

Giles Pope  
St. Antony's College, Oxford

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The Political Ideas of Lorenz Stein and Their  
Influence on Rudolf Gneist and Gustav Schmoller

The thesis traces the development of the social and political ideas of Lorenz Stein (1815-1890), a north German social and political scientist. In the early 1840's in Paris, under the influence of the Young Hegelians and Saint-Simon, he decided to attempt to develop a 'science of society'. During the revolution of 1848-49, Stein worked out a political theory, his theory of state and society, which tried to show how the monarchical state could be defended against social revolution. After the revolution, Rudolf Gneist (1816-1895), a Prussian liberal politician and constitutional theorist, applied Stein's theory to the study of English constitutional history. In doing so, Gneist produced a theory of local government, which he called 'Selfgovernment', which was supposed to answer the question, left unanswered by Stein, of how the antagonism between state and society was to be overcome. Gneist postulated Selfgovernment as an intermediate structure, in which the state fused with the strongest social class. Selfgovernment consisted of Verwaltung, an organic combination of powers, which was best carried out by honorary, unpaid office-holding. Gneist's model was the English gentleman-magistrate of the eighteenth century. The thesis also treats the relation of the young economist and historian Gustav Schmoller (1838-1917) to Stein. Schmoller developed Stein's ideas on state, economy and society, but from a historical point of view. Like Stein in his later years, Schmoller concentrated on Verwaltung. Stein's theory of Verwaltung was legalistic and philosophical, whereas Schmoller's was more sociological. Stein, Gneist and Schmoller represent a current in German political thought which was authoritarian, yet socially liberal. They tried to render popular participation in government superfluous by developing the scientific foundations of a technically perfect, autonomous 'administrative' apparatus.



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Chapters I and II deal with the origins and structure of the theory of state and society which a north German political scientist, Lorenz Stein (1815-1890), developed in the mid-nineteenth century. The theory originated in Hegelianism and French 'utopian' socialism. In the latter, the ideas of Saint-Simon and Louis Blanc were particularly important. Stein was introduced to Hegel's philosophy by the Young Hegelian Arnold Ruge, who was also partly responsible for Stein's decision to spend two years in Paris in the early 1840's, so as to be able to study French socialism and communism at first hand.

French socialist ideas alerted Stein to the revolutionary significance of pauperism. Henceforth Stein referred to the pauperized sections of society as a 'proletariat'. In Der Socialismus und Communismus (1842), which he wrote in Paris and which earned him a degree of fame in Germany, Stein argued that the proletariat was inherently communistic. He did this a few years before Marx. Stein saw his work on communism and socialism in terms of a long-term plan to found a 'science of society', which would provide a prophylactic against revolution.

Returning to Germany, Stein lapsed into a conservatism which was only briefly dispelled by the revolution of 1848. The revolution caused him to fuse the materialist ideas on society he had absorbed in Paris with the Hegelian idea of the state. The resultant political theory showed how the monarchical state might be saved from revolution by becoming a monarchy of social reform.



Chapter II of the thesis examines the internal workings of the theory, which envisaged a perpetual struggle between state and society. The former was supposed to be altruistic and to represent the interests of the whole community, whereas the latter consisted of two main classes, property-owners and non-owners, each of which continually struggled to get control of the state, so as to be better able to exploit the other.

Chapter III treats the Prussian liberal politician and constitutional theorist Rudolf Gneist (1816-1895). The 1848 revolution made him re-examine his basic assumptions about state and society. He adopted Lorenz Stein's theory, which seemed to be confirmed by the polarized political situation existing in the post-revolutionary era. Gneist searched for a way to circumvent the apparently inevitable antagonism between state and society. The solution he proposed took the form of an interpretation of English constitutional history in the eighteenth century. In the 1860's Gneist began publishing his theory of Selfgovernment, which claimed that class rule had been avoided in England because the state had educated the strongest social class - the gentry - into performing the tasks of local government as a duty, which its superior social position imposed upon it. Gneist called the judicial, policing, military and other functions of local government 'Verwaltung'. He considered the different functions of Verwaltung at the local level to be best performed by unpaid honorary officials. The eighteenth century English gentleman magistrate was his model. Gneist succeeded in decisively influencing the Prussian local government reform legislation of 1872 and after.

Chapter IV looks at Lorenz Stein in the latter part of his career, in which he concentrated on the state. He contemplated the state primarily in terms of Verwaltung, a concept which he



considered to include every aspect of government from road maintenance to the administration of justice. Building on his earlier distinction between Verfassung and Verwaltung, in which the former, the representative side of the state, succumbed to class interest, Stein sought, as far as possible, to establish the Verwaltung's independence from popular control.

In Chapter V Stein's relationship to the young economist and historian Gustav Schmoller (1838-1917) is examined. Schmoller, who later became one of the most important German economists of his time, developed Stein's thinking on state, society and economy from a historical point of view. In his efforts to illuminate the historical growth of Verwaltung, Schmoller used an essentially sociological method. In this respect he represents an advance over Stein's predominantly legalistic approach. The other main difference between the two was that Schmoller limited himself to a specifically Prussian model for Verwaltung.

Stein, Gneist and Schmoller represent a **current** in German political thought which was authoritarian, yet socially liberal. They tried to render popular participation in government superfluous by developing the scientific foundations of a technically perfect, autonomous 'administrative' apparatus.



Errata

<u>Page no.</u>	<u>Line no.</u>	<u>Correction</u>
24	13	For 'principle' read 'principal'.
27	6	<u>Duchies</u>
	11	"
43	4	For 'playing' read 'plying'.
	11	Accumulated
51	11	For ' <u>Bund der Gerechten</u> ' read ' <u>Bund der Geächteten</u> '
	12	For ' <u>Bund der Geächteten</u> ' read ' <u>Bund der Gerechten</u> '
80	3	dominater
94	6	the state <u>into</u> his theory
99	Note 3	nationalist
102	2nd para	'früheren Aufenthalt' probably refers to Stein's visit to Paris in 1842. It is unlikely that he visited Paris twice in 1848.
122		Omit this page (it repeats p.121)
133	11	with <u>the</u> Waldburg
135	2nd para, 1.5	<u>Habilitationsschrift</u>
142	1st para, 2nd to last	For 'waved' read 'waived'
162	3rd from bottom	<u>The</u> spread
186	11	counties <u>and</u> incorporated
194	9	For 'follows' read 'followed'
201	18	For 'Habe' read 'Habe'.
216	14, 15	Should read '...in Paris. The Creditanstalt für Handel und Gewerbe came into life in February 1856.'
218	10	<u>Constantin</u>
221	2nd from bottom	'steamships' read 'steamship'
222	10	successor <u>at</u>
	11	Insert comma after 'Plener'.
256	3rd from bottom	differences of opinion
262	9	Insert comma after 'goals'.
275	3rd from bottom	For 1849 read 1949.



## Errata

<u>Page no.</u>	<u>Line no.</u>	<u>Correction</u>
287	3	For 'loyalty' read 'loyalty'.
289	14	Freiherr vom <u>Stein</u>
292	8	For 'immateriate' read 'immaterial'.
	9	For 'materiate' read 'material'.
293	6	<u>statistics</u>
302	5	Prince Smith
306	17	Frederick William <u>I</u>
312	24	For 'cesure' read 'caesura'.
314	10	For 'materiate' read 'material'.
316	9	Insert comma after 'large'.
327	5	For 'as' read 'from'.
330	3*	articulation of society <u>in</u> family .
335	1	Insert 1 after 'wealth' (for footnote no.1)
345	last 3 lines	For 'Thus married.....was cured' read 'Thus married to society, the <u>Staats-</u> <u>verwaltung</u> would be cured of the bureau- cratic disease which had afflicted it during the <u>Vormärz</u> .'

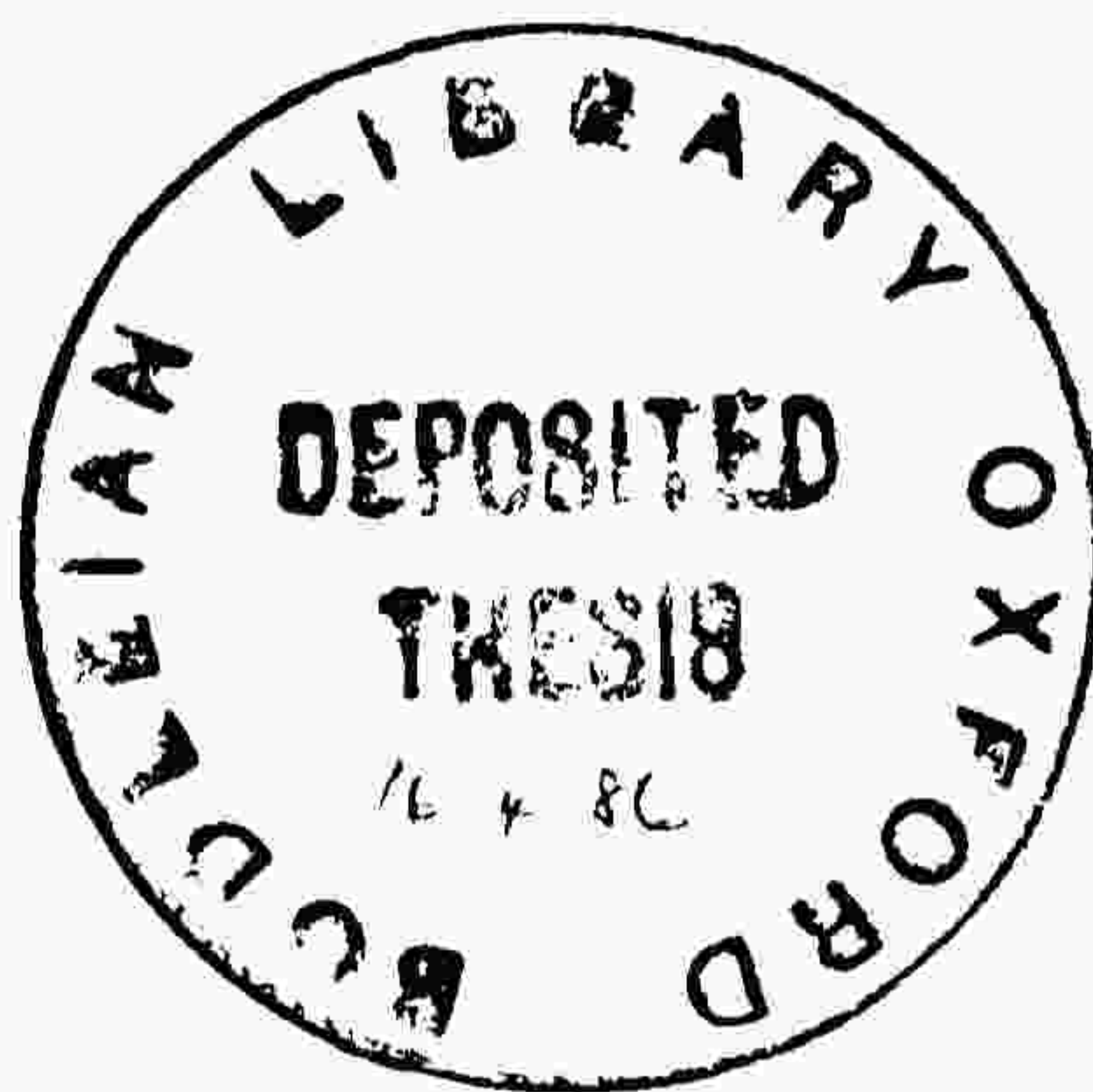
## Bibliography Corrections

<u>Page no.</u>	<u>Entry</u>	<u>Correction</u>
349	Schleswig-Holsteinische Landesbibliothek, <u>Kiel</u> .	
366	G.G.Iggers : (Middleton)	
	R.Ihering : <u>zur</u> Lehre	
	C.Jantke, <u>Der vierte Stand</u> . C.Jantke is sole author of this work (and not Jantke and D.Hilger).	
367	K.Kneis : For 'Kneis' read 'Knies'.	
373	L.Reyband : For 'Reyband' read 'Reybaud'.	
374	A.Ruge : In the second entry, A.Ruge is the sole author of <u>Gesammelte Schriften</u> (not Ruge and K.Marx).	
375	H.Schumacher: In the second entry, Schumacher is the sole author of <u>Johann Heinrich von Thünen</u> (not Schumacher and A.Wagner).	
362	K.F.W.Dieterici: In 4th line of entry, for '-Austalten' read '-Anstalten'.	

\*Excluding indented lines.



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Giles Pope

St. Antony's College, Oxford

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Contents

Abbreviations.....	ii
Introduction.....	1
CHAPTER I : Lorenz Stein: The Formative Years .....	25
CHAPTER II : Stein's Theory of State and Society.....	74
CHAPTER III : Rudolf Gneist's Theory of <u>Selfgovernment</u> .....	141
CHAPTER IV : Lorenz Stein and the <u>Verwaltungslehre</u> .....	194
CHAPTER V : Lorenz Stein and Young Gustav Schmoller.....	278
Conclusion.....	344
Bibliography.....	348



Abbreviations used in the Footnotes

DSB East Berlin	Deutsche Staatsbibliothek, East Berlin
DVJS	Deutsche Vierteljahrs-Schrift
HSTA, Wiesbaden	Hessisches Hauptstaatsarchiv, Wiesbaden
ÖSTA, Abt. FuHKA	Österreichisches Staatsarchiv, Abteilung Finanz- und Hofkammerarchiv
ÖSTA, Abt. H H u STA	Österreichisches Staatsarchiv, Abteilung Haus-, Hof- und Staatsarchiv
S-H Landesarchiv	Schleswig-Holsteinische Landesarchiv
S-H Landesbib.	Schleswig-Holsteinische Landesbibliothek
SBPKB	Staatsbibliothek Preussischer Kulturbesitz
UB Heidelberg	Universitätsbibliothek Heidelberg
UB Tübingen	Universitätsbibliothek Tübingen
ZSTA, Merseburg	Zentrales Staatsarchiv, Merseburg



## INTRODUCTION

*Le positivisme se compose  
essentiellement d'une philosophie  
et d'une politique, qui sont  
nécessairement inséparables.*

*(Auguste Comte)*

Whether the writing of Lorenz Stein (1815-1890) is sociology is hard to say. It is certainly sociological if one accepts that sociological theory is characterized by the attempt to synthesize elements from a number of sciences and disciplines, including all the social and some of the natural sciences.<sup>1</sup> Stein borrowed from several disciplines, including jurisprudence, economics, demography and statistics. In attempting this kind of synthesis, early sociological thinkers frequently included so much by way of values, prejudices and political notions culled from infant social disciplines and the political life of the time, that they usually provide us today with a better guide to how contemporaries saw themselves and their society than to the actual social conditions of the time. This becomes

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<sup>1</sup> See R. Fletcher, The Making of Sociology. A study of Sociological Theory (London, 1971), i, 81.



decreasingly true as the century wore on and standards in the emergent discipline became more exacting. In Germany, as in France, early sociological thought was highly politicized. The fact that early sociological thinkers were concerned to take politics out of the study of events so as to be able to study them 'scientifically' does not alter this fact. Precisely the intensity of political passion drove them to new lengths to distance their thoughts from their feelings. Not surprisingly, their efforts were rarely wholly successful.

Revolution and reform, the passing of the ancien régime and the acceleration of change in almost all spheres of life, made it possible for men to look at society in an entirely new light. Although more concerned to destroy obsolete forms than to create new, the liberal programme in the early nineteenth century was evidence of the middle classes' will to carry out a novel kind of social engineering. The French Revolution and the Napoleonic invasions forced governments all over Germany to attack traditional social and economic barriers to the individual's development. The political cataclysms which Europeans witnessed in the late eighteenth and early nineteenth centuries compelled many of them to re-examine traditional assumptions about a social order based on monarchy, church and aristocracy. No matter whether the response was to proclaim the rights of man or re-assert the historically tested, fundamental political values were thrown open to question. In the process, the forerunners



of most of the major ideologies emerged, which were later to dominate Europe and then the world. In restoration Germany, political ideas continued to drive social thought forward, in spite of heavy censorship. The period between the Congress of Vienna and the 1848 revolution produced an explosion of energy in the field of political thought. Wilhelm Weitling and the communist journeymen, the sophisticated radical Arnold Ruge, liberal political scientists like Karl Welcker and Friedrich Dahlmann and conservatives like Friedrich Julius Stahl supplied their audiences with competing paradigms of the individual in state and society.

While conflicting political ideas raised speculative questions about the structure of society, the scientific spirit was hard at work in Germany as elsewhere analysing the anatomy of revolution. Men of all political persuasions had their particular reasons for wanting to understand better the nature and causes of revolution. The upswing in political activity caused by the French revolution of 1830 was accompanied by increased theoretical productivity. But the events which had by far the greatest impact on the German political mind occurred in 1848-9. Karl Marx and Lorenz Stein went beyond Tocqueville and even Louis Blanc in the consistency with which they interpreted revolutionary events in the light of processes and conflicts within society. The idea of revolution had ceased to be solely or even mainly political and had become social.



Industrialization provided economists and political scientists with another huge and novel issue. In particular, industrialization became a central theme for early German sociological theory through the mistake which several observers made in attributing the 'social question' primarily to the factory system.<sup>1</sup> The social question - as the blight of mass poverty in town and countryside was known in France and Germany - was one of the strongest motives for contemporaries to study the anatomy and movement of society. The Silesian weavers' uprising of 1844 and its brutal suppression shocked the German middle class conscience.<sup>2</sup> The founding in the same year of the Verein für das Wohl der arbeitenden Klassen in Berlin - a think-tank for social reform - reflected industrialists' and higher officials' concern for the unpropertied classes' condition.<sup>3</sup> A considerable literature was generated on the subject<sup>4</sup> which gave added impetus to theoretical analysis.

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1 See e.g. R. Mohl, 'Über die Nachteile, welche sowohl den Arbeitern selbst als dem Wohlstande und der Sicherheit der gesamten bürgerlichen Gesellschaft von dem fabrikmässigen Betrieb der Industrie zugehen und über die Notwendigkeit gründlicher Vorbeugungsmittel' (1835) in C. Jantke and D. Hilger (eds.), Die Eigentumslosen. Der deutsche Pauperismus und die Emanzipationskrise in Darstellungen und Deutungen der zeitgenössischen Literatur. (München, 1965), pp. 294-318.

2 J. Kuczynski, Die Geschichte der Lage der Arbeiter unter dem Kapitalismus 1st Teil (East Berlin, 1961), p. 190.

3 See J. Reulecke, Sozialer Frieden durch soziale Reform. Der Centralverein für das Wohl der arbeitenden Klassen in der Frühindustrialisierung. (Wuppertal, 1983).

4 See Jantke and Hilger (eds.) Die Eigentumslosen, op. cit.



The rise of sociology is usually linked to the successes of the scientific method in the last century. Sociology was an attempt, so goes the argument, to apply empiricism - controlled observation, precise description, testing of hypotheses - to the study of human society. An example of the search for sociology's source in the scientific spirit is the attention paid to the progress made by quantification in the study of society. With the establishment of statistical bureaux in the early years of the nineteenth century, much progress was made by men like the Frenchman Frédéric Le Play and the Belgian Adolph Quetelet towards establishing an empirical theory of the anatomy of society.<sup>1</sup> This is helpful as far as it goes. However, sociology also originated in several other fields, some of which had little to do with empiricism. Even religion has been associated with the roots of the sociological way of thinking.<sup>2</sup> One does not have to look far to see the religious element in the work of Saint-Simon, Comte or Hegel.

If we accept this broad view - that sociology's origins are to be found in the scientific method's triumph - we still know very little about the actual forms of early

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1 See P.F. Lazarsfeld, 'Notes on the History of Quantification in Sociology - Trends, Sources and Problems' in H. Woolf, Quantification. History of Measurement in the Natural and Social Sciences (New York, 1961), pp. 147-203.

2 E.g. in Fletcher, The Making of Sociology, op. cit., i.



sociological thought as it existed in Europe in the nineteenth century. National variations are the most important factor in this respect.<sup>1</sup> The distinctive features of sociological thought as it emerged in mid-nineteenth century Germany lie in a unique political and philosophical tradition.

During the course of the nineteenth century political scientists ceased to think of the individual primarily in terms of government. The idea of the human individual as an integral unit in a social whole emerged and rapidly gained ground against the eighteenth century atomized model of society. As the idea of society expanded in breadth and depth, the narrow term 'civil society' went out of fashion. The idea of society began to look increasingly like its modern descendant, with its all-inclusive claims. Similarly, sociology's economic sister science - political economy - threw off the tutelage of its political origins - although the prefix 'political' was only dropped later on.

The growth of scientific interest in society reflected a shift of concern during the course of the century from constitutional to broader social issues. If one chooses to view it as such, the rise of sociological thought was the scientific corollary of proletarian socialism's multifaceted emergence onto the European political stage. The politicization

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1 See W. Lepenies, Geschichte der Soziologie (Frankfurt, 1981), iv, 'Beziehungen zwischen nationalen Soziologie-Traditionen'.



of social life - the Germans invented the term 'Socialpolitik' for this around the middle of the century<sup>1</sup> - was mirrored in political science, in which the meaning of 'political' becomes additionally problematical for the historian. From its primary concern with the institutions of government, political science was drawn on into analysing the social content of political issues. Men like Claude Henry de Saint-Simon, and Alexis de Tocqueville in France and Lorenz Stein in Germany thought of themselves as penetrating beyond the chaos of political events on the 'surface' of society into the deeper social currents beneath. This is the point - where social scientists became concerned with social issues to the point of studying them for their own sake - where the 'political' in political science ceased to be political and became sociological.

What was unique about political thought in the nineteenth century in Germany? Which of its features were of special importance for the rise of sociology there? I shall answer these questions in two ways: firstly by discussing the politics of German political science - Staatswissenschaft - in the first half of the nineteenth century and, secondly, by looking at the politics of the men who made the Staatswissenschaften. However dispassionate political

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1 See H. v. Treitschke, Die Gesellschaftswissenschaft (Leipzig, 1859) p. 49: 'socialpolitisch'.



scientists may be, their business is politics and their political points of departure are bound to condition the kinds of theory they produce. My aim here is to use political conviction as an index for ordering theories of society.

The remainder of my introduction will be concerned with surveying - from the point of view of sociology's rise - firstly, the characteristic issues in German social and political thought mainly in the first half of the nineteenth century and, secondly, the political divisions in mid-century theories of society.

In the first place is the institutional framework of German political science. For much of the nineteenth century, the English word 'political' corresponded to the German 'Staat-' and political science in German was 'the sciences of the state'. As they were taught in the law faculties of the German universities, the Staatswissenschaften were designed primarily as a preparation for a career in public administration. Because the German tradition in this respect was so much more comprehensive than anything equivalent in Britain, for instance, the Staatswissenschaften covered a multitude of sins, which included not only anything - like economics, statistics, mathematics or book-keeping - which the lecturer (who usually enjoyed considerable freedom) considered of practical value to a future official, but also a good deal of



theory or philosophy, which we would today call political theory. Their ill-defined nature made the Staatswissenschaften the natural institutional home of the social sciences in Germany - with the notable exception of history, which was taught in the philosophy faculties. The fact that the Staatswissenschaften were taught in law faculties was a particularly important factor contributing to the strong legalistic bias of the mid-century German political and social sciences. Most German social scientists of any note in the nineteenth century - economists like Albert Schäffle, Lorenz Stein, Adolf Wagner and political scientists like Friedrich Julius Stahl, Robert Mohl and Rudolf Gneist - were called Staatswissenschaftler.

The first characteristic feature of German social and political thought in the first half of the nineteenth century relates to philosophy. Idealism is ubiquitously present in the German mind in almost all fields in this period. The ideas of the great German philosophers of the early years of the century - Kant, Fichte, Krause, Herbart, Schelling, Hegel - conditioned the intellectual climate of early nineteenth century Germany more than any others. By the middle of the century this was more true in the negative sense that political thinkers and philosophers felt the need to overcome the abstraction of idealist philosophy. Marx' struggle to refute Hegel's philosophy was by no means unique. It was repeated dozens of times over by Marx' contemporaries throughout the



political spectrum from Left to Right. Friedrich Julius Stahl, Lorenz Stein and Lassalle are simply some of the better-known names in what was a general intellectual movement in the direction of 'concreteness'. The German search for the concrete - sometimes described as positivism<sup>1</sup> - was carried out with great thoroughness. But it was carried out on the foundations laid by the idealists, so that, as a reaction, it displayed many of the characteristics of what it was trying to supersede. The result was that social and political thought in mid-nineteenth century Germany is distinguished by a characteristically organological flavour.

The current of German social thought which Troeltsch referred to as 'organological'<sup>2</sup> begins with Johann Gottfried Herder (1744-1803), a figure who stands between Enlightenment rationalism and romanticism and whose philosophy of organism grew out of a reaction to the former.<sup>3</sup> Organism was a symbol for growth and development taken from the plant and animal world. Instead of seeking to analyse things apart, organological thinkers like Herder searched for the 'organic whole', the cohering, self-sufficient totality,

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1 E.g. by Herbert Marcuse in Reason and Revolution (London, 1941) p. 360ff.

2 E. Troeltsch, Gesammelte Schriften, iii (Tübingen, 1922), pp. 243-313 'Die Organologie der deutschen historischen Schule'.

3 See F.M. Barnard, Herder's Social and Political Thought (Oxford, 1965).



which was to be understood in the first place in terms of its own internal development but nevertheless stood in a symbiotic relation to the outer world. Applied to social and historical change, the idea of organism proved considerably more fruitful than the unreflected idea of progress which characterized Enlightenment thinking. It was, however, no less teleological. Customs, traditions and, above all, Sitten (mores) replaced rationalism as the measure of society and history. In politics, the Volk, the historically developed cultural-linguistic organism, replaced the mechanical states of enlightened despots.

The organological idea of Sitten was important for German middle class political values in the nineteenth century. Viewed as historical, collective patterns of behaviour, Herder's idea of mores injected an element of consent into thinking about traditional, unrepresentative (in the modern sense) forms of government. The idea of Sittlichkeit, the ethos which grew out of Sitten, was developed by Hegel. Hegel treated family, society and the state as sources of the ethical<sup>1</sup>, the idea of which became increasingly closely identified with Sittlichkeit.

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1 G.W.F. Hegel, Grundlinien der Philosophie des Rechts, (Stuttgart, 1970), p. 289 ff.



Hegel's system represents a peak in German speculative philosophy. Through his dialectical method, which combined romantic intuition with rationalism, he synthesized reason and society, subordinating everything to the totality of the state. The reflexive quality he gave to social action gave a new subtlety to German social and political thought.

Organological and speculative thinking gave nineteenth century German social and political thought its holist features. Problems tended not to be taken in isolation but in context, often with the emphasis on the latter. Almost anyone with any claim to intellectual respectability tried to place his subject in the broadest possible socio-historical setting, aiming to present his reader with what was supposed to be a seamless whole. It was the classical age of 'systems' - their huge fossils litter the period's intellectual landscape - in which unprecedented quantities of data were mobilized and deployed. Empiricism frequently had little to do with the process. Idealism's transcendent, mystical qualities contrasted with British utilitarianism while the organological view of state and society contained elements of a conscious rejection of French rationalism.



Historicism has been seen by men like Wilhelm Dilthey, Ernst Troeltsch and, more recently, Thomas Nipperdey<sup>1</sup> as a general phenomenon, intimately connected with the rise of the Geisteswissenschaften - we would call them the social sciences today - in Germany in the first half of the nineteenth century. Dilthey considered the new consciousness of history to rest on a changed attitude to human experience. 'Das Erlebbare', he thought, lay at the heart of the historicist point of view.<sup>2</sup> Defined thus, historicism's effects on the rise of sociological thought is too broad to gauge. But if we take the narrower conception of 'civilized' human experience, based on law, language and custom, which men like Herder and Justus Möser articulated towards the end of the eighteenth century, we can at once see a distinctive historicist progression from beginning to end of the nineteenth century.

What began as a reaction against Enlightenment rationalism was complicated by nationalism and Francophobia during the Napoleonic invasions. The romantics sentimentalized the Germanic Middle Ages and rejected general laws in

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1 W. Dilthey, Gesammelte Schriften, vii (Leipzig, 1927), 'Der Aufbau der geschichtlichen Welt in den Geisteswissenschaften'; Troeltsch, Gesammelte Schriften, iii, op. cit., 'Der Historismus und seine Probleme'; T. Nipperdey Deutsche Geschichte 1800-1866 (München, 1983), 498ff.

2 Dilthey, Gesammelte Schriften, vii, op. cit., p. 82.



philosophy and science, preferring intuition to abstract thinking. The historicist movement found a home in legal science in the historical law school, of which the leading spokesman was Friedrich Carl von Savigny. Savigny believed the true source of law to be Sitten and consequently rejected codification. By the middle of the century the historical law school, which had by then divided into Romanist and Germanist sub-schools<sup>1</sup>, had succeeded in dominating German legal thought, outstripping the philosophical tradition based on Kant and Hegel. As most German Staatswissenschaftler were trained jurists, they came into close contact with legal historicism.

Around the middle of the century economics began a period of ascendancy in the Staatswissenschaften. But the attention lavished on economy was part of a general European movement and does not warrant special attention here. More important than the increased volume of economic thinking, as far as the rise of German sociology is concerned, was the form this thinking took. As in law, historicism was the key factor. From law, historicism spread to the field of political economy in the 1840's. The 'older historical school of political economy', of which Wilhelm Roscher was the most able representative, began the attempt, which was to continue for

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1 See O. Gierke, Die historische Rechtsschule und die Germanisten (1903).



most of the remaining part of the century, to integrate the study of economic processes with that of state and society.<sup>1</sup> As with the legal historical school, generalizing thinking was rejected as too abstract. Much the way Savigny had rejected legal codification for Germany, so did historicist economists struggle against the generalizing 'principles' of Ricardo. The idea that economics had to be more responsive to the actual national and social problems - pauperism, above all - confronting the German people, introduced an explicitly moral element into economic thought. This was complemented by the ethicizing tendency of organological ideology mentioned above.

