Beurteilung der deutschen Einheitsbewegung," pp. 524-526; Kraehe, "History of the German Confederation," pp. 204-209.}

Schäffle found the diplomatic situation disturbing in 1859, but he refused to accept the kleindeutsch assumptions that diplomatic expediency demanded the exclusion of Austria from Germany and that Prussia could effectively safeguard German national interests. He understood that international relations were in disarray since the Crimean War, and he saw that it was becoming increasingly difficult to rely on the common interests of the European monarchs to preserve peace.\footnote{50}{Schäffle, "Realpolitische Gedanken," pp. 281-282 and 291-292; Schäffle, "Politischen Bestrebungen," pp. 224 and 254; Schäffle, "Rechtsphilosophische Zeitgedanken," pp. 231-233.} The work of Louis Napoleon and Cavour in Italy had amply demonstrated this weakness. However, he found that the idea of a kleindeutsch German state overlooked even more important alterations in the nature of international relations. It was no longer possible to think only in continental terms. The outlines of world politics were clearly visible to Schäffle as he surveyed the impact of
the 1859 war on central European politics.\textsuperscript{51} For him any
discussion of German national interests had to be couched in the broadest of terms. Given the imperial might of
England, the unknown ambitions of pan-slavism, and the uncertain continental policy of Louis Napoleon, he was
convinced that severing the centuries-old connections between Germany and the Habsburg empire would only add
to the weaknesses of the Confederation and to the frailty of European peace.\textsuperscript{52}

Schäffle's emphasis on the coming age of world politics resembled Konstantin Frantz's critique of klein-
deutsch ideas. Frantz believed that states with powerful navies, large territorial bases, and an imperial outlook
would dominate the world in the near future. The Russian empire, the United States of America, and Great Britain
were the future "world powers." Frantz concluded that the Germans could not afford to weaken central Europe by
creating a Germany under Prussian domination and leaving the Habsburg empire in isolation. He looked to the
medieval empire and the universalist Christian mission of Germany and the Habsburgs to offer the basis for modern


life in central Europe.  

Schäffle darkly predicted that without the support of Austria not only Germany but all Europe would soon fall under the domination of a new French empire. Since 1857 Schäffle had often returned to reflect on the fate of Germany if Louis Napoleon were left free to carry through his project for European hegemony. At the same time, he was convinced that Russia would also take advantage of the unclear diplomatic situation to make advances in the Balkans. For the liberals to believe that Prussia alone could defend Germany against these pressures from both the west and the east was sheer folly in Schäffle's estimation.  

During the Napoleonic wars Austria had stood guard against the threat of continental domination and would do so again. Schäffle argued that if the Austrians were abandoned in 1859 the Italians would soon control all the Habsburg territory in northern Italy and Istria. Moreover, the Italians would be dominated by Louis Napoleon; and the Russians would

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take advantage of Austrian weakness to occupy Turkey, Hungary, Bohemia, and Moravia. In other words, the Germans were pressured by what Schäffle labeled Romantum and Slavtum (panslavism) in 1859. Once Austria fell, northern Germans would be directly in the path of French and Russian advances, while in southern Germany Italian and Russian ambitions would be focused on what was left of the Confederation and the Habsburg empire.  

In defending Austria's status in central Europe and in the Confederation, Schäffle was directly confronted with the issue of national self-determination and the rights of nationalities. He had to assess what he saw as one of the fundamental assumptions of the German liberals. The liberals had tied nationalism to liberalism and had concluded that a European community of independent national states would contribute to prosperity and peace throughout Europe.  

Schäffle understood the force of nationalist feelings as it had been manifested in Europe since 1848. He noted that nationalism was coming to dominate European thought and that since 1848 nationality and race had begun to


replace ideal forms of government as the principal point of discussion among political theorists and practical politicians in Europe. 57 In 1859, however, he set himself against this trend with the statement that "no nationality has a right to political independence; each must first demonstrate its will and capabilities within a larger cultural milieu." 58

To adopt the principle of national self-determination as a right of all ethnic groups would mean complete chaos in Europe. 59 Schäffle believed that nationalist demands for national self-determination stemmed from the overly abstract liberal thought that had developed in France after 1789 and that it was interwoven into the liberal emphasis on individual rights and extreme individualism. Behind this theoretical facade, liberal nationalism, however, concealed a more sinister threat, Schäffle insisted. He believed that Louis Napoleon and Cavour were


attempting to use the ideal of national self-determination as an instrument for furthering their own ambitions. In other words, nationalism was an instrument for French hegemony in Europe, and German liberals were being used, consciously or unconsciously, by the French to divide Germany. 60

It was obvious to Schaffle that national self-determination could not be a founding principle for the new German state, even if it were modified by the Prussians and liberals to exclude Austrian Germans (on the principle that there were too many non-Germans there). 61 He took great pains to demonstrate the contradictions in these ideas as they had developed in Germany since 1848. During the revolutions German liberals had sought to combine their political ambitions with the general European nationalist movement and had been unable to resolve the issue. The Frankfurt assembly had foundered on the problem of whether to adopt ethnic or territorial criteria as the basis for the new German state. When other nationalities laid claim to the same right of self-determination the inherent contradictions were exposed. Schaffle could

60 Ibid., pp. 274-276.

61 Schaffle chided the kleindeutsch advocates for their apparent inconsistency in being willing to exclude the German-speaking Austrians in order to strengthen the German position in Schleswig-Holstein. "Politischen Bestrebungen," p. 258. See also, Schaffle, "Realpolitische Gedanken," pp. 281-283.
understand the confusion arising from the Frankfurt assembly's debates in 1848 over the nationality problems because it was the first serious effort to understand the issues, but he felt that by 1859 liberal nationalists should have learned that a compact nation-state could not be imposed on German society. To sympathize with the Italian national movement in 1859 and to call for an imitative action for Germany was foolish.  

In denying that nationality could be made the sole criteria for political action in central Europe and established as a fundamental principle for the restructuring of the European state system, Schäffle did not reject ethnic considerations altogether, but he did couple them with the existing state forms, their ruling dynasties, and the contributions they had previously made. For him nationalities were the raw material out of which the historic states had been formed. In some cases, nationalities, like individuals, were called upon by historic and geographical circumstances to fill positions of leadership.  

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Thus the "rights" of a nationality had to be judged by taking into account geographical influences, past cultural developments, territorial settlements, cultural changes, and other factors which might justify the elevation of one national culture over others. Still, he did not argue that whole nationalities were innately superior to others. For example, he connected the cultural achievements of German-speaking peoples in the Danube basin and in eastern Europe with the accomplishments of the Habsburgs and the Hohenzollerns. The Danube region was for him a good example of a case where German-speaking people had won for themselves a high place among the many nationalities that lived in the area. Schäffle believed that Habsburg policies had drawn the various nationalities of the Danube basin together economically and politically.64

In connecting nationality with existing state forms, Schäffle felt that the Confederation could offer the best instrument for the fullest development of German national culture, and in 1859 he sought to demonstrate how the Confederation could be reformed so that it could defend itself against foreign threats. He was convinced that the

Confederation was strong enough structurally to safeguard German interests. All that was lacking was a series of defensive military and diplomatic alliances between the member states. He argued that a renewal of the former treaty between Austria and Prussia could form the basis of a defensive league which would guarantee Confederation territory against Louis Napoleon and Russia.\footnote{Schäffle, "Die Wiener Zollconferenzen," pp. 255-256; Schäffle, "Vorschläge zu einer gemeinsamen Ordnung," pp. 295-298; Schäffle, "Realpolitische Gedanken," pp. 291-293; Schäffle, "Politischen Bestrebungen," pp. 248-250.} To further enhance the German position in Europe Schäffle called for the entry into the Confederation of all territories held by German monarchs outside the boundaries of the Confederation. This meant bringing in the Habsburg lands and also guaranteeing Prussia territory. Schäffle believed that such a league would set the framework for German security and at the same time establish peace in Europe. He noted that Louis Napoleon and Cavour would not have risked war with all the German states in 1859.\footnote{Schäffle, "Realpolitische Gedanken," pp. 271 and 290-291; Schäffle, "Politischen Bestrebungen," pp. 235-237.} Had such guarantees been in existence, Louis Napoleon would not have supported Cavour against Austria in 1859; nor would he even contemplate a conquest of Germany in the future.\footnote{Schäffle, "Realpolitische Gedanken," pp. 291-293; Schäffle, "Politischen Bestrebungen," pp. 227-228, 243-244, and 257; Schäffle, "Rechtsphilosophische Zeitgedanken," pp. 296 and 299.}
Schäffle was fully aware that many observers of the German political world denied the validity of his argument that the Confederation could adequately protect German national interests and simultaneously act as a catalyst in the transformation of German economic life. German liberals were especially vehement in their condemnation of the Confederation in 1859 and demanded nothing less than a thoroughgoing reform of its machinery. He sought to counter these arguments by showing that they were the products of particularist and partisan ambitions. Liberals agitated for a kleindeutsch state because they expected to control it eventually. For him the liberals had no more interest in truly national questions than did those who blindly defended the existing order in Germany for particularist and traditional reasons. 68

When the German liberals argued that the Habsburg influence in Germany had to be removed, Schäffle saw this as a continuation of liberal opposition to Austrian Catholicism, absolutism, and economic backwardness. He recognized that the liberals had drawn closer to Prussia after 1848 because they felt that an alliance with the Hohenzollern monarchy was the best insurance against domination by Vienna. For Schäffle this meant that the

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German liberals were willing to sacrifice thirteen million German-speaking Austrians in the name of their own party interests. 69

In Schäffle's estimation the willingness of the liberals to work with Prussia was at best suspicious. As the pressure for the creation of a kleindeutsch state mounted in Germany and the demands for a political solution to the German national problem increased, the position of the Prussian government towards the new activism among the liberals remained unclear to many of the statesmen in the south. But for Schäffle, the memory of the German crown's having been offered to the Prussian king by members of the Frankfurt assembly mingled with the knowledge that many of the liberals had sided with Prussia's bid for hegemony at Gotha in late 1849. He saw Prussian support for a kleindeutsch Germany as fully consistent with the long-evident Prussian state policy of expansion. 70

Prussian state policy during the Italian war and after Villafranca demonstrated to Schäffle the particularist nature of its dynastic policies. He noted that at least since the eighteenth century the Hohenzollerns had followed


their inclinations to expand their realm through conquest. During the reign of Frederick the Great they seemed to be on the verge of success. The French revolution and Napoleonic wars had for a time given common purpose to the plans of the German monarchs and the Prussians had fallen in line. During the restoration common fear of international revolution and national demands brought cooperation. Schäffle viewed this background in connection with Prussian hesitation in 1859, and unlike many of the popular liberal historians he refused to see in Prussian state actions the interests of all Germany. For him the policies of the Hohenzollern state did not coincide with national interests.\textsuperscript{71}

Schäffle found the kleindeutsch program reprehensible not only because of its partisan spirit but also because it led ultimately to the centralization of government and authority. He saw in the liberals' stated aims in 1859 that the Nationalverein called for closer political integration for Germany. The Prussians had followed this course in their own realm and since the new era talked about moral conquests. For Schäffle, political reforms in the direction of closer unity and the formation of a strong central government to replace the diet meant a complete

revolution of accepted ideas and institutions. What worried him most was his belief that this attempt would surely fail.\footnote{Schäffle, "Realpolitische Gedanken," pp. 263, 265, 273, and 279; Schäffle, "Politischen Bestrebungen," pp. 229-230, 233-234, and 237; Schäffle, \textit{Aus meinem Leben}, Vol. 1, p. 55; Blaum, \textit{Albert Schäffle}, p. 61.}

The \textit{kleindeutsch} emphasis on strengthening the central political institutions in Germany appeared to Schäffle as a completely one-sided reaction to the political, social, and economic divisions which had given shape to German national life since the close of the middle ages. While he shared the liberal concern for Germany's status in Europe and he had worked for closer material and economic integration within the Confederation before 1859, Schäffle found himself at odds with the general attitude of German liberals that political reform was urgently needed. In his articles Schäffle marveled at the optimistic faith of the liberals that six hundred years of German history could be altered overnight.\footnote{Schäffle, "Realpolitische Gedanken," pp. 266-267 and 269-271.} The liberal \textit{kleindeutsch} program ran headlong into the inalterable particularism which had developed in Germany since at least the reformation.

Having slipped from the "mainstream" of European development since the time of the beginning of the process of state building and centralization, the Germanies could
not overcome particularism by imitating the western European experience. The German princes, their administrative bureaucracies, the aristocrats, and other beneficiaries of the existing arrangements offered by the Confederation would not resign themselves to abandoning their privileges in the name of national unity under either liberal or Prussian hegemony.

Liberal nationalists encountered the problem of altering whole clusters of ideals and institutions which had developed for centuries in the Holy Roman Empire and more recently in the Confederation. He measured the relatively isolated position of the liberal nationalists in the German social spectrum and concluded that only a handful of Germans fully recognized the significance of national issues and shared the common feeling that provincial, religious, and social ideals had to be subordinated to the "higher goal" of national unification. For most Germans the reality of life in their own states overshadowed the difficult and abstract concept of the German nation, and the concrete reality of court life, the village, or town square usually predominated.  

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This estimation that the liberal nationalist program lacked popular support led Schäffle to condemn what he saw as one of the essential elements in the liberal program—a national parliament. The liberal desire for a national parliament and its role in achieving national unity revealed to him the confusion which dominated liberal thought. He believed that the idea that a parliament could somehow solve all of Germany's problems was shared by most liberals, although some were more willing than others to subordinate it to seeing Prussia take charge of the unification movement.75 For him, the Nationalverein members had not learned the fundamental lesson of the failure of the 1848 uprisings. At that time the parliament had not won the loyalties of the German people and had won neither the respect nor the fear of the state governments.76 Since the revolution Schäffle had turned an almost unconscious dismissal of the liberal political creed into an ordered plan for organic social reforms. At the same time, he moved gradually towards becoming an "organic" critic of nationalist ideas and the national parliament as an instrument of executing the will of the


German people. 77

By 1859 Schäffle set forth in concise terms his reasons why national assemblies could not be made into instruments for national unification. As far as he was concerned, parliamentary bodies did not generate unity; they merely expressed in visible or symbolic form a unity which had resulted from a long and tortuous process of cultural, economic, and administrative consolidation of discordant elements into a living national body. 78 From a brief examination of the role played by representative assemblies in the formation of national political unity he concluded that long before the English parliament had become a sovereign body unseen economic and cultural alterations had created the social groundwork for national cohesion. Moreover, this cultural process had been shaped in part by the centralizing policies of earlier English


kings. He believed that it was from this combination of cultural and political elements that the English gained their national consciousness. 79 Again, he noted a similar process in central Europe. There the work of royal families—the Habsburgs, Hohenzollerns, and other ruling dynasties—had helped mold the cultural and economic changes which had taken place since the end of the middle ages. In their efforts to consolidate authority over newly-acquired territories these monarchs had contributed to arousing an awareness of German national interests. 80 In the Confederation, however, no single monarch had dominated and the result had been diversity and compromise within the federal diet.

In Schäffle's opinion, the German liberals overlooked the fundamental difference between the English and French national experiences and the growth of national consciousness in Germany. Liberals looked to a national parliament to create in central Europe what had been formed through cultural and economic changes in England and France. In their admiration for representative assemblies, the German liberals did not recognize the fundamental contributions of the monarchs to the growth of national consciousness. For him, the liberals were attempting to stand on

80 Schäffle, "Realpolitische Gedanken," pp. 269-270.
the shoulders of long-dead monarchs and their servants when they asserted that parliaments could effectively unite all Germany in a kleindeutsch state. To raise parliament above the monarchs and the economic and cultural ties which held the German people together was a fundamental error.

Schäffle was convinced that the elusive "spirit" of the German people could not be so easily confined to a single institution. For him the practical problem of giving political content to national self-consciousness could be approached neither from the direction of representative institutions nor from that of dynastic state building alone. In his opinion the growth of national sentiment strong enough to allow the political consolidation of a nationality came from a complex mutual interaction between cultural and economic developments such as language, economic life, commercial activity, and commonly held historical traditions. The dynastic state had given concrete shape to these amorphous elements in the centuries following the religious upheavals of the sixteenth and seventeenth centuries. In central Europe the Hohenzollerns, Habsburgs, and other ruling houses had brought their

81 Ibid.
82 Ibid. See also Schäffle, "Rechtsphilosophische Zeitgedanken," pp. 314-316 and 334-335.
subjects together to form a cohesive society in the years before the French Revolution. In other words, he felt that neither the "nation" nor the "state" fully incorporated the national will of the German people, and in the middle of the nineteenth century one could not elevate one above the other in an effort to achieve political union in Germany.  

Convinced that each of the dynastic houses had an important role to play in the development of German national interests, Schäffle was unwilling to adopt any policy that was directed against Austria, Prussia, or the other German states.  Since all of the royal courts had contributed to the awakening of German national consciousness, he believed that they had to be preserved against nationalist demands for political consolidation. What is evident in Schäffle's reaction to the revival and intensification of German national feeling in 1859 is his effort to blend and harmonize modern nationalism with the traditionally multinational and dynastic aspects of life in central Europe. 