The main effects of economic historicism on German sociological thought were, firstly, to make it retrospective, secondly, to give it a strong institutional flavour and, thirdly, to introduce a strong normative element. Taking the first point, the wealth of historical research done in law and economics made it natural for social scientists to cite historical examples when making a point. Many German social scientists in the period paid more attention to Stand, rather than social class. Rudolf Gneist thought the model for Prussian local government reform lay in the English eighteenth century and Otto Gierke and Max Weber were, one could argue, as much historians as they were sociological theorists.

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1 See G. Eisermann, Die Grundlagen des Historismus in der deutschen Nationalökonomie (Stuttgart, 1956).



Secondly, historical institutionalism - the study of guilds, Stände, associations, local government and, particularly, the state - was a distinguishing characteristic of German sociological thought well into the present century. It was partly responsible for the weakness of German sociology in survey techniques<sup>1</sup>. The kind of narrow inductive-deductive reasoning required to evaluate the statistical data from an attitude survey had been condemned by historicism as 'abstract'. Instead, historicists tried to integrate theory with 'vivid' ('anschaulich') historical examples. They replaced the pure theorist's deep analysis of isolated problems with the historian's preference for skirting the given problem to find its long-term causes and put it in context. Roscher did much to close the gap between theory and historical 'fact' and, by the time Schmoller perfected the historical technique in the 1870's, economic science was well on the way to becoming economic history. If, as Keynes<sup>2</sup> said, historicism was responsible for the fact that Germany in the later nineteenth century had to get along without any generally recognized formal economic theory, it was also the main factor behind the immensely rich contribution of German economists to sociological theory. Their method of searching for economic causes in society led them to examine the relation between economy and society in great detail.

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1 A. Oberschall, Empirical Social Research in Germany, 1848- 1914 (Paris, 1965), pp. 137-9.

2 J.M. Keynes, Allgemeine Theorie der Beschäftigung, des Zinses und des Geldes (München, 1936), p. VIII.



The third effect of economic historicism was to reinforce normative values in German sociological thought. As already mentioned, the practical reform impulse was combined with ideas of Sittlichkeit. The result was a potent normative mixture, which was frequently associated with state-worship which had, since Hegel, been added to the organological-ethicizing current of thought. Economists like Carl Rodbertus-Jagetzow, Adolph Wagner, Lorenz Stein and Gustav Schmoller conform to this pattern, which will be looked at more closely in Chapter V below.

The political cousin of economic institutionalism was the corporativist idea, which enjoyed considerable popularity in the age of revolution. It offered the possibility of social cohesion, which neither the atomized nor the class-based ideas of society could provide. It also enabled political power to be locked up in water-tight units. During the course of the nineteenth century, corporativism produced ideas on social organizations for political, economic, religious and cultural purposes, variously referred to as 'Korporationen' (Hegel and F.J. Stahl), 'Associationen' (Julius Fröbel, V.A. Huber), 'Gesellschaften' (Heinrich Ahrens), 'Genossenschaften' (Robert Mohl, Otto Gierke), 'Vereine' (Lorenz Stein), 'Körper' and 'Körperschaften' (Gustav Schmoller and Lorenz Stein) and 'Verbände' (Gierke, Max Weber). In his concept of 'Gliederung' (articulation), Hegel showed how corporative societies could be organized. Gustav Schmoller later reinforced the concept of Gliederung with the division of labour principle.



The fact that the Staatswissenschaften were taught in the law faculties of the German universities has already been mentioned. German legal science distinguished (and continues to distinguish) between public and private law. Public law amounted to the state and the way in which Staatswissenschaft students, many of whom subsequently became officials, were introduced to the idea that the state was, in the first place, legal. In the 1830's and 40's, political thought was camouflaged in legal forms, so that the history of political ideas was taught as 'Rechtsphilosophie'. As there were no courses in social theory, ideas on society were taught as part of the state and therefore contained a strong legal slant.

The legalistic view of state and society steadily lost ground during the middle years of the nineteenth century as advances were made in economics and history. Heinrich Ahrens represents an interesting transitional point in the emergence of a more modern idea of society.<sup>1</sup> Ahrens' achievement was to separate the idea of law from that of society. Despite his lack of clarity, he was one of the first German legal philosophers to see that the pursuit of interest ('Zweck') was anterior in human group activities to the legal forms which adumbrated them. Ahrens succeeded in pointing German legal philosophy - one of the main channels of German social thought - in a more materialist direction. His model of society

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1 See H. Ahrens, Die organische Staatslehre (Wien, 1850).



made a lasting impression of the more influential Robert Mohl, who took over Ahrens' system of utilitarian associative formations with very little alteration.<sup>1</sup>

Nineteenth century German political thought is most frequently associated with the state. From Adam Müller to Treitschke and beyond, Germans were fascinated by the state and the seemingly infinite political possibilities it offers. Countless university lecturers, journalists and intellectuals who wanted to make a political statement made it, in one way or another, about the state. Although by far the most important reason for this was the fact of national statelessness, the general increase in activity in all the sciences during the nineteenth century also played its part. One or two aspects of this huge subject need to be mentioned here.

Firstly, there is the German bureaucratic tradition. Bureaucracies precede political representation (discounting representation by Stand) in modern German history. In terms of political science, this tradition fostered the technical discipline of administration, cameralism, which rose to a pre-eminent position in German political science in the eighteenth century.<sup>2</sup> Towards the end of the eighteenth century the theory of absolutist administration, which came to be known

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1 See E. Angermann, Robert von Mohl (Neuwied, 1962), p. 338n.

2 For the history of cameralism, see W. Roscher, System der Volkswirtschaft, i, (18th rev. edn., Stuttgart, 1886), pp. 41-4.



as 'Polizeiwissenschaft' and is associated with the names of Justi, Sonnenfels and G.H. von Berg, became the dominant current of cameralist thinking. Berg attempted to work out a unified theory of administration.<sup>1</sup> Reform and the rise of liberalism rendered the cameralist tradition obsolete in the first half of the nineteenth century but political scientists like Lorenz Stein returned to it in the 1860's when the movement to reform German administrative law got under way.

Secondly, the charismatic idea of the state played a considerable part in the sociological thinking of some mid-nineteenth century Staatswissenschaftler. The main effect here was to create a dichotomy between the ideas of state and society - something which fitted actual political conditions of the time - resulting in an impoverishment of social theory. An invention of romantics like Adam Müller<sup>2</sup>, the charismatic idea of the state was given philosophical respectability by Hegel. With Hegel, the idea of the state absorbed the cultural-linguistic mystique of the Volk. Kant's and Wilhelm von Humboldt's philosophies of the state proved of little consequence next to the mesmeric power of Hegel's, which fascinated generations of Germans. One of the best known exponents of the Hegelian view of the state in the later nineteenth century,

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1 G.H. v. Berg, Handbuch des teutschen Policeyrechts (2 Theile, Hannover, 1799).

2 See H. Reiss, Politisches Denken in der deutschen Romantik (Bern, 1966), pp. 46-53 and passim.



the historian Heinrich von Treitschke, succeeded in debasing the idea of political power to a realpolitisch imperative which corresponded to the needs of the nation in the age of imperialism.

Perhaps the most important aspect of the German charismatic idea of the state down to 1918 was its association with Prussia. This is a well worn theme in the Pantheon of British anti-German prejudice<sup>1</sup> - which happens to be well founded. The fact that many of the leading German exponents of state power in the nineteenth century were non-Prussians who found their way to Berlin, speaks for the magnetic attraction which the image of the Prussian state, its liberal reforms and the efficiency of its bureaucracy, exerted on the German political mind of the time. From Hegel<sup>2</sup> at the beginning of the century to Gustav Schmoller at the end, specific Prussianism became increasingly explicit. Not even the vacillating and reactionary policies of Frederick William IV were able to shake pro-Prussian liberals' faith in Prussia.

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1 See e.g. R. D'O. Butler, The Roots of National Socialism 1783-1933 (London, 1941) passim.

2 For the sterile controversy on whether or not Hegel's state was modelled on Prussia, see T.M. Knox, 'Hegel and Prussianism' in W. Kaufmann (ed.), Hegel's Political Philosophy (New York, 1970), pp. 13-29.



The degree to which mid-nineteenth century German social thought was politicized presents us with a ready-made - if slightly arbitrary - scheme for ordering social theories. In the conservative camp, F.J. Stahl looked at society from the angle of the monarchical state, Victor Aimé Huber from that of a conservative social reformer and Karl Winkelblech (pseudonym Karl Marlo) from the specific viewpoint of his utopian plans to revive the guilds. Only Wilhelm Heinrich Riehl in his Bürgerliche Gesellschaft<sup>1</sup> treated society as an end in itself. But his impressionistic sketches, although perspicacious, were unsystematic and scarcely rose above polemical issues. Like many other conservative theorists, he defended a corporate social order, based on the German ständisch tradition.

At the other end of the political spectrum socialists and communists also represented a wide variety of theoretical viewpoints ranging from Wilhelm Weitling's religiously tinged communism to Marx' and Engels' scientific socialism. From the point of view of non-Marxist sociology's

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1 W.H. Riehl, Die bürgerliche Gesellschaft, ed. with introduction by P. Steinbach (Frankfurt, 1976).



development, the socialists' main contribution was to popularize the idea of social class. Through German socialist publicists, the materialist philosophies of Saint-Simon, Charles Fourier, Proudhon and Louis Blanc entered the mainstream of German social thought<sup>1</sup>, presenting bürgerlich theorists with their biggest challenge until the impact of Ferdinand Lassalle in the 1860's.

Between extreme Left and Right, the democrats produced little of note by way of social theories. Julius Fröbel's System der socialen Politik<sup>2</sup> was an unoriginal attempt which borrowed heavily from Ahrens. This leaves the liberal group of social theorists. Heinrich Ahrens, Robert Mohl and Lorenz Stein are associated with the attempt to found a 'Wissenschaft der Gesellschaft' in the 1840's.<sup>3</sup> Their efforts to regroup some of the Staatswissenschaften - economics, statistics, demography (Stein and Mohl) and anthropology (Mohl) - into an inter-disciplinary 'science of society' makes their work a natural choice in any search for forerunners of sociology in Germany. In particular, Mohl's idea of separating

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1 See J. Droz 'Le socialisme allemand du Vormärz' in same (ed.), Histoire Générale du Socialisme, (Paris, 1972), i, 407-56.

2 2 Theile, Mannheim, 1847.

3 See E. Angermann, Robert von Mohl, op.cit., pp. 330-87 and E. Pankoke, Soziale Bewegung - Soziale Frage - Soziale Politik (Stuttgart, 1970), pp. 101-166.



political science, with its normative baggage, from Gesellschaftswissenschaft represents an early attempt to de-politicize social science, which points in the direction of Max Weber's concept of Wertfreiheit.

Mohl's idea of a science of society<sup>1</sup> was a methodological afterthought which occurred to him - under Stein's and Ahrens' influence - after he realized that many novel developments in industrializing society could not be dealt with satisfactorily within the existing framework of the Staatswissenschaften. The first really substantial attempt to make a reality of the 'science of society' was Lorenz Stein's. The task preoccupied him, from the early 1840's on, for the best part of fifteen years. The principle difference between him and Robert Mohl was that, where Mohl wanted to exclude the state from the science of society, Stein wanted to include it. Including the state opened the door to a number of moral and political values - Stein was a Hegelian - which condemned his Wissenschaft der Gesellschaft to remain first and foremost science in the service of politics. Instead of producing a science of society, he produced a political theory. The first two Chapters of this thesis deal with the origins and structure of this theory.

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1 Contained in Mohl, Die Geschichte und Literatur der Staatswissenschaften (Erlangen, 1855), i, 69-110.



## CHAPTER I

### Lorenz Stein: The Formative Years

*Wie sehr wäre es Ihnen zu wünschen,  
wenn Sie etwas in die Welt könnten,  
um sich namentlich durch die  
freiere Richtung der neusten  
Philosophie gänzlich zu emancipiren.*

*(Arnold Ruge to Lorenz Stein  
19 July 1839)*

Lorenz Stein was born on 15 November 1815 in Eckernförde, a small town on the east coast of what was then the Duchy of Schleswig just north of Kiel. He was the illegitimate child of Anna Juliana Elisabeth Stein. He was christened Wasmer Jakob Lorentz, the names, in reverse, of his father, Lorentz Jakob von Wasmer, a retired officer of the Royal Danish army, an aristocrat who had got into financial difficulties and been forced to sell his estate.<sup>1</sup>

Von Wasmer ensured that his two sons by Elisabeth Stein - she bore him a second son out of wedlock in 1817 - got a good start in life by putting them into a home for soldiers' children, the Christians-Pflegeheim, which possessed a highly regarded school. The Christians-Pflegeheim was Lorenz Stein's home until he reached the age of sixteen.<sup>2</sup>

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1 Werner Schmidt, Lorenz von Stein. Sonderdruck aus dem Jahrbuch der Heimatgemeinschaft des Kreises Eckernförde e.V., xiv, (Eckernförde, 1956) 10-13. Schmidt's book is the nearest we have to a biography of Stein. It concentrates on the first half of Stein's life, spent in Kiel, but has little to say on the second half, spent in Vienna.

2 Ibid., pp. 16, 18.



Life in Schleswig-Holstein during Lorenz Stein's childhood was quiet, parochial and highly traditional. The upheavals of the Napoleonic era had come and gone. Beyond the horizons of local patriotism, Schleswig-Holstein's place inside the Danish Helstat<sup>1</sup> was not yet questioned. The old king, Frederik VI, was as popular and honoured amongst his German as his Danish subjects. National differences had not yet been made into a political issue and in north Schleswig, Dane and German still lived in peace with one another. The economy remained overwhelmingly agricultural and agrarian society was divided into three main groups, the Ritterschaft, which owned a quarter of the land, the self-governing farming communities to the west and in Schleswig and central Holstein the farmer-proprietors who were ruled from Copenhagen.<sup>2</sup>

Roads were very poor and the postal service correspondingly slow. Some areas were regularly cut off in winter months and the duchies' long coastlines made sailing ship - later on steam ship - the most reliable form of transport until the coming of the railways.<sup>3</sup> The towns, politically, socially and economically isolated from the surrounding countryside, were small and backward compared with neighbouring Hamburg and Lübeck.<sup>4</sup>

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1 Denmark, Schleswig-Holstein and Danish overseas possessions.

2 J. Brock. Die Vorgeschichte der Schleswig-Holsteinischen Erhebung von 1848 (Göttingen, 1916) p. 9 ff.

3 Ibid., p. 8.

4 Ibid., p. 15.



Secluded and parochial as life was, there were signs of change. Since the end of the eighteenth century, the population had entered a period of sustained growth.<sup>1</sup> Industry, although only present on a very modest scale in Pre-March Schleswig-Holstein, was beginning to make its appearance. Despite the efforts of the Danish government, the duchies stayed firmly in the commercial orbit of Hamburg and in 1830, the first metalled road was constructed, which ran from Kiel to Altona, just north of Hamburg on the Elbe estuary. The first railway, also linking Kiel and Altona, was built in 1844.<sup>2</sup> The significance of the German Zollverein was not lost upon observers in the duchies. In 1838, internal tariffs were abolished inside Schleswig-Holstein, creating one customs unit.

Young Lorenz Stein's early academic promise earned him the attention of King Frederik, who visited the Christians-Pflegeheim in June 1831 and agreed to send the young man to the Latin school in Flensburg, where he could prepare for university.<sup>3</sup> During the two and a half years he spent at school in Flensburg, Stein had an opportunity to acquaint himself at first hand with the conditions under which the Danish and German speaking communities of central Schleswig lived together. In the early 1830's, the seeds of a nationalist mass movement in Schleswig-Holstein

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1 W. Köllmann (ed.), Quellen zur Bevölkerungs-, Sozial- und Wirtschaftsgeschichte Deutschlands 1815-1875, i (Boppard am Rhein 1980), 124-5.

2 Brock, Die Vorgeschichte, p. 8.

3 Schmidt, Lorenz von Stein, p. 18.



were sown. Friedrich Christoph Dahlmann, who had done so much to further a common political consciousness in the duchies, had left Kiel University in 1829. After Dahlmann's departure, Uwe Jens Lornsen, who agitated for a liberal constitution and separation from Denmark, became the leading figure in the Schleswig-Holstein cause.<sup>1</sup>

After passing the entrance examination at Easter, Stein began his studies at the Christian-Albrechts-University in Kiel in the summer semester of 1835. In those days, Kiel was a relatively small town with a population of around twelve thousand. The university, which had recovered from the period of decay of the previous century, had some two hundred students.<sup>2</sup> Danes as well as Germans studied there and university life acted as a focus for the various political factions - nationalist, legitimist and pro-Prussian - in Schleswig-Holstein. Nevertheless, the university - more than any other institution - represented the intellectual unity of Schleswig-Holstein.<sup>3</sup> Politically, however, the Ritterschaft continued to exert the dominant influence well into the age of nationalist politics.

Keenly aware of his aristocratic origins, Stein tried to maintain the link with the Wasmer name - he added the name Wasmer to that of Stein when he signed the university matriculation register<sup>4</sup> - probably until his relatives on the legitimate side

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1 W. Carr. Schleswig-Holstein 1815-1848 (Manchester, 1963) p. 87.

2 W. Schmidt, Lorenz von Stein, p. 21.

3 J. Brock. Die Vorgeschichte, p. 17.

4 Schmidt, Lorenz von Stein, p. 22.



of the family forced him to drop it. Possibly a sense of injustice in this respect combined with a certain feeling of inferiority due to the stigma of illegitimacy. Compensation for a slight inferiority complex may partly explain young Lorenz Stein's awesome dedication to his goals. At any rate, the desire for fame was certainly never very far from his intellectual ambitions and is clearly visible in the intense, oracular style of much of his early writing.

On the other hand, throughout his twenties, poverty provided Stein with a more tangible motive for single-minded industriousness. The scholarship he was awarded at the beginning of his studies amounted to 125 Taler per annum<sup>1</sup>. This was supplemented by 25 Taler from the municipal council of Flensburg<sup>2</sup>, which brought Stein's yearly income to 150 Taler, the recognized minimum upon which a student could live.<sup>3</sup> He does not seem to have received any financial support from his parents - his father died in 1829 and his mother seven years later - and what little he received beyond this, he earned by writing prize-winning essays<sup>4</sup>.

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1 S-H Landesarchiv, Abt. 47.I, Nr. 49 II, report of the Curatorium of the Christian-Albrechts-University, Kiel to the Schleswig-Holstein-Lauenburg Chancellery, 12 June 1838.

2 Curatorium report, 12 June 1838.

3 L. Andresen (ed.), Kieler Studenten im Vormärz (Kiel, 1940), p. 67n.

4 Schmidt, Lorenz von Stein, p. 22.



At the University of Kiel, Stein followed courses in the philosophy and law faculties.<sup>1</sup> Jurisprudence was dominated by the figures of Savigny and Hegel. The former's historical method did not appeal to Stein, whose speculative bent led him toward the idealist philosophers. For Stein, the historical law school's rejection of codification amounted to putting particularism before the requirements of national unity.<sup>2</sup> By contrast, Hegelian philosophy was beginning to assume an explicitly anthropomorphic position in the hands of Feuerbach and other young Hegelians. Feuerbach championed the flesh-and-blood Mensch against what he saw as philosophical abstractions.<sup>3</sup> Stein saw the individual's needs primarily in national terms at this stage, so he was able, with Feuerbach's help, to link Hegelian philosophy to his hopes for German legal unification.<sup>4</sup>

In spite of poverty and a fierce dedication to his studies - the university authorities described him as an 'ausgezeichnet tüchtiger und fleissiger junger Mann'<sup>5</sup> - Stein participated actively in student social life and, in his second

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1 Ibid., p. 22.

2 Stein, 'Das Corpus Juris und die historische Schule in ihrem Verhältniss zur deutschen Rechtsentwicklung', DVJS, 1845, Heft 2, 147, 148, 187.

3 See 'Das Wesen des Christenthums', Feuerbach, Sämmtliche Werke, vii (3rd edn. Leipzig, 1849) (1st edn. 1841).

4 Stein, 'Das Corpus Juris', pp. 184-7.

5 S-H Landesarchiv, Abt. 47.I, Nr. 49 II, Curatorium report 12 June 1838.



year at university, helped found the 'Albertina' Burschenschaft.<sup>1</sup> The authorities in the duchies permitted the students to have their societies and the mood in the Albertina was far removed from the romantic radicalism of the early German Burschenschaft. The Albertina became an important forum for political discussion, attracting several students - Theodor Mommsen and Karl Samwer, for example - who were later to play leading parts in the Schleswig-Holstein movement.

After winning a prize for his performance in a classics examination, Stein was able to spend his third year of study in Jena<sup>2</sup>, where he concentrated on philosophy.<sup>3</sup> On his return to Kiel, he began preparing for his finals in law, which he took in April 1839, receiving the rare distinction of a first class pass.<sup>4</sup> He started work on a doctoral thesis in the field of Danish civil law but poverty forced him to accept a position in the Schleswig-Holstein Chancellery in Copenhagen, which he took up late in 1839.

Looking round for journalistic sources of income that summer, Stein approached Theodor Echtermeyer<sup>5</sup>, who co-edited the

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1 Schmidt, Lorenz von Stein, p. 24.

2 Curatorium report, 12 June 1838.

3 Schmidt, Lorenz von Stein, p. 24.

4 Ibid., p. 25.

5 SBPKB, SG Darmst. 29 1870 (17), Stein to Echtermeyer 4 June 1839. There are two letters to Echtermeyer and five to A. Ruge, written between 1839 and 1842 by Lorenz Stein, deposited under this signature. All are reliably reproduced in Schmidt, Lorenz von Stein, pp. 141-149.



Hallische Jahrbücher with Arnold Ruge, the central figure in the Young Hegelian movement and an innovator of the hard-headed critical approach in German leftist journalism. Stein offered to review a book on legal history which Christiansen, one of the lecturers at Kiel, had recently brought out. Stein's choice of the Hallische Jahrbücher, the best known radical journal in Germany at the time, shows how early his sympathies inclined to radical Hegelianism. Around this time, Ruge was working out his ideas on humanism.<sup>1</sup> Struggling to replace Hegel's apparently perfect system with something new, Ruge welcomed Feuerbach's call for a philosophy which removed God or reason (essentially the same thing in Hegel's philosophy) from the centre of concern and put the human being in their place. Feuerbach's interpretation of Christian theology, in which God is a projection of human consciousness<sup>2</sup>, probably played an important part in forming Stein's religious views - about which he kept notably silent.

Stein waited two weeks, got not reply, then sent off the review in mid-June.<sup>3</sup> A month or so later he received a reply. It was from Ruge. The letter was encouraging, even flattering in places. Basically, Ruge approved of the article - which

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1 See A. Ruge, Gesammelte Schriften, v, (Mannheim, 1847) 63f. and passim.

2 L. Feuerbach, 'Das Wesen des Christenthums', Sämmtliche Werke, vii (3rd edn., Leipzig, 1849) 30 ff.

3 Schmidt, Lorenz von Stein, pp. 142-3, Stein to Echtermeyer, 16 June 1839.



appeared in the Hallische Jahrbücher the following month<sup>1</sup>, but thought that Stein needed some schooling in philosophy. He went on

Wie sehr wäre es Ihnen zu  
wünschen, wenn Sie aus Ihrer  
Kieler und Holsteiner Eile etwas  
in die Welt könnten, um sich  
namentlich durch die freiere  
Richtung der neusten Philosophie  
/\_i.e. the Young Hegelian school\_/  
gänzlich zu emancipieren u/\_nd\_/  
zum Herrn der jetzigen Bewegung  
zu machen.

And if this were not possible, urged Ruge, Stein was to make sure he read plenty of philosophy. 'Ihre gute Basis', he wrote encouragingly, 'schützt Sie vor Sklaverei /\_i.e. pedantry\_/'.<sup>2</sup> The importance which Stein attached to Ruge's letter can be judged by the fact that it was the only one he received from anybody during these years which he bothered to preserve.<sup>3</sup>

Ruge's words came at precisely the right time, for they found Lorenz Stein, then twenty-three years old, at a crossroad in his career. Should he join the Danish civil service or pursue his real inclinations and follow an academic path? Ambition and curiosity attracted his gaze away from the

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1 Stein, 'Die Wissenschaft der römischen Rechtsgeschichte im Grundrisse, von Dr. Christiansen', Hallische Jahrbücher für deutsche Wissenschaft und Kunst, 203-6, 1839, 1601-1605, 1609-1612, 1616-1638, 1648.

2 S-H Landesbib., Nachlass Lorenz v. Stein, 4.2.05. Ruge to Stein, 19 July 1839. The handwriting is Stein's, superimposed over the faded and illegible original. Reproduced in H. Uhl, Lorenz von Stein und Karl Marx (Diss. Phil. Tübingen, 1977) pp. 223-4, but Uhl's omissions practically destroy the meaning.

3 Collection of letters to Stein in S-H Landesbib., Nachlass Lorenz v. Stein, 4.2.05.



familiarity of Schleswig-Holstein society towards Berlin, where the newest developments in philosophy and political thought were taking place.

Up till now he had been a model pupil and student. The military atmosphere of the Christians-Pflegeheim and the straitened circumstances of his university years had tempered a fierce individualism with self-discipline and application. Brilliant academically, the sponsored protégé of the Danish state, Stein seemed poised for a distinguished if conventional career in government service. Nevertheless, it had been outward circumstances which had forced him to conform. He was now reaching maturity and the unconventional nature he had inherited from his father only needed some small encouragement to gain the upper hand. He probably decided to take Ruge's advice straight away. Going out into the world and emancipating himself with the help of Young Hegelian philosophy appealed to him a good deal more than routine administrative work. Money was the difficulty, so he waited until he had completed his doctorate before asking the Danish Government for support to research abroad.

By April 1840, Stein had been able to complete his doctoral dissertation and requested his release from the Schleswig-Holstein Chancellery, so as to be able to pursue an academic career.<sup>1</sup> He applied for a scholarship to study abroad and in July, King Christian, whose short reign had begun the previous

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<sup>1</sup> Schmidt, Lorenz von Stein, p. 143, Stein to Schleswig-Holstein-Lauenburg Chancellery, 26 April 1840.



December, granted him the sum of 400 Riksbanktaler a year for the years 1841 and 1842.<sup>1</sup> Stein left Copenhagen in the summer and was in Berlin by December.

The two years or so which Stein was to spend researching abroad influenced his future intellectual development in a way which can scarcely be overestimated. In Berlin he acquired the dialectical apparatus with which he was to approach nearly all subsequent problems and in Paris he absorbed the materialist and positivist doctrines which made up the cornerstone of all further ideas he had on society. In view of the key role he played in this decisive chapter in Stein's life, Arnold Ruge can fairly be described as the midwife of Stein's subsequent long and immensely productive literary career. Ruge's association with the young Karl Marx in the early forties is well known and is sufficient on its own to guarantee Ruge an important place in the period's history. Added to this, his effect on Lorenz Stein, who in his way contributed as much to the class consciousness of the German Bürgertum<sup>2</sup> as Marx did to that of the working classes, makes Ruge a truly seminal figure in the development of German social thought. Like Hegel's students - of whom he was one - Ruge's protégés divided into a left and right wing. By no means a great philosopher himself, Ruge was one of those visionaries who could draw together others with completely different views.

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1 Ibid., p. 26.

2 See below, p. 69 ff.



After his brief spell of influence passed, Marx and Stein went their separate ways.<sup>1</sup>

Politically, a new mood of optimism predominated in the Prussian capital. Frederick William IV had just succeeded to the throne. After the stagnation of the last years of his father's reign, hopes for reform were pinned on the talented and thoughtful new king. Censorship was relaxed, the Cologne Kirchenstreit was brought to an end and the nationalist 'demagogue' Ernst Moritz Arndt pardoned. Added to this, the diplomatic crisis of 1840 and the threat of war with France created an atmosphere of patriotic solidarity with the regime. Frederick William's succession also inaugurated a period of change at the Friedrich-Wilhelms University in Berlin. In line with the romanticizing tastes of the new king, Friedrich Julius Stahl, the conservative political scientist, and the famous philosopher Friedrich Wilhelm Joseph Schelling were brought to Berlin, the first of the 'political' appointments at the University.<sup>2</sup>

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1 See below, p. 71 f.

2 M. Lenz, Geschichte der königlichen Friedrich-Wilhelms-Universität zu Berlin, ii, 2nd Hälfte (Halle, 1918), pp. 18f., 42f.



Stein went to Berlin together with Karl Samwer, a distant cousin some four years his junior who was still in the middle of his studies at the University of Kiel. The two attended Friedrich Julius Stahl's lectures<sup>1</sup> and here, Stein had the chance to test his Hegelian critical apparatus on the doctrines of one of the age's greatest dialecticians.<sup>2</sup> Stahl introduced him to the neo-idealist concept of Persönlichkeit<sup>3</sup> and Stahl's 'monarchical principle'<sup>4</sup> re-appeared as part of Stein's doctrine of the 'social kingdom'<sup>5</sup> on the eve of the 1848 revolution.

After his friend Samwer had returned to Kiel - probably in February - loneliness, financial difficulties and the size of his task threatened to engulf Stein. Only Ruge's letters kept his spirits up. He awaited their arrival like an impatient lover.

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1 Samwer attended Stahl's lectures in the winter term of 1840-1841. See L. Andresen (ed.), Kieler Studenten im Vormärz (Kiel, 1940), p. 270. Stein wrote to Ruge on 6 Jan. 1841, 'Die einzigen, deren Verhältnis mir klar geworden ist, sind Savigny und Stahl ...', Schmidt, Lorenz von Stein, pp. 144-145.

2 See Stahl, Die Philosophie des Rechts, 2 vols in 3 parts (1st edn. Heidelberg, 1833-7) and G. Masur, Friedrich Julius Stahl (Berlin, 1930) covering Stahl's career up to 1840.

3 See below, pp. 77 - 83.

4 Stahl, Das monarchische Prinzip (Heidelberg, 1845).

5 See below, p. 123 ff.



'...Sie schweigen; ich hoffte täglich einen Brief [sic]; umsonst', he reproached the older man.<sup>1</sup> When he finally received a response from Ruge to a second review<sup>2</sup> he had sent him, Stein joyfully described to Ruge how his letter had dispelled the growing doubt he had begun to feel about his own ability.

Ich glaubte mit der Arbeit  
eines halben Jahres nichts  
errungen zu haben als einen  
grossen Irrthum; Sie kennen  
meine entschiedene Verehrung  
Ihres Urtheils, meine innersten  
Überzeugungen, ja der Glaube,  
dass ich überhaupt je im Stande  
sein würde, etwas zu bedeuten  
und zu wirken, wurde wankend in  
mir ... - Da erschien Ihr Brief,  
weil er lang war, glaubte ich,  
er enthielte eine abschlägige  
Antwort ... - doch Sie haben  
mich durch Ihre dauernde Theilnahme  
selbst verleitet zu glauben, dass ich Ihnen  
ohne unbescheiden zu sein, von mir erzählen dürfe ...<sup>3</sup>

Despite the voracious intellectual appetite which he displayed at the time, knowledge and its acquisition were never ends in themselves for Stein, who regarded the ideas of others simply as stepping stones towards the attainment of his true

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- 1 Schmidt, Lorenz von Stein, p. 146, Stein to Ruge, 23 Sept. 1841.
- 2 'Zur Charakteristik der heutigen Rechtswissenschaft. System des heutigen römischen Rechts, von Friedrich Carl von Savigny'. Deutsche Jahrbücher für Wissenschaft und Kunst, 1841, Nr. 92-100, pp. 365f., 369f., 373f., 377-380, 381-384, 385-387, 389-391, 393-395, 397-399.
- 3 Schmidt, Lorenz von Stein, p. 146, Stein to Ruge, 23 Sept. 1841.



objective, which was 'mich frei zu machen von den Schulen durch eine ganz auf mich angewiesene Thätigkeit'.<sup>1</sup> To master the ideas of others - including those of the Young Hegelians - so as to be able to free himself from their hold, to build his own system in their place; these were the tasks which Stein set himself for the next two years.

... Indem ich mir selber  
meine Systeme bilden muss,  
werde ich erst dann die  
Bedeutung der einzelnen  
Vertreter anderer begreifen  
können.<sup>2</sup>

After having spent most of the year working on the relationship between law and philosophy,<sup>3</sup> Stein left Berlin for Paris in the middle of October 1841,<sup>4</sup> travelling via Switzerland, where he apparently visited one of Wilhelm Weitling's communist communities.<sup>5</sup> He was to spend nearly a year and a half in Paris. Despite illness,<sup>6</sup> it was an enormously productive period

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1 Schmidt, Lorenz von Stein, p. 145, Stein to Ruge, 6 Jan. 1841.

2 Loc. cit.

3 Schmidt, Lorenz von Stein, p. 147, Stein to Ruge, 23 Sept. 1841.

4 Ibid., p. 148, Stein to Ruge, 10 Oct. 1841.

5 L. Brügel, Geschichte der österreichischen Sozialdemokratie, i, 31, Konfidentenbericht from an agent in Paris to Metternich, 7 April 1843.

6 E. Grünfeld, Lorenz von Stein und die Gesellschaftslehre, (Jena, 1910), p. 3. Grünfeld's information came from Stein's son, Ernst and Karl Theodor v. Inama-Sternegg, a professor at the University of Vienna and a friend of Stein's.



for him, during which he wrote the book on French communism and socialism which was to bring him literary fame almost immediately, Der Socialismus und Communismus des heutigen Frankreichs,<sup>1</sup> and collected the material for a history of French law - it was to become a standard work in its field - which he wrote up after returning to Kiel.<sup>2</sup>

By the middle of November, Stein had found somewhere to live in Paris and begun work on the theory and history of French communism and socialism. There can be little doubt that his interest in communism and socialism was the result of Ruge's guiding hand. Paris was the most important centre for European revolutionaries of all descriptions in the 1830's and '40's. Although not a communist himself, Ruge felt increasingly drawn to communists, who - like himself - put the social human being and his or her actual needs at the centre of their philosophy.<sup>3</sup> As soon as the Prussian censor made his position in Dresden untenable, Ruge moved to Paris, too, where he worked with Karl Marx on editing the short-lived Deutsch-Französische Jahrbücher.<sup>4</sup> But

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1 Der Socialismus und Communismus des heutigen Frankreichs. Ein Beitrag zur Zeitgeschichte. (Leipzig, 1842). Henceforth 'Socialismus und Communismus I'.

2 Published Basel 1846, 3rd vol. in Stein and L.A. Warnkönig, Französische Staats- und Rechtsgeschichte.

3 A. Ruge, Gesammelte Schriften, v (Mannheim, 1847), 63, 69-77.

4 J. Höppner, Einleitung to A. Ruge and K. Marx (eds.), Deutsch-Französische Jahrbücher (Leipzig, 1981), pp. 5-79 and chronology of Marx' life up to 1844 in K. Marx, F. Engels, Werke, i, (East Berlin, 1981) 633-640.



by the time Ruge arrived in the French capital in August 1843, Stein had either left or was on the point of leaving<sup>1</sup> and had put his Young Hegelian phase behind him.

At the beginning of January 1842, Stein confided to Arnold Ruge the 'plan' which had taken up nearly all his time and energy since he had arrived in Paris.

Ich habe mich schon von  
meiner Ankunft an auf die  
Grundverhältnisse des hiesigen  
socialen Zustandes und ihre  
Entwicklung eingelassen, und  
die Theorien von St.-Simon,  
Fourier, und dem hier sehr  
mächtigen Communismus  
eifrigst studiert.

2

He continued, 'ich habe mich ... entschlossen, die Ergebnisse in einer geschlossenen Darstellung zusammen zu fassen', and asked Ruge if he would approach the Leipzig publisher Otto Wigand on his behalf.<sup>3</sup> He wrote up his ideas in the first half of 1842 and the result, an undigested mixture of political economy, idealist philosophy and socialist dogma, was published later in the year. It consisted of two parts: the first an account of the French proletariat followed by a short survey of French history since the Revolution of 1789, the second a series of sketches of what

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1 See below, p. 74.

2 Schmidt, Lorenz von Stein, p. 149, Stein to Ruge, 4 Jan. 1842.

3 Loc. cit.



he considered to be the major French socialist and communist doctrines, concentrating mainly on those of Saint-Simon - in fact more a forerunner of socialism than a socialist himself<sup>1</sup> - and Charles Fourier.

What impression did Paris make on Stein? One would expect that an enterprising twenty-six-year-old without any ties and free to pass his time as he wished would begin a lengthy stay in a foreign city by exploring the city's cultural life and making a circle of friends and acquaintances. There is nothing to indicate that Stein made any lasting friendships with Frenchmen - although the language barrier might have raised initial difficulties here - nor that he even liked French people or genuinely admired their culture. As Stein's theory of state and society was worked out primarily in his studies on French revolutionary history, it is worthwhile asking what sort of general impression the French made upon him in Paris.

In Germany, there was nothing to compare with the brilliance and richness of contrasts of the French capital. Paris in the early 1840's was a city of nearly a million people.

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1 See G. Ionescu, Introduction, in Ionescu (ed.), The Political Thought of Saint-Simon (Oxford, 1976), pp. 1-57.



Street life was more colourful and crowded than today - many of the broad boulevards had not yet been constructed - with street hawkers, travelling musicians, puppeteers and public writers playing their trades. The government had implemented programmes of road and canal construction in the 1830's and the first railway stations - the Gare St.-Lazare and the Gare de Strasbourg - had been built by the middle of the decade.<sup>1</sup> The political and financial concentration of power in the French capital attracted bourgeois notables from all over the country and, while bankers and industrialists were busy enriching themselves, a huge reservoir of poverty and misery had accumulated - the result of a huge influx of people from the countryside combined with a lack of industrial jobs or government intervention to support them.<sup>2</sup>

Romanticism was the fashion in both art and politics, with secret societies, violence and assassination providing the background to a national political life characterized by corruption and ministerial instability. The July Monarchy still enjoyed the support of the bourgeoisie and the national guard but indications of its malaise had been evident in Paris in 1840. Workers agitation had coincided with republican opposition - a nationalistic reaction to Thiers' inept handling of the Middle Eastern crisis - in the Chamber of Deputies and in the press.<sup>3</sup>

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1 L. Dubeck and P. D'Espezel, Histoire de Paris (Paris, 1926), pp. 387-8.

2 A. Cobban, A History of Modern France, ii (Middlesex, 1965), 94-106, 133-5.

3 A.-J. Tudesq, Les Grands Notables en France 1840-1849, i (Paris, 1964), 484, 512 and passim.



Stein's opinion of the French can be found in some secret intelligence reports - six have been found dated between November 1841 and May 1842 - which he wrote for the Prussian Home Office on French oppositional politics and the activities of German radical intellectuals and handicraftsmen in Paris.<sup>1</sup> Before looking at what Stein thought of the French, a few words about his intelligence reports - curious enough in themselves - are apposite.

The reports Stein wrote in Paris provide us with an exceptionally useful window onto his mental processes at a formative time in his intellectual development. Some of the reports are long - the second, dated 7 January 1842, is twenty pages of small handwriting - and as well as information on German émigré conspirators, contained many of his thoughts on French communism and socialism. Thus they are a useful supplement to Der Socialismus und Communismus, when read in conjunction with it. Stein's motive for spying for the Prussian government was partly financial. He was particularly hard up after losing some of his money<sup>2</sup> and evidently received payments for his intelligence

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1 Secret intelligence reports in ZSTA, Merseburg. For dates and signatures, see J. Grolle, 'Lorenz von Stein als preussischer Geheimagent', Archiv für Kulturgeschichte, 1, 1968, Heft 1, 82n, 83n. Report 19 May 1842 published in K.-G. Faber, Die Rheinlande zwischen Restauration und Revolution (Wiesbaden, 1966), pp. 442-5. For the history of German intellectuals and handicraft journeymen in Paris, see W. Schieder, Anfänge der deutschen Arbeiterbewegung (Stuttgart, 1963).

2 Schmidt, Lorenz von Stein, p. 29.



reports.<sup>1</sup> Nevertheless, someone with his journalistic talent could just as easily have earned money by writing articles and reviews - something he soon began doing with considerable success. An explanation of why he chose to put himself at the service of the Prussian Government, rather than any other organization, can be found in the first report, entitled 'Französischer Einfluss auf Deutschland'.<sup>2</sup>

By way of justifying his spying activities on behalf of Prussia, Stein delivered a short eulogy on the Prussian state in the opening pages of the report. 'Obwohl ich selber kein Preusse [sic] bin', he began,

so ist es mir dennoch zur  
innersten Überzeugung geworden,  
dass Preussen den ersten Rang unter  
allen Staaten, die wir kennen,  
einnimmt.

3

There is no reason to doubt that there was a degree of genuinely felt idealism attached to Stein's decision to spy for the Prussian Government. The positive impression of the Prussian 'New Course' reinforced the image, which Stein shared with many of his countrymen, of Prussia as the home of modernization and progressive reform in Germany.<sup>4</sup> The early hopes he pinned on

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1 Faber, Die Rheinlande, p. 443, report 19 May 1842.

2 ZSTA, Merseburg, Rep. 92, Nachl. Rochow, AII, Nr. 3, Bl. 179-199v (copy) dated 19 Nov. 1841.

3 Report 19 Nov. 1841, Bl. 180v.

4 See above, p. 21.



Prussia were soon shattered<sup>1</sup> but in middle age, after Bismarck's plans for Germany had become clear, he turned to Prussia once again.<sup>2</sup>

In his reports, Stein frequently generalized about the French, usually in the context of unfavourable comparisons with the Germans. He commented contemptuously on the journalists and intellectuals who frequented Paris cafés and reading rooms<sup>3</sup> - something curious for a person with such a hunger for intellectual stimulation and so intense an interest in current political issues. It was well known, Stein wrote, 'dass das französische Volk ein leicht reizbares, der kühnen aber unbesonnenen That geneigtes ist'.<sup>4</sup> The French, he thought, easily abandoned themselves to the fashions of the moment in politics, for they lacked any sense of historical reality.<sup>5</sup> Idealization of the past was a standard ideological defence amongst Germans in the nineteenth century against revolution.<sup>6</sup> Absence of respect for

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1 See below, p. 200.

2 See below, p. 270 ff.

3 Report 19 Nov. 1841, Bl. 192.

4 ZSTA, Merseburg, Rep. 77, Tit 500, Nr. 10, Bd. 4, Bl. 64v (original), report 7 Jan. 1842.

5 Report 7 Jan. 1842, Bl. 62, 62v.

6 For historicism, see above p. 13 f..



existing institutions, he continued, led to a vicious circle in which one revolution followed the other. How could one condemn revolution, 'wenn das, was man vertheidigt, auf einer Revolution gebaut ist?'.<sup>1</sup>

Elsewhere, Stein complained that the shallow French simply acted when they felt they must act, whereas the German 'erst von der Rechtlichkeit, von der sittlichen Möglichkeit solcher Handlungen eine Überzeugung zu fordern habe'.<sup>2</sup> A sense of morality and superior philosophical insight into the necessities of his own situation could only lead the educated German to reject French superficiality with contempt.

...Der gänzliche Mangel an  
einer sittlichen Begründung  
in jenen Ansichten /i.e. on  
communism and socialism/  
der Franzosen deckt dem  
Bewusstsein oder doch dem  
Gefühle des gebildeten  
Deutschen die innere  
Hohlheit, und damit die  
Unmöglichkeit einer tieferen  
Achtung des französischen  
Geistes auf.

3

Presumably writing from personal experience, Stein assured his contact in the Prussian Home Office<sup>4</sup> that 'je tiefer nun der Deutsche gebildet ist, desto entschiedener wird ihm der Widerspruch seines inneren geistigen Lebens mit dem französischen

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1 Report 7 Jan. 1842, Bl. 62v.

2 Report 19 Nov. 1841, Bl. 184.

3 Report 19 Nov. 1841, Bl. 184

4 K.-G. Faber, Die Rheinlande, p. 442n.



entgegentreten'.<sup>1</sup> The better educated Germans got to know things French, the more they rejected them.

...Jede nähere Bekanntschaft  
mit dem Franzosenthum hat  
für Alle, die ich bisher  
kennen gelernt habe, die  
Wirkung, sie demselben nur zu  
entfernen... 2

Even those (Stein meant himself) who had the advantage of a good knowledge of French culture in certain fields 'weisen dieselben allmählich von sich ab, und wenden durch die erlebte Enttäuschung nur noch entschiedener ihren Blick auf das Vaterland zurück'.<sup>3</sup>

This medley of Francophobic clichés was of no importance in itself. Indeed, there was nothing unusual about this sort of nationalist prejudice amongst educated Germans at this time. But coming from someone who claimed to be engaged in a scientific analysis of French society, this was hardly the dispassionate attitude to be expected. Does our science really give an answer, Stein asked in his preface to Der Socialismus und Communismus, to the questions 'what is a social movement?', 'what is a social revolution?', or 'what is society'? These questions and the answers which Stein tried to supply to them were supposed to go beyond the images of human society and history which historians like Ranke were currently creating upon specifically national criteria. But how was the attempt scientifically to analyse French society to be of any genuine usefulness, if the mind of

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1 Report 19 Nov. 1841, Bl. 183v.

2 Report 19 Nov. 1841, Bl. 184, 184v.

3 Report 19 Nov. 1841, Bl. 184v.



the social scientist was blinded to the emancipatory aspects of revolution and class conflict through national prejudice?

The intelligence report Stein wrote for the Prussian Home Office in January 1842,<sup>1</sup> whilst he was deep in the process of writing Der Socialismus und Communismus, shows us just how polemical his aims were for the book. His task, he wrote, referring to the book he was writing, was to get the German Left to reject the French example by demonstrating the futility and social destructiveness of revolution.

Ich habe es mir daher zur Aufgabe gestellt, demjenigen, dem das nationale Gefühl und das innere Rechtsbewusstsein nicht hinreicht, um sich von Frankreich abzuwenden, und dem Wege zu folgen, dem eine höhere Fügung uns führt, die innere Verkehrtheit einer jeden revolutionären Idee an dem Unsegen, mit dem der hiesige Zustand in jeder Beziehung behaftet ist, nachzuweisen, in einer Darstellung des französischen socialen Lebens und seines Verhältnisses zur Revolution.<sup>2</sup>

On the whole, the comments we find in these intelligence reports are neither more nor less honest than the opinions contained in Stein's Der Socialismus und Communismus. They are simply aimed at a different audience. Their pompous, conservative style betrays a willingness on the part of the young ex-Burschenschaftler to colour his views to suit those in power. Having said

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1 ZSTA, Merseburg, Rep. 77, Tit. 500, Nr. 10, Bd. 4, Bl. 59-69 (orig.) dated 7 Jan. 1842.

2 Report 7 Jan. 1842, Bl. 67v.



that, the anti-revolutionary, anti-French drift of the reports can be taken at more or less face value, for it tallies with the more neutrally phrased arguments of Der Socialismus und Communismus. Arnold Ruge saw straight through the Hegelian jargon of the book to the bedrock of nationalist arrogance beneath.<sup>1</sup> In weighing up the balance, it is worth noting that one of the first pieces of sociological theory attempted in the German language was also a highly political, decidedly Francophobic piece of anti-revolutionary propaganda. So to camouflage his political motive for writing Der Socialismus und Communismus was dishonest and duplicity of one kind or another was a recurrent trait of Stein's behaviour.<sup>2</sup> He himself, always with an eye on the 'really' big political and social issues, never seems to have been disturbed by his double dealing. Beside the higher rationale of the state and its will (in the Hegelian sense), individual relations paled to insignificance. The end justified the means.

After he had had time to familiarize himself with the German community in Paris, Stein wrote a fairly detailed report on what he called the 'Unzufriedenen' from north and south Germany.<sup>3</sup> The report was sent to the Prussian Foreign Office, where it was

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1 See below, p. 70.

2 See below, pp. 98, 272.

3 ZSTA, Merseburg, 2.4.1., Abt. 1, Nr. 8042, Bl. 87-91 (copy), 13 May 1842.



considered sufficiently important to be submitted to the Foreign Minister, Heinrich von Bülow.<sup>1</sup> Amongst other things, Stein reported on the activities of Jakob Venedey and Theodor Schuster,<sup>2</sup> the leaders of the revolutionary Bund der Geächteten,<sup>3</sup> and went into some detail on two new additions to the circle of 'discontented' Germans in Paris - one of whom, Fr. Dingelstedt, worked for the Augsburger Allgemeine Zeitung,<sup>4</sup> the newspaper which Stein was later to work for himself.

Curiously, Stein assured the Prussian government that there were no secret societies amongst the Germans in Paris.<sup>5</sup> Whilst the Bund der Gerechten was in decline at the time Stein was writing, the communist Bund der Geächteten was very much alive - in spite of the prosecutions which had followed Auguste Blanqui's putsch in the summer of 1839.<sup>6</sup> If we are to believe Stein visited one of Wilhelm Weitling's communist communities in Switzerland,<sup>7</sup> then it seems difficult to believe that he knew nothing of the Bund der Gerechten in Paris, of which Weitling had recently been a leading figure.

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1 Report 13 May 1842, Bl. 87.

2 Report 13 May 1842, Bl. 88v and passim.

3 See Schieder, Anfänge, op. cit., pp. 20, 21, 177f.

4 Report 13 May 1842, Bl. 88.

5 Report 13 May 1842, Bl. 88, 89v.

6 Schieder, Anfänge, pp. 45 55.

7 See above, p.39.



Perhaps Stein was pursuing a policy of protecting the German handicraft workers involved with the Bund der Gerechten, whilst selecting the names of a few leading intellectuals to pass on. If this was so, then he was playing a dangerous double game with the Prussian government. It was not the last time that Stein was to cross the Prussian authorities, who developed an antagonism towards him which very nearly cost him his academic career.<sup>1</sup> At the same time, Stein was cheerfully deceiving those of his countrymen with whom he mixed in Paris. If he really did not know about the Bund der Gerechten, then he was clearly mistrusted anyway.

The ambiguity of Stein's position is highlighted if one remembers that by 1842, Arnold Ruge had already been forced by the Prussian censor to leave Prussia and was soon to be compelled - by pressure from the same quarter - to close his Deutsche Jahrbücher altogether. And here was Stein doing his best to help the very people who were hounding his mentor and benefactor! Stein was behaving like a political chameleon. This ambiguity was not limited to his political make-up. His behaviour was an expression of a character flaw which extended to his intellect. He had a habit of obscuring fundamental contradictions by appearing to occupy two or more distinct positions simultaneously. Nevertheless, the dialectical

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1 See below, p. 203,



contortions into which this led him were to provide some of his best and most original pieces of writing.<sup>1</sup>

Associating with left-wing intellectuals whilst at the same time spying on them was bound to lead to glaring contradictions, which apparently did not worry Stein at all. For example, the month in which he sent his last known report to Berlin (May 1842) was also the month in which a series of his articles began to appear in the Rheinische Zeitung<sup>2</sup> - shortly to be edited by Marx - which the Prussian censor caused to be closed the following year. To be spying on the German Left abroad whilst almost at the same time writing for its leading newspaper at home shows an astonishing lack of political judgement or sense of loyalty - characteristics which were to earn Stein the mistrust and hostility of many of his countrymen during the stormy years of political conflict which lay ahead.<sup>3</sup>

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1 See below, p. 107 ff.

2 For details, see M. Munding's bibliography of Stein's works and secondary literature on Stein in R. Schnur (ed.), Staat und Gesellschaft. Studien über Lorenz von Stein, (Berlin, 1978), p. 563. Munding's is the most extensive Stein bibliography so far.

3 See below, p. 98.



In spite of his outward rejection of French culture, the one and a half years Stein spent in Paris were fundamental to his intellectual development. Whereas in Berlin he had lived in the mental world of German idealism, in Paris he was confronted with nineteenth century materialism at its source. With the same sense of excitement and discovery which Marx was to experience slightly later, he applied his dialectical training to the task of winnowing out the grains of truth from his harvest of French socialist ideas. Like the Young Hegelians, Stein had immersed himself in Hegel's system and found it wanting, 'denn es ist ganz unmöglich, die Wissenschaft des Rechts und des Staats von Hegel's Standpunkt aus zur Vollendung zu bringen'.<sup>1</sup> He considered that the political and economic science of the day, dominated by Hegel and Adam Smith, was 'impractical', for it concentrated on state and nation at the expense of the individual.<sup>2</sup> The strength of philanthropic doctrines based on the individual's material welfare was that they related to actual social problems in a practical way. By contrast, Hegel and the free traders merely ended up with specious vindications of the status quo. The development of reason could not be completed in a state which rested upon mass pauperism.<sup>3</sup> Reason had to be made to penetrate beyond Hegel's ethical world, downwards into the economic relations of social injustice.

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1 Schmidt, Lorenz von Stein, p. 147, Stein to Ruge, 23 Sept. 1841.

2 Stein, 'Blick auf den Socialismus und Communismus in Deutschland und ihre Zukunft', DVJS, xxv, 1844, 1st Heft, 19.

3 For pauperism and the social question, see above, p.4.



In Paris, Stein discovered political economy. Here, he followed in the footsteps of Claude Henry de Saint-Simon by studying J.B. Say and, through him, coming to Adam Smith.<sup>1</sup> He discovered the crucial function performed by labour in modern society and observed its politicization at the hands of the socialists. Under the influence of socialists and political economists, he began making connections between economy and politics.

Die Staatswirthschaftslehre<sup>2</sup>  
hat in dem letzten Decennium  
besonders in Frankreich, einen  
eigenen und für diese Wissen-  
schaft neuen Standpunkt eingenommen.  
Sie beginnt die Fragen nach  
den rein materiellen Interessen,  
nicht mehr aus dem bloss  
öconomischen Gesichtspunkte zu  
behandeln ..., sondern sie mit  
politischen Fragen zu vermischen  
und zum Theil zu identificiren. 3

He read Adolph Blanqui<sup>4</sup> (not to be confused with his insurrectionary namesake Auguste), a socialistically inclined economist who saw more penetratingly than Louis Blanc the meaning of using the state to reform economy and society.<sup>5</sup> Like the German

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1 ZSTA, Merseburg, Rep. 92, Nachl. Rochow, AII, Nr. 3, Bl. 198v, report 19 Nov. 1841 (copy). For J.B. Say and Saint-Simon, see Ionescu, Saint-Simon, pp. 106-7, 123-4. For Stein on Adam Smith, see Stein, Geschichte der sozialen Bewegung in Frankreich von 1789 bis auf unsere Tage, ii, (4th edn., Hildesheim, 1959), 89-91.

2 The Germans distinguished between the fiscal side of economics - 'Staatswirthschaft' - and the rest - 'Volkswirthschaft'.

3 Report 19 Nov. 1841, Bl. 198.

4 Report 19 Nov. 1841, Bl. 198v.

5 A. Blanqui, Geschichte der politischen Oekonomie in Europa, ii (Karlsruhe, 1841), p. 290f.



economists Friedrich List - whom Stein also read around this time<sup>1</sup> - and Wilhelm Roscher,<sup>2</sup> Blanqui showed the interaction between political and economic history. In Villeneuve-Bargemont's Économie Politique Chrétienne Stein found a general study of the economic causes of pauperism and a wide range of suggestions - legal reforms, the establishment of hospitals, schools, savings banks - to combat it.<sup>3</sup>

Beyond the basic economic interpretation of society and politics which he derived from Saint-Simon, Stein drew most of his ideas for Der Socialismus und Communismus from the leading French socialists of the day, some of whom he met personally. In his preface, he thanked Louis Blanc, Louis Reybaud, Étienne Cabet and Victor Considérant for the help and support he had received from them during the project.

Es wäre dem Fremden schwer  
möglich gewesen, ohne dieselben  
/Blanc, Reybaud, Cabet and  
Considérant/ zu einer festen  
und zugleich ins Einzelne  
gehende Ansicht des ganzen  
Gebietes dieser Arbeit zu  
gelangen.

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1 Report 19 Nov. 1841, Bl. 198v. List's Das nationale System der politischen Ökonomie appeared in 1841, see F. List, Werke, vi (Berlin, 1930).

2 See Roscher, Grundriss zu Vorlesungen über die Staatswirthschaft nach geschichtlicher Methode. (Göttingen, 1843).

3 Report 19 Nov. 1841, Bl. 198v. See M.A. de Villeneuve-Bargemont, Économie Politique Chrétienne (Bruxelles, 1837).

4 p. X.



It was possibly the Fourierist Considérant who drew Stein's attention to the need for an independent 'science of society', a 'Wissenschaft der Gesellschaft' as Stein called it.<sup>1</sup>

La science sociale doit être  
constituée de toutes pièces,  
avec des observations, et des  
faits ...<sup>2</sup>

Curiously, there is nothing to show that Stein was aware of Auguste Comte's work at this stage. By the time he studied Comte later on - the positivist philosophy is implied here and there in Stein's later work<sup>3</sup> - Stein's intellect was already formed, leaving no scope for fundamental rethinking. Stein's interpretation in Der Socialismus und Communismus of French society and politics in terms of the egalitarian idea possibly originated with the communist Cabet, who saw inequality of opportunity, property and money as the source of all vice and misery in society.<sup>4</sup>

Still steeped in the philosophy he had been studying in Berlin, Stein approached the problems of socialism and communism from a distinctly idealist<sup>5</sup> point of view. In his hands, questions of capital, labour and property ownership became the question of Persönlichkeit and its development.

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1 Socialismus und Communismus I, p. V.

2 V. Considérant, Destinée Sociale, i (Paris, 1837), 15.

3 See Stein, System der Staatswissenschaft, ii (Stuttgart, 1856), 60f. for ideas on a positivist legal philosophy.

4 E. Cabet, Voyage en Icarie, (5th edn., Paris, 1848), p. 318 and passim.

5 For idealism, see above p.9 ff.



The principle of personality was a latter-day positivization of Hegel's teleological 'idea', which realized its own inner potential through dialectical interaction with the outside world. Applied to history, Hegel's concept created an image of organic growth and self-becoming. What the principle of personality was to German history, Stein had his readers believe, the principle of égalité was to French history.<sup>1</sup>

The idea of equality began as a presentiment, asserted itself as a negation of the existing world, then declared war on it, reaching out over state, administration, law, church, society and possessions.<sup>2</sup> The development of equality moved rapidly through the abstract sphere of political rights into the realm of economic power, for property qualifications to the franchise meant that since the constitution of 1791, political rights in France were ultimately dependent upon the ownership of property.<sup>3</sup>

Inequality in political rights rested upon economic inequality. The separation of capital and labour in the modern age<sup>4</sup> put the acquisition of property beyond the reach of the

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1 Socialismus und Communismus I, p. 29.

2 Socialismus und Communismus I, p. 30.

3 Ibid., p. 93.

4 Ibid., p. 73.



working classes.<sup>1</sup> But property was the precondition for personality's self-development. Education, honour, political rights - civilization itself - depended upon Besitz.<sup>2</sup> But because the possibility of acquiring property had been shut off from the labouring masses, the right to personal development was denied them. The freedom of the propertied classes was a sharp reminder to the unpropertied of their own unfreedom. The principles of equality and personality had got into contradiction with each other and the social manifestation of the contradiction was a 'struggle in the heart of society'<sup>3</sup> between the propertied and unpropertied, between what Louis Blanc called la bourgeoisie and le peuple.<sup>4</sup>

A considerable number of Stein's ideas on French society came from Louis Blanc. He met Blanc at least once during the course of 1842, when the two talked for four hours.<sup>5</sup> The intelligence and energy of the young French journalist impressed Stein very much, who described Blanc as

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1 Ibid., p. 72f.

2 Ibid., p. 24f.

3 Ibid., p. 11.

4 See L. Blanc, Histoire de dix ans 1830-1840, i (Paris, 1841), passim.

5 K. Grün, Die soziale Bewegung in Frankreich und Belgien, (Darmstadt, 1845), p. 315.



ein junger Mann, klein,  
lebendig, sehr thätig,  
und wohl unterrichtet;  
er ist radical und  
steht mit allen Führern  
dieser Parthei /i.e. the socialists/ <sup>7</sup>  
in enger Verbindung ...; bis jetzt  
hat er indessen noch  
keinen Namen, aber es  
ist kein Zweifel, dass  
er ihn durch das bezeichnete  
Werk /Histoire de dix ans 1830-1840/ <sup>7</sup> <sub>1</sub>  
sich erringen wird.