86 Ibid., pp. 328-335; Schäffle, "Die Wiener Zoll-
traditional order and a sense of the importance of the Confederation's "mission" as heir to the legacy of the Holy Roman Empire mingled in his thought with what he saw as the fundamental needs of a modern industrial society. He attempted to convince the German public that a combination of cultural nationalism, the institutions of the Confederation, and the evolution of a new economic order would culminate in a higher stage of civilization for Germany, central Europe, and all of European society.  

With this goal firmly in mind, Schäffle turned to his earlier work on economic growth and attempted to show how material and commercial expansion was the best motive force in the effort to create a Grossdeutschland in 1859. He believed that the first positive step towards realizing this goal was the formation of a large customs union which would include all the states belonging to the German Confederation and extend to the non-German Habsburg lands as well. He thought that the time was at hand for the realization of


87 Schäffle, "Realpolitische Gedanken," pp. 334-337.

this project, and he emphasized the need for a customs treaty between Austria and the Zollverein as the first practical step in the direction of the material and economic integration of central Europe. Such a treaty could accomplish more in the name of national unity than any of the proposed constitutional experiments or the adoption of the kleindeutsch solution of the German problem. Once the customs union was a reality, the reforms already under way in the Confederation could be made the basis for an economically united Germany. For Schäffle, once the Germans from Bremen to Vienna lived under the same commercial laws and could send and receive goods without hindrance, the political differences between the German states and the division of German society into party factions could be ended.\footnote{Schäffle, "Realpolitische Gedanken," pp. 309-312; Schäffle, "Die Wiener Zollconferenzen," pp. 260-272.}

In his efforts to win support for economic unity and the Austro-Zollverein treaty, Schäffle had to deal with the growing conviction of German liberals that Austria could not remain a part of Germany because of the economic and social backwardness which had dominated the Habsburg realm since the end of the eighteenth century. Aware of the "bad press" Austria had received at the hands of German liberals, Schäffle freely admitted that the liberals'
charges that economic stagnation, religious obscurantism, and political absolutism had characterized Austrian life were accurate for the years before 1848. That Metternich's oppressive rule had extended throughout the Germanies during the Vormärz era was an assumption common to both the liberals and Schäffle. 90

What bothered Schäffle was that in their haste to condemn the Habsburg empire the liberals overlooked a "second revolution" which had taken place in Austria since 1848. 91 During the so-called Bach era Austria had been brought into the modern world through economic, commercial, and administrative reforms. 92 The positive reforms in Austria had gone almost unnoticed by liberal observers in Germany. This was true in spite of the general nature of the reforms and the European-wide scope of the changes which had taken place since the end of the 1848-1849 revolutions. In 1859 Schäffle rested an important part of his case for Austria and the Confederation on the social and economic reforms which had been carried through in the


Habsburg empire since the end of the 1848 uprisings.

Schäffle believed that the foundations for a modern industrial society in Austria were laid within the short span of ten years. Schwarzenberg had set the tone of the program before his death in 1852, and his successors carried on the reforms. Alexander Bach, Karl von Bruck, Anton Schmerling, Karl von Hock, and Karl von Czörnig—all working under the direct control of Franz Joseph in the ministerial conference—formulated a system of modern land tenure out of the revolutionary attempt to free the peasantry. A modern system of education was created; a rational system of railroads began to take shape; more efficient financial techniques were inaugurated for raising the rate of private investment; and, through Bruck’s efforts, internal tariff barriers were torn down to make room for the freer movement of goods within the empire. The net result of these reforms was the creation of an environment more favorable to commercial activity which helped bring the empire within the family of the European nations that were in the process of establishing modern capitalist economies.  

Leading Austrian statesmen thought of their work after 1848 as a "revolution from above" and attempted to strengthen the ministerial conference as a means of rebuilding the prestige of the monarchy at home and abroad. Alexander Bach saw the reform program as an alternative route to reach the goals he had pursued as a revolutionary in 1848. He believed that once fundamental economic and social reorganization had been won through the policy of centralization, the political aims of the revolution could be carried through, although perhaps in a much altered form and without an overriding concern for political methods. In the same manner, Karl von Bruck took a more prosaic approach to the problems facing the Habsburg monarchy following the end of the revolutions. Bruck had spent the greater part of his energies before 1848 in attempting to build a large customs area in southern


Germany. In sweeping phrases, he outlined his concept of a central European federation under Habsburg control comprising both the Confederation and Austria. Mixed with the political program of Schwarzenberg, Bruck's economic projects had become the basis for an "empire of seventy millions" by the early 1850's.95

The program worked out in Austria by Bach and Bruck influenced Schäffle directly, and it was from the men of the Bach era that he received his first knowledge about life in the Habsburg empire and the successful nature of the reforms which had been implemented since 1848. At the statistics conference in Vienna in 1857 and again in 1858 at the customs union meeting, Schäffle came into close contact with important Austrian officials. Karl von Hock and Karl von Czörnig accepted Schäffle as a student of Austrian affairs and proceeded to give him a "cram course" in the problems of public administration, using their personal experiences in the Habsburg government as their principal text. Hock and Czörnig had been closely allied with Bruck and were convinced of the rightness of Bruck's customs union project and its allied economic reforms.96 From these two influential

95 Brenman, "Economic Reform in Neuzeit Austria," pp. 31-34; Charmatz, Minister Freiherr von Bruck, pp. 10-20 and passim; Meyer, Mitteleuropa, pp. 16-18.

96 Brenman, "Economic Reform in Neuzeit Austria," p. 33; Charmatz, Minister Freiherr von Bruck, passim;
Austrian officials Schäffle came to see the absolute necessity of maintaining the Habsburgs' traditional role in German cultural life and their position inside the Confederation. Czörnig played an especially important part in forming Schäffle's impressions of Austrian society and economic life at this time. Schäffle saw in Czörnig's Neugestaltung Österreichs a convincing argument, backed by an array of statistics and impressive examples, for the view that Austrian society had truly been reorganized and that the foundations for a modern economy had been laid since 1848.

From Hock and Czörnig and other Austrian officials Schäffle came to view the Bach era in Austria as a "revolution" unprecedented in modern German, or for that matter European, history. In its scope and impact the changes made in Austria after 1849 constituted a transformation which outstripped even the founding of the


Confederation or the creation of the Zollverein. It was more significant than the "new era" in Prussia. 99 Schäffle's fascination with the processes of industrialization and modernization, combined with his interest in economic issues and their political impact, led him to magnify the achievements of Bach, Bruck, and the other men of the Bach era in Austria; and in the process of over-emphasizing the economic and administrative side of the Austrian reforms, Schäffle overlooked the continuing problems which faced Austria even as he wrote in 1859. Absolutism had been discredited by the events of 1859, and the financial troubles which had constantly plagued the government since 1848 had not disappeared. 100 Even the disastrous consequences of the military defeat in 1859 did not become immediately apparent to Schäffle. For him the losses in Lombardy meant that the regime would be spurred on to carry the reforms to completion.

Over-fascination with the administrative alterations


100 In his memoirs Schäffle belatedly admitted that he had gained many false impressions of life in Austria from Hock and Czörnig. Only after moving to Vienna in 1868 did Schäffle fully realize the nature of the nationality problem in Austria and attempt to incorporate a solution for it into his social and political ideas. See Schäffle, *Aus meinem Leben*, Vol. I, pp. 60 and 174-175. Compare Blau, Albert Schäffle, pp. 46-50; and Oncken, "Schäffles Lebenserinnerungen," pp. 245-247.
in the Habsburg empire led Schäffle to ignore the political deficiencies of the government; but, more important, he did not view the nationality problems in the empire as a source of trouble. Nor did he believe that the germanization policy of the Bach era had any serious opposition in Austria. Hook and Czörnig led Schäffle to believe that the men of the Bach regime were merely putting the finishing touches on developments which had begun during the Thirty Years' War. Schäffle got the impression that the German language and German culture had come to dominate social and political life in the empire and that the policies of Maria Theresa, Joseph II, and Schwarzenberg were accepted by the non-German nationalities inside the empire. 101

Armed with the statistics and evidence supplied to him by the Austrian statesmen and officials after 1857, Schäffle argued that the reforms in Austria made it possible to maintain the Confederation as a federal organization without destroying the existing relationships between the member states. And he was convinced that the Confederation could be made to function as the political framework for achieving German national goals. From the

ideas he received from Hock and Czörnig Schäffle found that it was entirely possible to resolve the outstanding differences between Austria and Prussia and to satisfy the particularist desires of the lesser states and the economic ambitions of the German liberals.\textsuperscript{102} The reforms of the Bach era matched those of the "new era" in Prussia and both demonstrated to Schäffle that Austria and Prussia were merely following different paths to the same goal of economic modernization and the development of a capitalist economy. He remained convinced that each of the great German powers could preserve its own unique characteristics, but for him the most important aspect of these changes was that neither Austria nor Prussia would dominate the diet or destroy the federalist nature of the Confederation. Both would be essentially of the same rank in power and prestige. In this fashion the Vormärz basis of cooperation—fear of revolution and respect for the traditional order—could be replaced by the new mutual goal of industrialization.\textsuperscript{103}

In seeking to demonstrate that economic interests could replace the lost solidarity between the monarchs as a basis


for making the Confederation the repository for German national life, Schäffle developed the idea that the lesser German states had a major share in establishing a truly national outlook in the diet. He called these states the "mediators" between the two great German powers.¹⁰⁴ Since the end of the 1848 revolutions the role of the delegates to the diet from the middle and smaller states had been to work for material union. Whether they had done so out of fear of Prussian or Austrian domination did not matter to Schäffle. The important thing for him was that the men from the lesser states backed reforms designed to establish economic unity in Germany.¹⁰⁵ Schäffle was firmly convinced that by acting as a buffer between the Austrians and Prussians the smaller states contributed to the formation of a grossdeutsch national consciousness.¹⁰⁶ In social structure the middle states were both Protestant and Catholic, liberal and conservative, absolutist and constitutional, dynamic and static. Since 1850 these


states had demonstrated their patriotic enthusiasm to Schäffle's satisfaction; their monarchs and rulers were for the most part related directly to both the Hohenzollerns and the Habsburgs.\textsuperscript{107} In their attitudes towards the Confederation and the question of reform they had exhibited a positive approach since 1850, regardless of their motives. For Schäffle the middle states were pulling the Austrians and Prussians closer together in the Confederation and laying the foundations for a truly national policy.\textsuperscript{108}

At the close of 1859 Schäffle looked back over the decade separating the revolutions from the Italian War and concluded that the march of events was leading—not inevitably but at least with some certainty—towards the federative reordering of Germany. He tied together his program for organic social reform with the necessity for maintaining the Confederation as the basis for German national life. He was firmly convinced that the rising tide of economic and commercial activity could be channeled into conservative solutions of the problems facing German society in 1860. With confidence, he looked forward to


the new decade, hoping to see the beginning of economic reforms--the customs union between Austria and the Zollverein--which would create an atmosphere conducive to gradual political union within the framework of the existing Confederation.  

CHAPTER III

SCHÄFFLE'S MITTELEUROPA AND THE CRISIS

IN THE CONFEDERATION, 1858-1868

Schäffle's prediction in 1859 that economic growth would create an atmosphere favorable to the formation of a grossdeutsch German state was challenged by the course of events following the Italian War. The question of economic unity did become the focal point of public interest, but the struggle over the customs union opened a wide gap between the advocates of free trade and the defenders of protectionist policies. At the same time, the dynastic clash between Prussia and Austria spilled over into the sphere of economic and commercial policies. Schäffle watched as public opinion divided into pro-Prussian and free trade sentiment in northern Germany and pro-Austrian and protectionist feelings in the south. Instead of bringing the German people closer together, industrialization and economic expansion seemed to create insurmountable obstacles to peaceful unification in central Europe during the 1860's.

Schäffle entered the debate over the course of economic development in Germany on the side of Mittel-
europa.¹ He sought an approach to the problem of economic integration which would encompass all the German states and preserve the traditional political configurations of the German Confederation. Throughout the first half of the decade, he attempted to reconcile free trade principles with protectionist demands and tried to reduce the friction between Austria and Prussia. He called upon his fellow Germans to view the Zollverein as a truly German institution, urging them to put aside their particular local interests and to accept the necessity of transforming the existing Zollverein into a central European customs union.

As the controversy over commercial policy deepened in

the early 1860's, Schäffle reconsidered his earlier attitude towards the possibility of constitutional and political reform of the Confederation. While he ardently defended the Habsburg monarchy as an integral part of the central European economy, he began to argue that conditions were ripe for federative reforms in central Europe. He combined his economic arguments with an appeal to German patriotism and called upon his readers to consider the long association between the German people and the Habsburg monarchy. In making this appeal to the German public, Schäffle went beyond the bounds of economic thought and into the realm of a Kulturstaat comprising all of central Europe and dominated by German culture and language. While he looked forward to a central Europe with united commercial interests, his political goals for Germany were formulated on the basis of what he viewed as the great tradition of a federalism which was capable of preserving the balance of interests among the existing German states without detracting from the unity necessary for economic growth and security against foreign threats.²

Schäffle's support for the creation of an economic Mitteleuropa stemmed from his association with Karl Hock and Karl Czörnig in Austria at the end of the 1850's. Both of these Habsburg officials were disciples of Karl

Bruck, who first elaborated the concept of Mitteleuropa in the years leading up to the 1848 revolutions. During the 1850's Bruck gave shape to Austrian commercial policy by attempting to win approval for the creation of a central European customs union. He realized that the Habsburg monarchy suffered not only from the divisive effects of the revolutions but also from economic and commercial backwardness. Nevertheless, he confidently assumed that the Habsburg realms could be given economic and commercial unity by removing all internal tariff barriers. Moreover, Bruck attempted to lead the Austrian monarchy away from strictly prohibitive tariff policies and mercantilist regulations by introducing a protectionist system of tariffs and opening the domestic economy to some competition from foreign interests. His reform program for Austria was designed to prepare the Habsburg realms for

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membership in the Zollverein. His emphasis on the need for a vast central European customs union reflected his belief that a commercial union, with an area of 600,000 square miles, and a population of seventy million inhabitants, bordered by three seas, and with outlets to world commerce, would accomplish more in the way of central European social stability than any other policy.  

Bruck's advocacy of Mitteleuropa was bound up with the political confrontation between Austria and Prussia in the 1850's. Schwarzenberg made Austria's entry into the Zollverein an integral part of his policy after 1848 to regain Habsburg supremacy in Germany. Mitteleuropa

seemed to offer him a weapon to use against Prussia's predominance in the Zollverein. At the same time, Prussian officials turned to a commercial policy designed to force the Austrians to abandon their plans for gaining admission to the Zollverein. Rudolf von Delbrück fashioned a plan of action designed to establish the Zollverein as the nucleus for a Prussian-dominated German economy which would exclude Austria. He believed that Austria could not tolerate the moderately free trade policies which had characterized the Zollverein since its inception in 1833. Delbrück argued that the growing interest in free trade in northern Germany would attract businessmen, merchants, agriculturalists, and the liberals to Prussia as the leader in the economic development of Germany. He believed that the Zollverein would also become indispensable to its member states and that their fiscal attachment to the German customs union would eventually force them to accept Prussian leadership in the political consolidation of Germany.\(^5\)

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The clash between Austrian and Prussian commercial policies was not resolved by the time of the Italian War. Delbrück's efforts to exclude Austria from the Zollverein bore fruit in 1853, when the Zollverein treaties were renewed without discussing the question of bringing the Habsburg monarchy into the union. 6 The Prussian


government issued an ultimatum to the other members of the customs union demanding that they accept the renewal of the Zollverein on Prussian terms or face the possibility of its destruction. Faced with this choice, the other German states, although sympathetic to Austria, gave in to the Prussian demands. The Zollverein was renewed for another twelve years; but more important for the future, the magnetic attraction of Prussia's enviable economic strength proved to be stronger than the traditional aura of Habsburg authority in Germany.  