Many of the passages on capital and labour in  
Der Socialismus und Communismus were derived from Blanc's  
famous Organisation du Travail.<sup>2</sup> Like Blanc, Stein pointed  
out the destructive characteristics of free competition<sup>3</sup> and  
was one of the first German writers to notice the tendency for  
big capital to absorb small.<sup>4</sup> Anticipating Lassalle's iron law  
of wages by some twenty years, he argued that on the free market,  
the labourer's wage would automatically be reduced to the bare  
minimum necessary to maintain him or her as a quantum of labour.

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1 ZSTA, Merseburg, Rep. 77, Tit. 500, Nr. 10, Bd. 4, Bl. 59,  
secret intelligence report 7 Jan. 1842.

2 L. Blanc, Organisation du Travail (1st edn., Paris, 1839).

3 Socialismus und Communismus I, pp. 83, 86.

4 Ibid., p. 82.



... Bald bekommt er [der  
Arbeiter] für seine Arbeit  
nur kaum hinreichend  
zu leben, und das Wort  
wird Wahrheit: Leben heisst  
für ihn nichts, als nicht  
sterben! 1

At this time, the only other voices to be heard in Germany seriously questioning the principle of a free labour market were the economists Johann Heinrich von Thünen and Carl Rodbertus-Jagetzow.<sup>2</sup>

In Der Socialismus und Communismus, Stein followed the class-based interpretation of French society and politics which Blanc had put forward the year before in the first volume of his Histoire de dix ans. The political history of the July Monarchy were represented as the outward signs of an inner struggle between bourgeoisie and peuple.<sup>3</sup> Like Blanc, Stein defined the bourgeoisie as those who owned capital and the peuple as those who did not.<sup>4</sup> But elsewhere he had defined the structure of French society in terms of the two classes of property owners and non-owners.<sup>5</sup> By failing to distinguish between capital and

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1 Ibid., p. 83.

2 See Thünen, 'Unklarheit des Begriffs vom natürlichen Arbeitslohn' (1842) in Thünen, Der isolierte Staat (3rd edn., Berlin, 1875), pp. 38-43 and Rodbertus-Jagetzow, 'Die Forderungen der arbeitenden Klassen' in A. Wagner (ed.), Schriften von Dr. Carl Rodbertus-Jagetzow, iii (Berlin 1899), pp. 195-223.

3 Socialismus und Communismus I, pp. 96-104.

4 Ibid., p. 71n.

5 Ibid., p. 51 and passim.



property he ended up with a clumsy 'haves' versus 'have-nots' framework for society which obscured the novel character of industrial capital and labour.

Quite apart from the fact that this model ignored all socialization factors other than property, the two-class scheme he adopted was hopelessly inadequate to explain the real divisions within French society. What of the divisions within the bourgeoisie? If big capital suppressed small, were small owner-entrepreneurs capitalists? On the other hand, was there any sense at all in lumping together such disparate social groups as industrial workers, artisans and agricultural workers under the umbrella term peuple? What was the relationship of peuple to proletariat? Were all the peuple either already proletarians or doomed to become such, as was suggested by Stein's interchangeable use of the terms? Just as he was beginning to put his finger on the character of industrial capital by pointing to the way machines distanced labour from its product, he confused the issue again by introducing the entirely different case of landless agricultural workers.<sup>1</sup> Instead of limiting his concept of proletariat to the industrial working class, he defined it as all those without property or education.<sup>2</sup> Even if we were to give Stein the benefit of the doubt by accepting that, because of

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1 Ibid., pp. 75-82.

2 Ibid., p. 7.



capital's tendency to concentrate in large formations, the lower middle classes were undergoing a process of proletarianization which might conceivably have led to their ultimate disappearance, his two-class model still remains hopelessly misleading, for he was not writing about ideal types but was trying to describe French society as it actually was.

Stein's uncritical acceptance of muddled socialist ideas on class looks worse still when one remembers that solid studies on the state of the French working classes were available in Paris when he was writing Der Socialismus und Communismus. Villermé's excellent account of the condition of textile workers made use of a wide variety of statistical sources.<sup>1</sup> Villeneuve-Bargemont's study of French and European pauperism contained a large - if rather undigested - amount of information.<sup>2</sup> The fact that Stein read Villeneuve and probably Villermé too and still failed to produce anything remotely resembling an empirical picture of the French proletariat illustrates his preference for theoretical short-cuts. Frégier's Des classes dangereuses de la population dans les grandes villes<sup>3</sup> had also appeared recently but this paranoid attack on the urban lower classes would likely as not have reinforced rather than dispelled the impression made by socialist rhetoric.

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1 M. Villermé, Tableau de l'état physique et moral des ouvriers employés dans les manufactures de coton, de laine et de soie 2 vols. (Paris, 1840).

2 M.A. de Villeneuve-Bargemont, Économie Politique Chrétienne, op. cit.

3 H.-A. Frégier, Des classes, 2 vols. (Paris, 1840).



Most of Der Socialismus und Communismus was taken up with a portrayal of the socialist and communist doctrines themselves - mainly those of Saint-Simon and Charles Fourier. In his coverage of these, Stein could rely on Louis Reybaud, whose Études sur les Réformateurs ou Socialistes Modernes, giving a competent account of the systems of Saint-Simon, Fourier and Robert Owen, was published in Paris in 1841. Stein had little time for Fourier and his utopian phalanxes but Saint-Simon's industrialism made a profound impression upon him. It is difficult to pin down Saint-Simon's influence on Stein precisely, because it was all-pervasive and abiding. Like Saint-Simon, Stein wanted the maximum release of materially productive forces in society, he wanted to use the state to help achieve this and looked forward to a rationalization of political life to fit the needs of industrial society.<sup>1</sup> As far as Stein's religious and moral views are concerned, the anthropomorphism he had learnt from Feuerbach chimed with Saint-Simon's industrial code of morality.<sup>2</sup> Later on, Stein was himself to become one of the industriels Saint-Simon had glorified.<sup>3</sup> In short, one could say that Stein became a Saint-Simonist in Paris and remained one all his life.

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1 For Stein, see below, p. 123 ff. . For Saint-Simon, see selection of translated texts in G. Ionescu (ed.), The Political Thought of Saint-Simon, op. cit.

2 See C.-H. de Saint-Simon, Catéchisme des Industriels (Paris, 1823-4).

3 See below, p. 219 ff.



In Der Socialismus und Communismus, Stein aimed at much more than a straightforward portrayal of the major French communist and socialist theories. As a Hegelian, he conceived ideas as inseparable from the phenomena they corresponded to. Hegel's philosophy had been an attempt to reach beyond the 'subjective' abstraction of rationalism and find reason - which Hegel described as 'cunning'<sup>1</sup> - in the socio-historical setting. Stein too sought objectivity by fusing ideas with social reality. For him, Reybaud's fault was not connecting socialist theories with developments in society. 'Reybaud kommt nicht zum Gedanken der Gesellschaft und ihrer Geschichte, ja nicht einmal zu dem des Proletariats.'<sup>2</sup> An analysis of socialism and communism which remained bound to the doctrines themselves, Stein thought, was incomplete. Theories of social class must have a basis in society, he reasoned, and communism an equivalent group of people in society who were inherently communistic.

Ich bin zu der Überzeugung gelangt,  
dass alle jene grundsätzlich und  
zeitlich verschiedenen Erscheinungen  
/i.e. both social conditions and socialist-  
communist theories / aus einem gemeinsamen  
Momente hervorgegangen sind ... 3

None of the communist or socialist theories contained ideas which were particularly original in themselves, wrote Stein,

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1 G.W.F. Hegel, Vorlesungen über die Philosophie der Geschichte (Stuttgart, 1961), p. 78.

2 Socialismus und Communismus I, p. VII.

3 Schmidt, Lorenz von Stein, p. 149, Stein to Ruge, 4 Jan. 1842.



yet in them was an element 'das ihnen ihr Leben gegeben hat ... ein Punkt, durch den sie mit dem innersten Kern der Gegenwart Frankreichs zusammenhangen'.<sup>1</sup> This life-giving element was the 'proletariat'.<sup>2</sup> Communist and socialist theories were the systematic expression of the proletariat's dreams and hopes and feeling of misfortune.<sup>3</sup> Even though connections between socialists and workers were as yet few, in the long term socialism and communism would succeed in winning the proletariat.

Es ist freilich wohl unzweifelhaft,  
dass sie /die socialistischen Schulen/  
nicht mit den Arbeitern in Ver-  
bindung stehen; allein dies niedre  
Volk, ehe es zur That greift,  
sucht eine höhere Autorität  
für seine dunklen Vorstellungen,  
und diese glaubt es eben in jenen  
Theorien (mehr freilich im  
St. Simonismus als im Fourierismus)  
gefunden zu haben. 4

Identifying socialism and communism with what he called the proletariat is undoubtedly the most interesting aspect of Stein's Socialismus und Communismus.<sup>5</sup> His romanticization of the proletariat - like Marx' a year or two later - was a result of the political atmosphere he absorbed in Paris. The Lyon silk

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1 Socialismus und Communismus I, p. 5.

2 Ibid., p. 7.

3 Loc. cit.

4 ZSTA Merseburg, Rep. 77, Tit. 500, Nr. 10, Bd. 4 (orig)., Bl. 65, secret intelligence report 7 Jan. 1842.

5 Thus Werner Sombart in Der proletarische Sozialismus, i (Jena, 1925), 367.



workers' insurrection of 1831 had given credence to the idea of an innately revolutionary working class. The words 'prolétariat' and 'prolétaire' were standard features of the French political vocabulary of the 1840's. Like most fashionable political phrases, the term proletariat was used fairly indiscriminately and was by no means limited to the relatively small French industrial working class.<sup>1</sup> The problem in deciding exactly who the proletariat consisted of, was that if all the dispossessed of society were to be called proletarians, what distinguished the proletariat from the poor in history? If lack of property decided who was to be a proletarian, what made the modern factory worker different to an unpropertied slave in the ancient world? There was apparently nothing new about the idea of communism, either, which was also known to the ancients. Stein argued that the French proletariat's uniqueness lay in its consciousness of being a cohesive revolutionary class. The Revolution of 1789 had established its class-consciousness. It was a tautological argument which explained nothing. Marx did better by tying the proletariat to the Industrial Revolution.<sup>2</sup>

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1 See e.g. L. Blanc, Histoire de dix ans 1830-1840, i-iii (Paris, 1841-3), passim.

2 S. Landshut (ed.), Karl Marx. Die Frühschriften (Stuttgart, 1971), p. 223.



The way in which Stein chose to fuse the ideas of communism-socialism and proletariat was by treating them as part of the larger principle of equality.<sup>1</sup> He thought the egalitarian impulse lay at the heart of the struggle he saw going on in the heart of French society. The idea of equality found fertile soil in the mind of the young urban ouvrier unable to enjoy the consumer goods he saw around him.<sup>2</sup> 'Es ist wirklich ein Kampf im Herzen der Gesellschaft; denn ein jeder trägt ihn, mehr oder weniger unentschieden, in seinem Bewusstsein mit sich.'<sup>3</sup> In the individual, the demand for equality was a response of the have-not to his situation. In society, the egalitarian idea appeared in the form of a class-conscious proletariat committed to the abolition of private property. The spirit of the age - in France, at least - was driven by the idea of equality and the class of society which embodied this idea was the proletariat.<sup>4</sup> Allowing for Stein's peculiar idea of equality, it was almost exactly the position Marx reached in 1843-4 in the Deutsch-Französische Jahrbücher.<sup>5</sup>

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1 See above, p. 58 f.

2 ZSTA Merseburg, Rep. 77, Tit. 500, Nr. 10, Bd. 4 (orig.), Bl. 64v., secret intelligence report 7 Jan. 1842.

3 Report 7 Jan. 1842, Bl. 65.

4 Socialismus und Communismus I, pp. 4ff, 31.

5 Frühschriften, pp. 222-4.



Stein's attempt to demonstrate the historical relationship between socialist and communist doctrines on the one side and the proletariat on the other met with great interest, if not an equal amount of incomprehension, amongst the German reading public. Robert von Mohl described Der Socialismus und Communismus as 'das bekannte Werk', adding that it had aroused 'ungewöhnliches Aufsehen' and quickly earned the author a 'bedeutenden Ruf'.<sup>1</sup> According to Gustav Schmoller, the book made Stein 'a European name'<sup>2</sup> and Wilhelm Roscher referred to it as Stein's 'berühmte Schrift', adding that at its time of publication (1842), it sounded to the German reading public like a fairy tale from far away.<sup>3</sup> According to Karl Marx, the prosecuting lawyer's sole source of information on communism in the Cologne communist trial of 1849 was Stein's Socialismus und Communismus.<sup>4</sup> The economist Johann Heinrich von Thünen, remembered today as the father of marginal productivity theory, wrote to a friend about the enormous interest with which he had read Stein's book.

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1 Mohl, Die Geschichte und Literatur der Staatswissenschaften, iii, (Erlangen, 1858), 326.

2 Schmoller, 'Lorenz Stein', Preussische Jahrbücher, xix, 1867, 245.

3 Roscher, Geschichte der National-Oekonomik in Deutschland, (München, 1874), p. 1020.

4 Marx, The Cologne Communist Trial (London, 1971), pp. 115-6.



Zu meiner grossen Freude  
ist dieser Gegenstand /i.e.  
ein ungeheurer Grundfehler  
in unserer bürgerlichen  
Gesellschaft / jetzt von  
einem ausgezeichneten  
Geist ächt philosophisch  
behandelt.

Thünen continued,

Ich kenne fast kein  
Buch, das ich mit solchem  
Interesse gelesen, und  
aus dem ich so viel  
gelernt hätte wie aus  
diesem. 1

Some of the strongest reactions which Stein's book provoked came, not surprisingly, from those who were intellectually closest to him, the Young Hegelians, for whom he became an object of derision. Arnold Ruge found Stein so intolerably pompous that he asked sarcastically if the author of Der Socialismus und Communismus was not 130 instead of 30 years old.<sup>2</sup> Moses Hess went into a detailed socialist critique of the book<sup>3</sup> and Marx and Engels certainly read it. The latter two never acknowledged Stein's achievement in demonstrating the relationship between socialism and proletariat, but there is good reason to suppose

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1 H. Schumacher-Zarchlin, Johann Heinrich von Thünen (Rostock, 1883), p. 238, Thünen to Christian von Büttel, 11 July 1843.

2 A. Ruge, Gesammelte Schriften, ii (Mannheim, 1847), 310-11.

3 M. Hess, Philosophische und sozialistische Schriften 1837-1850, (eds. A. Cornu, W. Mönke), (Berlin, 1961), pp. 204, 206, 208, 297, 298, 302, 468.



that they were impressed by the potential in Stein's approach. Was it purely coincidental that Marx began studying the French socialists seriously shortly after Stein's book appeared on the book sellers' shelves in autumn 1842?<sup>1</sup> And was Engels' decision in November 1842<sup>2</sup> to begin the research for his brilliant study of English working class conditions<sup>3</sup> completely unrelated to Stein's call in Der Socialismus und Communismus for an equivalent study of English society?<sup>4</sup>

A good deal has been written on the question of whether Stein influenced Marx.<sup>5</sup> Marxists have denied that Marx learnt anything important from Stein and Stein researchers have pointed out the parallels - they are numerous and striking - between the two men. There was only two and a half years' difference in their ages, both studied in Berlin and went to Paris, the main features of their intellectual pedigrees were the same: Hegelianism plus

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1 Marx, Engels, Werke, i, 635.

2 Ibid., p. 639.

3 F. Engels, Die Lage der arbeitenden Klasse in England (1st edn., Leipzig, 1845).

4 Socialismus und Communismus I, p. VIII.

5 See M. Hahn, Bürgerlicher Optimismus im Niedergang. Studien zu Lorenz von Stein und Hegel (München, 1969), pp. 161-165.



French 'utopian' socialism. Even their styles of writing bore similarities. 'Ein Gespenst geht um in Europa - das Gespenst des Kommunismus', wrote Marx in the opening sentence of the Communist Manifesto.<sup>1</sup> Over five years earlier Stein, with an equal sense of the dramatic, had described the communist threat as 'ein finstres Gespenst, an dessen Wirklichkeit Niemand glauben will, und dessen Dasein doch Jeder anerkennt und fürchtet.'<sup>2</sup> Whether or not the two met in Paris remains uncertain. Marx arrived at about the time - March 1843 - when Stein left. Stein was interested in Marx<sup>3</sup> but Marx did not return the interest. Similarity in the quality of their early thought invites comparisons - both on points of agreement and disagreement. They arrived at the same diagnosis of the social malady but prescribed very different therapies for its cure. Stein turned to the state while Marx was a revolutionary. They were intellectual twins but political opposites and, after a brief convergence of thought in the early forties, their paths diverged for good.

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1 Frühschriften, p. 525.

2 Socialismus und Communismus I, p. 4.

3 Hahn, Bürgerlicher Optimismus, p. 186, reproduction of Stein's letter to A. Schwegler, 7 Dec. 1843.



If Stein's strange account of the struggle going on in the heart of French society sounded like a fairy tale to the German middle classes in 1842, it took on an altogether different meaning after the Silesian weavers' revolt in the summer of 1844. The German propertied classes had to admit that a 'social question' existed in the heart of their own society, too. And Stein's Socialismus und Communismus supplied an image of society and a warning of future social revolution which, perhaps more than any other book, determined the assumptions about society, its structure and development, with which the German middle classes approached the utterly new problem in their midst.



## CHAPTER II

### Stein's Theory of State and Society

*The notion that truths eternal to the mind may be known to intuition or consciousness, independently of observation and experience, is, I am persuaded, in these times, the great intellectual support of false doctrines and bad institutions.*

(John Stuart Mill)

Stein returned to Kiel in time for the beginning of the winter semester 1843-44. Kiel was one of the few German universities which did not require its lecturers to write a Habilitations-Schrift, so Stein was able to begin lecturing straight away. For the next four years, until the outbreak of revolution brought the University to a standstill, he lectured in international law, General and German state law, history of the theory of the state and legal philosophy.<sup>1</sup> The law faculty in Kiel was a small one and he had to content himself with lecturing to a mere handful of students.<sup>2</sup> As the German Dozent in the nineteenth century earned his living from the fees which his students paid to attend his lectures, this meant that Stein was again financially hard pressed. He supplemented his income by journalism.

After Stein had left Kiel in 1840, the political climate in Schleswig-Holstein changed considerably. Since 1842, when the

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<sup>1</sup> Schmidt, Lorenz von Stein, p. 32.

<sup>2</sup> Loc.cit.



Danish members of the Schleswig estates had insisted upon the right to use their own language during the proceedings, national conflict between Dane and German exacerbated the traditional problems arising from the Duchies' anomalous position within the Danish Helstat.<sup>1</sup> The question of the Duchies' future focused on a dispute over the succession to the Danish throne. If, as seemed likely, the male line of the Danish ruling house died out, it was argued by Germans, then the Duchies would pass from the house of Oldenburg to the Duke of Augustenburg or his son. With the dynastic union between Schleswig-Holstein and the rest of Denmark broken asunder, the opportunity would present itself for the Duchies either to steer an independent political course or, as the nationalists wanted, move into the shelter of the Germanic Confederation. The Duke of Augustenburg was not slow to see the usefulness of the national movement for his own cause and encouraged popular anti-Danish sentiment in Holstein and German Schleswig to support his claim.

When he returned to Kiel, Stein took an active part in rallies and festivals organized by the Schleswig-Holstein Landespartei to popularize its German aims.<sup>2</sup> But his real contribution to his country's cause lay in the way he publicized it in the rest of Germany. He was a skilled journalist, able quickly to absorb the issues at hand and to argue them persuasively in a clear, elegant style. The historian Johann Gustav Droysen, then a colleague of Steins's at the Christian-Albrechts-University in Kiel, had this

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1 See W. Carr, Schleswig-Holstein 1815-1848. A Study in National Conflict (Manchester, 1963).

2 Schmidt, Lorenz von Stein, p. 32.



to say about Stein's capabilities as a journalist:

Stein..... ist ein Mann,  
der über jedes Thema vortrefflich  
zu sprechen weiss..... Eine  
tiefere Kenntniss der Dinge hat er  
gewiss nicht; aber er wird, wenn es  
nötig ist, sie so weit, wie es  
für seine Zwecke gehört, sich  
anzueignen wissen.

A certain superficiality was both a weakness and a strength. His academic publications often betray the signs of hasty composition and fail to give sufficient footnotes to enable one to identify his sources. But neglecting the trees often enabled him to see the wood which others missed. He was a brilliant polemicist and a visionary.

Towards the end of June 1843 Stein began writing for the influential Allgemeine Zeitung, then published in Augsburg by Johann Georg Cotta. Stein remained a lifelong contributor to the paper. Before he left Schleswig-Holstein for good in November 1854, Stein had had over 600 of his articles published in the Allgemeine Zeitung,<sup>2</sup> an average of slightly more than one a week over the whole period. His articles dealt mainly with north German issues. As a publicist he was particularly effective in the mid-1840's, when he succeeded in popularizing the idea amongst Hamburg

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1 R. Hübner (ed.), Johann Gustav Droysen, Briefwechsel (Berlin/Leipzig, 1929)', ii, 285, Droysen to Biedermann, 18 Oct. 1854.

2 See index of Stein's articles in Allgemeine Zeitung in B. Richter, 'Lorenz von Stein über die deutsche Einheit und die internationalen Aspekte des Schleswig-Holstein-Problems (1843-1890)', Zeitschrift der Gesellschaft für Schleswig-Holsteinische Geschichte, xcv, (1970), 49-90.



businessmen that Hamburg and other Hanseatic cities should join the Zollverein.<sup>1</sup>

The manuscript of one of Stein's lectures, probably composed in late 1843 and early 1844, has been partly preserved.<sup>2</sup> The manuscript sheds light on an important part of Stein's developing theory of state and society - his philosophy of the state - on which he never published anything substantial. Stein began with the abstract concept of Persönlichkeit. Hegel had written in his Philosophie des Rechts, 'die Persönlichkeit des Staates ist nur als eine Person, der Monarch, wirklich'.<sup>3</sup> In the margin of his 1840 edition of Hegel's Rechtsphilosophie, Stein commented

Aber die Persönlichkeit  
ist doch nicht nach Hegel  
Eine Person in der Wirklichkeit,  
sondern eben die Mehrheit der  
Personen. Das mithin war zu  
beweisen, dass diese Persönlichkeit  
eben nur als Eine Person da ist. -  
Das aber folgt erst, wenn man es  
als das Wesen des Staates setzt,  
schon alle die Persönlichkeiten  
zu enthalten, die seine Unterthanen  
sind, mithin muss es eine Persönlichkeit

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1 See E. Baasch, 'Lorenz von Stein und die Frage der deutschen wirtschaftlichen Einigung', Schmollers Jahrbuch für Gesetzgebung, Verwaltung und Volkswirtschaft im Deutschen Reiche, xlv, (1921), 4th Heft, 102.

2 S-H Landesbib., Nachl. Stein, 1.7.06, Bl. 16-51. The manuscript, concealed amongst a collection of Stein's notes, was found by Heinz Taschke. See Taschke, 'Der Nachlass Lorenz von Steins in Kiel', Der Staat, xxi, (1982) 2nd Heft, 269-270.

3 G.W.F. Hegel, Grundlinien der Philosophie des Rechts, (Stuttgart, 1970), p. 434.



des Staates sein, ist er aber das,  
so ist er allein nicht bloss zu  
betrachten als der Staat für sich -  
und mithin hieraus nicht nothwendig,<sup>1</sup>  
dass der Souverän eine Person sei. -

According to Hegel, the otherwise abstract essence of the state's totality, its 'personality', resided in the monarch's person. This distinguished the state from other forms of human organization<sup>2</sup>. For Stein it was wrong to interpret this as meaning that personality resided in one person, the monarch. On the contrary, the monarch personified the aggregate of all the state's subjects. Each individual was a personality in his or her own right, inasmuch as the individual person was the concrete precondition of the existence of the totality, the state.

In the subsequent discussion of personality it should be remembered that Stein's philosophy of personality was a collectivist and not an individualist philosophy. There is no harm in visualizing personality in terms of the individual as long as one remembers that Stein conceived the individual as part of a greater whole and not an end in itself.

Maintaining Hegel's categories, Stein began with the Begriff of Persönlichkeit, that is to say its 'concept', and then

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1 Stein's marginalia are reproduced in H. Uhl, Lorenz von Stein und Karl Marx, (Diss Phil. Tübingen, 1977), p. 78 from Stein's copy of Hegel's Philosophie des Rechts in Stein's personal library, now in Lorenz von Stein Institut für Verwaltungswissenschaften, Christian-Albrechts-Universität, Kiel. To make reading easier, I have restored Stein's abbreviations to the full form, e.g. Pkten = Persönlichkeiten.

2 Hegel, Philosophie des Rechts, p. 434.



moved on to its Idee, its development in the actual world.<sup>1</sup> The concept of personality was founded in the interaction between 'das Ich' - a notion Stein derived from the idealist philosopher J.G. Fichte<sup>2</sup> - and 'die Natur', the latter being taken to mean not just nature but also the man-made world.<sup>3</sup> The Ich was made up of different 'levels'. 'Es ist das Wesen des Ich, die Natur zu bestimmen.' In overcoming the resistance of the outer world or Natur, the Ich was impelled to internalize the duality between itself and the outer world. In this way the Ich both arrived at a more objective consciousness of itself and animated the world of objects with its own ideality.

Dieses Verhältniss /between Ich  
and Natur/ ist die Idee des  
absoluten Selbstbewusstseins.  
Diese heisst die Herrschaft  
des Ich, insofern das Ich die  
Natur als Allgemeines Objekt  
theilt; Freiheit, insofern das Leben  
der Natur, sich selbstbewusst,  
als Last des Ich ideell.....;  
Unendliches Bewusstsein, insofern  
durch die Freiheit des Ich sich  
die unendliche Idee im Ich  
verwirklicht.

Diese Begriffe  
entfalten sich zu dem Moment der 4  
Persönlichkeit.

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1 G.W.F. Hegel, 'Die Lehre vom Begriff', Enzyklopädie der philosophischen Wissenschaften im Grundrisse (Frankfurt a.M., 1970), pp. 307-393.

2 J.G. Fichte, Das System der Sittenlehre (Hamburg, 1963), passim.

3 Nachl. Stein, 1.7.06, Bl. 51.

4 Nachl. Stein, 1.7.06, Bl. 51. Stein's abbreviations and underlinings not retained in this or subsequent quotes from this source. 'Selbstbewusstsein' is used here in its philosophical sense, meaning 'consciousness of self' and not in its usual modern sense of 'self-confidence'.



Partial fusion of the Ich with its environment resulted in the former's captivity, inasmuch as it was compelled to become an agent of domination over the latter. As dominator and dominated, Ich and Natur became 'identical'. Nevertheless, the Ich retained the possibility of freedom in its will, which expressed itself in That. Personality was the unity of the Ich with its own That.<sup>1</sup> It was an action philosophy similar to that developed by some of the Young Hegelians in their attempt to give concrete meaning to Hegel's ideal system.<sup>2</sup> Action was to be an important - if not the most important - factor in Stein's developing thought on the state.<sup>3</sup>

How did the abstract concept of personality look in the actual world?

Betrachten wir die Wirklichkeit,  
so ist sie für alle Persönlichkeit  
endlich. Die Bestimmungen, deren Einheit  
ab /-solut?/ die Wirklichkeit ist,  
sind alle verwirklicht, und die Totalität  
des Seyns ist ein abgeschlossener Organismus.  
Die Bewegung des natürlichen Lebens  
hat keine Weiterbildung; das Werden  
in ihr ist ein... begrenztes.

Dieser Widerspruch des sich selbst  
begränzenden /-sic./ Werdens ist der  
Ausgangspunkt für die tiefere Erkenntnis  
des Lebens überhaupt.

Die Unendlichkeit, die im Begriff  
des Werdens liegt, ist in der Natur  
zur Endlichkeit; die Unendlichkeit, in  
der Natur verwirklicht, ist zum  
Widerspruche..... /-zu sich/ selber,  
zur endlichen Unendlichkeit<sup>4</sup>  
geworden.

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1 Nachl. Stein, 1.7.06, Bl. 51.

2 See H. Stuke, Philosophie der Tat (Stuttgart, 1963).

3 See below, p. 246 f.

4 Nachl. Stein, 1.7.06, Bl. 51.



The philosophical problem was how to reconcile the possibility of limitless self-becoming, which was inherent in personality's concept, with the limitations imposed by the actual world.

Die Natur ist die endliche Schöpfung  
der Gottheit. - Diesem / sic / gegenüber  
tritt das Ich. Es ist seinem Wesen nach  
das vom Seyn und Wissen unabhängige,  
absolut selbständige. Es hat sein Leben  
in sich selber.

In ihm ist daher eine Wirklichkeit,  
die ihrem Wesen nach selber unendlich ist.<sup>1</sup>

The terminology and method were all Hegel's. But again Stein sought to vault over the unfolding logic of Hegel's system so as to be able to arrive at his own conclusion. The Ich had been introduced as an independent principle. But in Hegel's system, Sein and Wesen were notional terms expressing respectively the unreflected and reflected stages of consciousness. (Their unity was the Begriff and the latter's synthesis with the realization of its own relation to the concrete world was the Idee.)<sup>2</sup> Hegel's categories were ideal. The Sein, Wesen, Begriff and Idee of the Ich should therefore have expressed an epistemological and not a concrete Ich. Nevertheless Stein wanted the Ich to be both immediate concrete reality and consciousness in the Hegelian sense.

Stein's notion of the Ich was logically inconsistent with Hegel's system, yet had no foundation outside it. To erect a principle, call it absolute and fail to substantiate one's reasoning is naivety. To conceal the emptiness of one's thoughts with words is charlatanry. Despite his genuine versatility and industriousness, Stein often came close to justifying both these reproaches. He

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1 Nachl. Stein, 1.7.06, Bl. 51.

2 Hegel, Enzyklopädie, op.cit., pp. 181-393.



tended to treat his problems cavalierly and too easily allowed his thoughts to develop without sufficient control. Instead of providing an instrument for deducing the contours of the concrete world, Hegel's dialectic too often became a vehicle, in Stein's hands, for reaching preconceived conclusions. In this case it was a poor excuse for inadequate research. In spite of all he had learnt in Paris about the nature of social conflict, he was still prone to relegate actual antagonisms in the face of a yearning for synthesis and harmony.

Das Ich ist..... die Wirklichkeit  
der unendlichen Idee;..... [ in / ihm  
beginnt ein Leben,..... [ in welchem ]  
das Leben des natürlichen Seyns nur  
ein Moment ist; es ist eine neue Welt  
in der natürlichen Welt.

- Das Ich steht damit im Gegensatz  
zur Natur. Und theils in einer Menge  
von Verhältnissen, da die Natur  
ein Vielfältiges ist.

Allein das Wesen des Ich ist  
noch Einheit. Jene Verhältnisse,  
ihm unterworfen, bilden daher  
selbst eine Einheit, und diese ist  
das Werden des Ich - und das Werden  
der Natur als das Ich. 1

His doctrine of personality was a very second-rate piece of philosophy. Stein knew it and was right not to bother to publish it. He could have devoted more time to it and produced something more substantial, but his interests lay elsewhere. After Hegel, a turn to pure philosophy could be little more than a repetitious step backwards. Nevertheless, his philosophy of personality was the nearest Stein came to establishing an ontological foundation for his socio-political ideas. It was and remained the central

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1 Nachl. Stein, 1.7.06, Bl. 51. 'Moment' is used here in its original Latin (Momentum) meaning of 'consideration' or, in this context, 'element'.



principle around which all his other ideas were ordered, the transcendental corner-stone of all his systems.

Having established his first principles, Stein's next problem was to relate these to the salient aspects of his developing socio-political philosophy. He envisaged two distinct fields in which the individual personality expressed itself: state and economy. How did the individual personality relate to political and economic life? Taking the state first, the problem was a relatively simple one, for it had been worked out to perfection by the previous two generations of German philosophers. The state was seen as an aggregate of the community-consciousness of all the citizens of the community. 'Der Staatswille enthält... alle Willen der Bürger.'<sup>1</sup> Subsuming the wills of all its citizens gave the state a 'higher function'.<sup>2</sup> '...Ist sein Wille der Wille aller, so wird... sein ganzes Leben ein Leben aller.'<sup>3</sup> Once the general will, reified as the state,<sup>4</sup> had been projected above the whole community, it reflected back into its constituent individual minds, appealing to their community-consciousness. A reflexive process of challenge and response was initiated in which the individual became an ever more self-consciously functioning particle in the totality. The process was one of growth and the organic metaphor the only appropriate one. The individual was a 'Glieder'

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1 Nachl. Stein, 1.7.06, unnumbered Blatt between 16 and 51.

2 Nachl. Stein, 1.7.06, unnumbered Blatt.

3 Nachl. Stein, 1.7.06, unnumbered Blatt.

4 Hegel drew upon Rousseau's volonté générale. See C. Taylor, Hegel (Cambridge, 1983), pp. 185-6, 372-3, 406-7.



(limb), the state an 'organism', 'gegliedert' (articulated) around its own universal idea.

Es gewinnt ferner das innere Leben des Einzelnen eine andere Bedeutung. Sie /-die Einzelnen/ bilden /-durch/ ihr Bewusstsein ein Theil des Staats; sie sind immanente Glieder des Staatslebens. Das Allgemeine hat zur Aufgabe jedes Einzelne.

Hier beginnt daher die Verwirklichung der Idee, dass der Einzelne erst durch das Allgemeine seine <sup>1</sup> Vollendung erhält.

The state's unity was personified by the prince. The prince was the personal manifestation of the state's Ich, without actually being identical with it. 'Der Fürst ist der persönliche Inhaber der Majestät und Persönlichkeit des Staats.' His will was personal and individual, yet at the same time embodied the aggregate wills of all the people.

Allein er /-der Fürst/ ist es zugleich, der den Willen des Volkes zum persönlichen macht. Das thut er als einzelne Person. Sein Wille als Individueller <sup>2</sup> ist zugleich der Allgemeine.

The fact that the prince's will was individual made it equal to those of all the others. But at the same time, it was superior in dignity to that of any individual by virtue of combining all the others in itself. This was the difference between the prince and people.

Indem er /-der Fürst/ aber individuell ist, nimmt er den Charakter des individuellen Willens..... an. Der Einzelne stellt sich ihm gleich

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1 Nachl. Stein, 1.7.06, unnumbered Blatt between 16 and 51.

2 Nachl. Stein, 1.7.06, unnumbered Blatt between 16 and 51 headed 'Das Fürstenthum. II Geschichte'.



- nicht an Würde, wohl an Recht. - 1  
So scheiden sich Fürst und Volk.

Like the human personality, the state had an absolutely free yet abstract nucleus, an Ich, and an external form, a body.<sup>2</sup> The relation between the state's Ich and body was a two-way process. In the first place the state-body, absorbing the limitations of the 'natural' world, tended to dominate the Ich.

Diese / the relation between the state  
Ich and its body / wird nun zunächst  
dadurch bestimmt, dass das  
natürliche Leben überhaupt, und  
so..... das des Staatskörpers seine  
eigenen Entwicklungsgesetze  
behält, und daher, obgleich es  
dem Ich des Staats angehört,  
dennoch sich durch seine  
eigenen Elemente und Verhältnisse 3  
bestimmt.

By way of response, the state's Ich sought to reassert itself over the parts of the state body.

Es muss daher das Ich des Staats  
die einzelnen Theile des  
natürlichen Staats in sich  
aufnehmen; seine Selbstherrlichkeit  
in dem einzelnen Momente des  
Staatskörpers zur Erscheinung 4  
bringen.

The uniformity demanded by the sovereign Ich, hitherto only abstractly represented by the prince, and the differentiation inherent in the state's body were supposed to combine into one organism.

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1 Nachl. Stein, 1.7.06, unnumbered Blatt 'Das Fürstenthum. II Geschichte'.

2 Nachl. Stein, 1.7.06, Bl. 30.

3 Nachl. Stein, 1.7.06, Bl. 30.

4 Nachl. Stein, 1.7.06, Bl. 30.



Typically, Stein glossed over the logical contradiction with the magical word 'organic'.

Die Verschiedenheit des Staatskörpers fordert daher eine Mannigfaltigkeit der Erscheinung der Herrlichkeit; die Einheit des Staats die Gleichheit dieser Erscheinungen. So wird aus dem abstract,... allein in der Persönlichkeit des Fürstens vertretenen Ich des Staats eine organisch entfaltete Herrlichkeit desselben,... [welche] das Dasein des Staats in seinen Theilen enthält, die Persönlichkeit <sup>1</sup> des Staats.

Unity in the state body was achieved through the sub-organisms of Volksvertretung and Amtsorganismus.<sup>2</sup> Regarding the former, Stein never had much original to say. The latter, by contrast, was to become his main field of interest.<sup>3</sup> As yet (1843-4), however, there was little indication of future developments. The connections between state and society had yet to be made.

Turning to the field of economy, Stein wrote in 1846 that the freedom of the individual personality actualized itself through labour.<sup>4</sup> As such, Persönlichkeit was infinite, but in its interaction with the outer world, it was finite. The antinomy was overcome by Persönlichkeit's subjection of 'Natur' (Stein meant the

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1 Nachl. Stein, 1.7.06, Bl. 30.

2 Nachl. Stein, 1.7.06, Bl. 30.

3 See below, p.241 ff.

4 'Der Begriff der Arbeit und die Prinzipien des Arbeitslohns in ihrem Verhältnisse zum Socialismus und Communismus', Zeitschrift für die gesamte Staatswissenschaft, iii, (1846), 2nd Heft, 271.



material world) through labour.<sup>1</sup> But Persönlichkeit's victory over the world of objects was bought at the cost of internalizing the dead weight of matter. In its actual life, the individual personality was fettered to the material world in a way which engendered specific needs and their satisfaction.<sup>2</sup> At the same time, it materialized its ideality through labour. The resultant product was confronted by the next personality as an 'object', in turn transformed through labour, and the new product again became an object.<sup>3</sup> Stein's philosophy of labour stood on Hegel's. For both, labour was not a specifically economic process, but a general one of self-realization.<sup>4</sup> But Stein went beyond Hegel by treating labour as a problem of wages. As money wages became more and more common, the money price of labour increasingly determined whether the labourer who had no property could acquire some. The point about labour's money price raised the question of labour's value and Stein set out to deduce this from labour's Begriff.

Stein divided manual labour into 'mechanisch' und 'persönlich'.<sup>5</sup> Mechanical labour was performed with machines and personal without. His distinction cut across the skilled and unskilled categories. In mechanical labour, the machine stripped labour of all personal originality. The labourer became an extension of a

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1 Ibid., p. 270.

2 Loc.cit.

3 Stein, System der Staatswissenschaft (Stuttgart/Tübingen, 1852), i, 15.

4 For Hegel's philosophy of labour, see K. Lowith, Von Hegel zu Nietzsche (8th edn., Hamburg, 1981), pp. 285-291.

5 'Der Begriff der Arbeit', op.cit., p. 260.



machine and 'nature' triumphed over personality.<sup>1</sup> By contrast, labour remained 'personal' as long as the labourer's tools remained no more than a bridging instrument between the labourer and his material.<sup>2</sup> According to this theory, personal labour was bound to command a wage sufficient to satisfy the needs of the labouring personality, because personality was unique, had its own needs and laboured for their satisfaction in its own way. If this were true, there could be no levelling standardization in the labour supply. Competition amongst labour-sellers would therefore be limited, making it correspondingly difficult for labour-buyers to manipulate the labour market in their interest. Personal labour became the measure of its own wage.<sup>3</sup> It was an adaption of the then widely held labour theory of value to the idea of 'from each according to his capacity, to each according to his needs'. However, with the machine wage the individual was overpowered by the weight of 'natural force'. In this case the machine, rather than labour, determined wages, which the machine-owning capitalist could reduce to an 'absolute minimum'.<sup>4</sup> However there was a note of hope. Stein evidently did not regard mechanized labour as per se 'mechanical'. If machines were turning labour into low paid drudgery, then it was because the system of mechanized production was not sufficiently advanced. Like Marx, he saw the way forward not in the abolition but in the perfection of mechanization.<sup>5</sup>

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1 Ibid., p. 262.

2 Ibid., p. 260.

3 Ibid., pp. 261, 273.

4 Ibid., p. 263.

5 Ibid., p. 289.



If the machine wage tended to fall to an absolute minimum, then the proletariat, the class which was unable to accumulate capital, was a machine-operating proletariat. Stein was now contradicting his earlier definition of the proletariat, which included everyone without property or the means of acquiring it.<sup>1</sup> His new idea of the proletariat was in some respects theoretically more satisfactory than his earlier one but it raised a new set of problems. In his Socialismus und Communismus, Stein had closely associated the proletariat with socialism and communism.<sup>2</sup> But according to his theory of personal labour, there might be poor artisans, but there could not be proletarian ones, for the proletariat was limited to mechanized industries. The weakness here lay in the fact that, as Stein knew better than most,<sup>3</sup> artisans were then (in the mid-1840's) the main bearers of socialist and communist ideology.<sup>4</sup> In addition, Stein was ignoring the fact that in the 1840's in Germany, factory workers were frequently better paid than the mass of pauperized handicraft apprentices.<sup>5</sup> Three years later he came nearer to solving the problem by making the machine the central, not the exclusive, causal factor in pauper-

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1 See above, p. 61 ff.

2 See above, p. 66.

3 For Stein on German handicraft workers in Paris, see ZSTA Merseburg, Rep. 92, Nachl. Rochow, A II, Nr. 3, Bl. 184v, p. 185, secret intelligence report 19 Nov. 1841.

4 See W. Schieder, Anfänge der deutschen Arbeiterbewegung, op.cit. and H. Wachenheim, Die deutsche Arbeiterbewegung 1844 bis 1914 (Köln, 1967), p. 3.

5 See T.S. Hamerow, Restoration, Revolution, Reaction (Princeton, 1958), p. 36, E. Sagarra, A Social History of Germany (London, 1977), p. 366, T. Nipperdey, Deutsche Geschichte 1800-1866 (München, 1983), p. 210 ff.



ization. The machine spearheaded the transfer from a payment-in-kind to a money economy but was no longer the sole factor determining wage levels.<sup>1</sup> Property ownership was again the criterion of social stratification.

To sum up, Stein's principle of personality operated in two fields: 'labour' and 'state'. Through the former, the individual was able to develop his or her potential as an individual. In the latter, the many achieved personal oneness. These were Stein's two dynamic principles. His task now was to integrate them with his class-based notion of society. He had already made progress towards this in his ideal philosophy of labour. Here personality annexed the material world through its labour, in turn absorbing 'nature's' unfreedom. Mechanical labour represented a travesty of the process, in which personality absorbed the material world's unfreedom without being able to annex any objects in return. The idea of mechanical labour established the economic rationale for the appearance of a dispossessed proletariat. The existence of the latter in turn imposed the shackles of a power relation between the haves and have-nots. The way to link the economic personality with the idea of a society of antagonistic classes seemed clear. By contrast, Stein's idea of the state, a classic piece of political philosophy, stood worlds apart from the principle of class conflict. Stein still had to work out the connections between idealist notions of the state and the materialist ideas about society he had absorbed in Paris.

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<sup>1</sup> Stein, Geschichte der socialen Bewegung in Frankreich von 1789 bis auf unsere Tage (1st edn., Leipzig, 1850) XLI.



Still without a fixed income, Stein applied for a salaried position as ausserordentlicher Professor in 1844 and 1845.<sup>1</sup> His applications were turned down by the Schleswig-Holstein-Lauenburg Chancellery in Copenhagen, not least because Jensen, the University Kurator,<sup>2</sup> regarded Stein as politically unreliable.<sup>3</sup> The political activism of Stein's student years in the Albertina Burschenschaft and Stein's contributions to the radical Hallische Jahrbücher were still remembered. Suspecting that Jensen had not supported his previous applications, Stein accompanied a third application in 1846 with a letter to Jensen, setting out the reasons why he thought a professor of political science should not mix practical politics with teaching.<sup>4</sup> The letter, which did not stop Stein throwing himself into the centre of revolutionary events two years later,<sup>5</sup> had the desired effect and Jensen dropped his reservations.<sup>6</sup> Stein was appointed ausserordentlicher Professor in April 1846.

With a salary of 1000 Riksbanktaler per annum,<sup>7</sup> Stein had at last achieved financial security and in the autumn he

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1 Schmidt, Lorenz von Stein, pp. 34-5.

2 The Kurator of the Christian-Albrechts University corresponded to Rektors in other German universities.

3 Schmidt, Lorenz von Stein, p. 156, Jensen to S-H-L Chancellery, 28 Nov. 1845.

4 Nachl. Stein, 4.4.03.

5 See below, p. 98.

6 Schmidt, Lorenz von Stein, pp. 156-7, Jensen to S-H-L Chancellery, 7 April 1846.

7 Schmidt, Lorenz von Stein, pp. 156-7.



married Dorothea Steger, the daughter of a Kiel businessman.<sup>1</sup> He now felt secure enough to begin publicizing, in a German national sense, the Schleswig-Holstein question in the Deutsche Vierteljahrs Schrift<sup>2</sup> - albeit anonymously - and his name appeared with eight others<sup>3</sup>, including Droysen's, as co-writer of the University's unofficial rebuttal of King Christian's open letter, which had called for the incorporation of Schleswig into Denmark.<sup>3</sup> In the summer of 1847 he felt ready to re-submit his ideas on state and society to the public. He re-wrote Der Socialismus und Communismus des heutigen Frankreichs and the new work appeared the following year, in two volumes, under the same title.

Absorbed in his new lecturing responsibilities at the University in Kiel, Stein had lost his contacts with left-wing intellectuals. He had stopped writing to Arnold Ruge after the latter had helped him get his first book published. He was out of touch with the latest developments in international socialism and communism taking place in London, Paris and Brussels and consequently underrated them. As theories, socialism and communism had run their course, he claimed. They could now be treated as a 'completed totality'.<sup>4</sup> The semi-socialist literature to be found in

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1 Ibid., p. 35.

2 For Stein's articles in the DVJS on the Schleswig-Holstein question, see M. Munding's bibliography in R. Schnur, Staat und Gesellschaft, op.cit., pp. 561-628.

3 N. Falck, M. Tonsen, E. Herrmann, J. Christiansen, C.O. Madai, J.G. Droysen, G. Waitz, J.C. Ravit, L. Stein, Staats- und Erbrecht des Herzogenthums Schleswig (Hamburg, 1846).

4 Der Socialismus und Communismus des heutigen Frankreichs, - henceforth Der Socialismus und Communismus II - (Leipzig, 1848), i, XIII.



Germany could not be called a German form of socialism.<sup>1</sup> Stein was confident that the German's love of truth and justice would enable him to see through the 'follies' of French socialism and communism and help him arrive at a deeper and 'more thorough' understanding of society.<sup>2</sup>

Continuing in a similarly conservative vein, he now defined society in terms of property, the family and the laws protecting them.<sup>3</sup> The state had to recognize the limit of its power in the sanctity of private property.<sup>4</sup> Private property was the precondition of the individual's development. 'Ich kann mir Menschen denken ohne persönliches Eigenthum, aber ich kann ohne dasselbe nie und nimmer Persönlichkeiten finden.' Stein's emphasis on private property was partly a result of reading Heinrich Kaiser's Persönlichkeit des Eigenthums<sup>5</sup>. But more important for his ideas on property was his newly established position in Kiel. His professor's salary together with the fees he earned as a journalist had enabled him to begin putting money aside and a few years later, after the Schleswig-Holstein rebellion had finally been suppressed, he was able to have a house built for his family

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1 Ibid., XIV.

2 Ibid., XV.

3 Ibid., p. 22.

4 Ibid., 182

5 H.W. Kaiser, Die Persönlichkeit des Eigenthums in Bezug auf den Socialismus und Communismus des heutigen Frankreichs (Bremen, 1843).



near Kiel.<sup>1</sup> Similarly, the emergence of the family in Stein's conception of society is partly attributable to his newfound enjoyment of married life. His first son was born in July 1848.

The most important advance Stein made in the second version of his Socialismus und Communismus was to introduce the state to his theory of society. Society remained an essentially materialist principle, divided into two antagonistic components: the class with and the class without property. The stronger class appropriated the state and with it the law. It could legalize its own position of power.<sup>2</sup> If the propertied class pressed too hard on the unpropertied one, the latter responded by trying to capture the means to change the existing social order, the state. The propertied class in turn reacted by tightening its grip and a constitutional struggle ensued.<sup>3</sup> Because the class without property was bound to attack private property if it achieved power over the state, Stein argued on this occasion against extending the franchise to the masses.<sup>4</sup> The following March, when revolution had broken out in Schleswig-Holstein, Stein took exactly the opposite position. He agitated for the broadest possible franchise and the abolition of representation in estates.<sup>5</sup> 'Vertraut dem Volke!' was his message to the middle classes at a time when

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<sup>1</sup> R. Hübner (ed.), Johann Gustav Droysen, Briefwechsel, op.cit., ii, 104, K. Müllenhoff to Droysen, 17 May 1852.

<sup>2</sup> Socialismus und Communismus II, i, 30.

<sup>3</sup> Loc.cit.

<sup>4</sup> Ibid., p. 181.

<sup>5</sup> Stein, 'Was uns jetzt Noth thut', Correspondenz-Blatt, Kiel, xxxvii, 26 March 1848, pp. 150-1 and xliii, 1 April 1848, 171-2.



he thought the masses were needed in the struggle for national unity.<sup>1</sup> But the radical turn which the revolution took in autumn 1848 and the following spring had a sobering effect upon him. 1850 found Stein advocating some form of qualification to the franchise, preferably one based on taxation.<sup>2</sup>

The abstract principle of égalité, which had played so central a role in the first edition of Der Socialismus und Communismus, receded in the second edition because of the increased attention Stein paid to the state. He was on the way to integrating the opposed principles of state and society into one general theory. His wish was to fuse the ideal , universal (in the Hegelian sense) principle which he had originally called égalité with current German state theory. He considered the principle of citizenship to be an egalitarian one.<sup>3</sup> The problem was how to fuse political with social equality. The egalitarian element in society was to be extracted and objectified in the state, whilst the remainder of society would represent specific interests seen from a materialist point of view. How were state and society to relate to each other in such a scheme? Stein skimmed the problem of their relationship insofar as he argued that constitutional conflict was the intrusion of class struggle into the state. But he knew perfectly well from reading Hegel

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1 Correspondenz-Blatt, xliii, 172.

2 Verhandlung der Schleswig-Holsteinischen Landesversammlung, 1. ordentliche Diät vom 25 November 1850 bis 17 Januar 1851, p. 13, Stein's speech 29 Nov. 1850.

3 Nachl. Stein, 1.7.06, Bl. 27.



that the state was sacred and had to be kept sacrosanct from society. The difficulty was that Hegel had not been confronted with the materialist doctrine of class conflict. His concept of bürgerliche Gesellschaft with its 'system of needs'<sup>1</sup> may have worked like Adam Smith's free market; but it was a market illuminated by reason, in which only philosophers were buying and selling. By contrast, the socialists assumed the very worst about human nature in the free market situation. They had the social consequences of the industrial revolution to cope with, which Hegel did not. Marx had his reasons for making the proletariat the hero of the piece. Stein certainly had not. For him, attacks on the state were in principle all the same, no matter whether they came from a moneyed aristocracy or the working class. They all ended in the dictatorship of one section of the community over the rest. How were the classes' encroachments upon the state to be resisted?

In a conservative mood, Stein paid particular attention to the 'monarchical principle' in the second version of his Socialismus und Communismus. The will of the monarch personified the state's universality, he wrote. True freedom for the citizen was only to be found in cooperation between monarch and people.<sup>2</sup> As well as Stahl's influence, that of Heinrich von Sybel and Christoph Friedrich Dahlmann can also be detected here. Sybel's Entstehung des deutschen Königthums, indicating the 'Germanic'

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<sup>1</sup> Hegel, Philosophie des Rechts, op.cit., pp. 327-386.

<sup>2</sup> Socialismus und Communismus II, i, 143.



elements in the kingdoms of medieval Europe, appeared in 1844.<sup>1</sup> Dahlmann's Politik was also partly responsible for Stein's new tendency to lapse into germanicizing rhetoric when discussing the principle of monarchy.<sup>2</sup> Like Hegel, Dahlmann considered the nineteenth century was a Germanic epoch in world history.<sup>3</sup> The principle of the Germanic age, Dahlmann thought, was das Volk and the Germanic kingdom, upon which the modern state was founded, was an essentially popular institution.<sup>4</sup> As idealistic as all this sounds, Stein never deviated from the monarchical principle. Not even the heady days of March 1848 were enough to shake his commitment to it. The reason for this lies to a large extent in the fact that, for him, the theory of the Germanic kingdom was in many ways just a historicist stage prop for the more sober consideration that the monarchical state was the most effective instrument available for intervening in a society riven by class conflict. If the latter notion came from Louis Blanc, the image of a society at war with itself reminds one of Hobbes' bellum omnium contra omnes. There was more than a little of the Leviathan in the solution Stein was to find to the problem of class conflict.

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1 H. v. Sybel, Entstehung des deutschen Königthums (Frankfurt a.M., 1844).

2 See F.C. Dahlmann, Die Politik (Frankfurt a.M., 1968). Dahlmann's Politik first appeared in 1835.

3 Ibid., p. 75. For Hegel, see his Vorlesungen über die Philosophie der Geschichte (Stuttgart, 1961), pp. 468-605, 'Die germanische Welt'.

4 Dahlmann, Politik, p. 75.



When the revolution broke out in Schleswig-Holstein in mid-March 1848, Stein threw himself with characteristic energy into the centre of events.<sup>1</sup> Along with several other German nationalists, he allied himself with Theodor Olshausen's democratic party.<sup>2</sup> For a short while he became a figure of some importance. His passionate temperament and clear grasp of events evidently made him an effective orator, for we are told that he exercised considerable personal authority over 'excited crowds'.<sup>3</sup> But his temperament let him down during the negotiations which took place on 23 March for the formation of a provisional government. In playing the role of liaison man between the left and the right-wing factions, he succeeded in pleasing none and turned several people, including his cousin Karl Samwer, now a leading figure in the German nationalist movement, against him.<sup>4</sup> Theodor Mommsen accused him of inconsistency.<sup>5</sup> Even his friend Justus Olshausen had to admit that Stein's excitable nature had caused him to make 'theoretical concessions' during the days of revolutionary confusion. He had shown himself to be 'a man of less than solid character'.<sup>6</sup>

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1 See Schmidt, Lorenz von Stein, pp. 170-1, report of University Kurator Justus Olshausen on Stein's revolutionary activities. No date. See also Carr, Schleswig-Holstein, op.cit., p. 279, and B. Richter, 'Lorenz Stein über die deutsche Einheit', op.cit., p. 12.

2 Schmidt, Lorenz von Stein, p. 45.

3 Schmidt, Lorenz von Stein, p. 171, Olshausen's report.

4 Ibid., p. 47.

5 Ibid., p. 45.

6 Ibid., p. 170, Olshausen's report.



Precisely what Olshausen meant by 'theoretical concessions' is not clear. The records we have of Stein's political activities at the time of the Schleswig-Holstein rebellion do not indicate extreme left-wing opinions, with which political opponents may well have tried to identify him, as the author of a book on socialism and communism. It would be nearer the truth to say that in party political terms, Stein was eccentric. The enormous scope and originality of his mind enabled him to take what seemed to others as irreconcilable positions on a number of different questions. On the national question he was a moderate, advocating a German national constitution along federal lines (he supported the greater German idea<sup>1</sup>) which reconciled the principles of princely and popular sovereignty.<sup>2</sup> With regard to Schleswig-Holstein's future, he was a thoroughgoing realist. He only half believed the German nationalist rhetoric which he sometimes allowed himself to adopt.<sup>3</sup> When international support for the duchies' cause evaporated, Stein voted in the Schleswig-Holstein Assembly against the Left in favour of submission to Denmark.<sup>4</sup> However on the social question, his belief in the need for redistribution of property put him well to the left of many democrats.

In 1848 Stein failed to get himself elected either to the Frankfurt National Assembly or the constituent Schleswig-

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1 See below, p. 197 ff.

2 Stein, 'Was uns jetzt Noth thut', Correspondenz Blatt, Kiel, xliiii, 1 April 1848, 170-2.

3 For national rhetoric see e.g. Stein, La question du Schleswig-Holstein (Paris, 1848).

4 Stein, 'Schleswig-Holstein seit Mitte 1849', Die Gegenwart, vi, (1851), 503.



Holstein Assembly.<sup>1</sup> Instead he had to content himself with representing Schleswig-Holstein in the Congress for a German Navy held in Hamburg.<sup>2</sup> Stein saw the importance of Schleswig-Holstein to Germany partly in terms of the need for a national navy. The possession of the strategically crucial duchies, he realized, was necessary if Germany were to become a maritime power. He had already made himself something of an expert on naval matters in the spring of 1848 as a leading member of the semi-official Schleswig-Holstein Ausschuss für die Bildung einer deutschen Flotte.<sup>3</sup> He was quick to see the strategic advantages offered by a canal linking the Baltic with the North Sea and campaigned vigorously on behalf of the committee for the construction of such a canal.<sup>4</sup> Stein composed the Hamburg Congress's closing report which was sent to the marine committee of the Frankfurt National Assembly,<sup>5</sup> of which his future patron, the subsequent Austrian minister for commerce and finance, Karl Ludwig Freiherr von Bruck, was a member.<sup>6</sup> Late in June 1848 the Schleswig-Holstein provisional government appointed Stein to represent it in Paris. He arrived in the French capital early in July.

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1 Schmidt, Lorenz von Stein, pp. 45, 52.

2 Ibid., pp. 52-3. Unpublished material relating to Stein's work in the Congress in Stein's Nachlass under the signature 3.3, see A. Boockmann, Lorenz von Stein (Kiel, 1980), p. 29.

3 Schmidt, Lorenz von Stein, pp. 52-3.

4 Unpublished sources in Stein's Nachlass under signature 3.4, see Boockmann, op.cit., p. 32.

5 Schmidt, Lorenz von Stein, pp. 52-3.

6 R. Charmatz, Minister Freiherr von Bruck, (Leipzig, 1916), p. 29.



Stein did not travel to Paris directly. Instead he went via Frankfurt, where he arrived in time to witness the election on 26 June of Archduke Johann as head, or Reichsverweser, of the newly established Central Power. Stein discussed the question of his function in Paris with his colleague Droysen, who was playing a prominent role in Frankfurt as a leading member of the pro-Prussian erbkaiserlich party.<sup>1</sup> Before leaving Frankfurt Stein raised the question of the future German representative in Paris with Wilhelm von Wydenbrugk, Weimar's representative with the Frankfurt Central Power, a member of the Left Centre party who at the time supported a federal greater Germany including Austria.<sup>2</sup> From Paris he soon re-opened the matter of establishing a German diplomatic representation there. Nothing would help the German cause in France, he wrote to Droysen, other than an army of 200,000 men at home and 'in Paris Eine, aber auch eine grossartige Gesandtschaft'.

Was man dieser Gesandtschaft an Geld giebt, das wird man an den Truppen doppelt ersparen können. Ich weiss nicht, wie man darüber denkt...; aber 1/2 Million Franken jährlich wären hier in einen weichen <sup>3</sup> Boden gesät.