In spite of the failure to win admission to the Zollverein, Bruck did not despair. The February 1853 commercial treaty between Austria and Prussia contained provisions for establishing a general customs union before the expiration of the new Zollverein agreement, and periodic talks between the two major German powers could be held in

the intervening years. Moreover, the new commercial
treaty gave the Austrians special economic advantages in
their relations with the Zollverein states. Viewed in the
light of the results of the Dresden conference, which had
concluded its meetings in 1851 with a statement that the
final goal of the Confederation was the commercial and
economic union of Germany, the new treaty gave Bruck an
optimistic faith that his dream of a central European
commercial union was not utopian. The political obstacles
separating the Habsburg empire from the rest of the
Confederation could be removed by patiently pursuing
domestic reforms in Austria and careful negotiations with
Prussian and the other Zollverein states. 8

Schöffle inherited Bruck's optimism concerning the
chances for creating an economic Mitteleuropa. He was

8 Charmatz, Minister Freiherr von Bruck, pp. 88-91;
Long, "Efforts to Secure an Austro-German Customs Union,"
pp. 61-65; Rosenberg, "Struggle for a German-Austrian
Customs Union," p. 536; Henderson, Zollverein, pp. 213-
219; Beer, Die Österreichische Handelspolitik, pp. 188-
190 and 261-265; Eugen von Philippovich, Ein Wirtschafts-
und Zollverband zwischen Deutschland und Österreich-
and passim; Theodor Plaut, Deutsche Handelspolitik. Ihre
Geschichte, Ziele und Mittel (Leipzig: B. G. Teubner,
1924), passim; Hans Rischbieter, "Der Handelsvertrag mit
Frankreich und die Zollvereinskriege (1862 bis 1864) in
der Öffentlichen Meinung Deutschlands" (unpublished doc-
toral dissertation, University of Göttingen, 1953);
Ulrike Schielin, "Aussenhandel des Österreichischen
Zollgebietes, 1815-1838" (unpublished doctoral disser-
tation, University of Vienna, 1968).
drawn towards the idea of a central European customs union in the 1850's and viewed it from the perspective of his social and political thought. Already frightened by the clash between Austria and Prussia after 1848, he saw no alternative to Mitteleuropa. Since Schäffle's student days and his brief encounter with revolutionary disorder in 1848, he had been preoccupied with the impact on German society of liberalism and absolutism, and his distaste for both had led him to examine the possibility for corporative reform in Germany as a means of overcoming the disruptive features of industrial growth. By the middle of the decade he had developed his concept of organic society as a halfway house through which traditional institutions could be transformed into the framework for a modern industrial society. He tied his corporative theory of society to the rapid expansion of the German economy, hoping that a rising standard of living would contribute towards the attainment of social harmony. By the end of the decade he saw Bruck's idea of an empire of seventy millions as a way to demonstrate to the German public that the formation of an economic

Mitteleuropa was in the best interests of all Germany. He believed that a central European customs union would soon form a part of a conservative solution to the baffling problems involved in accommodating traditional social and political institutions to the stresses of modern industrial life.\(^{10}\)

Like Bruck's, Schäffle's optimism was almost unbounded in the years that preceded the Italian War. When he examined the problems surrounding the creation of common economic and commercial institutions for Germany, he felt that the rapid expansion of economic and commercial activity in the years following the revolutions was paving the way towards the acceptance of a truly German national economy, and he believed that the task of setting up a common system of banking and currency would be simplified by the growing awareness of the mutual economic and commercial interests of all the German states. He regarded the results of the Dresden conference of 1851 as proof that there was a tendency to think in national terms when economic and material issues were under discussion in the Confederation diet.\(^{11}\)


Schäffle was confident that continued economic growth in all the German states would generate support for commercial and economic integration in the diet. After studying the work of the diet in the early years of the decade, he predicted that before long Germany would enjoy the benefits of common legal codes and uniform weights and measures. Like the liberals, Schäffle was impatient to see all the social and legal restrictions on industrial growth removed and replaced by national institutions which would promote economic expansion. He felt that the surviving remnants of mercantilism and the particularist outlook of most of the German princes would soon be altered under the weight of economic progress. 12

Schäffle shared Bruck's faith that the formation of a customs union between Austria and the Zollverein was an integral part of the task of restructuring German society in the decade following the 1848 revolutions. As early as 1857 he began to see not only the economic but also the political values of a central European customs union; and in 1858, after returning from the Zollverein conference


held in Vienna, he publicly declared his belief that the February 1853 treaty could become the basis for a central European commercial union before the end of the decade.\footnote{13}

In analyzing the results of the international statistical meeting in 1857, Schäffle noted that events were leading towards the establishment of a vast customs union embracing all of central Europe. Looking about him at this time, he found that the ominous threat of Napoleon III was gradually awakening a sense of national consciousness among the Germans, while the effects of the Crimean War had exposed the possibility of a clash between Russia and Austria in the Balkans.\footnote{14} He was confident that the combined impact of these foreign threats would kindle a \textit{groszdeutsch} national feeling throughout Germany and would somehow further the cause of his proposed central European customs union before the end of the decade. Furthermore, on the practical level, he was impressed by the continuing discussions concerning


the creation of a uniform currency for Germany, and it seemed to him that progress was being made towards the creation of other common institutions. Schäffle believed that the German people were being drawn together in the 1850's by the rapid development of telegraph lines, railroads, and an intense interest in commercial activity. In light of these changes, he was convinced that particularist attitudes could not outlast the decade.\footnote{Schäffle, "Die deutsche Münzkonvention," pp. 306-307; Schäffle, "Die Wiener Zollkonferenzen," pp. 264-265 and 284-285; Schäffle, "Vorschläge zu einer gemeinsamen Ordnung," pp. 296-298.}

Schäffle believed that the creation of a central European customs union could aid in the restoration of the lost political harmony in Germany. Within a central European customs union, economic growth could create a new balance of political and dynastic interests in the Confederation and restore the lost spirit of cooperation which had characterized life in \textit{Vormärz} Germany.\footnote{Schäffle, "Die Wiener Zollkonferenzen, pp. 256-257 and 266-267; Schäffle, "Vorschläge zu einer gemeinsamen Ordnung," pp. 218-219; Schäffle, "Realpolitische Gedanken," pp. 281-283 and 289-290.} He did not think of his Mitteleuropa as pro-Habsburg or pro-Hohenzollern. He wanted to keep his project for a central European customs union aloof from dynastic and political policies and preserve it as a truly German approach to
the problem of achieving economic union. For him, Mitteleuropa was simultaneously a route backwards to the lost political world of pre-1848 and a path forward into the future world of industrial society.\textsuperscript{17}

Schäffle found himself in a better position to press his case for Mitteleuropa as an alternative to Prussian hegemony of Germany following the Italian War. At the end of 1859 he severed his connections with the Schwäbischer Merkur when the editors of that paper did an about face and began to support the kleindeutsch movement after Austria’s defeat.\textsuperscript{18} He continued his editorial work for the Deutsche Vierteljahrschrift by launching in its pages in 1860 an attack against what he saw as an apparent willingness of German liberals to accept Prussian economic domination of Germany.\textsuperscript{19} At the same time, Schäffle

\begin{footnotes}
became an editor of the **Zeitschrift für die gesamte Staatswissenschaft** and intensified his efforts to win approval for an enlarged customs union and constitutional reform for the Confederation.  

Schäffle came into close association with **grossdeutsch** supporters when he was named to a professorship at the University of Tübingen in 1860. While a member of the political science faculty of Württemberg's most outstanding university, he met Catholics, conservatives, and democratic defenders of the Confederation who gave him an appreciation of the diversity and strength of the support for a **grossdeutsch** Germany. Added to his earlier friendship with his employer and publisher Cotta, these new associations reinforced Schäffle's desire for preserving Austria's traditional role in Germany and his eagerness to forestall a Prussian bid for domination of central Europe.  

In 1861 Schäffle won a seat in the lower house of the **Deutsch Vierteljahrschrift**, 1861, pp. 288-356.


Württemberg Landtag. From this vantage point he gained a more complete understanding of the practical aspects of tariff reforms and fiscal problems facing Germany in the years following the Italian War. As a member of the financial committee of the Landtag, he was able to press his case for customs reforms and Austrian membership in the Zollverein. At the same time, he urged the Württemberg government to support the efforts in the diet to restructure the Confederation.  

Even while Schäffle was learning to view the German problem from the perspective of Mitteleuropa, events were, however, already undermining some of his fundamental assumptions about the nature of economic interests in Germany and his belief that economic expansion would soon create a grossdeutsch national consciousness. In the opening years of the 1860's he had to grapple with the impact on the German question of economic and political changes which shook the Confederation and the Zollverein after the Italian War. By 1860 Austria's chances of entering the Zollverein seemed weaker than they had been at any time since the end of the 1848 revolutions. The optimism which had characterized Bruck's approach to the problem of bringing Austria into the Zollverein had

vanished in the wake of economic depression, military defeat, and the commercial and fiscal instability which followed.\(^{23}\)

Up to the time of the Crimean War Bruck's reform goals seemed within sight; and by the middle of the decade he had succeeded in carrying through a few of his proposed economic reforms and had looked forward to steady progress in effectuating a complete overhaul of Austria's economy. From the middle of the decade on, however, it became increasingly difficult to maintain the momentum of reform. Austrian mobilization during the war disrupted the financial stability of the government, raised questions about the

strength of the economy, and left commercial circles restive. The 1857 economic depression further dislocated the Habsburg monarchy and brought Bruck's plans for tariff reductions into doubt. 24 Few businessmen were willing to suffer the added problems of foreign competition in the midst of economic depression. More importantly, public dissatisfaction with Bruck's reforms forced Francis Joseph to promise that there would be no further reduction in tariffs until 1865, when the Zollverein treaty expired. 25 Already pessimistic about the fate of his Mitteleuropa dream, Bruck committed suicide in April, 1860, when his name became unjustly associated with financial scandals during the reaction following the Italian War. His death left open the issue of Austrian membership in the Zollverein and the creation of a central


European customs union. 26

While the combined impact of the wars and economic depression harmed Austria's progress towards economic development, Prussia weathered the mid-decade storms more easily. The effects of the 1857 depression were only temporary and there was no return to protectionism. By 1860 Prussian commercial policy revealed that the February 1853 commercial treaty with Austria had been nothing more than a delaying tactic. 27 Under Delbrück, the Prussian ministry of commerce had obstructed every Austrian effort to move closer to the Zollverein in the years following 1853; and by the opening years of the new decade the principles of free trade had become an integral part of Prussian commercial policy for both economic and political reasons. 28

26 Charmatz, Minister Freiherr von Bruck, pp. 135-136; Henderson, Zollverein, pp. 263-272; Long, "Efforts to Secure an Austro-German Customs Union," pp. 64-65; Brusatti, Österreichische Wirtschaftspolitik, passim.


Free trade principles dominated most of northern Germany and had scattered support elsewhere by 1860. Individuals like John Prince-Smith, Max von Philipsborn, and Johann Friedrich von Pommer-Esche gained popularity by advocating tariff reforms and closer relations with the western European economy and by arguing that economic trends were leading to complete free trade. These economic principles had the support of important interests in northern Germany by the mid-1850's. Merchants, civil servants, and others desired cheap goods. Agricultural groups, especially in Prussia, wanted not only cheap manufactured goods but also markets for their agricultural products. German seaport towns wanted lower tariffs as a means of increasing their overseas trade.

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opening of the new era in Prussia in 1858, the free trade movement in northern Germany became tied to the general demands for the elimination of the restrictions on economic growth and social mobility. After 1858 many of the German states gradually abandoned the policy of giving state support to older interest groups—guilds, small merchants, and handicraftworkers—and began to accommodate their policy to modern capitalism. Between 1858 and 1864 the craftsmen, small shopkeepers, and guilds were abandoned by many of the German states in favor of nascent industry.31

Prussian officials recognized the political advantages of adopting free trade policies for the Zollverein in the early 1860's. Austria's fiscal and economic problems at the end of the Italian War would make it virtually impossible for the Habsburg monarchy to enter the Zollverein. Moreover, free trade policies could be used to convince public opinion in Germany that access to western European

pp. 196-257; Hoffmann, Das Wachstum der deutschen Wirtschaft, passim.

markets could come only through Prussian leadership in the Zollverein. Popular support for Prussian commercial policy would allow the Prussians to force the middle state governments to abandon their traditional political loyalty to the Habsburg monarchy in the Confederation and force the Austrians out of German economic life.\textsuperscript{32}

Prussian commercial policy became tied to the fast-growing network of bilateral trade agreements which had begun with the Anglo-French commercial treaty in 1860.\textsuperscript{33} Negotiations were already under way between France and Prussia for a similar reduction in tariffs. Prussian statesmen accelerated the talks with the French when they recognized that the Austrians were intensifying their efforts to reform the Confederation and force Prussia to


accept a position of subordination. By March 29, 1862, the Franco-Prussian commercial treaty was agreed upon. Among its provisions was a clause guaranteeing a most favored nation arrangement between France and Prussia. Combined with the general reduction in tariffs, this clause threatened to destroy the special relations the Austrians had enjoyed in their trade with the Zollverein since the 1853 commercial treaty. By agreeing to the 1862 commercial treaty the Prussian officials gambled that the new tariff arrangement would not only lead to closer economic ties with western Europe and further economic development but would also force the middle states to choose between their political loyalty to Austria and the material advantages of membership in the Zollverein. In making the acceptance of the proposed Franco-Prussian commercial treaty a condition for the renewal of the Zollverein treaties which were due to expire in 1865, the Prussian statesmen counted on their commercial policy to aid the cause of their dynastic struggle against the Habsburg monarchy in Germany.\textsuperscript{34}

The Franco-Prussian commercial treaty became one of the focal points for Schäffle's discussion of the problem of German unification during the first half of the decade. In 1862 he attacked the proposed commercial treaty, arguing that, by excluding Austria, its provisions ran counter to German national interests, that its acceptance would stifle economic growth in central Europe, and that it would not contribute to the development of free trade. He believed that the treaty was designed by Prussia to force the other Zollverein members to give in to Prussian hegemony in Germany. The elaborate economic provisions of the treaty raised for Schäffle the specter of a kleindeutsch victory in Germany and the possibility of a subsequent civil war and social chaos. In Schäffle's opinion, the treaty contained within its articles the seeds of a second 1848 revolution.

During the first half of the decade, Schäffle tried desperately to demonstrate to public opinion that there


was no real dilemma facing the German people. They could have both the advantages of the Franco-Prussian treaty and those of an enlarged Zollverein that included all the Habsburg lands. He was convinced that the noisy debate between the advocates of free trade and the defensive protectionist circles obscured the underlying economic trends in Europe since the end of the 1848 revolutions.\textsuperscript{37} He believed that free trade would be the basis for international commerce in the future and that economic developments were pushing the world in that direction, but he did not feel that the abstract principles of free trade had to be followed in every detail in Germany. While the debate raged between the supporters of the commercial treaty and its protectionist critics, Schäffle desperately sought common ground upon which every interest group in Germany could settle their economic and political differences. He believed that the controversy over the merits of the proposed treaty and the question of free trade versus protectionism had to be resolved in the name of national interests.\textsuperscript{38}


Finding common grounds for the development of what Schäffle saw as a truly national economic policy proved to be an exceedingly difficult task for him in the 1860's. He recognized that the idea of free trade dominated economic thought in Prussia and north Germany and that Prussian commercial policy reflected this influence. He also saw that Austria and the south German states had traditionally supported protectionism in order to defend their industries against foreign competition. Both in south Germany and in Austria there was also the fear that free trade and Prussian commercial policy would lead to Hohenzollern domination of Germany. Throughout Germany, political and economic motives mingled together, and it was virtually impossible to isolate them during the early years of the decade.

Despite the bewildering situation created by the response to the proposed commercial treaty, Schäffle confidently believed that German public opinion was not inalterably fixed either in favor of free trade or

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protectionism. Attitudes could be swayed in either direction. He set out to convince the Germans that their national interests as well as their economic future could be assured only through the formation of a central European customs union and with the commercial expansion it would generate. He felt that closer economic ties with the western European economy could be won following the establishment of an enlarged Zollverein.\textsuperscript{41}

Schäffle saw his first task in finding ways to expose the political motives behind Prussian commercial policy in order to treat the strictly economic issues on their merit. During the debate over the commercial treaty, Schäffle challenged his readers to examine the methodical way in which the Prussian officials had negotiated with the French since 1860.\textsuperscript{42} Months of effort had gone into smoothing out minute differences between the two states. On the other hand, these same Prussian officials had dragged their heels in the discussion with Austria on the question of bringing the Habsburg monarchy into the Zollverein during the late 1850's, and they had refused even


to discuss the issue of enlarging the customs union in 1860. In 1862 Delbrück was consciously adopting a commercial policy to force Austria out of Germany. In Schäffle's opinion the comparison between the negotiations with Austria and the way in which the Franco-Prussian treaty had been concluded demonstrated that the Prussians had not forgotten their diplomatic defeat at Olmütz in 1850 and were willing to destroy the efforts to unify central Europe economically. He had seen little difference between Austria and Prussia at the end of the 1848 revolutions. Nor had he sided with either of the great German powers during the 1850's. But by 1862 he was beginning to understand that Prussian policy was directed against Austria and that it was necessary for him to expose the one-sided nature of Prussian commercial policy.

Schäffle also probed the political motives of the German liberals who supported the Franco-Prussian commercial treaty unquestioningly. The spread of free trade

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ideas in northern Germany during the years before 1848 led Schäffle to connect the principles of free trade with the liberal movement. By the early 1860's Schäffle was convinced that the most ardent defenders of free trade in north Germany--Prince-Smith, Philipsborn, and Michaelis--were so closely allied with the kleindeutsch movement and the Nationalverein that it was impossible to separate the political from the economic goals pursued by the free traders.\textsuperscript{45} Schäffle believed that both the kleindeutsch agitation in the Nationalverein and the principles of free trade in north Germany stemmed in part from misconceptions held by the liberals as a result of their interpretation of the 1848 revolutions. A cardinal assumption of the kleindeutsch movement, both in 1848 and in 1859, was the idea that the Habsburg empire was about to disintegrate into its component nationalities.\textsuperscript{46} Furthermore, the German liberals saw the Austrian empire as the chief villain of 1848. The Habsburgs had reacted with harshness to the liberal and national movements since 1815. Schäffle felt that much of the support for free trade in north


Germany was a result of this historical legacy.\textsuperscript{47}

After exposing what he saw as the political motives of the Prussian statesmen and the north German liberals, Schäffle appealed to his readers to examine carefully the nature of the German economy and the motives of those publicists who advocated free trade and the acceptance of the proposed Franco-Prussian commercial treaty. Schäffle's economic studies of the previous decade had led him to predict in 1858 that the international trend towards the freest exchange of goods between nations was assured. He was fascinated by the prospects of a worldwide economy and the cosmopolitan nature of economic developments. Since the early 1850's Germany had participated in this long-range trend and was on the threshold of free trade before 1859. Just before the outbreak of the Italian War in 1859, Schäffle had optimistically predicted that in the near future all of Europe would adopt the principles of free trade.\textsuperscript{48} But by 1862 he was forced to reexamine his prediction in light


of the proposed Franco-Prussian commercial treaty.

While still maintaining that public opinion and economic developments were pushing Germany towards free trade, he had to show that free trade could not be viewed as an absolute condition. The Germans would have to realize that the introduction of low tariffs for the Zollverein required careful balancing of various interests and a gradual, step-by-step approach. While he shared the belief that free trade would be the dominant theme of international commerce in the future, he did not feel that the adherents of Cobdenism in northern Germany fully understood that free trade was a relative concept. He criticized those economists who swallowed whole the teachings of Richard Cobden, Frederick Bastiat, and others who called for complete free trade during the years before 1860.

For Schäffle the abstract idea of free trade could not be transported to Germany without making modifications to fit the German economic and social conditions which were not the same as those in England and France. Lower tariffs—perhaps even complete free trade—might be


possible for the Zollverein in the future, but to attempt a complete revision of the customs union in the 1860's would be sheer folly. 51

While he criticized the German economists and publicists who were eager to imitate their English and French counterparts, Schäffle saw in German public opinion manifestations of a desire to come to an agreement on a common tariff system for an enlarged Zollverein. And he felt that sentiment in Germany and Austria could offer the basis for admitting the Habsburg lands into the Zollverein. He believed that the advocates of free trade did not accurately reflect public opinion in Germany. Examining the reports of chambers of commerce of the north German towns, Schäffle thought he saw hints of a willingness to compromise on the customs union issue. At a meeting of the Congress of German Economists at Stuttgart in September, 1861, he noted that there was some support for moderate protectionism among the delegates. He saw further evidence that free trade could be modified in favor of moderate protection when he attended the Congress of German Industrialists in October, 1861. From his observations of these discussions, he concluded that advocates of free trade in

Germany were willing to make some concessions to protectionist demands.\textsuperscript{52}

On the other side of the question, Schäffle believed that there was a willingness to accommodate free trade principles among protectionist circles in south Germany. In his dealings with industrialists and merchants in his own state of Württemberg, he came away with the impression that protectionism was not a long-range trend. He tried to convince his readers that some of the staunchest advocates of protective tariffs would be willing to sacrifice some of their private interests in the name of national economic growth. Schäffle refused to believe that there was no way to turn these sentiments into a source of compromise with free trade demands.\textsuperscript{53}

When Schäffle outlined the nature of public sentiment towards protectionism in Austria, he skirted the question of the strength of public opinion on the tariff question and turned to the government as the source of compromise with the free trade ideals of the north. In the early


\textsuperscript{53}Schäffle, "Der preussisch-französische Handelsvertrag," pp. 262-267 and 337-341.
years of the decade his friend Hock, who had patiently sought closer ties with the Zollverein during the 1850's, explained to him that the Habsburg government would soon reverse the return to protectionism which had begun in the last years of the previous decade.\textsuperscript{54} With these assurances from Hock, Schäffle appealed to his readers not to accept on face value the interpretation of the state of the Austrian economy given them by the advocates of the Franco-Prussian commercial treaty. When the critics of Austrian commercial policy argued that the Habsburg government could not abandon protectionism, they failed to place recent events in proper perspective. In Schäffle's opinion Austrian commercial policy, like the Austrian economy itself, was in a state of flux following the 1857 panic of the Italian War. But when the return to protectionism was seen in the context of the multitude of economic and social reforms which had been carried out since the 1848 revolution, it turned out to be a temporary reaction to unsettled conditions in Austria.\textsuperscript{55} Schäffle remained confident that the momentum given the reform


movement by Bruck was not going to be lost in the years following 1859. Since 1848 the Austrians had moved from a system of prohibitive tariffs and governmental controls to a moderate protective tariff. With these ideas in mind, Schäffle optimistically predicted that the Austrians could begin negotiations with the Zollverein, if given the opportunity.\(^56\)

His survey of public opinion on the Franco-Prussian commercial treaty and attitudes concerning protectionism and free trade left Schäffle with the belief that public sentiment was still malleable enough to support his concept of a central European customs union. He urged the inhabitants and governments of the German states to recognize the political threat behind the proposed commercial treaty and to delay accepting the treaty until Austria became a member of the Zollverein. In his articles he argued that public opinion could be marshaled behind criticism of the commercial treaty and that the middle states could stand firm against the Prussian bid for economic supremacy in Germany.\(^57\) The Zollverein treaty


still had several years of life, giving the middle states enough time to work out some kind of agreement with both Prussia and Austria.\textsuperscript{58}

While Schäffle concentrated on demonstrating that public opinion in Germany would back an effort to force Prussia to modify the proposed commercial treaty, he did not limit his argument against the Prussian commercial policy and its consequences to outlining ways to mount an assault on the treaty through public sentiment. He also tried to describe the economic advantages that the German economy would lose if Austria were permanently excluded from the Zollverein.\textsuperscript{59}

In defending his concept of Mitteleuropa during the early 1860's, Schäffle attempted to show the German public that many of the fundamental assumptions about the nature of economic growth in Austria were based on false impressions or misinformation. One such assumption led the advocates of the Franco-Prussian commercial treaty to argue that the Austrian economy had nothing to offer the Zollverein and that the tempting French and western


European markets had everything. Schäffle opposed this idea by developing an argument to show that domestic markets were as important, or more important, than foreign ones to the future of a nascent industrial society. He was convinced that the addition of the Habsburg empire to the Zollverein would create a large domestic market for the products of German agriculture and industry. He attempted to show the skeptical critics of the Austrian economy that the reforms of the Bach era had created the foundations for economic growth in the Habsburg empire and that there was a growing middle class eager for the goods produced by industry in northern Germany. In his opinion, Austria was a virtually untapped market for German agricultural and industrial products, and he saw no reason to abandon the certainty of the Austrian for the unknown advantages of either the French or English offers of additional trade with the Zollverein.

In attempting to make the Austrian empire an attractive addition to the Zollverein, Schäffle outlined the economic advantages of the Habsburg empire as a "bridge

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to the southeast." The combined resources of the Zollverein and the Habsburg empire would create a vast central European commercial empire with ties to the Balkans and the Near East. 62 Blending together memories of the Habsburg "mission" with the idea of economic expansion, Schäffle refused to abandon the concept of Mitteleuropa and the role he felt that Austria would play in the future expansion of the German economy in central Europe. By tying the economic fate of the Zollverein to that of the Habsburg empire Schäffle wanted to convince the German public that the commercial advantages of trade with England and France were insignificant when compared with those offered by Austria. 63 Once Austria was part of the Zollverein, German merchants and industrialists would enjoy the benefits of uninterrupted trade from the Baltic down to the Black Sea. 64


Schäffle did not remain satisfied merely to attack the economic and political consequences of the Franco-Prussian commercial treaty in the early 1860's; he also defended a program of constitutional reforms to make the Confederation attractive to the liberals and nationalists and as a part of his concept of Mitteleuropa. In advancing suggestions for political action in the diet, he abandoned his earlier reluctance to seek political changes in the Confederation and his belief that the task of constitutional alterations could not be taken up until after the material and economic unity of Germany had been achieved.  

Down to the time of the Italian War in 1859, he had rejected both the liberal desire for a national parliament and the Prussian dynastic ambition for German hegemony because he feared the social and political consequences of a kleindeutsch Germany. At the close of 1859 he had argued that the firmest ground for the advancement of German unity lay with the achievement of material union and urged his fellow Germans to recognize the Confederation as the only institution capable of preserving Austria, Prussia, and the other German states as the foundation stones of

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an economically united central Europe. 66

While Schäffle watched the negotiations between Prussia and France with mounting apprehension and pondered the economic and political consequences of the proposed commercial treaty, he was heartened by other changes taking place in central Europe. He knew that the Prussians seemed to have economic strength and the prestige of the Zollverein on their side in their bid for popular support against Austria, but the impact of the Italian War set in motion a series of events in both Prussia and Austria which seemed for a time to offer the Habsburg monarchy an opportunity to recapture its aura of traditional respect in the Confederation.

In formulating his approach to the problem of German unity in the 1860's, Schäffle had to weigh the economic advantages which Prussia appeared to have won against the possible political advantages falling to Austria as a result of the constitutional clash in Prussia and the beginnings of an era of constitutional experiments in the Habsburg monarchy. To him it seemed that the two great powers, the other German states, and the German public

could be convinced that these altered conditions would permit a thoroughgoing reform of the diet, its powers, and the Confederation itself without tipping the political or economic balance in favor of either Austria or Prussia. For Schäffle, events after 1859 seemed to foreshadow a restoration of the spirit of harmony which had characterized the Confederation in the years before 1848.67

Schäffle viewed the constitutional conflict in Prussia as an opportunity for conservative reform in central Europe. While the Prussian statesmen were formulating a commercial policy which appealed to liberals in northern Germany, the "moral victory" of the Prussian new era began to fade in the early 1860's. The debate between the Prussian king and the liberals in the Landtag over proposed military reforms created a stir not only in Prussia but throughout Germany. Liberal resistance to the proposed military reforms combined with the growing discontent over the failure of the Landtag to make real progress towards complete constitutional government; and the formation of the Progressive Party in June, 1861, further radicalized the confrontation between the king and his Landtag. When the liberal ministers of the new era resigned, they were

replaced by conservatives—and the constitutional conflict deepened. In August, 1862, the lower house refused to vote further sums for reorganizing the army. The question became clear: would the monarchy or parliament rule Prussia? In September, 1862, William was forced to call upon Otto von Bismarck to take charge of the government and overcome liberal opposition to the reforms. Meanwhile, liberals everywhere in Germany watched the growing split between the monarch and parliament in Prussia and wondered about its impact on the further progress of national unification and constitutional government. 68

Schäffle was pleased by these developments in Prussia. He interpreted the clash between William and the Prussian liberals in light of his own social and political goals for the Confederation. He believed that the conflict between the liberals and the monarch in Prussia would weaken the liberal movement throughout Germany by removing the image of Prussia as a paradigm for liberal reforms. Moreover, with the new era no longer offering the alluring image of

a Prussia willing to be transformed into a liberal society, the liberal advocates of national unification would take a more sober view of the Confederation and Austria and recognize that both offered an alternative to rash action in behalf of liberal constitutionalism and nationalism in the early 1860's. 69

Schäffle also observed the Habsburg monarchy as it began a reorganization program of its own. Faced with growing restiveness among his subjects at the end of the Italian War, Francis Joseph abandoned the ministers of the Bach era and began to dismantle the absolutist machinery in an effort to discover new sources of strength and support for his throne. After a brief experiment with a federal parliament backed by the provincial aristocracy and summed up in the October Diploma of 1860, the Habsburg emperor issued the February Patent of 1861, which created a bicameral legislature, gave it strong powers, and reduced the authority of the local assemblies. 70


Francis Joseph's new chief minister, Anton von Schmerling, embodied the tensions between centralism and federalism in Austria after 1861. A liberal in 1848, he had resigned when he realized that absolutism was taking precedence over liberal reforms. In 1861 he still admired centralism, but he attempted to effectuate a compromise between centralism and federalism, between liberals and aristocrats.\footnote{Clark, Franz Joseph and Bismarck, pp. 14, 19, 67, and passim; Lorenz, "Anton Ritter von Schmerling und Alexander Freiherr von Bach," pp. 407-430; Franz Ilwolf, "Anton Ritter von Schmerling," in Allgemeine Deutsche Biographie, Vol. LIV, pp. 56-72; Huber, Deutsche Verfassungsgeschichte, Vol. III, pp. 382-386.} Schäffle believed that the result of Schmerling's labors in 1861 was a government that seemed to offer the Habsburg monarchy a new source of prestige in the Confederation at a time when the Prussian constitutional conflict appeared to tarnish the Prussian image among liberal circles in Germany. Moreover, by creating a parliamentary system of government, the Habsburg monarchy temporarily solved the persistent problem of dealing with the measures adopted by the Confederation. Until 1861 it had been virtually impossible to apply the Confederation's legislative reforms to the Habsburg empire because Hungary and the Italian provinces lay outside the Confederation. After 1861 the Reichsrat, or parliament, could be
formed into a smaller assembly to deal with the problems of the German-speaking western half of the empire, and it became easier to formulate a positive German policy under Schmerling. 72

Schäffle viewed the Austrian reforms as part of a long term movement to transform the Confederation into an effective political institution. As early as the Dresden conference in 1851 there were suggestions for establishing common economic and commercial organs as a means of countering nationalist criticism of the Confederation and to circumvent a revolutionary upheaval. Following the Italian War the German middle states met at Würzburg to reaffirm their intentions to back a common policy of defending the existing Confederation. By 1862 Schmerling added the weight of the Austrian government to this movement to reform the Confederation. The middle states and the Habsburg officials agreed to follow the suggestions of Karl Friedrich von Dalwigk zu Lichtenfels, minister-president of Hesse-Darmstadt. 73 Dalwigk believed


73 Kraehe, "Austria and the Problem of Reform," pp. 276-294; Johannes Börner, "Froebel und das Österreichische Bundesarbeitsreformprojekt aus dem Jahre 1867" (unpublished doctoral dissertation, University of Marburg, 1929); Theodor Griewank and Fritz Hellweg, Württemberg und die deutsc...
that the threat of a Prussian veto was the major stumbling block to reforming the Confederation. However, he was convinced that public opinion could be won over to the side of the Confederation and Austria if an assembly of delegates could be created as an additional representative body. Moreover, Prussian opposition could be circumvented by taking up the question of the new representative body as an ad hoc committee for consultation on the proposed codes of civil and criminal laws which were then under consideration.\footnote{Alexander Zollmann, Reich und Staat in der Politik Österreichs 1862-1863. In Historische Studien, Vol. CCLXIX (Berlin: Verlag Dr. Emil Ebering, 1940), passim; Otto von Wydenbruck, "Das Positive der Bundesreform," Der Deutsche Zuschauer, 1862, pp. 14-79; Srbik, Deutsche Einheit, Vol. III, pp. 376-379, 399, and 428-430; Franz, Der Entscheidungskampf um die wirtschaftspolitische Führung, pp. 241-243; Pflanze, Bismarck, pp. 182-186; Kraehe, "History of the German Confederation," pp. 284-287; Otto Becker, Bismarcks Ringen um Deutschlands Gestaltung (Heidelberg: Quelle and Meyer, 1958), passim; Charles Hallberg, Franz Joseph and Napoleon III, 1852-1864 (New York: Bookman Associates, 1955), passim; Huber, Deutsche Verfassungsgeschichte, Vol. III, pp. 409-421.}
Bavaria, Württemberg, Saxony, Hanover, Hesse-Darmstadt, and Nassau agreed to press for the creation of an assembly of delegates as proposed by Dalwigk and viewed it as the first step towards the conservative reordering of the Confederation. 75

The threat posed by the Franco-Prussian commercial treaty, and the apparent willingness of Austria and the middle states to promote reform in the Confederation led Schäffle to revise his earlier ideas about the chances for solving the problems facing the Germans in the early 1860's. Looking about him in 1862, he concluded that, unlike the situation in 1848 or in 1859, there was an atmosphere favorable to federative reform of the Confederation. 76 Since the end of the Italian War the middle state had shown a willingness to look upon the Confederation as a national institution and to carry through fundamental changes. Schmerling's reforms in Austria made it possible for the Habsburg monarchy to take up the cause of constitutional reform in the diet. From Hock Schäffle learned that both the middle states and the


Austrian government were serious in their efforts to transform the Confederation into an effective national body by carrying through on the proposed measures for an assembly of delegates, a federal supreme court, and the program of general legislation.\textsuperscript{77} The new attitude towards the Confederation in the middle states and in Austria led Schäffle to believe that the sources of resistance to change were fast disappearing. Moreover, he saw the constitutional conflict in Prussia as evidence that the Prussian government could not oppose the demands for reform without exposing the particularist nature of their aims to the German public.\textsuperscript{78}

Convinced that the groundwork for constitutional reform had been carefully prepared by the Austrian government and the middle states, Schäffle saw his task as that of outlining a federal approach to the problem of transforming the Confederation into an institution acceptable not only to the Habsburg monarchy and the middle states


but also to the liberals and nationalists who demanded closer national unity. Going back to the idea of an organic society which he had developed in the previous decade, Schäffle outlined his views on the nature of a representative institution which would satisfy everyone in Germany and would allow for the smooth transition from the loose alliance of sovereign states which had been founded in 1815 to a modern federalist organization for Germany. 79

Schäffle viewed the formation of the German Reformverein in October, 1862, as a giant step towards a truly federal reform of the Confederation within the context of a Mitteleuropa. The Reformverein represented for Schäffle the culmination of his desire for active support for a Mitteleuropa among the German middle states. When he attended the first meeting of the new union, he was convinced that out of its deliberations would come strong support for a revitalized Confederation which could encompass the interests of Austria, Prussia, and the other German states. He also believed that the Reformverein could win backing for an assembly of delegates with enough power to gain support from the German

liberals, who were at this time disenchanted with the constitutional progress in Prussia.  