In fact Stein was interested in securing the German representation in Paris for himself. In August, when he had returned to Kiel, Wydenbrugk wrote to him that he had discussed

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<sup>1</sup> Schmidt, Lorenz von Stein, p. 169, Stein to Droysen 8 Aug. 1848. Originals of four letters from Stein to Droysen in ZSTA Merseburg, Rep. 92, Nachl. Droysen. All reproduced in Schmidt.

<sup>2</sup> Nachl. Stein, 4.2.05, Wydenbrugk to Stein, 9 Aug. 1848.

<sup>3</sup> Schmidt, Lorenz von Stein, p. 165, Stein to Droysen, 10 July 1848.



Stein's appointment to this position with Anton von Schmerling, who became the Central Power's Reichsministerpräsident the following month. According to Wydenbrugk, Schmerling promised to recommend Stein 'urgently' (to whom he did not say) for the job of German representative in Paris. Wydenbrugk continued that he was thinking of speaking to the Reichsministerpräsident, Prince Leiningen, the following day and that he would in this case raise the matter of Stein's appointment. 'So hoffe ich', Wydenbrugk concluded, 'dass Dein Wunsch - und es ist dies ebenso sehr der meinige - in Erfüllung geht.'<sup>1</sup> Stein's wish was not fulfilled. He did not bother to maintain his contacts in Frankfurt after the National Assembly voted on 16 September 1848 to accept the Prussian armistice with the Danes. His view was obviously that the Frankfurt deputies had betrayed the national cause in Schleswig-Holstein.

Stein reached Paris early in July in the immediate aftermath of the repression of the bloody revolt of May and June. 'Der Kampf im Juni ist unerhört furchtbar gewesen', he wrote to Droysen in Frankfurt.<sup>2</sup> Stein had evidently already visited Paris once that year during the spring, for he observed, 'Bei meinem früheren Aufenthalt sah ich fast keine Trauerkleider; jetzt begegnet man deren in allen Strassen, in allen Ständen'.<sup>3</sup> Having seen his repeated predictions of revolution confirmed so violently,

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1 Nachl. Stein, 4.2.05, Wydenbrugk to Stein, 9 Aug. 1848.

2 Schmidt, Lorenz von Stein, pp. 163-5, Stein to Droysen, 10 July 1848.

3 Loc.cit.



Stein now made the mistake of overestimating the strength of revolutionary movements. He expected another revolution in France.

Die Insurgenten sind geschlagen,  
aber ich versichre Ihnen, die  
Insurrection ist nicht vernichtet.  
.....Wenn das Recht auf Arbeit  
aus der Verfassung gestrichen  
wird [Stein meant article 2 of  
the Constituent Assembly's draft  
constitution], und vor allem wenn  
Thiers, was nicht unmöglich ist  
ans Ruder kommt, so droht eine  
zweite furchtbare Revolution. <sup>1</sup>

According to his theory, the dispossessed class was bound to pursue its own interest by trying to acquire property. Because the nature of industrial capital precluded this through labour alone, the proletariat was forced to attempt to achieve by violence what it could not through peaceful means. Henceforth the proletariat would concentrate on capturing the state, through which it would be able to change the laws governing property ownership. Acting in alliance, bourgeoisie and proletariat had toppled the July Monarchy and achieved the bourgeoisie's aim of political democracy, by widening the franchise to one man one vote.<sup>2</sup> The proletariat's demand for a redistribution of wealth went unheeded and an abortive social revolution had consequently occurred in May and June. The proletariat had been weakened by its defeat in June, but the socialist threat remained as clear as ever.

Der Kampf zwischen der rein  
demokratischen und der  
socialistischen Republik wird  
nicht eben stärker, aber doch

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<sup>1</sup> Loc.cit.

<sup>2</sup> Die socialistischen und communistischen Bewegungen seit der dritten französischen Revolution. Anhang zu Steins Socialismus und Communismus des heutigen Frankreichs (Leipzig/Wien, 1848), p. 33.



deutlicher. Die erstere will  
.....die alte Stellung der  
Staatsgewalt in republikanischer  
Form; die zweite will, dass diese  
Staatsgewalt vor allen Dingen  
sich selber als Mittel betrachte,  
um eine andere gesellschaftliche  
Ordnung herbei zu führen. <sup>1</sup>

As early as 1842 Stein had drawn a clear distinction between political and social revolution.<sup>2</sup> The idea is remarkably similar to the Marxist-Leninist distinction between bourgeois and proletarian revolutions. Theory seemed to be confirmed by actual events in 1848. The Parisian workers' revolt and the wave of left-wing agitation in Germany in the autumn appeared to presage the European revolution's progress from the political to the social stage. In France, Stein considered, the proletariat could not but blindly pursue its revolutionary objective. The outcome could only be one of two possibilities: either 'chaos' or 'a military dictatorship' - if the right man could be found.<sup>3</sup> In the sense that he had foreseen the turn to the Right, his prediction was confirmed five months later by Louis Napoleon's rise to power.

Stein's main fear was that the French ruling class would launch a war against Germany so as to divert social tensions outward.<sup>4</sup> Thiers, in particular, he suspected of harbouring aggres-

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<sup>1</sup> Schmidt, Lorenz von Stein, p. 166, Stein to Wilhelm Beseler, 14 July 1848. Original in S-H Landesbib., Nachl. Beseler, cc 17 22d, Bl. 00010.

<sup>2</sup> Socialismus und Communismus I, p. III.

<sup>3</sup> Schmidt, Lorenz von Stein, p. 167, Stein to Wilhelm Beseler, 14 July 1848.

<sup>4</sup> Ibid., pp. 165, 167, Stein to Droysen, 10 and 16 July 1848.



sive intentions towards Germany.<sup>1</sup> If an economic upswing did not come to the aid of the bourgeoisie soon, Stein wrote to Droysen, then the view would gain acceptance amongst those in power 'dass eine Entladung der Masse nach Aussen den inneren Störungen am besten vorbeugen wird.' There were thousands in Paris, he continued,

die im Grunde aus blosser Lust  
zum Kampfe sich schlagen, u [und]  
nicht gegen die Bourgeoisie  
auftreten würden, wenn sie gegen <sup>2</sup>  
die Östreicher kämpfen könnten.

The Tsar would play a 'liberal comedy' to woo the French, then France and Russia would together divide greater Germany between them, France taking the Rhine and Russia the Danube. 'Wenn die guten Leute in Frankfurt, die mit des Kaisers Bart spielen, doch Einmal nur über ihren Suppentopf hinaussehen und Ernst machen in ernsten Dingen!'<sup>3</sup> Understandably, Stein felt frustrated at being excluded from the decision-making process in Frankfurt. Nevertheless, his obvious impatience with the slow, often inefficient course of parliamentary processes was characteristic. With some justification he felt he saw the opportunities and dangers in the prevailing 'sea of possibilities' more clearly than others and could not bear his powerlessness to influence events. 'Ich wollte ich hätte tausend Stimmen', he wrote to Droysen.<sup>4</sup> Heeded only by

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1 Ibid., p. 165, Stein to Droysen, 10 July 1848.

2 Ibid., p. 167, Stein to Droysen, 16 July 1848.

3 Ibid., p. 165, Stein to Droysen, 10 July 1848.

4 Loc.cit.



a few who recognized his genius, he returned to Kiel in July 1848 to a situation of political and growing personal isolation.<sup>1</sup> He had become a Cassandra in his own country.

In Paris, Stein took the opportunity to gather material for his Socialismus und Communismus des heutigen Frankreichs, which he planned further to expand. Later on in 1848 he had his publisher Otto Wigand bring out a supplement to the second version of Der Socialismus und Communismus.<sup>2</sup> It consisted mainly of extracts from accounts of the debates held in the French Constituent Assembly. Stein concentrated on the speeches of Louis Blanc and Proudhon, selecting material which would support his thesis that the French revolution of 1848 was a social one. Referring to the efforts of Louis Blanc, then a member of the provisional government, to establish a labour ministry, Stein claimed that the theory of socialism had passed from the streets into the 'life of the state'.<sup>3</sup> A year later, when he had had time to order his thoughts, he wrote that the revolution had transformed the French social question from a theoretical into a practical one.<sup>4</sup> Events had moved beyond the abstract discussion of social theories into the realm of administrative action.<sup>5</sup> But it was Stein rather than

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1 Ibid., p. 170, Stein to Droysen, 8 Aug. 1848.

2 Die socialistischen und communistischen Bewegungen seit der dritten französischen Revolution. Anhang zu Steins Socialismus und Communismus des heutigen Frankreichs (Leipzig/Wien, 1848).

3 Anhang zu Steins Socialismus und Communismus, op.cit., p. 38.

4 Geschichte der socialen Bewegung in Frankreich von 1789 bis auf unsere Tage, (Leipzig, 1850), i, p. VI.

5 Ibid., pp. III-VI.



the nature of the social question that had changed. Louis Blanc failed to establish a ministry of labour and the social question remained neither more nor less susceptible to voluntarist solutions than before. The revolutions of 1848-49 had jolted Stein out of a growing middle-class complacency and forced him to find a solution to the social and political problems posed by the existence of an unpropertied proletariat. In doing so, he succeeded in bridging the gulf between his social and political ideas and produced a general theory of state and society.

During the course of 1849 and 1850 Stein found time to rewrite his Socialismus und Communismus a second time in the light of the revolution. He reworked and expanded the second version into three volumes and called it Geschichte der sozialen Bewegung in Frankreich von 1789 bis auf unsere Tage.<sup>1</sup> As an attempt at history writing it was marred by Stein's lengthy theoretical reflections.<sup>2</sup> But these theoretical detours are the most interesting part of the book, for they contain Stein's first and most lucid statement of his theory of state and society. In the following analysis of Stein's theory, I shall rely on the long introduction to the first volume and the section 'Begriff des Königthums' in the third volume, only making use of System der Staatswissenschaft,<sup>3</sup> a later, purely theoretical statement of his

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<sup>1</sup> Published Leipzig, 1850. Henceforth abbreviated to Gesch. der s. B.

<sup>2</sup> For a more favourable opinion of Stein as a historian, see D. Blasius, 'Lorenz von Stein', Deutsche Historiker, ed. H.-U. Wehler, (Göttingen, 1973), p. 25 ff.

<sup>3</sup> 2 vols. (Stuttgart, 1852, 1856) Henceforth abbreviated to Syst. d. St.Wiss.



theory, where gaps need to be filled in.

We have already seen how, during the course of the 1840's, Stein struggled to integrate socialist ideas on class with the German idealist philosophy of state. There can be no doubt where his sympathies lay. Around the middle of the decade, as we have seen, he formulated an idealist philosophy of labour.<sup>1</sup> This left him with three major fields: two positive ones - economy and the state - and one negative one inbetween - society. His problem was to unify the three fields and he attempted to do this by using Hegel's dialectic to disperse society's unfreedom throughout the other two fields and, conversely, to inject the freedom of the state and the labouring individual into society. Simple antagonisms were to be replaced by a dialectical process of negation and synthesis. Society was to absorb the freedom of the state and the labouring individual, each of which would in turn absorb society's unfreedom.

In discussing the relation of economy, society and state in Lorenz Stein, I shall continue to use the concept of the individual. Although the idea of the individual more or less disappears from Stein's mature thinking, its use provides us with a helpful orientation point.

Stein considered economy, society and state to be inextricably interwoven in the actual world. However, for purposes of analysis, he treated them separately. The relationship between economy - which he called 'das Güterwesen' - and society in his

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<sup>1</sup> See above, p. 86 ff.



system was simple. Where economic activity began to determine human relations, there economy stopped and society began.<sup>1</sup> His assumption - which he began to question in the early 1850's<sup>2</sup> - was that economic factors determined relations in society.

Although the individual's labour was ideal and constructive, the property relations which resulted from it - and here society began - were materialistic and destructive. The labouring personality could, in principle, continue to develop without limit. However, the individual did not exist in isolation, but in society. In society, the ideal spark responsible for personal development was extinguished in a deadening struggle for material advantage. But the picture was still not complete. Both the individual in isolation and in society were only hypothetical instances, for a third factor, the state, was necessary before the actual situation could be understood. Only the state's immanence in society permitted it (society) to function at all. Without the state, society would disintegrate into its constituent interest groups. Without the state to hold the ring, not even the minimal cooperation presupposed by a functioning market could be relied upon. Society could not divide its labour, sedentary occupations would be an impossibility, for the social interdependence upon which they rested required the security which only the state could provide. The rise of towns, trade and commerce were unthinkable without the state's authority. The state was therefore the pre-

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<sup>1</sup> Syst. d. St.Wiss, i, 21.

<sup>2</sup> Stein, 'Das Wesen des arbeitslosen Einkommens, und sein besonderes Verhältniss zum Amt und Adel', DVJS, 4th Heft, 1852, p. 146.



requisite for the individual's cultural and material development. How far the individual, as a member of society, succeeded in realizing his potential depended on the given historical relationship between state and society. If the state were strong, then its presence in society would also be strong and class divisions weak. In this case, the opportunity for cultural and economic cooperation was maximized. Conversely, a weak state meant that social antagonisms carried over into the state. Dominant social interests manipulated the state's power so as to entrench their social position. Class divisions deepened and rigidified to the impoverishment of the whole of society.

If the state was immanent in society, then it had to exist as an ideal force in the consciousness of each individual member of society. We have already seen that the development of personality, the essence of the individual, resulted in the unfreedom and inequality of society. Yet the same ideal force in the individual which powered personal development in society also underpinned the existence of the state, the total personality of the community. (The state was immanent in society and therefore in the individual.) The difference between personality in society and in the state was that in the former, the individual was both the source and the object of its own development, whereas in the latter, the ideal energy which had its source in the individual was pooled for the benefit of the whole. To see how the social and state dimensions of personality related to each other in the individual, one has to go back to Stein's lectures in the early 1840's and his philosophizing on the Begriff and Idee of



personality.<sup>1</sup> Stein had posited an Ich, which realized itself through 'action'. But in materializing its will, the Ich internalized part of the external world. The Ich, as such infinite and absolute (the Ich's Begriff), became a finite, tangible entity in space and time (the Ich's Idee). Despite its internalization of the material world, the Ich's nature - its Begriff - remained infinite. (Were its Begriff to be extinguished, the Ich would cease to be itself and become something else.) In practice, therefore, there were two parts to the Ich, a finite, concrete outer shell and an inner core. The Ich's core was incorporeal and lacked any quality of differentiation. As pure substance it was identical within each Ich. It was what Hegel and Stein called das Allgemeine (the universal). This infinite, universal element existed within specific, finite human beings. As human beings always lived in communities, the universal element in them was in practice an inner sameness of all the members of a community. The individual's universal core was, to use a modern expression, community-consciousness. (When writing about community, Stein usually used the word Gemeinschaft but sometimes brought in the concept of the Volk. It is safe to assume that Stein considered Gemeinschaft and Volk to be prior to state and society, but precisely how the former related to the latter two remained obscure. The question was in any case peripheral to Stein's main concern, the relationship between state and society.)

At this point we can dispense with the individual, which has begun to merge into community-consciousness, and begin treating

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<sup>1</sup> See above, p. 77 ff.



the latter as if it had a life of its own. This life took place in the three spheres of economy, society and the state. The development of personality, for this is what community-consciousness was, in these spheres was both a linear process, moving from economy upwards, and a circular one, for the state both subsumed economy and society and was immanent in them. Whether viewed as linear or circular, the process was one of substantiation, with the state as the goal. It was the reverse of Marx' system, in which economy was the substantial form and the state ephemeral.

In economy, personality existed in its rawest form. Stein's methodological separation of economy and society condemned the former to an asocial existence, in which personality functioned as an object, actively moving other objects about or, in the case of labour without capital, passively being moved by them. Society was essentially the system of human relations built on economy. In society, personality recognized some of its own human aspects, thus scope for cooperative action was established. But cooperation did not go beyond the pursuit of economic self-interest - including education as a means to economic power. Finally, personality attained perfection in the state, which personified altruism in the community.

In Stein's system, the individual disappears in the three forces, economy, society and state, which take on an independent existence. This did not, however, leave Stein in a position where he could simply treat the three forces as simple building blocks, to be placed wherever he thought convenient. Like the metaphysical personality with its inner and outer Ich, economy, society and state were triadically structured, possessing an



ideal, abstract essence, a more real opposite in interaction with the outer world and an actual form, the synthesis of the first two. Economy was ideally an organism<sup>1</sup> for producing and distributing goods but was actually characterized by the capital-labour antagonism. Society was ideally an organism for the satisfaction of individual cultural and economic needs<sup>2</sup> but actually a system of classes. The state was ideally the community in its universal form but actually possessed a 'body' which absorbed society's limitations. In each case, the third step, the synthesis, marked the subsumption of one field - economy, society or state - by another. The whole system was triadically interconnected so that actions in one field involved corresponding reactions in the others.

Before he could be sure how state and society should relate to each other in an integrated theory, Stein first had to establish distinct principles for the two. By 1849 he considered that the state was 'das Persönliche', society 'das Nichtpersönliche'.<sup>3</sup> Although conceptually separated, this did not mean that state and society were simple opposites. They stood on the same

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<sup>1</sup> Stein used the word 'Organismus', deliberately avoiding the word 'Mechanismus'.

<sup>2</sup> Socialismus und Communismus II, pp. 23-4, Gesch. der s. B., i, xxxix.

<sup>3</sup> Gesch. der s. B., i, XXX-XXXI.



ground. In their different ways, both represented personality.<sup>1</sup> State and society were 'fused'<sup>2</sup> inasmuch as the state consisted of actual people and thus took its concrete form from society.<sup>3</sup> There could be no state without society any more than there could be a society without a state. State and society were the two 'Lebens-elemente aller menschlichen Gemeinschaft'.<sup>4</sup> Despite their union, state and society could never attain completely harmonious integration. This would be a perfect condition as impossible to reach as heaven on earth.<sup>5</sup> Human development lay precisely in the 'continual struggle' between state and society.<sup>6</sup> The laws governing the interaction between the two supplied the key to understanding history. Stein formulated the 'laws' as follows. The first stipulated

dass in jedem Staat die herrschenden  
Interessen der Gesellschaft sich  
die Staatsgewalt zu unterwerfen,  
oder auch sie mit ihrer gesellschaftlichen  
Gewalt zu verselbigen trachten.

The second law showed how the state sought to reassert itself over society.

In jedem Staate [strebt] die Staatsgewalt  
die Herrschaft dieser  
Interessen zu brechen, und die  
Interessen der Einen nur in so  
weit zu fördern, dass die

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1 Ibid., p. XLIV.

2 Ibid., pp. XLIX. Stein used the word 'Verschmelzung'.

3 Loc.cit.

4 Ibid., p. XXXI.

5 Loc.cit.

6 Loc.cit.



Entwicklung der Interessen aller  
übrigen nicht dadurch gebrochen <sup>1</sup>  
wird.

He concluded

Die Bewegung des Gegensatzes zwischen  
Staat und Gesellschaft, die in diesen  
beiden.....Gesetzen liegt, ist der Inhalt  
der ganzen inneren Geschichte aller Völker  
und Staaten der Welt, das Lebensprinzip der <sup>2</sup>  
inneren Geschichte überhaupt.

Stein defined the state as 'die zur persönlichen Einheit  
erhobene Gemeinschaft des Willens aller Einzelnen, die als That  
des Staats erscheint'.<sup>3</sup> The state identified itself by its  
actions and its aim was the highest development of each indi-  
vidual.<sup>4</sup> Its organism consisted of the prince, a Verfassung (con-  
stitution) and a Verwaltung (administration). (Stein dropped the  
anomalous term 'Amtsorganismus', which he had used earlier, in  
favour of the more modern sounding 'Verwaltung'.) In the Ver-  
fassung, its citizens participated actively in the state's life.<sup>5</sup>  
As the citizens were also members of a materialistically conceived  
social order, the Verfassung was the part of the state where  
society and its interests actively asserted themselves. The  
State's will resided in Verwaltung.<sup>6</sup> Action followed will in

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<sup>1</sup> Syst. d. St.Wiss, ii, 33. Stein actually called these the  
second and third laws, but his first law was an unimportant  
introduction and can be passed over.

<sup>2</sup> Loc.cit.

<sup>3</sup> Gesch. der s. B., i, XXXIV.

<sup>4</sup> Loc.cit.

<sup>5</sup> Ibid., XXXV-XXXVI.

<sup>6</sup> Ibid., p. XXXVI.



Stein's doctrine of personality. The execution of administrative decisions was the state's 'activity'.<sup>1</sup> As Stein's state was primarily its own actions, and the capacity for action was monopolized by personality, the theory implicitly placed the state's 'personality' in its administrative apparatus. The representative half of the state sank to the status of an arena in which the conflicting social classes fought out their political battles. This explanation of party political life, which closely fitted the actual immaturity which later characterized the parties in Bismarck's Reich, retained a lasting hold over the German political mind.<sup>2</sup>

Whereas the state's aim was the perfection of all, that of society was the pursuit of 'interest'. In society, the individual sought to pursue its interests by subjecting others.<sup>3</sup> This was done by acquiring property.<sup>4</sup> 'Das Prinzip der Persönlichkeit weist daher jeden darauf an, die anderen zum eigenen Dienste zu unterwerfen.' Wealth bought the services from others which satisfied personal needs. The developing personality made its servants economically dependent upon itself. Economic dependence expressed itself socially as a hierarchial power relationship. The distribution of property gave society its concrete form.<sup>5</sup> There were

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1 Loc.cit. and Syst. d. St.Wiss, ii, 33.

2 See e.g. Friedrich Naumann 'Der Niedergang des Liberalismus' in Der europäische Liberalismus, eds. L. Gall and R. Koch, iv (Frankfurt, 1981), 254-276.

3 Gesch. der s. B., i, XLIII.

4 Ibid., p. XL.

5 Ibid., p. XLI.



three kinds of property: land, which included buildings, money and 'gewerblich' property, which included both traditional craft workshops and modern factories and industrial plant.<sup>1</sup> Unlike Marx, who derived the forms of society from the mode of production,<sup>2</sup> Stein made property the historical determinant of society.

Stein's failure to distinguish clearly between handicraft and mechanized industries was an obvious source of confusion when it came to periodizing society's historical development. How could what he later called the 'Ständeordnung' of society, which included elements based on mercantile wealth, be satisfactorily distinguished from a social order based on industrial capital?<sup>3</sup> Although he knew quite well that the introduction of the machine as a means of production brought with it a qualitative change in the nature of movable property, Stein failed to draw the consequences and alter his point of departure from the static categories of property and wealth to the dynamic one of the mode of production. In the relationship between property and the changing means of production lay the key to converting an ahistorical explanation for the structure of society into a historical one. Property ownership was satisfactory enough as a criterion for vertical

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1 Ibid., p. XLII.

2 'Produktionsverhältnisse', see 'Das Elend der Philosophie' written in 1847, in Marx, Die Frühschriften, p. 498, op.cit., p. 498.

3 Syst. d. St.Wiss, ii, 42-6.



differentiation in social structure but could not explain how, for instance, feudal society differed from industrial. Consequently, there is some justification for the view that Stein failed to win through to a historical theory of society. It would not be altogether fair, however, to claim that he failed entirely to develop a theory of history as such. For Stein, history was not just the history of society (with the state as one social institution amongst many), but that of society and the state. The interaction between the two, as has been seen above,<sup>1</sup> was supposed to contain the key to the historical process. Stein tried to apply this principle to the analysis of history. Indeed, this was the basis of his whole approach in the three books on French socialism and communism. During and immediately after the revolutionary years in the middle of the century, the results which his analysis of contemporary events bore, were often startlingly original and clear-sighted. But his application of the state-society principle to history was never better than piecemeal and failed to yield the distinct periodization which its main opponent, historical materialism, offered.

Writing under the immediate impression of the revolution, Stein naturally moved away from his earlier image of the State as a neutral, suprasocietal structure and emphasized the State's dependence upon society as far as his theory would allow. Notions of equality and personality were thrust back in favour of hard economic interest. This was most true of the constitution, which now became the representation of property, not of people.

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<sup>1</sup> See above, p. 114f.



'Die Verschiedenheit des Besitzes bildet den wahren Inhalt der Verschiedenheit der Verfassungen.'<sup>1</sup> Even Verwaltung 'die grösste Macht in der menschlichen Gemeinschaft',<sup>2</sup> fell victim to society. The 'ruling class's' monopoly of office in state service sealed its victory.<sup>3</sup> Once in control of the state, it secured its position by giving legal sanction to its social power. The landed nobility prevented the subjected class from acquiring land by making its estates inalienable.<sup>4</sup> In the case of movable property, the propertied class fended off labour's claim for a higher share in its product by erecting exclusive guilds and monopolies.<sup>5</sup> The 'system of social law' was the 'barometer' of the ruling class's power.<sup>6</sup> The laws of inheritance kept property inside the family, further cementing the existing distribution of property in society.<sup>7</sup> Birth now decided which class the individual belonged to.<sup>8</sup> The openended, economically defined class now became a closed, legally defined Stand.<sup>9</sup> Stein saw the privileges of Standesrecht, some of which continued to survive in parts of Germany even after

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1 Gesch. der s. B., i, LI.

2 Ibid., p. LII.

3 Loc.cit.

4 Ibid., p. LV.

5 Ibid., p. LVI.

6 Ibid., p. LVII.

7 Ibid., p. LVII.

8 Loc.cit.

9 Loc.cit.



the 1848 revolution, as a highly developed example of social law.<sup>1</sup> The ruling order identified itself with the state and buttressed existing social relations with the aid of religion.<sup>2</sup> Finally, castes represented the complete victory of society over the state. In a society of castes, state law was totally replaced by social law and the state was wholly dissolved in society.<sup>3</sup>

Stein's notion of social law clarified the social meaning of wealth, which had hitherto been obscured by his ambiguous use of the word Besitz. Possession of wealth was an asocial relationship, through which owners secured others' recognition of their possessions in law.

It would be wrong to think that this meant that the state ceased to exist entirely in a caste system. In Platonic and Hegelian philosophy, the ideas of justice, freedom and sublimity, for instance, existed independently of their imperfect physical manifestation. So too with Stein, the state's physical disappearance did not mean its end so much as its retreat from an objective to a subjective existence; that is, an existence only in the minds of individuals. Here the state retreated from its actuality to its possibility. In a caste system, society swallowed the state whole, but in doing so, internalized it as a supreme moral impulse. In this case, actuality and morality stood in the crassest possible contradiction to one another and only the most despotic political system could maintain the social status quo. Equally,

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1 Ibid., p. LVIII.

2 Ibid., p. LIX.

3 Loc.cit.



if the state, the supreme personality, could not be annihilated by society, neither could the individual be eradicated as a potential source of personality. The ruling class's system of social law was rarely watertight. The third estate, for example, had succeeded in accumulating capital even though it had been excluded from holding power in the absolutist state. It had launched revolutions (Stein meant the French Revolution of 1789 and the German one of March 1848) to bring its political into relation with its social power.<sup>1</sup> However, political revolution was unjust.<sup>2</sup> Its constitutional demands for equality never went further, in practice, than extorting political equality for itself. Social classes and their interests, not 'philosophical truths', made revolutions.<sup>3</sup> The only thing worse than political revolution was its social variant.<sup>4</sup> In this case, it was not a question of the propertied fighting for political power, but the unpropertied struggling for social power. Forcible redistribution of property could only be carried out by a proletarian dictatorship which attacked the economic foundations of free personality. The only alternative to revolution was reform. Because neither political democracy nor social equality could be attempted on its own without giving rise to some form of self-defeating class dictatorship, the two had to be combined.<sup>5</sup> The political side of social democracy could be won through one man one vote. This was a matter for the constitution.<sup>6</sup> The social side was to be supplied by administration.<sup>7</sup> Only the state could provide credit without

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1 Ibid., pp. XCIII-XCVII.

2 Ibid., p. XCVI.

3 Loc.cit.

4 Ibid., pp. CXXIII-CXXIV.

5 Ibid., p. CXVIII.

6 Loc.cit.

7 Loc.cit.



holding power in the absolutist state. It had launched revolutions (Stein meant the French Revolution of 1789 and the German one of March 1848) to bring its political into relation with its social power.<sup>1</sup> However, political revolution was unjust.<sup>2</sup> The bourgeoisie's constitutional demands for equality never went further, in practice, than extorting political equality for itself. Social classes and their interests, not 'philosophical truths', made revolutions.<sup>3</sup> The only thing worse than political revolution was its social variant.<sup>4</sup> In this case, it was not a question of the propertied fighting for political power, but the unpropertied struggling for social power. Forcible redistribution of property could only be carried out by a proletarian dictatorship which attacked the economic foundations of free personality. The only alternative to revolution was reform. Because neither political democracy nor social equality could be attempted on its own without giving rise to some form of self-defeating class dictatorship, the two had to be combined.<sup>5</sup> The political side of social democracy could be won through one man one vote. This was a matter for the constitution.<sup>6</sup> The social side was to be supplied by administration.<sup>7</sup> Only the state could provide credit without

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1 Ibid., pp. XCIII-XCVII.

2 Ibid., p. XCVI.

3 Loc.cit.

4 Ibid., pp. CXXIII-CXXIV.

5 Ibid., p. CXVIII.

6 Loc.cit.

7 Loc.cit.



charging interest. It should therefore become 'an enterprise', combining its capital with unpropertied labour<sup>1</sup> à la Louis Blanc. The second main function of a social administration was education.<sup>2</sup> The proletariat's skills had to be raised before its labour could command a higher price. Education also brought middle class values with it, providing the moral-intellectual arm of embourgeoisement.

A democratic constitution and a social administration were fine objectives. But if revolution was ruled out and reform went against the interests of the ruling class, how were they to be achieved? The question was all the more difficult to answer because Stein, directly under the impression of the revolution, now considered that the state could give no more than 'a lead and an impulse' to a process which was essentially social.<sup>3</sup> He tried to supply an answer in his doctrine of the 'social kingdom'.

In the opening fifty pages of the third volume of his Geschichte der socialen Bewegung in Frankreich, Stein set out his doctrine of the soziale Königthum, one of the most extraordinarily vivid and uncannily penetrating pieces of political analysis he ever wrote. It was most probably written early in 1850, by which time the revolutionary storm had subsided and the German Governments' confidence was returning. Characteristically, Stein bent with the prevailing wind and fully exploited the innate flexibility of his theory to explain how the state, seemingly

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<sup>1</sup> Ibid., pp. CXIV-CXV.