While he condemned the demands for a national parliament with a membership elected directly by the people, Schäffle did want the assembly of delegates to become something more than merely an ad hoc committee to advise the Confederation diet on the proposed common legal codes. By trying to mediate between the divergent political goals in the Reformverein, he stood between the older idea of the Confederation as an assembly of princes and the modern ideal of popular sovereignty. What mattered most to him was the indication that the majority of the German states were interested in reforming the Confederation and appeared willing to give up some of their prerogatives in the name of national interests. For Schäffle the creation of the Reformverein marked the first occasion in the history of the Confederation that its members were willing to think in national terms.

With the founding of the Reformverein and the reform

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proposals being discussed in the diet, Schäffle looked forward to the creation of a revitalized Confederation within the framework of Mitteleuropa; but his dreams soon met the harsh reality of central European politics. With his hopes for political reforms tied to the assembly of delegates project in the diet, Schäffle watched the proceedings carefully. For him passage of the measure would signal the beginning of a new era in German history.\textsuperscript{82} It would demonstrate to the German public that the Confederation could make progress towards the creation of popular assemblies, that economic and material consolidation of the German states was possible within the framework of the Confederation, and that federal reforms would allow the Germans to think and act from the perspective of Mitteleuropa. Schäffle hoped that the middle state governments, the Habsburg monarchy, and public opinion could be marshaled behind a concentrated effort to preserve the Confederation by transforming it into the political basis for a central European union. At the same time, he urged the middle states and the general public to safeguard Austria's role in the expanding German economy by not accepting Prussia's bid

\textsuperscript{82}Schäffle, "Bundesreform," pp. 1-2 and 63-67; Schäffle, "Die Wahl einer deutschen Volksvertretung," pp. 124-130; Schäffle, 
for economic supremacy in Germany. 83

Schäffle's dream of Mitteleuropa as an alternative to Prussian domination of Germany was shattered in the years following the creation of the Reformverein in 1862. The Habsburg and middle state governments failed in their efforts to reform the Confederation, and the proposed assembly of delegates did not receive enough votes for passage when the issue was decided in January, 1863. Later in the year the Habsburg government tried to carry the issue of reform to the German princes in a meeting at Frankfurt, but when Bismarck kept the Prussian king away the middle state rulers hesitated before taking any action without the approval of Prussia. By the close of 1863 Schäffle began to realize that the coalition of Austria and the middle states could not effectuate a peaceful reform of the Confederation and that the Reformverein had failed to win popular support for the grossdeutsch projects. 84

While the Reformverein sought a grossdeutsch reform


of the Confederation, the middle states failed to stand by Austria on the question of the Franco-Prussian commercial treaty; and as the middle states began to give in to the Prussian demands in the Zollverein Schäffle wondered about the fate of his dream of an economically integrated central Europe. Even as the Reformverein met in Frankfurt in October, 1862, the governments which supported Austria in the diet began to accede to the Prussian demands that the Franco-Prussian commercial treaty be accepted as the basis for renewing the Zollverein treaties. 85 Fearing the loss of the economic and fiscal advantages of membership in the customs union, the middle states reluctantly accepted the new commercial treaty, and by July Prussia's economic dominance was assured. 86 After feverish negotiations with the middle states, Prussia, and France, Rechberg finally admitted that Austria could not win admission to the Zollverein and concluded a new commercial treaty with Prussia in April, 1865. Unlike the February 1853 agreement, the new commercial arrangement offered no special treatment for Austria in the Zollverein and there was no promise of future negotiations for Austrian


86 Henderson, Zollverein, pp. 294-299.
membership in the customs union.\textsuperscript{87} Schäffle watched with growing disappointment as the prospects for a central European customs union faded. In his memoirs, he called the Franco-Prussian commercial treaty "an economic Villafranca for Austria."\textsuperscript{88}

With the efforts to reform the Confederation defeated and the chances for Austrian membership in the Zollverein lost, Schäffle's dream of Mitteleuropa seemed further away than it had at the opening of the decade. By 1865 Schäffle lost his faith in the middle states and turned away from active political work. Disillusioned by what he saw as strong particularist sentiment and an unwillingness to put the interests of the Confederation first, he resigned from his seat in the Württemberg Landtag and turned to his theoretical work as solace. Unsure about the fate of the Confederation and Germany's status in central Europe, he watched the last stages of the struggle between Austria and Prussia for hegemony in Germany unfold after 1865.\textsuperscript{89}

When the German civil war which Schäffle had so long dreaded finally broke out in 1866 he watched helplessly from his observation post in Stuttgart. The quick military

\textsuperscript{87}Ibid. See also Long, "Efforts to Secure an Austro-German Customs Union," pp. 65-68.

\textsuperscript{88}Schäffle, \textit{Aus meinem Leben}, Vol. I, pp. 94-95.

\textsuperscript{89}Ibid., pp. 131-132.
victory gave Prussia the opportunity to dismantle the federal structure which had been created in 1815 and to replace it with a North German Federation. Prussia annexed outright Hanover, Hesse-Cassel, Nassau, Schleswig-Holstein, and Frankfurt am Main and dominated the new federation in north Germany. During the brief war and in the following months Schäffle vacillated between condemning the particularism of the middle states and their failure to promote positive reforms in the Confederation when they had the opportunity in 1862 and expressing his fears that the civil war would stir revolutionary upheaval among the liberals. He felt that the war between Austria and Prussia might start a chain reaction which would end with the destruction of Germany.  

While the Austro-Prussian war had destroyed the Confederation and the tenuous political unity it had offered the Germans since 1815, it also brought an end to the commercial cooperation the Zollverein had created after 1833. A new Zollverein was created following the civil war, but it was vastly different from the earlier one. It now included the North German Federation, Württemberg, Bavaria, and Baden as members. The weak conference system

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of administration was replaced with a customs council and a customs parliament. Unlike the former union, the new Zollverein was a more tightly administered unit. Administrative decisions were made by majority vote. The south German states had reluctantly accepted these changes in administrative procedure; but when Bismarck attempted to use the new Zollverein parliament to expand Prussian influence in political affairs in the south, the middle states refused to cave in to his demands. In the elections to the Berlin customs parliament in 1868 the south German states sent delegates firmly opposed to any expansion of the competency of the Zollverein. Schäffle was a member of the delegation from Württemberg. 91

Schäffle's attitude towards the completely new set of circumstances in Germany became apparent in his criticism of Prussian policy at the Berlin meeting of the new customs parliament in 1868. Since 1850 Schäffle had urged the German public not to accept the liberal demands for the creation of a national parliament as a way to national unification. He had offered material and commercial union as an alternative to the liberal ideas. For a brief time he defended political reform of the Confederation when he saw that it might offer a chance for *grossdeutsch* reforms.

In 1868 Schäffle found that Bismarck had adopted the policy of using the commercial attractiveness of the Zollverein as a way to increase Prussia's political prestige in south Germany. By holding out the vision of constitutional government and an economic policy based on free trade, Bismarck hoped to win over the south German liberals to his cause. Schäffle feared that the attraction of the Zollverein and the new North German Federation would lead the middle states into a political union with Prussia and would destroy forever the possibility of rekindling the cultural and economic ties between all Germans. He opposed all attempts to transform the customs parliament into a body capable of handling political issues. Still, Schäffle did not want to isolate the middle states from Prussia and the Zollverein. He continued to think in terms of the lost empire and to hope that somehow the cultural and economic interests of all Germany could be incorporated into a truly national policy which would satisfy Austria, Prussia, and the remaining German states.

92 Henderson, Zollverein, pp. 304-319. See also Holborn, History of Modern Germany, 1840-1945, pp. 199-200; and Pflanze, Bismarck, pp. 395-403; Schübelin, Das Zollparlament, passim.

While attending the Berlin meeting of the customs parliament in 1868, Schäffle received an offer of a professorship of economics from the University of Vienna. Feeling that he was isolated in the political spectrum of Württemberg and that there was little chance of bringing the middle states together to hold back Prussian domination of north Germany, Schäffle decided to accept the offer. Awaiting him in Vienna were new problems.
CHAPTER IV
SCHÄFFLE'S CONCEPT OF ORGANIC
FEDERALISM, 1868-1871

Schäffle's ideas about the Habsburg empire and its progress towards modernization underwent a transformation during his brief stay in Austria after 1868. He began to realize that his earlier image of Austrian society had been distorted by his desire for the creation of Mittel- europa and his fear of revolution. For nearly two decades he had praised Austrian centralism for its work in guiding the Habsburg empire safely through the transition from a traditional to a modern industrial society without falling victim to the harmful influences of liberalism or nationalism. In his mind the "revolution from above" which began in the 1850's had welded together all of the inhabitants of the Habsburg empire into a close-knit society, and he believed that Austrian centralism had established the foundations for moderate constitutionalism during the early 1860's. Before 1868 he saw few obstacles in the way of satisfying the desires for political liberty and overcoming the centrifugal forces of nationalist sentiment in the Habsburg empire.
His residence in Austria after 1868, however, reinforced his earlier distrust of liberalism and individualism and led him to abandon his faith in centralism as a force for political and social progress. His first step away from Austrian centralism came when he began to understand that it had fallen into the hands of the Austro-German liberals who were using it to transform Austrian society to fit their own liberal philosophy. Schäffle responded to the Austro-German liberals' growing influence in Austrian civic life by reformulating his earlier organic social thought in an effort to demonstrate that the liberals were the source of nearly all the social unrest in Austria after 1867. Convinced that the liberals numbered only a small minority of Austrian society and that they represented only the interests of large-scale enterprise and high finance, he called for the creation of a truly "social monarchy" for Austria. He urged the introduction of universal suffrage as well as the institution of a thoroughgoing program of social and economic reform to appeal to the lower middle classes and the workers. Schäffle was convinced that the problems confronting Austria could be solved by adding a "revolution from below" to his earlier idea of a "revolution from above."

Schäffle's "organic social thought" became the basis for his approach to the task of restructuring the monarchy in order to satisfy the national aspirations and demands
for local autonomy which had been heard in Austria since the 1848 revolutions. In 1870 the crisis brought on by the Franco-Prussian War convinced him that a federalist program could be wedded to his organic reform project. During the Hohenwart ministry from February to October, 1871, he attempted to bring together an anti-liberal coalition to support his proposals for organic federalism. His part in the attempted settlement of the Bohemian constitutional demands demonstrated Schäffle's belief that a federalism appropriate for Austria would have to include elements of traditional crown land rights, concessions to nationality demands for equal rights, and a monarchy unified economically and commercially and strong enough to stand alongside the other European great powers.¹

Schäffle argued that his organic federalism not only was a positive approach to the task of finding a middle way between revolution and reaction but also was the only way to preserve the special role played in central Europe by German culture. Until his death in 1903 he chided his critics for not having enough faith in German culture and argued that by guaranteeing the rights of the other nationalities the Habsburg monarchy would have ensured

the supremacy of German culture. He remained convinced that the combination of organic institutions and economic expansion would have won the other nationalities over to the German language and the special role of German culture in central Europe.²

Schäffle's first encounter with the Habsburg monarchy came during his formative years in the 1850's. At that time his distaste for liberalism and nationalism had led him to defend Austrian centralism as a source of progress and modernization. The 1848 revolutions had amply demonstrated to him that neither liberalism nor nationalism could form the basis for transforming Austrian society. The empire had been shaken by the explosion of liberal and national demands, but the emerging conflict between the aspirations of the different nationalities living in the empire had fragmented the already confused effort to dismantle traditional institutions. While the liberals shared the common goal of creating constitutional government as a way of limiting absolutist monarchy, they found that their national interests took precedence over their liberal aspirations. The Magyars, Bohemians, Poles, and Italians looked on the attempt of the Germans to retain their favored position in the Austrian monarchy and to include Austria in an enlarged German state as a direct

threat to their own national interests. In Hungary, the Slovaks, Serbs, Slovenes, and Croats viewed the dominant role of the Magyars as adverse to their own nascent national interests. The common liberal assault on the old regime foundered in the atmosphere created by the competing national claims, while the imperial government began to reassert its authority. \(^3\)

In the wake of the revolutions, Schäffle took a positive view of the achievements of the reaction which followed. For him the Bach regime represented a middle way between clinging to the old regime and the revolutionary attempt to destroy it. The economic and social reforms of the Bach era constituted a "revolution from above" for Schäffle. He described them as the only alternative open to the Austrians. Centralism after 1850 became for him a necessary stage in the evolution of a modern Austrian state capable of carrying through a policy

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of modernization. Neoabsolutism continued the earlier work of the Habsburg dynasty by reviving the policies of Maria Theresa and Joseph II and breaking down the obstacles to economic and material growth. While the state-building process was important to Schäffle, it was the creation of conditions favorable to economic and commercial integration that he praised most highly. He saw in the work of Bruck, Czörnic, and Hock the means by which Austria could move away from the political slough and economic backwardness of the Vorimarz era without falling into the trap of accepting the political and economic ideas of the liberals. Throughout the next two decades Schäffle believed that Austrian centralism could achieve what the liberals and nationalists had failed to accomplish. 4

Austrian centralism also appeared to Schäffle as part of the answer to the problem of combatting liberalism and nationalism in central Europe. He believed that Bruck's ideal of Mitteleuropa offered an acceptable alternative to nationalists' desires for redrawning the political boundaries of Europe along lines of nationality. Like Bruck, he merged a respect for the existing state system

in central Europe with the belief that economic interests could offer a basis for transforming the German Confederation into a source of unity for all of central Europe. In approaching the problem of justifying the continued existence of the Confederation, Schäffle argued that German national interests would be better served through a forward-looking commercial policy than by turning to the idea of a compact national state. And he was convinced that Austrian centralist policies contributed to the creation of Mitteleuropa by laying the foundations for the economic union of Austria and the Zollverein. He saw no contradiction between his refusal to adopt the goals of a compact national state and his belief that German culture and a commerce would lead the way out of the chaotic social unrest of 1848.

Interested primarily in what he saw as the broader problem of winning economic unity for central Europe as a way to avoid the radical consequences of liberalism and nationalism, Schäffle continued to praise Austrian centralism after nationalist feelings were reawakened during the Italian War. He applauded the loosening of absolutism in Austria and supported the constitutional experiment

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begun by Anton Schmerling in 1861. Yet he viewed the introduction of constitutional government in Austria from the perspective of his earlier admiration for centralism. During the 1860's he confidently predicted that Austria and Germany had entered a new era and looked forward to the economic unification of central Europe. He stressed the continuity between the centralist policies of the Bach era and those of the new regime and believed that constitutionalism would not hand Austria over to the liberals in the 1860's.6

By examining the alterations of Austrian political institutions in light of his project for Mitteleuropa, Schäffle overestimated the strength of centralist policies and was left with a distorted image of Austrian society during the early 1860's. His single-minded devotion to the problem of raising the prestige of the Habsburg monarchy within the German Confederation left him with an inadequate understanding of the nature and strength of the resistance to the new constitutional experiment and the perpetuation of centralism in Austria. While the disastrous military defeat in 1859 opened the way for a moderate form of constitutional government, it also

signaled the revival of slumbering political, social, and national unrest. Schäffle saw only that part of Austrian society which helped him defend the Confederation, the Habsburg monarchy, and his ideal of Mitteleuropa to his German readers. He ignored the criticisms of Austrian liberals who argued that the reforms did not go far enough in establishing constitutional and parliamentary government and the rights of individuals. Moreover, the reforms quickly disappointed the Magyars, Bohemians, Poles, and other non-Germans who saw the 1859 crisis as an opportunity for moving toward autonomy. While Schäffle saw Austrian centralism as the road to economic progress and social change, the non-Germans of Austria equated it with the absolutism of the previous decade and viewed it as a half-disguised attempt to preserve the privileged position of the Germans in the empire.⁷

As Schäffle defended the recent reforms in Austria and argued that they made possible the formation of a vast central European customs union, opposition to Austrian centralism increased in the 1860's. The resistance to

Schmerling's government included nearly every shade of political and national opinion. Some aristocrats wanted to revive the authority of the local diets because they believed that a return to the estates system of representation would enable them to recover their political, economic, and social privileges which had diminished during the eighteenth century and were lost during the revolutions of 1848. In Hungary, Bohemia, and Galicia, particularism blended with nationalism to form the basis for disagreement with the new constitutional regime. By 1863 the Austrian Reichsrat had failed to satisfy the desires for autonomy and the Bohemian, Hungarian, and Galician delegations boycotted its meetings in protest.8

Schäffle gradually became isolated from the Austrian scene in the 1860's. When the Prussian victory in the struggle for economic supremacy in Germany destroyed the chances for Austria's admission to the Zollverein, Schäffle was disturbed. And when the middle states failed to stand behind the Austrian bid for altering the nature of the Confederation government, he responded by withdrawing

from active political life and turning to his theoretical work for solace. The Austro-Prussian War left Schäffle even more despondent and further removed from the events taking place in Austria. The gap between his image of the Habsburg empire and the actual effects of centralist policies had widened to such an extent that Schäffle no longer felt certain about the future of his Mitteleuropa project, the fate of Germany, or the viability of the Habsburg monarchy. 9

When Schäffle arrived in Vienna to take up his academic duties at the university in the fall of 1868, he soon discovered that his self-imposed isolation from the momentous political events in Austria left him ignorant of the impact that the recent events were having on Austrian society. After nearly two decades of constantly defending the Habsburg unitary state, he had to adjust his thinking to the limitations imposed on his ideas by the newly created Dual Monarchy. With the Austro-German liberals at the helm of the centralist Austrian regime, he had to rethink his approach to the problems facing the Habsburg monarchy. He had to reevaluate his past thought and alter it to fit the new and confusing situation which confronted him as he began to orient himself in the ways of his newly-adopted homeland. It

would be necessary for him to consider the nature of the national aspirations of the non-German nationalities in Austria and to evaluate their demands for some kind of federalist structure for the western half of the Dual Monarchy.

Schäffle's understanding of conditions in Austria had not prepared him for the creation of the Dual Monarchy in 1867, and his admiration for Bruck's work in tearing down the customs barriers between Austria and Hungary in the 1850's still guided his approach to evaluating the new state structure. The personal agreement between the Habsburg emperor and the representatives of the Hungarian parliament which granted virtual sovereignty to the Hungarians caused Schäffle to wonder about the future of the monarchy in central Europe. While the compromise created common ministries for foreign affairs, military defense, and imperial finances, the ties between the two states were loose. The Hungarians recognized Francis Joseph as king in Hungary; there was a complicated system of delegations sent from both halves of the monarchy to regulate matters of joint concern--interstate commerce, tariffs, the imperial budget, imperial banking, and communication--on the basis of ten-year agreements. With the exception of these limitations, however, the Hungarian parliament had complete control over its own
affairs.\textsuperscript{10}

Schäffle could not immediately determine the impact of these new arrangements on the unity of the monarchy and on Austria's status as a European great power. Nor was he able to decide what effect the Dual Monarchy would have on the fundamental problem of creating a modern industrial society for the whole Danube region. His experiences with the cumbersome nature of the German Confederation had not led him to demand the establishment of a compact central government for Germany, and he had earlier seen no limitations to economic and commercial growth stemming from the loose nature of the Zollverein. With his past experiences in mind, Schäffle adopted a wait-and-see attitude towards the formation of the Dual Monarchy and its impact on the economic unity of the Habsburg monarchy.\textsuperscript{11}


More important to him at the moment was the impact of the Hungarian compromise on political and social life in Austria. Since his first contact with the Habsburg empire in 1857, Schäffle had assumed that the centralist policies outlined to him by Hock and Czörnig would prove to be so successful in generating material prosperity that the liberals would find themselves isolated.\textsuperscript{12} He had believed that every Habsburg subject would come to identify centralism with prosperity and that the ensuing general social harmony would gradually open the way for the peaceful resolution of political, economic, and national differences. In 1868, however, he was confronted with a vigorous liberal movement in Austria. Liberalism had not become isolated in the years following 1848 but had increased its influence on public affairs. By the time Schäffle began to observe the Austrian political scene in 1868 liberalism had become attached to centralist policies and played a leading role in civic affairs.

The conclusion of the compromise of 1867 with Hungary led to the elevation of the Austro-German liberals to political authority in Austria. By 1866 Francis Joseph discovered that he could not hold back the development of constitutionalism by adhering to the modest concessions

contained in the 1861 February patent. Austro-German liberal support seemed necessary in order to win acceptance of the compromise with Hungary, while the fiscal disorder created by the disastrous military efforts in 1859 and again in 1866 caused him to rely on the financial and administrative talents of the Austro-German liberals. While he personally disliked the liberal philosophy and distrusted their emphasis on limiting the crown's privileges, the emperor concluded that the Austro-German liberals would bolster his chances of regaining his dynasty's prestige and status in Germany and in Europe. He was willing to make some concessions to their desires for constitutional reforms in order to gain their support.\textsuperscript{13}

Schäffle wondered whether Francis Joseph had not bartered away his freedom of action when he made concessions to the Austro-German liberals in 1867. While the liberals did not openly challenge the emperor's right to choose his own ministers, there was a vague statement on ministerial responsibility in the new constitution which was promulgated on December 21, 1867. Moreover, Schäffle felt that

the guarantees of individual rights--trial by jury, freedom of person, the right of assembly, religious liberty, and equality before the law--could be turned against the imperial government. During his early years in Austria, he weighed these guarantees against what he saw as a possible threat to the emperor's ability to act as monarch of all his realm. The new constitution bothered Schäffle because it did promise the fulfillment of most of the liberal demands for limited constitutional monarchy, and they looked forward with eagerness to the future. ¹⁴

Schäffle's concern about the policies of the liberals increased when the liberal ministry under the leadership of Carlos Auersperg began to implement the provisions of the December 1867 constitution. ¹⁵ In the first months of


the new liberal regime, legislation was enacted that limited the authority of the Catholic church's role in education and created civil control of marriage ceremonies. Other bills called for loosening the state's control over interest rates and the sale of peasant landholdings. In an attempt to liberalize other civic institutions, the Reichsrat received bills for making the penal code more humane, for making elementary education compulsory, and for lifting the legal restrictions against the Jews. The Austro-German liberals looked forward with anticipation to the removal of other traditional and autocratic limitations on the exercise of personal freedom in nearly every sphere of activity, thus reflecting their faith in the mid-nineteenth century liberal creed of individualism, laissez-faire economic thought, and anti-clerical secularism.  

Within a short time after his arrival in Vienna Schäffle was able to view the impact on society of the

constitution and the liberal cabinet. With most of his old friends gone—Bruck had committed suicide in 1860 and Hock had died within a year after Schöffle's departure from Württemberg—Schöffle began to comprehend how blurred his image of Austrian society had been during earlier decades.\textsuperscript{17} New friends and experiences allowed him to see a side of Austrian life which he had earlier ignored. These new influences gave him an opportunity to gauge the impact of the \textit{Ausgleich} with Hungary and the liberal regime on Austrian society and the intensity of the response to these changes.

He learned to view the role of the provincial nobility in a new light after 1868. Karl Habićtinek, a member of the law faculty at the university, introduced Schöffle to the world of the Bohemian nobility.\textsuperscript{18} From Habićtinek and his friends Schöffle discovered that the provincial nobility had resisted most of the changes that had occurred since 1848 and were dreaming of the revival of the powers of the provincial diets as a means of strengthening their hold over political, social, and economic privileges which had been challenged since the

\textsuperscript{17}Schöffle, \textit{Aus meinem Leben}, Vol. I, pp. 175-176.

1848 revolutions. Schäffle professed amazement at the blending of particularism and loyalty to the Habsburg dynasty and wondered how effective the local nobles would be in challenging the liberal regime in Vienna. In his memoirs he later described the members of the provincial nobility as honest and upright representatives of the landowning class whose strength of character contrasted favorably with the corruption of the great capitalists whom he met in Vienna at the same time.¹⁹

As Schäffle moved more freely about Vienna and gradually oriented himself in the political and social ways of his adopted homeland, he observed that criticism of the liberal constitution and strictures against the secularist policies of the new regime were not confined to the members of the local nobility. Distrust of the anti-clerical trends in the liberal program raised opposition in the Tyrol and among conservative circles in the other provinces where the German-speaking population formed a majority. As Schäffle listened to arguments of the clergy in defense of the 1855 concordat, he wondered about the strength of religious sentiment as a source of

resistance to the liberal government. 20

For Schäffle the most dramatic evidence of opposition to the new constitution and the liberal regime was gained from what he called "scientific" walking tours of Vienna. His earlier economic studies had prepared him for what he saw, but the shock at witnessing the effects on Viennese society of the rapid economic changes which were taking place left him more pessimistic than ever before about the impact of liberalism on society. As the sporadic panics and periods of financial unrest of the 1850's and early 1860's changed to a commercial boom in the last years of the decade, the Austrian economy appeared to be enjoying the benefits of unlimited expansion and growth. The stock market was jammed with speculators and honest businessmen who wanted to share in the prosperity; and

the laissez-faire policies of the government intensified the feeling of excitement.\textsuperscript{21}

But at the same time, Schäffle witnessed the other side of the booming economy when he viewed the working and living conditions of the workers on the outskirts of Vienna. The unhealthy atmosphere of the new factories appalled him. He was even more disturbed, however, by the massive demonstration of workingmen on the opening day of the Reichsrat in December, 1869. The workers' demands for legal unions combined with his survey of life in the working class neighborhoods to reinforce in Schäffle's mind the need for reforms to alter the impact of industrialization on society. The sight of workingmen demonstrating in front of the parliament building appeared to him as visible evidence of the failure of liberal policy to overcome the crippling social effects of

economic change.  

While Schäffle was deeply impressed by the unrest and disharmony expressed in the nascent factory workers' movement, he was careful to note that the combination of rapid economic growth and industrialization further weakened the already precarious status of other economic and social groups in Austria. The harsh criticisms directed against the economic changes and the policies of the liberal regime by artisans, small shopkeepers, and small businessmen led him to conclude that the liberal government was failing to soften the impact of industrialization. Great financiers and businessmen ignored the increasing plight of these groups who were adversely affected by the economic changes taking place in Austria.  


Schäffle presented his reflections in a series of lectures which he delivered before the members of the Vienna Society for Political Economy in late 1869. In his talks he brought together his personal observations of Austrian society and the problems facing the monarchy and combined them with his earlier social and political thought. At this time he argued that the disturbing unrest stemmed from social and economic causes. The social disharmony and political agitation which had shaken the foundations of the monarchy and which threatened to destroy the foundations of society in Austria came primarily from the Austro-German liberals' failure to offer a unifying principle. Their liberal and individualist philosophy led to the domination of society by "pure" capitalism. In a blind effort to remold society to fit their liberal thought the liberals were unable to reconcile the ambitions and interests of different political, social, economic, and national groups in Austria. If the unhealthy

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24 The ideas discussed by Schäffle in his 1869 lectures were expanded and published under the title of Kapitalismus und Sozialismus. See Schäffle, Aus meinem Leben, Vol. I, pp. 166-167.

dominance of the liberals could be removed, Austrian society could be set on a course towards social harmony and cooperation among all of the nationalities.26

Schäffle sought to convince his audiences that the major problems they faced were not uniquely Austrian in nature but were part of a European-wide phenomenon, the course of which he had been plotting since the end of the 1848 revolutions. Social upheaval resulted from the failure to defuse the explosive impact of rapid industrialization and economic growth. Returning to his earlier corporative thought, Schäffle predicted that the introduction of organic social and political institutions could solve most of the social ills which had shaken the foundations of civic life in Austria since the revolutions. In his lectures, he boldly stated that organic reforms would end the political and social unrest.27

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Firmly convinced that the major sources of unrest in Austria came from the failure of the liberal regime to come to terms with economic and social changes brought about by the rapid development of industrialization, Schäffle concluded that the prestige and authority of the Habsburg dynasty had to be preserved as the focal point for the new organic institutions. He proclaimed that the monarchy and Austria could be saved only if the Habsburg dynasty concentrated on issues common to all their subjects—primarily the material problems of securing prosperity and economic growth for the whole realm.  

In an effort to find the resources for the transformation of the Habsburg monarchy into a social monarchy, Schäffle returned to his earlier social and political thought and applied it to conditions in Austria. Still convinced that economic interests could rally all of the Habsburg subjects to the defense of the monarchy and create a solid base for a viable society, he modified his organic thought to fit the problems which confronted Austrian society in the late 1860's. Since the early 1850's he had called for organic reforms as a means of overcoming


the dislocations caused by economic expansion and industrialization. In seeking to offer alternatives to absolutism and liberalism, he had adopted many of the corporative ideas outlined by Karl Marlo in the 1840's. When he used the terms "organic" and "corporative" at this time, Schäffle had in mind the transformation of the old estates system of representation by encouraging the creation of voluntary associations for every economic class and the introduction of self-administration. His goal rested with the revival of a broad middle class standing between the very rich and very poor. Throughout the years leading up to 1868 he had argued that the existence of a modernized estates system of representation and the moderating influences of a large middle class would lessen the atomizing effects of modern society. 29

In Austria after 1868 Schäffle carefully delineated his concept of the role played by the middle classes 30 in

29 For Schäffle's early social thought, see ante, pp. 27-31; Schäffle, "Abbruch und Neubau der Zunft," passim; Schäffle, "Der moderne Adelsbegriff," passim; and Schäffle, "Der bürokratische Staat," passim. For studies of his early work, see "A. E. F. Schäffle's Verdienste um die Sozialwissenschaft," Historisch-politische Blätter für das katholische Deutschland, Vol. LXXV (1880), pp. 745-758 and 833-844; Mann, "Schäffle als Wirtschafts- und Finanzsoziologe," passim; and Tuschinsky, "Schäffle's Werdegang als Sozialpolitiker," passim.

central European society and applied it to the existing class structure of Austrian society. Earlier he had used the term "middle classes" in reference to the members of the occupational groups that stood to lose economically and socially by the rapid and uncontrolled introduction of capitalists forms of production and industrialization. Craftsmen, small shopkeepers, small businessmen, and even peasants felt the adverse effects of the economic changes following the 1848 revolutions, and the prospects offered by the emerging outlines of modern capitalism seemed grim when seen from the viewpoint of these hard-pressed groups.

After 1868 Schäffle argued that the small businessmen, shopkeepers, artisans, and small landowners could be welded together in opposition to the liberal regime in Austria.31 By actively controlling the expansion of investment capital and halting the speculation which had characterized the Austrian economy in the past few years, the emperor could win over the Austrian middle classes to the common goal of

building a social monarchy. The small businessmen, shopkeepers, and craftsmen could be molded into a coalition favoring the emperor through a program embodying close regulation of entrepreneurial activities, tax reforms designed to appeal to the small economic concerns, and other measures.\textsuperscript{32}

Schäffle did not confine his ideas to an elaboration of a program in behalf of the artisans and small businessmen. By 1869 he was convinced that a common policy could not only satisfy the artisans, shopkeepers, and small landowners but also win support from the growing numbers of factory workers and other unskilled employees who did not readily fit into the middle classes.\textsuperscript{33} He had vaguely talked of institutions designed to represent all of the economic and social groups of society in his earlier works, but his interest in the problems of the German working classes had been sharpened in the 1860's when he began to see the workers as allies against the German liberals. By 1863 he recognized that Ferdinand Lassalle's attempt


to organize the working classes in Germany could become a useful weapon in the struggle to diminish the influence of liberals. He soon attempted to fit the workers into his corporative thought.

Schäffle's attitude towards the problems of the working classes took on an even more sympathetic tone as he tried to discover answers to the social disharmony in Austria after 1868. He believed that the European working class movement was steadily becoming stronger; although Lassalle was dead, the German workers had not lost their interest in winning a better place in society. Moreover, Schäffle carefully watched the growth of the socialist


movement in Europe and worried that it might converge with the working-class movement, with disastrous impact. In his 1869 lectures he devoted much of his attention to explaining to his overwhelmingly middle class audiences the nature and significance of both the labor movement and the socialist movement. Fully aware of Marx's work in London and of the founding of the International Workingmen's Association in 1864, Schäffle explained to his listeners that the rise of an industrial working class in Austria would add to the existing disharmony and social unrest unless the members of this new class were given a voice in the political process. 37

The workers' demands for better working conditions did not frighten Schäffle in 1869. Instead, he viewed the growth of the working class movement as a positive good for society. For him reforms designed to win the workers over to organic change would contribute towards strengthening the social order. Treating the problem as a part of his corporative thought, Schäffle interpreted the nascent Austrian industrial working class as an addition to the support for the social monarchy which would come from the middle classes. He saw no insurmountable obstacles

standing in the way of a thoroughgoing program which would satisfy the desires of the workers, artisans, small businessmen, and shopkeepers. With the example of the recent factory legislation in England in mind, he called for similar measures for Austria. Schäffle was optimistic that his version of a social monarchy could offer a system for the regulation of working hours and conditions. Furthermore, he interpreted the demands for the right to organize trade unions in light of his own idea of voluntary associations and believed that the creation of unions would add to the strength of organic society in Austria. A common distrust of the Austro-German liberals would cement the alliance between the working classes and the middle classes in Austria.\(^{38}\)

Schäffle's faith in the possibility of bringing the nascent working classes into an alliance with the Austrian middle classes was based in part on his belief that other groups would support the union. In 1869 he pointed to the discontent among the Austrian clericals and provincial

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aristocrats and argued that members of these groups would stand behind a reform program directed against the Austro-German liberals. He counted on the aristocrats' desire for the revival of the estates system of representation to win their support for his own organic version of functional representation. And he depended on a general distrust of the liberal philosophy to win other converts to his ideas.\textsuperscript{39}

Convinced that it was clearly possible to bring together a strong coalition against the domination of Austrian social and political life by the liberals in the late 1860's, Schäffle was left with the task of discovering a pressure point against which the combined weight of opposition could be applied. He surprised his listeners by announcing that social unrest and agitation could be ended by the introduction of "universal suffrage" in Austria.\textsuperscript{40} His decision to support universal suffrage in 1869 marked a departure from his earlier reluctance to support representative institutions in Germany. His earliest formulation of his concept of organic society had been directed primarily against the liberal demands for parliamentary institutions based on the principle of


individual representation. While advocating conservative reform of the Confederation in the 1860's he had condemned the notion that a national parliament could be formed on the basis of general suffrage and had raised traditional and historical arguments against Bismarck's call for a German parliament and expanded voting rights. But after the collapse of the Confederation in 1866 he had an opportunity to reexamine the question of representation. During his campaign for a seat in the Berlin customs parliament in 1868 he concluded that the introduction of universal suffrage in Württemberg did not have the expected radical results. By the time he delivered his lectures at the Vienna Society for Political Economy in 1869, Schäffle was convinced that universal suffrage would not only strengthen the monarchy but also would reduce the threat of complete liberal domination in Austria.