<sup>2</sup> Loc.cit.

<sup>3</sup> Ibid., p. CXXIX.



unable to control society might after all be able to play the decisive role in society's development.

Of all the institutions of the Germanic state, Stein began, the kingdom was the oldest and most universal and had alone stood the passage of time.<sup>1</sup> Despite his use of the fashionably modern word 'social', Stein had in mind a specifically Germanic historical phenomenon when he wrote about das Königthum and deliberately eschewed the foreign word Monarchie. He also refrained from using the word Königreich, relying exclusively on the ambiguous word Königthum, used by the Germanists.<sup>2</sup> The choice was deliberate, for it enabled him to employ two meanings simultaneously - that of the state in which a king reigned and that of the specific attributes of a king. Now that revolution had called the position of kings into question, Stein urged, the moment had come for people to discuss the question 'openly and deeply'.<sup>3</sup>

Stein opened his argument by introducing a definition of the kingdom - 'die persönliche, aussergesellschaftliche Selbstständigkeit der Staatsidee'<sup>4</sup> - in which the novel concept of 'extra-societal' was inserted into his earlier definition of the state. If the kingdom could be shown to be independent of society, then Stein had a toe-hold in his struggle to defend the state against the advances of society. Historically, Stein continued,

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1 Gesch. der s. B., iii, 9.

2 See above, p.96 f.

3 Gesch. der s. B., iii, 11.

4 Ibid., p. 20.



the kingdom represented a form of state power which had been uniquely independent of social classes.<sup>1</sup> In the contemporary situation, Stein considered, the kingdom's position was threatened by the dominant class of society. Two responses were possible. The kingdom could either submit to the dominant class or it could attempt to concentrate state power closely in the king.<sup>2</sup> In the first case, the kingdom became the 'defender' of the dominant - now ruling - class's power and party to the class struggle.<sup>3</sup> If this happened, the lower class, identifying the kingdom with the class under whose rule it suffered, learnt to hate the kingdom and adopted a programme of what Stein called 'Königslosigkeit' (republicanism). If the lower class succeeded in defeating the ruling class, the kingdom would be toppled.<sup>4</sup>

In his description of the second alternative open to the kingdom, Stein applied his theory with startling precision to the contemporary political situation in France and Germany.

The kingdom's first move to resist the attacks of society was an attempt to secure the offices of state by occupying them with individuals loyal to itself. Stein called this 'die Herrschaft des Beamtenthums' (the rule of officialdom).<sup>5</sup> The kingdom carried out this defensive manoeuvre when it was opposed

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1 Ibid., pp. 21-22.

2 Ibid., p. 26.

3 Ibid., p. 27.

4 Ibid., p. 28.

5 Ibid., pp. 29-30.



by the dominant class alone.<sup>1</sup> Where the dominant class had no constitutional representative assembly - as in Russia and Prussia until recently - this form of bureaucracy provided a workable solution, Stein thought.<sup>2</sup> But if there was a representative assembly, the dominant class would use its mouthpiece against the kingdom, forcing the latter either to abolish the assembly - as in Naples and Spain<sup>3</sup> - or to undermine its constitutional position.<sup>4</sup> Referring to the Prussian government's measures to construct a manageably conservative diet after the revolution of 1848, Stein called the last 'Scheinconstitutionalismus' and warned against the consequences of this 'dangerous struggle'.<sup>5</sup>

Under certain circumstances, the dominant class's struggle for political power could be effectively resisted by the kingdom. For example, if the dominant class felt itself threatened by the class it was suppressing, then the kingdom could preserve its political power by playing the classes off against each other. In this case, it could offer to secure the dominant class's social position in return for the latter's political quiescence.<sup>6</sup> By manipulating the classes, the kingdom could make

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1 Loc.cit.

2 Ibid., p. 30.

3 In the kingdom of Naples and Sicily, Ferdinand II had suspended the constitution by the end of 1848. In Spain, Ramón María Narváez's ministry assumed dictatorial powers in 1848.

4 Gesch. der s. B., iii, 30.

5 Loc.cit.

6 Ibid., p. 31.



itself 'die Basis der gesellschaftlichen Ordnung'.<sup>1</sup> This was what had happened, thought Stein, in France during the July Monarchy and in Germany after the middle class's rejection of continued revolution in the latter months of 1848.<sup>2</sup>

When, however, the dominant class returned - as it was bound to - to its quest for political power, the way was open for it to attack and attempt to unseat the king's ministers through the representative assembly.<sup>3</sup> But here the king could respond by circumventing his ministers and ruling through a 'court government',<sup>4</sup> - a thinly veiled reference to the so-called Camarilla, through which Frederick William IV ruled Prussia in the years of reaction after the 1848 revolution. Recognizing the uselessness of trying to win political power through the representative channel, an ominous apathy descended upon the political life of the dominant class. In the ensuing 'grossen politischen Stille', the opinion gained ground that the abolition of monarchy was the only way to gain power in the state.<sup>5</sup> 'So ist es gewesen in Frankreich [under the Restoration], und täuschen wir uns nicht, so ist es in manchen deutschen Staaten.'<sup>6</sup> Stein referred to Prussia. If the dominant social class turned to republicanism, it would enter a strategic alliance with the lower class against the king-

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1 Loc.cit.

2 Loc.cit.

3 Ibid., p. 32.

4 Loc.cit.

5 Ibid., p. 33.

6 Loc.cit.



dom. The kingdom's victory over the representative assembly meant the former's inevitable isolation, Stein wrote, in the face of a uniformly hostile society.<sup>1</sup>

Again and again, Stein claimed, one could see the process whereby a kingdom, which had effectively expelled the dominant class from the state, 'almost instinctively' increased the size of its army and strengthened its control over it.<sup>2</sup> Anticipating the Prussian Verfassungskonflikt of the early 1860's, Stein pointed out how the dominant social class would respond by attempting to destroy the king's control over the army. Oaths of allegiance to the constitution, an annual army budget and a citizens' militia were the weapons at its disposal, here.<sup>3</sup> The kingdom's reliance upon armed force could 'never lead to salvation', warned Stein.<sup>4</sup> The army's suppression of revolts could never secure the kingdom against society. Any 'outward' victory of this sort could do no more than supply a transient solution, for the allied classes of society were bound by the nature of things to continue their struggle against the kingdom.<sup>5</sup> Stein failed to anticipate that, in the Prussian case, the liberals - the political party of what he called the herrschende Klasse - would be prepared to concede control over the army in return for the kingdom's use of its armed might for the national cause. As long as

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1 Ibid., pp. 34-35.

2 Ibid., p. 35.

3 Ibid., p. 36.

4 Loc.cit.

5 Loc.cit.



its rule depended upon armed force, Stein went on, the kingdom would be caught in a cul-de-sac, in which it would be forced to consume ever more of its resources on maintaining and expanding army and bureaucracy.<sup>1</sup> There were two possible ways out. In the first, which Stein thought to be usually beyond a kingdom's power to achieve, the latter actually destroyed the structure of society.<sup>2</sup> In the second, the kingdom entered upon a path of social reform - a course of action which usually went beyond what a kingdom was willing to undertake.<sup>3</sup>

About the first of these two alternatives, Stein wrote dramatically: 'Das Gebiet, welches wir hier betreten, ist das dunkelste des ganzen staatlichen und sittlichen Lebens einer Nation'.<sup>4</sup> In fact there was some justification for the dramatic language, for in the brilliantly evocative sketch which followed, Stein succeeded in delivering an analysis of the economic dimension of dictatorship which remains today scarcely without equal in the depth and vividness of its arguments.

If the state wanted to destroy society from within, it had to create a form of property which was independent of labour or Erwerb (acquisition). This state property was only to be used for the purpose of Genuss (satisfaction).<sup>5</sup> In this way economic

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1 Ibid., p. 37.

2 Loc.cit.

3 Loc.cit. and p. 46f.

4 Ibid., p. 37.

5 Ibid., p. 38.



personality could be cut off from its natural avenue of development, the acquisition of property. It will be remembered that the Ich transcended the antinomy between itself and the outer world through die That, which was, in effect, its labour - the active assertion of its originality in the face of a dead world of matter pressing in on it.<sup>1</sup> Surplus labour became property, the concrete manifestation of personality's freedom and the source of its satisfaction. The point Stein was making was that if property could be divorced from labour, then it would cease to be the expression of personal freedom and the satisfaction it brought would diminish rather than promote personal development by eliminating the motive - needs - for labour. Labour, the 'original source of independence', would have been eradicated in relation to the dominant class.<sup>2</sup>

Stein gave a few examples of the ways in which the state could create this kind of labourless property. By manipulating the laws regulating land ownership, the feudal kingdom had established for landlords an income free from labour and thus assured itself of the nobility's service.<sup>3</sup> In the case of non-landed property, the prince could use his administrative machine to corrupt the capitalist class. The state would become the 'first capitalist in the country', the centre of commercial activity, and labour would be separated from property in the commercial class.<sup>4</sup> Rather

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1 See above, p

2 Ibid., p. 39.

3 Ibid., pp. 39-40.

4 Ibid., p. 42.



different, but equal in its cynicism, the kingdom could, where there was no dominant class, prevent one arising by suppressing education.<sup>1</sup> Stein considered that in Russia both the first two forms of state bribery existed in combination.<sup>2</sup> Had he had the example of twentieth-century Russia before him, he could have derived grim satisfaction from such a massive confirmation of the accuracy of his view. Applied to the industrialized, republican Soviet Union, Stein's analysis of despotism shows how, in a largely state-owned economy, the link between labour and property is severed - when not absolutely, then partially - and, as a consequence, the economic development of the individual stunted. Shorn of their natural economic power, the political power-instant of people in the higher echelons of the social hierarchy is cauterized. The capitalist class becomes a bureaucratic managerial class, servile to its paymaster, the state. Liberty, seen as political self-determination, is successfully suppressed. One can still learn much from Stein, this latter-day Machiavelli, who has been so neglected in his own country and is so little known outside it.

In the first option open to the kingdom, the state became the opposite of what it should be; it developed 'aus dem Vertreter der Freiheit zum Träger der Unfreiheit',<sup>3</sup> and the cause of freedom fell to society. This reversal of roles was a travesty of the true natures of state and society. This left the second

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1 Ibid., p. 40.

2 Loc.cit.

3 Ibid., p. 43.



option open to the kingdom, that of social reform, as the only desirable way out of the impasse which Stein diagnosed in the post-revolutionary monarchical state's situation.

The kingdom, as the representative of the state's personality, stood above the classes of society and their antagonisms.<sup>1</sup> It could have no more appropriate task than 'die Erhebung der bisher unterworfenen, armen und mittellosen Klasse'.<sup>2</sup> If it did this, the kingdom, 'der natürliche Schutzherr und Helfer' of the lower class, would win the latter for itself.<sup>3</sup> The throne would be identified with the idea of equality.<sup>4</sup> The dominant class, claimed Stein ignoring the logic of his own doctrine of social class, would recognize that the kingdom was acting in its (the dominant class's) own higher interests.<sup>5</sup> By carrying out a programme of social reform, the kingdom would gain 'infinitely great social power'.<sup>6</sup>

Das wahre, mächtigste, dauerndste  
und geliebteste Königthum ist das  
Königthum der gesellschaftlichen  
Reform. 7

Stein concluded with the warning

Alles Königthum wird fortan  
entweder ein leerer Schatten,  
oder eine Despotie werden, oder

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1 See above, p. 113 ff.

2 Ibid., p. 46.

3 Ibid., pp. 46-47.

4 Ibid., pp. 47-48.

5 Loc.cit.

6 Loc.cit.

7 Ibid., p. 48.



untergehen in Republik, wenn es nicht den hohen sittlichen, Muth hat, ein Königthum der socialen Reform zu werden!

Did Stein's doctrine of the social kingdom have any practical effect upon the politics of the day? There is little evidence to show that it did - at least not directly. One can speculate that politicians who read Stein's books were practically influenced by them. For instance, we are told that the conservative politician and editor of the powerful Kreuzzeitung, Hermann Wagener, submitted a memorandum to Bismarck in 1864, in which Stein's Geschichte der socialen Bewegung in Frankreich was mentioned.<sup>2</sup> Bismarck's statements at the time in connection with Waldburg weavers show him in a distinctly reformist mood. Impoverished cotton factory workers in the Silesian district of Waldburg had appealed to King Wilhelm. In May 1864 the King received a deputation of the workers and the following month Bismarck had a commission of inquiry set up. Acting against the laissez-faire ideas which dominated in the Prussian bureaucracy, Bismarck intervened for the factory workers and the establishment of a producers' cooperative on their behalf.<sup>3</sup> Asked where the money was to come from to finance the cooperative, Bismarck replied that the King was supporting the venture with his own private means.<sup>4</sup> A

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1 Ibid., p. 49.

2 H.-J. Schoeps, 'Hermann Wagener - ein konservativer Sozialist', Zeitschrift für Religions- und Geistesgeschichte, viii (1956), 201.

3 O. v. Bismarck, Bismarck, die gesammelten Werke (Berlin, 1928), x, 227.

4 Bismarck's speech in the Lower House of the Prussian Diet, 11 Feb. 1865. See H. Kohl, Die politischen Reden des Fürsten Bismarcks (Stuttgart, 1892), ii, 308.



few days later, in the Lower House of the Diet, Bismarck replied to criticisms 'aber ich frage, mit welchem Rechte hätte ich diesen Leuten den Weg zum Throne versperren sollen?' Directing his fire against the bankers and industrialists in the House, Bismarck pointed out that the Prussian Crown did not need to justify itself if it chose to listen to the voice of the poor. He continued, 'Die Könige von Preussen sind niemals die Könige der Reichen vorzugsweise gewesen' and added that it had been a tradition of the Prussian kings since Frederick the Great to protect the poor. He made the point that the Hohenzollerns had played a unique historical role in the formation of Prussian society. They would continue to do so, for

Unsere Könige haben die  
Emanzipation der Leibeigenen  
herbeigeführt, sie haben einen  
blühenden Bauernstand geschaffen;  
es ist möglich, dass es ihnen auch  
gelingen werde - das ernste Bestreben  
dazu ist vorhanden - zur Verbesserung  
der Lage der Arbeiter etwas beizutragen.<sup>1</sup>

However, it is far more likely that Bismarck's inspiration for social reform came from another quarter. From October 1863 to February 1864 meetings and correspondence took place between Bismarck and Ferdinand Lassalle, the founder of the Allgemeiner deutscher Arbeiterverein. In 1865-6 Bismarck experimented with a number of ideas aimed at improving the condition of the working classes: producer-cooperatives, workers' banks, relief funds, industrial job creation schemes, the inspection of factories, restrictions on child and female labour, longer periods of

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<sup>1</sup> Bismarck, Gesammelte Werke, op.cit., x, 232, speech in Abgeordnetenhaus, 15 Feb. 1865.



notice, a projected minimum wage - these were some of the schemes which he took up.<sup>1</sup> If Bismarck's inspiration for any of this came from one single person - in itself very unlikely - then it would have come from Lassalle, whose call for workers' producer-cooperatives seems to have found an echo in Bismarck at the time. Like Stein, Lassalle wanted social reform in the context of a strong, monarchical state. It was no coincidence that both Stein and Lassalle were Hegelians. It is more probable that a significant transfer of theoretical knowledge took place between Stein and Lassalle, with their common philosophical background, rather than between Stein and the by now pre-eminently practical Bismarck. Similarity between Lassalle's ehernes Lohngesetz and Stein's wage theory and Lassalle's reliance upon the idea of a 'maximal' state to carry out social reform suggest that at some time Lassalle may have come directly under the influence of Stein's ideas.

It seems possible that the famous historian Heinrich von Treitschke was powerfully influenced by Stein's ideas as a young man. Gustav Schmoller thought that this was the case, but Treitschke denied it.<sup>2</sup> Although he conspicuously ignored Stein in most of his Habilitationsschrift, written on 'die Gesellschaftswissenschaft',<sup>3</sup> his political ideas in the later 1860's have a striking resemblance to Stein's doctrine of the soziales Königthum. During the years 1869-1871, Treitschke saw the threat of social revolu-

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1 O. Vossler, Bismarcks Sozialpolitik, (Darmstadt, 1961), p. 9.

2 See below, p. 299.

3 H. v. Treitschke, Die Gesellschaftswissenschaft (1st edn. Leipzig, 1859).



tion as a very real one. Would the socialist International, he mused, succeed in its aims?<sup>1</sup> In a distinctly socially liberal mood, Treitschke went on, 'Unsere Massen fühlen, und leider mit Recht, dass ihr Wohl von der Gesellschaft allzulange vernachlässigt wurde'.<sup>2</sup> A 'continually active legislature' was needed, if the social inequality in education were to be overcome and the way opened for working class people to accumulate capital of their own.<sup>3</sup> Treitschke thought that it might even be necessary for the state to carry out a compulsory redistribution of property in the national interest'. The German bourgeoisie, endowed with a greater sense of justice than its French counterpart, would no doubt submit to the transfer of some of its factories into workers' hands.<sup>4</sup> Treitschke was certainly not at his best when writing in such a socialist vein, but he became slightly more credible as he turned to Stein's doctrine for support. 'Der Anstoss zu so tief einschneidenden sozialen Reformen kann nur ausgehen von der Krone, nicht von einem Parlamente, das wesentlich aus Vertretern der besitzenden Klassen besteht.'<sup>5</sup> The discontented masses put more trust in the kingdom - Treitschke used Stein's word Königthum - than in parliament. Only a strong crown, Treitschke continued, would be sufficiently powerful to curb the 'unprecedented rise of the power of money' and enforce taxation

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1 Treitschke, Historische und politische Aufsätze, (7th edn. Leipzig, 1915), iii, 492.

2 Ibid., p. 493.

3 Loc.cit.

4 Ibid., pp. 493-4.

5 Ibid., p. 494.



reforms which would otherwise lead to chaotic social struggles.<sup>1</sup> Although class division was not so deep in Germany as it was in France, Treitschke summed up,

Doch ein starkes Königthum, das  
über den socialen Gegensätzen steht,  
ist uns unentbehrlich, um den Frieden  
in der Gesellschaft zu wahren und zu  
festigen, die gewaltigen Probleme, welche  
die rasch anwachsende Volkswirtschaft  
noch aufwerfen wird, unbefangen zu  
lösen. 2

Other prominent German liberals also had political philosophies which resembled Stein's soziales Königthum doctrine. Amongst the National Liberal professors, Rudolf Gneist and Heinrich von Sybel believed in the class conflict theory of politics and the need for a strong monarchical state to keep the social classes in check.<sup>3</sup> In the age of imperialism Friedrich Naumann campaigned for an alliance between emperor and people against the 'Kartell der Besitzenden'.<sup>4</sup> Naumann's doctrine of the soziales Kaisertum envisaged the emperor in a direct dialogue with the masses, whereas in Stein's soziales Königthum the king worked through a bureaucracy. The comparison with Naumann is tentative, for Caesarism played no part in Stein's social kingdom, which had

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1 Loc.cit.

2 Loc.cit.

3 For Gneist, see below, for Sybel, V. Dotterweich Heinrich von Sybel (Göttingen, 1978), p. 159.

4 Quoted from P. Theiner, Sozialer Liberalismus und deutsche Weltpolitik. Friedrich Naumann im Wilhelminischen Deutschland (1860-1919) (Baden-Baden, 1983), p. 62.



more in common with Benjamin Constant's pouvoir neutre doctrine of the constitutional monarchy.<sup>1</sup>

Moving away from politics into the field of pure theory, traces of Stein's system can be detected in the ideas of the generation of sociologists which came after him. Albert Schäffle (1831-1903), a close collaborator of the South German publisher Georg von Cotta in the 1850's and in 1871 briefly Austrian minister for commerce, developed his own sociological system, in an attempt to find the laws governing human cultural and political development.<sup>2</sup> He was an admirer of Stein's systematizing genius<sup>3</sup> and, although he did not adopt the latter's dual scheme of state and society, at times came close to Stein's sociological conception of the state. Whereas with Stein, the state was quite distinct from society, in Schäffle's eyes, the state was just one 'organ-system' in society, even if it did play a unique role. 'Der Staat ist auch nur eines unter mehreren Organsystemen des "sittlichen Organismus" der Gesellschaft, - das sociale Organsystem der Willens- und Machteinheit.'<sup>4</sup> But on the question of constitutions, the two were agreed. 'Politische Verfassungsfragen sind sociale Machtfragen' was Schäffle's blunt judgement.<sup>5</sup> Con-

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1 See L. Gall, Benjamin Constant (Wiesbaden, 1963), pp. 160-174.

2 See Schäffle's Bau und Leben des sozialen Körpers, 4 vols. (1st edn. Tübingen, 1875-8)

3 Nachl. Stein, 4.2.05, Schäffle to Stein, 6 April 1858. Schäffle praised Stein's Lehrbuch der Volkswirtschaft (Wien, 1858).

4 A. Schäffle, Encyklopädie der Staatslehre (Tübingen, 1878) p. 218.

5 ibid., p. 322.



stitutional issues were simply political projections thrown up by the collision of antagonistic forces within society. 'Verschieben sich die inneren sozialen.....Machtverhältnisse bedeutend, so lässt sich durch keine Macht der Welt genau die bisherige Verfassung aufrecht erhalten.....'<sup>1</sup>

Ludwik Gumplowicz (1838-1909), was a Polish Jew who had been forced to flee his country after participating in the patriotic uprising of 1863. He taught at the Austrian University of Graz after 1875. He developed his own sociological system based on the idea of struggle between racially distinct primitive groups - 'hordes' - then between the states formed by the stronger groups and lastly, between classes inside the states. Gumplowicz's concept of the state - 'aus dem Chaos des menschlichen Hordenlebens die ersten Staatenbildungen auftauchen'<sup>2</sup> - owed more to Darwin than to Stein. Yet he partly retained Stein's distinction between a society of classes on the one hand and the state on the other. Gumplowicz regarded Stein as the 'Altmeister der Staatswissenschaft'<sup>3</sup> and even called himself Stein's 'Jünger'<sup>4</sup> - although this was probably more an exaggerated sign of respect than a serious declaration of allegiance. A rather later arrival to the growing science of sociology in Germany was Ferdinand Tönnies (1855-1936). A fellow Schleswig-Holsteiner, Tönnies enthusiastically described

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1 Ibid., p. 323.

2 L. Gumplowicz, Die soziologische Staatsidee (2nd edn., Innsbruck, 1902), p. 34.

3 Nachl. Stein, 4.2.05, Gumplowicz to Stein, 7 Dec. 1880.

4 Nachl. Stein, 4.2.05, Gumplowicz to Stein, 13 April 1882.



Stein's 'Gesellschaftslehre' (contained in the second volume of his System der Staatswissenschaft) as 'von packender Gewalt, von hinreissendem Stile; ein Versuch begrifflicher soziologischer Geschichtsschreibung, der kaum seinesgleichen hat'.<sup>1</sup> Writing to his friend Friedrich Paulsen in 1880, Tönnies described his studies of the concepts state and society, adding that he had mainly been reading Stein and Rudolf Gneist.<sup>2</sup> A year later, he could inform Paulsen that he had developed the categories Gemeinschaft and Gesellschaft - which gained him lasting influence as a sociologist - out of the dual system of state and society which Stein and Gneist had propagated.

Ich /behandle/ unter dem Title 'Gemeinschaft und Gesellschaft' den Gegensatz, welchen die Neueren (Stein, Gneist u.s.w.) als den von Staat und Gesellschaft, wie ich meine, liberalistisch falsch behandelt haben. 3

Tönnies was not the only one to associate the names of Lorenz Stein and Rudolf Gneist. The connection between the two was well known amongst German sociologists in the last century and the time has come to examine this connection more closely.

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1 F. Tönnies, Soziologische Studien und Kritiken. Zweite Sammlung (Jena, 1926), p. 82.

2 F. Tönnies, F. Paulsen, Ferdinand Tönnies Friedrich Paulsen Briefwechsel, eds. O. Klose, E.G. Jacoby, I. Fischer (Kiel, 1961), pp. 79-80, Tönnies to Paulsen, 2 May 1880.

3 Briefwechsel, op.cit., pp. 101-2, Tönnies to Paulsen, 9 Jan. 1881.



CHAPTER III

Rudolf Gneist's Theory of 'Selfgovernment'

*Trotz aller Mängel bringen  
geschichtliche Arbeiten von dieser  
Seite aus [ i.e. English local  
government in the eighteenth  
century ] unsere Wissenschaft von  
Staat und Gesellschaft wohl einen  
Schritt weiter.*

*(Gneist to Stein,  
28 February 1863.)*

Heinrich Rudolf Hermann Friedrich Gneist was born on 13 August 1816, in Berlin, the son of Ernst Andreas Gneist, a Justizkommissar at the Berlin Kammergericht, and Amalie Sophie, née Bernhardi, a relative of the writer and diplomat Theodor Bernhardi.<sup>1</sup> In 1820 Ernst Gneist moved to Eisleben in Prussian Saxony, where he held the post of Landesgerichtsrat. Early in the 1820's he divorced his wife and Rudolf went to live with his maternal uncle, a parson, in Pomerania.<sup>2</sup> In 1827 Rudolf returned to Eisleben, where he attended the Gymnasium until 1833. In the autumn of that year he went to Berlin, where he began studying law at the University. He lived in Berlin for the rest of his life. During the 1830's jurisprudence was dominated at the University by

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1 J. Hatschek, 'Gneist', Allgemeine Deutsche Biographie, xlix (Leipzig, 1904), 403-413.

2 E.J. Hahn, Rudolf von Gneist (1816-1895). The Political Ideas and Political Activity of a Prussian Liberal in the Bismarck Period. (Yale Univ. Ph.D., 1971), p. 1. Hahn's thesis, based mainly on Gneist's papers in ZSTA, Merseburg, Rep. 92, Nachl. Gneist, is the best study of Gneist's political career available.



Friedrich Carl von Savigny and Hegel. Gneist studied under both Savigny and the jurist Eduard Gans (1798-1839), the leading exponent of Hegel's philosophy at the University.<sup>1</sup> At the time, he preferred Savigny's historical method to Hegel's speculative-philosophical approach and in later years, after Savigny had retired, Gneist described himself as a 'Schüler' of Savigny - although this was meant in a purely juristic sense and did not apply to his other varied interests.<sup>2</sup> He completed his studies in 1836, having distinguished himself by writing two prize essays and performing as a model student under difficult conditions (his lecture fees had had to be waved because his father had been unable to provide the necessary financial support<sup>3</sup>).

Gneist embarked on the legal profession, lectured at the University and was a member of the Berlin municipal council. As his legal training in the Berlin courts was unsalaried, he began lecturing at the Friedrich-Wilhelm University as soon as he had completed his doctorate and written a Habilitationsschrift (in 1839). From the early 1840's on, his lectures - on criminal law, criminal and civil procedure, Prussian Landrecht, Pandekten (Roman law) and inheritance law<sup>4</sup> - began to attract a growing number of students, so that by 1848 his lecturing fees, which earned him as much as 2200 Taler a year<sup>5</sup>, made him reasonably affluent. His law

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1 Ibid., p. 4.

2 UB Tübingen, Md 613/302, Gneist to Robert Mohl, 2 March 1856.

3 Hahn, Gneist, pp. 1, 5.

4 SBPKB, Sg. Darmst. 2h 1869 (16), Gneist's application for an ausserordentliche Professur, 11 Feb. 1845.

5 Hahn, Gneist, p. 10.



lectures were popular because he understood how to leaven his subject with observations culled from daily life.<sup>1</sup> His experience in the Berlin courts and, after 1845, on the Berlin municipal council, gave him a rich store of practical judicial and political knowledge upon which to draw.

In the revolutionary year (1848) Gneist seemed to pursue a zig-zag course. In the University he led a move to liberalize the faculty of law by reducing the power of the professors - an episode which was held against him for ten years.<sup>2</sup> In Berlin city politics, he persuaded the municipal council in November to warn the Berlin National Assembly against using the political weapon of withholding tax.<sup>3</sup> This seemed a conservative rather than a liberal step. But when he protested to Prince William against the removal of the National Assembly (in October) from Berlin to Brandenburg, telling him the government in doing so had made a unilateral departure from a contractual position, he was again on a liberal tack.<sup>4</sup> So liberal that he had to pay for it in 1849 by resigning from the Geheimes Obertribunal<sup>5</sup> - the highest court in Prussia to which he had been attached since 1847.

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1 M. Lenz, Geschichte der königlichen Friedrich-Wilhelms-Universität zu Berlin (Halle, 1918), ii, 2nd Hälfte, 125.

2 Ibid., p. 262.

3 Gneist, Berliner Zustände. Politische Skizzen aus der Zeit von 18. März 1848 bis 18. März 1849 (Berlin, 1849), pp. 75-78.

4 Ibid., p. 79.

5 J. Hatschek, 'Gneist', Allgemeine Deutsche Biographie, xlix (1904), 403-13.



The forced termination of his legal training and his withdrawal from municipal government in 1849 left Gneist free to concentrate all his energies on university teaching and research. As was the case with his fellow 'political professors' at the University of Berlin - J.G. Droysen, Heinrich von Sybel and Max Duncker - the German revolution of 1848-49 had the effect of shifting research interests from the more distant past (Gneist published a treatise on Roman debenture law in 1845) to subjects directly related to the present. Gneist chose to concentrate on the subject of English local government, made frequent research trips to England during the 1850's and, from 1857 onwards, when he began publishing the results of his research, made himself the acknowledged foremost expert on the subject in Prussia and attracted widespread political attention as the propagator of a doctrine of 'Selfgovernment'. The success of his lectures - in some years he attracted as many as 800 students<sup>1</sup> - made him the liberal counterpart in the law faculty to the celebrated political scientist and ultra-conservative politician, Friedrich Julius Stahl. However, when it came to promotion, his lecturing success was ignored by the conservative professors who dominated the faculty and Gneist had to wait until the Reaktion loosened in 1858 before he was granted a fully salaried professorship.