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43 Schäffle, _Kapitalismus und Sozialismus_, pp. 203-204
When he spoke of the need for universal suffrage in 1869, Schäffle placed it in the context of his organic thought. He had in mind a transformation of the existing four-class system of voting by broadening its categories to include the members of the middle classes, the working classes, and the small landowners, as a means of ending liberal control of the electoral process. He called for the expansion of the rural and urban curias to include all of the "morally fit and literate members of these groups." He had no intention of adopting the idea of popular sovereignty; nor did he want to see an end to the four-class system itself. In his mind, the term "universal suffrage" was a limited concept. It was a device which would enable the emperor to overcome the dominance of the political process by the liberals and at the same time halt the particularism which had characterized Austrian society for so long.  

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Schäffle saw his version of universal suffrage as a step towards the creation of an organic political system for Austria. His final goal was the transformation of the Reichsrat and the provincial diets into organic institutions, and he was confident that the opportunity for such a change was at hand. An active imperial policy could weld together diverse interest groups. The middle classes and the workers could be brought into an alliance with the aristocrats, clericals, and other opponents of liberal centralism in Austria. The creation of voluntary associations, or Genossenschaften, could bring the particular interests of the artisans, small shopkeepers, and workers into focus. The four-class voting system could be altered to fit the requirements of organic representation. Schäffle envisaged political parties growing out of these reforms, and he believed that their platforms would reflect not only the local interests of their province but also form a part of Austrian-wide economic and social demands. He was convinced that these broad political parties would contribute to the revival of the Habsburg monarchy's authority in Austria, while diminishing the strength of

his ideas in the 1890's. By that time he felt that ability to read and write should be the only restriction on suffrage. See his Deutsche Kern- und Zeitfragen (Berlin: Ernst Hofmann, 1894), p. 60.
particularist interests.\textsuperscript{45}

In 1870 Schäffle's organic thought and his idea of an Austrian social monarchy combined with his earlier distrust of nationalism to form the basis for what he called organic federalism. He abandoned his former devotion to Austrian centralism and the idea of the unitary state and turned to the task of formulating a federalist approach to the problem of restructuring the Habsburg monarchy. His attitude centered on the belief that organic federalism could reverse the divisive process begun in central Europe in 1859, when the Italian nationalist movement won its first victory. He freely admitted his mistake in earlier supporting centralism as a way of preserving the unity of the Habsburg state and of cementing together all of the inhabitants of Central Europe. In 1870 he became convinced that the resurgence of nationalist demands could be halted by introducing a federalist structure for the Austrian monarchy. Moreover, he looked beyond the problem of safeguarding the unity of the Habsburg lands and argued that his concept of organic federalism was an integral part of his plans for central European unity. In spite of the destruction of the German Confederation and Austria's humiliating defeat in 1866,

Schäffle had not lost his desire for the unity which Mitteleuropa would offer central Europe. 46

In 1870 Schäffle viewed the Austro-German liberals as a threat to the unity of the Habsburg monarchy. His most immediate concern was that they would be carried away by the intense nationalist feelings unleashed by the Franco-Prussian War and would rush to join themselves both mentally and physically to a new Germany, abandoning the non-German Habsburg provinces and destroying centuries of cultural and political unity in the Danube region. Even if the Austro-German liberals reaffirmed their allegiance to the monarchy and the existing Austrian state in 1870, Schäffle believed that their refusal to share political power with other groups would lead to the disintegration of political authority in Austria. Since coming to power in 1867, they had perpetuated the legislative dominance of the Reichsrat over the local diets and had argued that the success of their political and social reforms hinged on preserving the authority of the central government. Any suggestion of granting political or administrative autonomy for the crown lands or provinces struck the

liberals as an effort to wipe out all of the progressive reforms which they had accomplished since 1867. The Austro-German liberals had insisted that the 1867 constitution follow Schmerling's 1861 electoral law because the narrow electorate created by its four-class system usually produced a majority in the Reichsrat favorable to the liberal reforms, or at least in support of the imperial government. Again, the Austro-German liberals defended their policy by arguing that their rule was a necessary instrument for progress through liberal reforms.

Apprehensive about the loyalty of the Austro-German liberals and the impact of the war on Austrian society, Schäffle began to weigh the alternatives to centralism during 1870. Since the end of the 1848 revolutions he had not given much consideration to the demands for


political decentralization and the desires for national autonomy in Austria. Now he had to ascertain the nature of the movements which he had earlier ignored in favor of centralist policies.

Demands for autonomy centered on the recognition of historic rights, and the appeal to traditional privileges and local customs held together a loose coalition of provincial aristocrats and moderate liberals who primarily represented the upper reaches of the non-German middle classes. In 1870 the Bohemian federalist movement exemplified the traditional nature of the nationalist ideas which motivated the movement for autonomy.\(^{49}\) Since the end of the 1848 revolutions the Bohemian nobility had attempted to win from the imperial government recognition of the "ancient rights" (Staatsrecht) of the Bohemian crown lands (including Moravia and Silesia) as the basis for relations between the Viennese government and the Bohemian diet.\(^{50}\)


Based on traditional right of the "historic lands," the call for recognition of the Bohemian Staatsrecht was more political than nationalist in content. Bohemian aristocrats like Heinrich Clam-Martinic, Georg Lobkowitz, and others did not think in ethnic terms. What they desired was the restoration of the Bohemian diet as the focal point for attaining political and social power in their lands, and for the most part they felt that a strong provincial diet would mean the revival of the estates system of representation and their own rights and privileges. These Bohemian aristocrats had great respect for the emperor in Vienna and hoped that he would protect traditional social privileges. They had no desire for independence from the Habsburg crown.51

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Since the early 1860's the moderate liberal nationalists in Bohemia generally supported the demands for recognition of the Bohemian Staatsrecht and allied themselves with the Bohemian aristocracy in a common battle against centralization and the dominance of the Reichsrat. Members of the old Czech party like František Palacký and his son-in-law František L. Rieger cooperated with the aristocratic faction, but they interpreted their goals in a more liberal fashion, desiring modern representative institutions, equality for the nationalities of Bohemia, and liberal reforms. While they were proud of their Czech culture and language, they did not push nationalism to its most extreme conclusions in the middle decades of the century. Nevertheless, the strategy of the old Czech party worried not only the imperial government but also

many Austro-Germans. The "pilgrimage to Moscow" and the exchange of pan-Slavic statements with other Slavs raised suspicions among the German subjects of the Habsburg empire, especially those living in Bohemia. Rieger's efforts to interest Napoleon III in the plight of Bohemia also created a tense atmosphere.  

During the summer of 1870 Schäffle concluded that the Austro-German liberals' concept of the unitary state could not offer a solid foundation for preserving the integrity of the Habsburg monarchy. In his estimation, centralism had become so overlaid with the liberals' political ideals and so confused by the uncertainty of their loyalty to the monarchy that federalism was the only recourse left open to anyone who was interested in the unity of Austria and the integrity of the Habsburg monarchy.  

Schäffle's conversion to federalist reform for Austria

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was complete by the end of 1870; even before the close of the year his new approach to the problems of maintaining the unity of the Austrian state had taken on concrete form. Talks with leading Austrian conservatives and clericals, an audience with the emperor, and his discussions with the leaders of the Bohemian aristocracy and the old Czechs convinced him that it was entirely possible to formulate a political program designed to unite all the Habsburg subjects, reduce the liberals' political power, and restore social harmony. He felt certain that a federalist program could be founded on his concept of organic reforms.

His association with a group of conservative clerical officials and statesmen who desired some kind of federalist reform policy gave Schäffle the impression that there was genuine support among conservative-minded Austrians for a settlement with the Bohemians and other proponents of autonomy, and from these men he learned that there was a willingness to elaborate a federalist program in conjunction with organic social reforms. In August, 1870, he attended a meeting at Habietinek's home to discuss the proposals for a settlement with the Bohemians. At the gathering, Count Ferdinand Dürkheim and Count Karl Sigmund Hohenwart conducted an analysis of the report made by Joseph Alexander von Helfert, who had just returned from a meeting with the Bohemian aristocrats and
the old Czechs. Schäffle found the ideas expressed by Dürkheim and Hohenwart attractive. Both men stated that their ultimate goal was the revival of the emperor's authority in Austria and that they were willing to make concessions to the Bohemians and Poles in order to achieve their ends. Hohenwart argued that the local diets could be given control over the legislative and administrative functions which did not directly interfere with the imperial government's actions in foreign affairs, the military, or imperial finances. He hoped the provincial nobility could be won over to the monarchy in this way.

and that they would lead the provincial delegations back into the Reichsrat, where they could be convinced to accept the 1867 constitution. Both Hohenwart and Dürkheim were most concerned with winning the support of the provincial aristocrats as a means of gaining a favorable two-thirds majority against the liberals in the parliament. They were close to Francis Joseph and understood that his ambition was to be rid of the liberals. 56

Schäffle heard with great interest the tactical methods which Hohenwart and Dürkheim had worked out for their project to win over the Bohemians to the imperial throne. Hohenwart felt that the moderate liberal faction in the Reichsrat could be won over to a more conservative policy by making an appeal to their economic interests and by playing on their allegiance to the crown. The great landowners and high officials who sided with the parliamentary liberals were not permanently tied to the more radical faction. Hohenwart planned to alter the four-class voting system by expanding the membership of the urban and rural curias to include the lower middle classes and small landowners in order to build a conservative

majority in the Reichsrat. Together with the provincial aristocracy, the new voters would return a majority in the Reichsrat favorable to reforms, thereby diminishing the influence of liberals in Austrian public life. 57

Hohenwart's program fascinated Schäffle because he saw in it a reflection of his own organic thought and believed that the general tenor of the discussions indicated acceptance by the aristocrats of a federal state built upon corporative institutions. Schäffle interpreted Hohenwart's tactical program in light of organic institutions, and he assumed that the reform of the electoral laws would be a complete transformation of the four-class voting rules into an organic system of representation. Preoccupied with his own ideas about representative institutions, he viewed Hohenwart's project for altering the Reichsrat as an initial step towards the creation of corporative representation for Austria. The overall impact of the August meetings on Schäffle was to instill in him the belief that Hohenwart, Dürkheim, and the other participants represented the opening wedge of aristocratic support.

for his organic federalist program.\textsuperscript{58}

Schäffle received added encouragement for his optimistic assessment of conservative support for his organic ideas soon after the meeting at Habsburg's house in August. Durkheim gave Francis Joseph a copy of Schäffle's plans for reconstructing Austrian society and arranged a meeting between the professor of economics and the emperor in late October.\textsuperscript{59} In an audience lasting nearly two hours, Schäffle lectured Francis Joseph on the necessity of transforming Austria into a social monarchy. He announced that universal suffrage and broad reforms could guarantee the allegiance of all his subjects. Members of every social and economic class and individuals of every nationality living inside his empire, he assured his sovereign, would give their loyalty to an Austrian state based on organic institutions. He reviewed for the monarch his distrust of the liberals and the Reichsrat and argued that the safest way to ensure social harmony and preserve


a unified state lay first with recognizing that the Austro-
German liberals represented an extremely small minority of
society. A ministry drawn from conservatives, Slavs, and
clericals would be far more responsive to the needs and
interests of all Austrians. When Francis Joseph made no
objections to his formulation of his organic reform
program, Schäffle assumed that the emperor approved of
the entire project and would give his official support
to an effort to introduce organic federalism as the basis
for government in Austria. He left the meeting believing
that he had converted the monarch to his own version of
organic social reform. 60

Schäffle's interview with Francis Joseph led him to
believe that the emperor also shared his ideas concerning
Mitteleuropa. During his presentation, Schäffle coupled
his social reform project with the task of bringing
Hungary into closer relationship with Austria as a step

It can be assumed that Schäffle's talk with Francis Joseph
was based on his _Kapitalismus und Sozialismus_. See for
example, Schäffle, _Kapitalismus und Sozialismus_, pp. 285-
287, 610-614, and 632-634. For the development of his
thought, see Schäffle, _Nationalökonomie_, p. 200; Schäffle,
_Das gesellschaftliche System_, Vol. II, pp. 43-45; Albert
E. F. Schäffle, _Bau und Leben des socialen Körpers,
Encyklopädischer Entwurf einer realen Anatomie, Physiologie
und Psychologie der menschlichen Gesellschaft mit be-
sonderer Rücksicht auf die Volkswirtschaft als socialen
Stoffwechsel_ (4 vols., Tübingen: Verlag der H. Laupp'schen
Buchhandlung, 1875-78), Vol. I, pp. 234-235; and Vol. II
pp. 334-335 and 461-462. See also Büchsel, _Die Fundamenta-
artikel_, p. 22; and Ruso, "Albert Schäffle," pp. 55-56.
towards the further economic and commercial integration of the Danube region. He argued that his organic social reforms would create conditions which would allow for the satisfaction of the political demands for autonomy in Austria and that political decentralization would make it possible to solve the problem of guaranteeing the equality of all the nationalities living within the monarchy. By satisfying the political and national ambitions of all his Austrian subjects, the emperor would generate a moral force which would lead the Hungarian government to grant similar concessions in Hungary. Moreover, Schäffle was convinced that proximity to the Russians would sooner or later force the Hungarians to recognize that their true interests lay with closer economic and political ties with Austria. When the emperor interrupted Schäffle to remark that the provisions of the 1867 Ausgleich should in no way be disturbed, Schäffle understood this objection to mean that the changes in the relations between Austria and Hungary would have to be altered through constitutional means and not that the emperor would never consent to altering the

structural basis of the Dual Monarchy.  62

Schäffle's hopes for the reconstruction of Austrian society on the basis of his organic federalism reached a peak when a new cabinet was formed in Vienna on February 7, 1871. After a long series of meetings between August and the opening days of the new year, the group of conservatives who had gathered at Habietinek's home during the height of the Franco-Prussian War now came together as the members of the new government.  63 The new ministry announced that it would be above party and that it would scrupulously observe the 1867 constitution. In addition, the one stated aim of the new regime was that the constitutional guarantee of the rights of all nationalities would be made a reality. It was to be a "truly Austrian


government.  

By February the ministry's tactical plan was firmly set. Hohenwart took over the responsibility for initiating parliamentary action designed to break up the liberal faction by forcing them to challenge the government on the new budget, and he accepted the task of rewriting the election code in order to create a majority favoring the government. Schäffle accepted the mission of dealing directly with the Bohemians and assisting the preparation of a new constitution and nationality law for Bohemia which would reflect the government's willingness to accept the principle of provincial autonomy and the equality of nationality rights. In February, Schäffle enthusiastically anticipated the complete fulfillment of his organic federalist ideas through the combined work of the cabinet.  

From early February through October, 1871, Schäffle labored over the problem of reconciling the Bohemian demands for the complete recognition of the Bohemian

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Staatsrecht as the sole constitutional tie with the Habsburg monarchy with the government's goals. The Bohemian aristocrats were adamant in their desire for a settlement patterned after the Hungarian compromise of 1867. Having seen the Hungarians win their virtual independence by claiming their traditional rights as the basis for discussions and by obstinately sticking to this program, the Bohemian nobility felt that they, too, could achieve their ends by these means. In a series of negotiations which lasted from May through October, Schäffle gave in to the Bohemians on nearly every point. His attitude towards the concept of the Bohemian Staatsrecht and his willingness to concede most points Clam-Martinic insisted upon revealed that Schäffle viewed the task of coming to terms with the Bohemians as merely a part of the broader problem of creating a federally integrated Austrian monarchy. He remained convinced that the settlement would not appear radical once the other crown lands and provinces had been brought into the federal system. Moreover, he confidently

believed that his work in dealing with the Bohemian question would soon be placed in its proper perspective when the Hungarians were forced by moral pressure to return to closer cooperation with the other half of the Dual Monarchy. 67

His approach to the problem of settling the outstanding differences between the Bohemians and the Viennese government was outlined in a report which he sent to Francis Joseph on May 18, 1871. 68 His account of his discussions with the Bohemian leaders stressed the willingness of the Bohemians to support the imperial government, and he emphasized the loyalty of the Bohemian aristocrats to the Habsburg dynasty. He argued that the Bohemian Staatsrecht could be made the basis for constitutional relations with the rest of the monarchy. He


sought to convince Francis Joseph that the settlement with Bohemia would restore the emperor's authority in foreign affairs, defense, and imperial finances. In his opinion, the Bohemian aristocrats were willing to support the emperor's plans for strengthening the imperial government and would ally themselves with him against the Hungarian parliament. From his conversations with Clam-Martinic, Schäffle concluded that Bohemia could become a counterweight to the centrifugal forces set in motion in 1867; and he saw in the willingness of the Bohemian nobility to bolster the emperor's authority the seeds of a truly Mitteleuropa policy.

The new constitutional charter for Bohemia, i.e., the fundamental articles, reflected Schäffle's ambitious program for the economic and commercial integration of the Dual Monarchy. The political settlement envisaged


71 The fundamental articles appeared in Wiener Zeitung, on October 8, 1871, and were reprinted in Schäffle, Aus
an autonomous Bohemia alongside Hungary and the remaining Austrian provinces. Empire-wide affairs would be handled by a congress of delegates elected by the Bohemian diet, the Hungarian parliament, and the remaining Austrian provinces. In other words, the new delegations system alone would have required new constitutional charters for the remaining Austrian provinces. And Schäffle fully expected that the Bohemian settlement would be extended to cover every province or crown land. Stressing the economic provisions of the new charter, he took the federalist arrangements to mean that legislative and administrative autonomy would be counterbalanced by the increased centripetal force generated by the economic progress which would follow.\textsuperscript{72}

Schäffle's belief that the fundamental articles contained the seeds for a healthy balance between material integration and local autonomy reflected a carry-over of his earlier federalist thought of the 1850's and '60's

when he struggled to preserve the German Confederation
from nationalist demands for the formation of a central
parliament and a compact national state. For him the
Dual Monarchy represented an analogous problem.73 Throughout
the earlier decades he had sought to convince his
German readers that the Confederation could remain roughly
a congress of delegates drawn from the states and still
create enough unity for a modern industrial society. He
had pointed to the tendency towards economic and commercial
integration in an effort to explain that material union
would create the necessary spirit of community in Germany.
He viewed the fundamental articles in the same light and
predicted that they could be used as a pattern for the
development of federalist relationships between the
emperor and the autonomous "states" over which he would
rule. In fact, he felt that the Habsburg monarchy enjoyed
more advantages as a unifying force than the Confederation
diet had. With one monarch for all the Habsburg empire,
the problem of creating a strong executive would be much
simpler.74

73 Schäffle, Aus meinem Leben, Vol. II, pp. 19, 21,
and 23. See also Zeithammer, Zur Geschichte der böhmischen
Ausgleichsversuche, Vol. II, p. 54; and Ruso, "Albert
Schäffle," p. 110.

See also Schäffle's earlier ideas in his "Der bureau-
kratische Staat," pp. 140-142 and passim; "Der dritte
internationale Congress für Statistik," pp. 247 and 278-
282; "Die Wiener Zollconferenzen," passim; "Vorschläge
Schäffle was confident that the fundamental articles offered a firm basis for the transformation of the Austrian monarchy into a federalist union based on the decentralization of legislative and administrative powers. In his memoirs he noted that the proposed Bohemian settlement would have been merely the beginning of a long and difficult process of readjustment and that the alterations could have been accomplished in a number of different ways. It did not matter whether the federal structure was based on the provinces or on the "historic-political entities." His optimistic faith in the centripetal powers of economic growth and the expansion of industrial society convinced him that the constitutional relations would in the long run retreat into the background. 75

While he believed that the fundamental articles marked the opening of an era of organic federalism in Austria, Schäffle also confidently predicted that the


complex nationality problem could be solved at the same
time. He understood that the process of legislative and
administrative decentralization marked only the first step
in resolving the social unrest in Austria. The perplexing
question of how to satisfy the national aspirations of all
the nationalities would still exist after the inauguration
of federalism. 76 Schäffle realized that a nationality law
for Bohemia would be a necessary part of the constitutional
settlement in 1871. 77

His attitude towards the proposed nationality law of
1871 demonstrated that Schäffle's subordination of nation-
alism to his other ideals still guided his thought. He
was willing to guarantee the equal rights of both Germans
and Czechs in Bohemia in all matters relating to language
and culture. He saw nothing wrong in creating adminis-
trative districts which were ethnically homogeneous. Nor

76 For Kann the nationality problem hinged on how "to
organize different national groups on a lower level
according to their national interests and on a higher
according to supranational doctrines." Kann, Multi-
national Empire, Vol. II, p. 294. Hans Kohn believes that
"the problem of how to accommodate nationalist aspirations
to the demands of political liberty within and interna-
tional peace without remained unsolved." See his "Nationalism
and Internationalism in the Nineteenth and Twentieth
Centuries," Rapports du XIIe Congress Internationale des
Sciences Historiques 1965 (4 vols., Horn, Berger and

77 Schäffle, Aus meinem Leben, Vol. II, p. 29. See
also Hugelmann, "Das Nationalitätenrecht nach der Ver-
fassung von 1867," p. 89; and Zeithammer, Zur Geschichte
did he see any problem in establishing the individual's right to use his own language in communicating with government officials. Municipal governments could establish the native tongue of the majority of its inhabitants as the official language. Schäffle also approved of the proposal to divide the Bohemian landtag into national curias as a parliamentary method for dealing successfully with the extremely sensitive matters relating to language usage and educational programs. The apportionment of the cultural budget according to a proportional formula based on the amount of taxes paid in each district (Bezirk) and in each curia of the diet satisfied him. Taken together, the proposals meant that the nationality problem could be contained within Bohemia and not made into an imperial issue by taking it into the Reichsrat.  

Schäffle's understanding of the nationality question was reflected in his debate with Adolf Fischhof. The most controversial part of the draft law was its requirement that all members of the higher (landesfürstlich) civil service be able to speak and write both German and Czech.  


79 Paragraph 9 of the draft law.
The idea of German officials being forced to learn a Slavic language aroused serious opposition among the Germans living in Bohemia. 80 Adolf Fischhof stoutly opposed this part of the law and argued that it would affect the status of German culture in Bohemia adversely. The conflict between Fischhof and Schäffle over the appropriateness of the nationality law was especially significant. Fischhof represented the "nationally moderate German liberalism" of 1848 and was "firmly convinced of the superior civilization and culture of the Germans."

He approached the nationality problem from the point of view that "the scrupulous respect for the rights of others was the surest means to enhance the alleged superior position of German culture." 81 While Fischhof desired to establish the equality of rights for both Germans and Czechs and also wanted administrative decentralization, he felt that the law went too far and would generate nationalist particularism. 82 Schäffle, on the other hand, believed


82 Charmatz, Adolf Fischhof, pp. 268-270; Kann, Multinational Empire, Vol. II, pp. 147-148.
that concessions to nationality demands—even requiring public officials to use both languages—would not in the long run create divisive forces. He pointed to the economic and commercial advantages of bringing the Czechs into closer cooperation with the imperial government and felt that the centripetal forces of material prosperity, combined with organic reforms, would offset any tendency towards ethnocentricity in Bohemia.  

The controversy between Fischhof and Schäffle in 1871 also demonstrated that the latter still believed that his goal of preserving the German character of the Habsburg monarchy was tied to the modernization process and the creation of modern industrial society in central Europe. He remained convinced that once the other nationalities of the Austrian empire began to share in the material prosperity generated by economic and commercial expansion they would come to recognize the close relationship between their own well-being and the role played by German culture in central Europe. In other words, while he abhorred the idea of economic laissez-faire, Schäffle

saw nothing wrong with free and open cultural competition between the nationalities of central Europe. It was as though he perceived a "hidden hand" moving to set central Europe back onto the course from which it had strayed in the first half of the century. Until his death in 1903 he continued to maintain that the nationality problem and unbridled nationalist sentiment would have surely diminished in intensity if only his program of organic federalism had been adopted in 1871. The refusal of the Germans to admit that they had no natural right or historical justification for imposing their culture and language on the other peoples of central Europe appeared as a great tragedy to Schäffle when he looked back on the Hohenwart ministry. 84

Schäffle's plea to his fellow Germans went unheeded in 1871, however; and by October he was forced to admit that the experiment in organic federalism had failed. All along he had counted on moderation and a sense of reasonableness to help the program get off the ground, but instead of discussion there were protest demonstrations and boycotts. The Germans in Bohemia refused to take part in the diet when they learned of the nature of the

proposals. On the other hand, the Bohemians refused to soften their demands or to give way on their goals. By October, the situation in Bohemia had deteriorated even further. Rumors of an impending clash between Germans and Czechs circulated in Prague. 85

Schäffle's disappointment rose when the expected coalition of Slavs, conservatives, clericals, and federalists failed to materialize. Instead of uniting in a common assault on the Austro-German liberals and centralism, the pro-government factions in the provincial diets looked to their own particular interests when they realized that the Bohemian diet seemed to be getting an unfair share of autonomous privileges. 86

The final blow to the federalist experiment came from Hungary. Since February Julius Andrassy had watched the ministry with suspicion but had said nothing. Finally, in October, he added his arguments to those already given by Beust; and the combined weight toppled the ministry in the


last days of October. Andrásy convinced Francis Joseph that the federalist program would endanger the terms of the 1867 Ausgleich and would stir opposition in Hungary, while Beust argued that the pro-Slav attitudes of the cabinet would ruin any chances for a settlement with Bismarck's new German empire. 87

Schaffle admitted that the resistance to his program of organic federalism had been great, but in his letter of resignation to the emperor, he argued that the experiment had not received enough time for it to work. His pre-occupation with working out the fundamental articles had left no opportunity for attacking the problems of social reform. The election laws were only slightly altered in order to win a working majority for the government. These should have been merely the first steps towards organic federal reforms. Schaffle predicted that unless Francis Joseph implemented the ministry's reforms political and social chaos would soon fall upon Austria. He explained that Austria faced either a return to absolutism or another era of liberal rule if federalism were abandoned. In his opinion either course would mean social disharmony and the eventual collapse of the Habsburg monarchy.

Moreover, the abandonment of federalism in 1871 would mean a loss of progress towards the creation of Mitteleuropa and the extension of the crisis to encompass all of central Europe. With these warnings, Schäffle left the government; and inside of a year he departed from Austria, returning to his native Württemberg still convinced that a momentous historical opportunity had been lost in 1871.

88 Schäffle, Aus meinem Leben, Vol. II, pp. 61, 66-67, and 69. Oscar Jászi described the work of the Hohenwart ministry as "the only serious and broad-minded attempt, since Kremsier until the dissolution of the monarchy which . . . showed a real path towards the solution of the national problem." See his Dissolution of the Habsburg Monarchy (Chicago, Ill.: University of Chicago Press, 1929), p. 114.
CHAPTER V
CONCLUSIONS

Schäffle's thought and actions between 1848 and 1871 brought criticism from several directions. Liberals singled out his opposition to constitutionalism and his reluctance to accept the coming age of individualism and personal liberty and his refusal to abandon the old social order completely. His role in the Hohenwart cabinet and the publication of his *Kapitalismus und Sozialismus* aroused opposition from the advocates of laissez-faire principles. They protested Schäffle's efforts to block the way towards the creation of a free and open economy. Even German radicals criticized his failure to comprehend the fact that the old institutions were destined to be replaced by new ones. Moreover, by 1871 his defense of the *grossdeutsch* concept of the German nation and his project for the creation of an economic Mitteleuropa marked Schäffle as an advocate of lost causes. Liberal nationalists and *kleindeutsch* historians and publicists placed him among the reactionaries, clericals, and particularists who feared the approach of the new world of nationalism. His
efforts to establish the principle of equality of the nationalities in the Habsburg empire in 1871 made the German nationalists all the more suspicious of him. At the close of his life in 1903, Schäffle was remembered as a defender of a vanished world—the German Confederation and its traditional institutions.

Yet, Schäffle's work enjoyed a revival during the First World War, and he became even more popular in the interwar years. When German publicists and economists resurrected the Mitteleuropa ideal and defined it in terms of an alliance between Austria and Germany, Schäffle and the other adherents of the cause of central European unity gained new followers. In a similar fashion, Schäffle's organic social thought was absorbed by the representatives of the so-called conservative revolution in the years following the end of the war. During these trying decades corporative ideals and organic thought became extremely popular in rightist circles in central Europe. In the general assault on the principles of the enlightenment, the postwar advocates of organic society took up Schäffle's anti-liberalism and his hostility towards extreme individualism, and both of his guiding principles took on new meaning in the hands of the twentieth-century defenders of conservatism.

Yet neither Schäffle's contemporary critics nor his twentieth-century admirers were in a position to examine
his social and political thought or his concept of Mittel-
europa in perspective and without passion. His contempo-
raries were too close to the events, while the later
students of his thought were so wrapped up in their own
problems that they gave his ideas a modern sound.
Schöffle's organic social thought and his Mitteleuropa
project must be judged from another perspective if they are
to be properly understood. His thought and his actions
have to be viewed within the context of the political,
social, and economic issues of the 1850's and '60's; and
it must be remembered that the men of those decades lived
in a world that has since vanished and faced problems that
no longer exist.

Viewed in historical perspective, Schöffle's vision
of organic society was a rational effort to cope with the
multitude of problems facing the German people at the end
of the 1848 revolutions. Unlike the romanticists of the
Vormärz era, he sought to transcend both the liberal
creed and the repressive features of the absolutist regimes
in order to create social institutions capable of laying
the foundations of modern industrial society in Germany.
He accepted the inevitability of capitalism, but he be-
lieved that the German liberals had little understanding
of the issues involved in the process of industrialization.
In addition, the performance of the Frankfurt assembly in
1848-1849 demonstrated to him how little popular support
the liberals enjoyed outside the German middle classes. He objected to the social atomism inherent in the liberal philosophy and proposed a modification of existing social institutions to meet the demands of modern industrial society in Germany.

Schäffle desired a social philosophy broad enough to include every segment of German society. He wanted to convince the moderate liberals of the advantages of his organic society, but he also wished to win the allegiance of all groups adversely affected by economic expansion and the beginnings of capitalism. His search led him to the idea of organic society and corporative institutions. He believed that organic principles could be made acceptable not only to the liberals but also to artisans, small businessmen, and even peasants. Moreover, his experiences and his readings led him to conclude that organic social institutions would be welcomed by the German rulers once they witnessed the growth of social stability. In the final analysis, it was the unprecedented economic and commercial development after 1850 that convinced Schäffle that the task of winning support for his organic society would become easier as material prosperity spread throughout central Europe.

Schäffle's response to the revival of German nationalism after 1859 stemmed from his conviction that the
efforts to create a compact German national state would lead to social chaos, revolution, and civil war. Since his organic social thought rested on the peaceful and gradual resolution of the problems facing German society, he turned to the Confederation and Austria as defenders of the existing order in central Europe and soon found himself on the side of the particularists and reactionaries. Schäffle saw no alternative to the Confederation in 1859. He equated nationalism with liberalism and believed that most of the agitation for political unity was the product of liberal desires for hegemony in German society. Throughout these years he attempted to demonstrate that liberal nationalists had little understanding of the problems involved in the creation of national consciousness. Instead of assuming that popular opinion backed the movement for national unification, Schäffle argued that a majority of Germans supported their own state and its ruler. In 1859 the problem was to create a sense of national purpose. Schäffle, however, wanted to concentrate on concrete means designed to bring the German states into closer cooperation. For him the German question could only be settled by discovering a way to unite Austria, Prussia, Bavaria, Saxony, and the other German states. On a popular level, he looked to economic growth to generate a common sense of civic pride throughout the Confederation.

In approaching the question of nationalism, Schäffle
argued that all of central Europe had to become the focal point for formulating national interests. He interpreted German national interests within the framework of the commercial and economic unity of central Europe. But his advocacy of Mitteleuropa at this time had little in common with the later Pan-German movements or with the wartime discussions of Mitteleuropa after 1914. Schäffle always used the concept of central European unity in connection with the existing Confederation and the existing European state system. When he spoke of the necessity of creating a united central Europe, he stressed economic and commercial consolidation and believed that membership in a common customs union would not detract from the sovereignty of the separate German states. Nor did his concept of Mitteleuropa lead him to conclude that a central European customs union would have to build a tariff wall in order to isolate itself from the rest of Europe. He believed that Mitteleuropa could include other European states and that membership in the tariff union would not alter the separate identity of constituent states. His concept of state left room for economic and commercial cooperation in a larger sphere without forcing the issue of redrawning political boundaries to conform with real or imagined national interests.

Schäffle's nationalism was cultural and did not include any idea of the innate superiority of German
culture or language. His role in the Hohenwart ministry in Austria demonstrated his willingness to place all nationalities in central Europe on an equal footing. But he did assume that in the long run the other cultural groups would come to recognize the strategic role played by German culture and language in bringing economic unity to central Europe. Here he identified German culture with the process of industrialization and economic expansion and believed that eventually the other national groups would draw similar conclusions.

Ultimately, both his organic social thought and his plans for Mitteleuropa must be consigned to the era antedating the rise of nationalism and industrialization. In many respects his plea for corporative institutions and his desire for central European unity lay with premodern and preindustrial ideals. He wanted most of all to restore a balance in German society by transforming the German Confederation into the foundations for a central European customs union. His ideas have a modern sound because he introduced modernization and economic growth into his argument as a new justification for the Confederation and Austria. His political ideals remained those of Metternich and of the lost world of the Holy Roman empire.
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