With the dawning of the so-called New Era in 1858, Gneist returned to the Berlin municipal council and succeeded in being elected to the Lower House of the Prussian Landtag in November. Except for a short break in 1862, he remained a member

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<sup>1</sup> Lenz, Geschichte, op.cit., ii, 2nd Hälfte, 283.



of the Lower House until 1893. He initially joined the liberal party led by Georg von Vincke, until its disintegration in 1862 caused him to go over to the left-centre party led by Bockum-Dolff.<sup>1</sup> From 1862 to 1866 Gneist played a leading role in the Lower House's opposition to Bismarck's ministry. Gneist did not oppose the government because it was authoritarian and dictatorial, but because he considered it to be acting unconstitutionally. His aim was to get the army budget enacted by a single law at a fixed amount, so removing it from the bargaining between parliament and the executive.<sup>2</sup> It was during the years of the Konflikt that Gneist developed his ideas on judicial checks against arbitrary government.<sup>3</sup> He rejected the classical liberal principle of the separation of powers in favour of the establishment of courts of appeal within the administration,<sup>4</sup> a notion which grew partly from his conclusion that executive and judicial functions were inseparable in English local government. He brought his ideas on the subject together in 1872 in Der Rechtsstaat, in which he tried to weld them together into a single doctrine applicable to Prussian conditions.

Gneist voted against the indemnity bill in the Landtag in September 1866 but went over to the government a few months

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1 Hatschek, 'Gneist', op.cit.

2 DSB, East Berlin, Handschriftenabteilung, Nachlass Treitschke, Gneist to Treitschke, 1 Nov. 1890. Also Gneist, Die Militärvorlage von 1892 und der preussische Verfassungsskonflikt von 1862 bis 1866 (Berlin, 1893).

3 Hatschek, 'Gneist', op.cit.

4 Ibid.



later when he became a candidate for the National Liberal party in the elections to the constituent North German Reichstag.<sup>1</sup> He remained a member of the North German, later the German Reichstag, continuously until 1884. His capitulation to Bismarck opened the door to a long and fruitful career in both Landtag and Reichstag, where, together with Treitschke on the right wing of the National Liberal party, he proved to be one of Bismarck's most effective allies. The Prussian legislation of the early 1870's reorganizing government in the Kreis and Province is rightly associated with Gneist's name - particularly the Kreisordnung of 1872.<sup>2</sup> Moreover, Gneist played a leading part in steering Bismarck's anti-Catholic legislation through the Prussian Lower House and in the Reichstag he passionately advocated the anti-Jesuit bill. His enthusiasm for the struggle against the Catholic Church sprang from a fundamental commitment to the idea of a strong state standing above confessional or other social divisions. It is hard to see how Gneist was able to reconcile his doctrine of the Rechtsstaat with Bismarck's decision to modify the constitution in his battle to strengthen the state against the churches (articles xv, xvi and xvii were repealed in 1875). It was a measure of Gneist's commitment to a powerful state - by this time personified for him by Bismarck - that his parliamentary support for the government never wavered. Similarly, Gneist supported Bismarck's anti-socialist course. Although he did not participate in the debate on the anti-socialist bill in the Reichstag in the autumn of 1878, his

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1 Hahn, Gneist, p. 121.

2 See below, p. 184 ff.



pamphlet Das Reichsgesetz gegen die gemeingefährlichen Bestrebungen der Socialdemocratie, staatsrechtlich erörtert, published the same year, defended the new law. Again, his commitment to the principle of judicial control appeared to recede before the demands of a strong executive in times of political crisis.<sup>1</sup>

Having made his peace with the regime, Gneist had an increasingly prominent position in the Prussian establishment. He was rector of the University from 1872 to 1873 and was dean of the law faculty five times during the later part of his career. He played an important part in the reorganization of the Prussian administrative and legal systems in the 1870's and '80's, advocating the establishment of courts of administrative justice and judges' independence from the executive.<sup>2</sup> In 1875 he became a judge on the newly established Prussian Oberverwaltungsgericht and later on was used by various Prussian state ministries as a legal advisor. In 1884 Bismarck revived the Staatsrat, something which Gneist had been advocating since at least twenty years earlier. Gneist was made a member of the reactivated Staatsrat, but did not play a significant part in its brief spell of activity.<sup>3</sup> In the later 1880's a series of honours were conferred upon him. He was made Wirklicher Geheimer Oberjustizrat in 1886 and two years later raised into the hereditary nobility and elected to the Friedensklasse of the order Pour le mérite, the highest Prussian academic

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1 See Hahn, Gneist, pp. 241-5.

2 Hatschek, 'Gneist', op.cit.

3 Hahn, Gneist, p. 254.



distinction. In the same year he was chosen to lecture to Prince William on Prussian administration.<sup>1</sup>

It has been said, quite correctly, that Gneist was a jurist 'from head to toe'.<sup>2</sup> However, his legalistic approach to the theory and practice of politics was enhanced by a life-long concern for the condition of the working classes. The social problems involved in the transformation of the German social structure in the course of the nineteenth century supply the background to Gneist's thinking on administrative reform and the key to an understanding of his theory of Selfgovernment. Gneist's interest in the soziale Frage was not limited to theory. As was the case with his other political interests, he tried to link theory and practice and became a leading example, first in Prussia, then in the Reich, of what the Germans call a Sozialpolitiker. In 1851, Gneist became a member of the Centralverein für das Wohl der arbeitenden Klassen in which he soon reached an influential position.<sup>3</sup> In the same year, Gneist researched into workers' health in England, on behalf of the society's governing board. The lecture he gave subsequently to the society attracted considerable attention and sparked off a fruitful interchange of ideas with the economist and Sozialpolitiker Carl Rodbertus-

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1 Hatschek, 'Gneist', op.cit.

2 O. Gierke, Rudolf von Gneist. Gedächtnissrede gehalten in der Juristischen Gesellschaft zu Berlin am 19.10.1895 (Berlin, 1896), p. 11.

3 J. Reulecke, Sozialer Frieden durch soziale Reform (Wuppertal, 1983), pp. 253-4.



Jaetzow, who was also a member of the Centralverein.<sup>1</sup> Gneist became chairman of the rapidly growing Centralverein in 1869, a position which he held until his death in 1895.<sup>2</sup> His prestige as an academic and social reformer caused the young historian and economist Gustav Schmoller to invite Gneist to the first meeting of the Kathedersozialisten in Eisenach in October 1872.<sup>3</sup> He presided over the conference and the following year became the first president of the Kathedersozialisten's Verein für Sozialpolitik.

Gneist's political activities outside parliament included co-founding in 1890 a society to combat anti-semitism, the Verein zur Abwehr des Antisemitismus.<sup>4</sup> In addition to his work in political pressure groups, he was also a long-standing member of the Berlin law society and chaired its annual meetings twelve times.<sup>5</sup> He regularly attended the Deutscher Juristentag.

In spite of the burden of his political activities, Gneist found time to write and published an impressive amount.<sup>6</sup>

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1 Their correspondence is in ZSTA Merseburg, Rep. 92, Nachl. v. Gneist, Nr. 62 (6 letters dated between 1853 and 1875) and ZSTA Merseburg, Rep. 92, Nachl. Rodbertus, B Nr. 8 (G. to R., 8 letters dated between 1857 and 1867).

2 Hahn, Gneist, p. 246.

3 ZSTA Merseburg, Rep. 92, Nachl. Schmoller, Nr. 140, Schmoller to Wilhelm Roscher, 15 July 1872. For Schmoller and the Kathedersozialisten, see Ch. 5 below.

4 Hatschek, 'Gneist', op.cit.

5 Loc.cit.

6 See V. Bohmert's bibliography of Gneist's publications in the same, 'Rudolf von Gneist', Der Arbeiterfreund, xxxiii (1895), 145-8.



Reflecting his main research interest, the bulk of his writing was on the English constitution, in particular on English local government, which he called 'Selfgovernment'. His major works on the English constitution began to appear in 1857. Gneist emphasized what he called Verwaltung - the legal, military, judicial and ecclesiastical aspects of English local government - and the monarchy's historic role in Verwaltung's development. In 1860 his book on Selfgovernment appeared. It sold out in three weeks and two further editions were produced during the next twelve years.<sup>1</sup> Although he published a tract on the history of Parliament in 1886,<sup>2</sup> this was never his real field of interest, which actually lay in what is today called public administration - especially at the local level. Gneist's Englische Verfassungsgeschichte (1882) remained the authoritative English constitutional history in the German language until Julius Hatschek's work with the same title appeared in 1913.<sup>3</sup> Even Treitschke, who was capable of expressing himself more clearly, followed Gneist's views uncritically in this field.<sup>4</sup> For those who could not cope with his difficult, prolix style, his works on the English constitution found a competent popularizer in Eduard Fischel.<sup>5</sup>

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1 Hahn, Gneist, p. 66.

2 Das englische Parlament in tausendjährigen Wandlungen (Berlin, 1886).

3 J. Hatschek, Englische Verfassungsgeschichte (Berlin/München, 1913), p. VIII.

4 R.J. Lamer, Der englische Parlamentarismus in der deutschen politischen Theorie im Zeitalter Bismarcks (Lübeck/Hamburg, 1963) = Historische Studien, Heft 387, p. 8.

5 Loc.cit.



From the late 1840's until the early 1890's Gneist regularly composed commentaries on topical political issues, ranging over subjects such as the introduction of juries (1849), the state of the Prussian army and the relation of budget to law (during the Konflikt in the 1860's), confessional schools (during the Kulturkampf) and the anti-socialist law of 1878. These topical publications ranged in size from pamphlets to fully-fledged books, as, for example, in the case of his Verwaltung, Justiz, Rechtsweg (1869), written for the benefit of Prussian members of parliament and higher officials when the Kreis reform legislation came before the Landtag.<sup>1</sup>

In view of Gneist's impressive record in parliament, political pressure groups and municipal government, it is easy to overlook the influence which he exerted in the lecture hall. Twenty two hours' lecturing a week was nothing unusual.<sup>2</sup> Over the course of nearly half a century thousands of law students went through his hands, many of them going on to high positions in Prussian officialdom. 'Tausende von Beamten, zum Teil in hervorragenden Stellungen und aus den besten Familien des Landes nannten sich seine Schüler.'<sup>3</sup> His service to the state was

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1 See below, p. 189.

2 UB Tübingen, Md 613/302, Gneist to Mohl, 27 Nov. 1858; UB Heidelberg, Heid. Hs. 2746, Gneist to Karl Mittermaier, 30 July 1861.

3 Lenz, Geschichte, op.cit., ii, 2nd Hälfte, 283.



further recognized in 1895 when he was made Wirklicher Geheimrat. He died in the same year.

The decisive phase in Gneist's intellectual development came unusually late. It was brought about by the 1848 revolution and took the form of an inner struggle against the doctrine of class conflict. The French revolution of 1848 had shattered Gneist's and others' hopes for domestic reforms along the lines of the constitutional monarchy in France. The rapidity with which the Orleanist political system had disintegrated before the demands of the Parisian proletariat was taken as a confirmation of Lorenz Stein's prediction of open class warfare in France. 'Das Jahr 1848 macht den tiefen Einschnitt in unser politisches Bewusstsein', wrote Gneist, 'aus dem die Zerfahrenheit des heutigen hervorgeht.'

Vor allem ist es /das Jahr 1848/,  
welches das Zusammenbrechen des  
constitutionellen Systems in Frankreich  
gewesen, welches alle unsere Vordersätze  
in Frage gestellt hat. In dieser Zeit,  
in welcher ein selbstständiges Denken  
über staatliche Dinge bei mir erst  
angefangen hat, fand ich die  
Uebertreibung der socialen  
Anschauungen /i.e. ideas on social  
class/ schon im Ganzen.

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1 UB Tübingen, Md 613/302, Gneist to Mohl, 20 July 1860. See also Gneist, Englische Verfassungsgeschichte (Berlin, 1882), p. III.



Gneist may have found fear of a social revolution exaggerated but it was real enough in his own mind to shake him out of a narrowly legalistic way of thinking. The copy of a letter he wrote, probably to his friend Karl Mittermaier, in November 1848 shows how real the threat of social revolution was for him at the time.<sup>1</sup> After the political revolution, Stein taught, came the social one.<sup>2</sup> Gneist half expected a re-enactment in Berlin of the Parisian June uprising.

The materialist doctrine of class conflict - 'die sozialen Anschauungen' as he referred to it - was repellent to Gneist and yet seemed to answer many questions. The revolution had convinced him that class struggle was a reality which could not be ignored. 'Obwohl sie [die sozialen Anschauungen] mir in der innersten Seele zuwider waren, meiner ganzen Erziehung und alten Familientradition widerstrebten, so zwang mich die Macht der Verhältnisse zur Anerkennung ihrer Berechtigung.'<sup>3</sup> The recognition temporarily destroyed his faith in a public order based on the rule of law.<sup>4</sup>

Gneist approached the problem of reconstructing his belief in the state by first of all effectively locking up all he associated with the failure of the revolution in a mental compartment reserved for 'things French'. Although he had visited

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1 ZSTA Merseburg, Rep. 92, Nachl. Gneist Nr. 59, Bl. 34.

2 See above, pp. 103-4.

3 UB Tübingen, Md 613/302, Gneist to Mohl, 20 July 1860.

4 UB Heidelberg, Heid. Hs. 2746, G. to Mittermaier, 5 Feb. 1863.



Paris and met French jurists,<sup>1</sup> his image of state and society in France was to a great extent conditioned by the picture of national self-destruction contained in Stein's books. Stein's Geschichte der socialen Bewegung in Frankreich, a copy of which he received from the author in December 1849, arrived at a crucial time. While he was busy digesting the meaning of the revolution, Stein presented him with a ready-made framework for the explanation of social unrest in general, and urged him to turn his mind to the social question. Stein wrote,

Nehmen Sie.....das vor-  
liegende Werk freundlich auf;  
ich weiss nicht, ob es seine  
Aufgabe erfüllt, aber ich weiss  
dass diese Aufgabe eine grosse  
ist. Sie würde es werth sein, dass  
auch bessere Kräfte sich an ihr  
versuchten. Sie sind inmitten  
eines Lebens, in dem Sie persönlich  
die Richtigkeit der meisten dieser  
Ansichten erproben können; doppelten  
Werth würde es für mich haben,  
wenn ich Ihr Urtheil darüber <sup>2</sup>  
hören könnte.

Gneist's turn against France was accompanied by a rising Anglophilism. In 1847 he had become a supporter of the English jury system.<sup>3</sup> Two years later, in his Die Bildung der Geschworenengerichte in Deutschland, he held up the French jury system, in which the Prefect selected the jurymen, as the essence of all that was wrong in a legal system. Instead of the bureau-

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1 UB Heidelberg, Heid. Hs. 2746, Gneist to Mittermaier, 14 Feb. 1851.

2 Nachl. Gneist Nr. 60, Bl. 28, 28 v, Stein to Gneist, 7 Dec. 1849.

3 UB Heidelberg, Heid. Hs. 2746, Gneist to Mittermaier, 10 June 1847.



cratic French system and its offspring in the Rhineland, Gneist championed the English juries and their supposedly more popular basis.<sup>1</sup> Materialism and class doctrine, government by shifting ministries and party bargaining, bureaucracy and over-centralization in local government - Gneist considered all to be French inventions and, inasmuch as they had become part of political life in Germany, the result of Germans' mistaken imitation of the French example. Whereas the English gentry was the sturdy pillar of state and society, Gneist wrote in 1853, its 'enervated' French counterpart presented the spectacle of a 'Bild der Niederwerfung von Besitz und Intelligenz.....ohne Beispiel in der Geschichte'.<sup>2</sup> No doubt much of his invective against the French was the result of fear of the threat posed to Germany's safety by Napoleon III, the 'moderne Attila jenseits des Rheins'.<sup>3</sup> But since Louis Napoleon's dictatorship was supposed to be the forced product of a situation in which class egotism had engulfed the state (Gneist followed Stein's interpretation of the 1848 revolution<sup>4</sup>), Napoleon was in Gneist's eyes the aggressive representative not only of the principle of nationality, but also of that of class rule.

Beyond his preference for English culture, the growth of Gneist's political Anglophilism is best explained as part of a

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1 Gneist, Die Bildung, op.cit., (Berlin, 1849) p. 153 and passim.

2 Gneist, Adel und Ritterschaft in England (Berlin, 1853), p. 44.

3 UB Tübingen, Md 613/302, Gneist to Mohl, 30 July 1861.

4 See Stein, Geschichte der socialen Bewegung in Frankreich (1850), iii, 410ff.



search for a state-form capable of resisting the revolutionary forces he saw in society. The English constitution presented a picture of continuity which, after the experience of 1848-49, appeared more attractive to most German liberals as a model for domestic reform than the French political system, with its periodic revolutionary caesura. The problem was to find the secret of English constitutional continuity or stability. The standard image of the English constitution was based on Blackstone's work, Gneist thought,<sup>1</sup> which concentrated on Parliament and the central state organs. But since 1848, German revolutionary parliaments had not been able to force either Austria or Prussia to carry out the reforms which liberals wanted. Most conspicuous was the Prussian Landtag's failure to open up central government in Prussia to popular participation. The usual liberal response to executive irresponsibility was to claim the right to approve the state budget and seek to make government ministers responsible to parliament. Although he was prepared to argue for ministerial responsibility when the government was acting illegally (during the Konflikt)<sup>2</sup>, on the whole Gneist associated parliamentary control over the executive (England apart) with the French experience of unstable, corrupt governments. He was an uncritical follower of Stein's pioneering socio-economic interpretation of government and politics, which reduced political parties to social pressure groups. He was studying economics, he

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1 UB Heidelberg, Heid. Hs. 2746, Gneist to Mittermaier, 26 Feb. 1854. See also Gneist, Das heutige englische Verfassungs- und Verwaltungsrecht, ii (Berlin, 1860), V, VI.

2 Stenographische Berichte über die Verhandlungen des Hauses der Abgeordneten, 1861, ii, 968.



wrote to his fellow jurist Karl Mittermaier in the spring of 1851, 'um in der Weise des vortrefflichen Buchs von Stein [ i.e.

Geschichte der socialen Bewegung in Frankreich ] die Entstehung der Verfassungsformen aus der Entwicklung der englischen Gesellschaft in Verbindung mit dem Nationalcharakter zu deduciren'.<sup>1</sup>

According to theory, parliamentarization alone simply replaced the absolutist state by a corrupt system of class rule. The key to English constitutional stability lay elsewhere.

By the autumn of 1851, Gneist had visited England six times.<sup>2</sup> Up till then, his research work had centred on the English legal system, particularly on the jury. As the following excerpt from a letter written early in 1852 shows, Gneist's work on the English jury led him on to the wider questions of the structure of the parish and its relation to central government.

Bei der Darstellung des englischen Processes in meinen Vorlesungen ordne ich denselben der allgemeinen staatsrechtlichen Entwicklung unter, weise z.B. nach, wie Anklage - und Urtheilsjury schrittweise aus der Umbildung der sächsischen Gemeindeverfassung hervorgegangen sind, wie die Unterscheidung von Question of Law und Question of Faith nur der Ausdruck des Verhältnisses zwischen Central-Verfassung und Gemeinde, zwischen Beamtenthum und Selfgovernment zu allen Zeiten gewesen ist, und

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1 UB Heidelberg, Heid. Hs. 2746, G. to M., 5 March 1851.

2 UB Heidelberg, Heid. Hs. 2746, G. to M., 26 Sept. 1851.



wie darin eigentlich der Kern der  
Constitution und das s.g. Princip  
der Theilung der Gewalten enthalten ist.<sup>1</sup>

Significantly, Gneist was beginning to use the term Selfgovernment, which he probably borrowed from the Englishman Toulmin Smith, a mid-century opponent of centralized government.<sup>2</sup> For Gneist, Selfgovernment was an umbrella-term, which he used to describe the entire range of legal, policing, military and other technical functions performed in county and parish in England before the reforms of the nineteenth century. Unlike Montesquieu, who saw a division of legislative, executive and judicial powers at central government level, Gneist found what he thought to be the true division of powers in the English constitution in the dualism between, on the one side, the conglomeration of local jurisdictions which we today call local government and, on the other, central government. It was an unusual interpretation of the division of powers principle, which was made the more difficult to maintain by the fact that Gneist always stressed the authoritarian rather than the popular aspects of government in the county and parish.

In 1853 Gneist published a short book, Adel und Ritterschaft in England, based on a series of lectures he was giving in Berlin on the structure of English society. It was essentially a paean to the virtues of the English squirearchy. It is significant that, at a time when many Germans interested in the future of

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1 UB Heidelberg, Heid. Hs. 2746, G. to M., 11 Jan. 1852.

2 J. Redlich, Local Government in England, ed. F.W. Hirst, ii (London, 1903), 394n.



their country were studying the English industrial classes, Gneist turned to the country gentry, which already had its social and political heyday behind it. Stein's article 'Das Wesen des arbeitslosen Einkommens' published the year before, which defended the existence of a leisured class as a necessary element in the supra-societal state, possibly played its part in Gneist's thinking. Gneist admired what he saw as the self-confidence and sense of public duty of a class of society which, in contrast to its French and German counterparts, had achieved a political voice in the state worthy of its social power. The reason why the leading propertied class dominated the state in countries which had parliamentary constitutions - Gneist meant England and the North American states - lay, so he reasoned, in the nature of property itself.<sup>1</sup> No matter whether servants, journeymen or factory workers, property effectively made the working classes in town and country dependent upon the propertied.<sup>2</sup> The hierarchy of dependency ran upwards through the middle classes, drawing small entrepreneurs and artisans into the orbit of greater capital formations.<sup>3</sup> What Gneist called 'geistiger Besitz' followed on from material property and reinforced the division between property owners and non-owners, so that 'die Menschen nach materiellem und geistigem Besitz in feste Classen [gegliedert werden], in welchen der Nichtbesitz im Ganzen eben so erblich ist wie der

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1 Gneist, Adel und Ritterschaft in England, (Berlin, 1853), p. 10.

2 Ibid., p. 11.

3 Loc.cit.



Besitz'.<sup>1</sup> The argument explained nothing about the differing relations of property to political power in England and on the Continent.

Indicative of Gneist's confessed weakness in economics was the way he muddled the relationship of property to class by first of all saying that property created a chain of social dependency from bottom upwards, then contradicting this by drawing a qualitative dividing line between property owners and non-owners. Confusion about the number of classes remained a characteristic of all his writings. He could not decide whether there were just two classes - owners and non-owners - or a larger number depending on the amount of property owned. In dividing society into the two great camps of owners and non-owners Gneist was following Stein - albeit without fully understanding the latter's economic reasoning. The difference between no property and some property overrode that between small and big property decisively if one accepted - as Stein did early on - socialist wage theories and the idea of an unbridgable cleft between labour and capital.<sup>2</sup> Gneist wrote to Stein in May 1860

Meine volkswirtschaftlichen  
Studien sind niemals über den  
Dilettantismus hinausgekommen,  
und selbst aus disem bin ich  
in den letzten 10 Jahren  
wieder heraus und fast aus allem  
Zusammenhang der Literatur gekommen.<sup>3</sup>

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1 Loc.cit.

2 See above, p. 58 ff.

3 Nachl. Stein, 4.2.05, G. to S., 30 May 1860.



Four years later he wrote to Rodbertus

Ich begreife die Mysterien der  
Untersuchung über Bodenrente und  
Kapitalgewinn in äusserst mangelhaftem  
Masse, Schultze-Bastiat, Ricardo,  
Adam Smith und Lassalle, Stuart Mill,  
Carey, Marx und selbst Ihre nicht  
leicht geschriebenen Briefe gehen  
halbverstanden an meinem Begriffs- 1  
vermögen vorbei.

Gneist's words of apology to the experts were hardly necessary. As he knew well, his basic aim in studying political economy was the same as those of Stein and Rodbertus: the repulse of materialism and its social consequences.<sup>2</sup> When he claimed that economic principles like the division of labour could not be applied to the state,<sup>3</sup> Gneist was seeking scientifically to defend the ideal world of law and state against the materialistic encroachments of a class society. Probably because he was a political scientist first and only an economist second or third, Gneist was not prepared - unlike Stein and Rodbertus - to contemplate the state operating on economic lines. 'Sie werden es auch dadurch erklärlich finden', Gneist wrote to Stein referring to his own poor understanding of economics, 'dass ich so oft in misstrauischer Abwehr mich gegen die volkswirtschaftlichen Anschauungen vom Staat verhalte'.<sup>4</sup> Gneist reserved economic explanations for

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1 ZSTA Merseburg, Rep. 92, Nachl. Rodbertus, B Nr. 8, Bl. 17, 17v, G. to R., 20 July 1864.

2 For Rodbertus see e.g. his 'Forderungen der arbeitenden Klassen' in Schriften von Dr. Carl Rodbertus-Jagetzow (Berlin, 1899), iii, 195-223 and E. Thier, Wegbereiter des deutschen Sozialismus (Stuttgart, 1940), pp. 137-9.

3 Das heutige englische V.- und V.recht, ii, 872.

4 Nachl. Stein, 4.2.05, G. to S., 30 May 1860.



society. Allowing for variations of emphasis, this dualism in his thinking between materialism and idealism, society and state also characterized Stein's and several other mid-century economists' - especially historicist economists'<sup>1</sup> - thinking.

Gneist called the English landed gentry a 'herrschende Classe' (ruling class).<sup>2</sup> It was no coincidence that he used the same term which Marxists have since made so hackneyed. He borrowed the term from Stein who, like Marx, had learnt the meaning of class from the French socialists. Gneist used the term 'ruling class' in more or less the same way as Stein and Marx to mean the economic, social and political (in that order) domination of one group of society over the other (or others, depending how closely they adhered to the two-class model). The strength of the gentry's representation in Parliament in the eighteenth century may have justified Gneist's use of the term politically, but the small squires' eclipse in English rural society of the time by landed magnates like the Dukes of Newcastle and Bedford<sup>3</sup> took much of the social substance out of his use of the concept. Economic, social and political power did not mesh as neatly as Gneist supposed. Spread of the idea of gentility to commercial classes, a very finely graded social hierarchy and a not inconsiderable degree of social mobility made the composition of the English

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1 See below, Ch. 5.

2 Gneist, Adel und Ritterschaft, op.cit., p. 12.

3 J.H. Plumb, England in the Eighteenth Century (Harmondsworth, 1981), pp. 18, 19.



eighteenth century ruling class - if such a thing existed - a far more complex matter than he made out.<sup>1</sup>

Whereas Stein and Marx saw a struggle for possession of the state, Gneist thought he had found a peaceful way to social harmony in eighteenth century England. Far from reducing the state to its plaything, the gentry had voluntarily integrated itself into the state, so that the usual injustices of class rule had been avoided.<sup>2</sup> England was the only European country, according to Gneist, in which property and political power were never separated. It was therefore the model in any attempt to answer the question of how social classes achieved and maintained power in the state.<sup>3</sup> As the ruling class, the English gentry's social power was supposed to rest upon the central role which its landed property played in rural life. 'In keinem Zweig des Besitzes ist daher die Abhängigkeit der Kleineren fester und sicherer wie hier.'<sup>4</sup> The landed gentry was 'the born representative' of the agricultural classes. If the reactionary course pursued by the Prussian Junker party prevented Gneist from pursuing his aristocratic predilections with home-grown examples, then he was able to champion the English squirearchy as a good second-best. Ignoring the squires' manipulation of parliamentary elections, Gneist claimed that, as a class, they had altruistically put the in-

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1 R. Porter, English Society in the Eighteenth Century (London, 1982), pp. 64, 65.

2 Adel und Ritterschaft, op.cit., p. 12.

3 Loc.cit.

4 Ibid., p. 35.



terests of others before their own. Political moderation shown to those beneath them was supposed to have been matched by submissiveness to the authorities above.<sup>1</sup> Gneist completed the idealized picture by passing over the corruption of parliamentary politics and the patchiness of local welfare achievements in the eighteenth century, arguing that, through the political tasks it fulfilled in the House of Commons, the gentry had learnt the 'true task' of the age - the improvement of the working classes' condition.<sup>2</sup>

In this sentimental scheme Gneist still saw the relation of society to state largely in terms of social classes vis-a-vis central government - in the gentry's case, its dominant position in Parliament. At about this time, however, he began to look more closely at the county and parish for further evidence of the relationship.

Gneist often liked to think of his research work as the product of an empirical approach. It was his studies of the English legal system, he wrote to Mittermaier, which had led him on inductively to 'einer analytischen Construction des Ganzen'.<sup>3</sup> Inasmuch as he succeeded during the eighteen fifties in amassing a huge reservoir of data on English government, there is some truth in this. But his claim to empirical respectability ended there. Following Stein's Hegelian approach, his real methodological aim

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1 Loc.cit.

2 Ibid., p. 44.

3 UB Heidelberg, Heid. Hs. 2746, G. to M., 11 Jan. 1852.



was to 'deduce'<sup>1</sup> the concrete forms of state and society in England from an abstract theory (Stein's). Yet more important than methodology as a key to the development of his ideas were the political circumstances in his own country. He turned to the county and parish in England because their counterparts in Prussia, the Kreis and Gemeinde, were in his view direly in need of reform. Although he insisted that he had approached his research task free of all preconceptions,<sup>2</sup> in fact Prussian politics in the epoch of the Reaktion led him to search for and find what he wanted in English Selfgovernment. Despite the provisions for local self-government in the revised constitution of 1850, very little had changed for the mass of the people living in the countryside. Like the English gentry in the previous century, aristocratic landowners were able to influence Landtag elections to get themselves or their candidates elected. The large proportion of Junkers and higher officials returned to the Landtage in the 1850's ensured that the provisions of the constitution would not be implemented in the Gemeinden, enabling the landed nobility to retain its hold on local policing and justice. Instead of concentrating on the organs of central government, Gneist thought, the liberals should have begun with local institutions, where the double grip of a 'feudal' nobility and a mechanical bureaucracy remained as tight as ever.<sup>3</sup>

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1 See above, p.157.

2 Gneist, Das heutige englische Verfassungs- und Verwaltungsrecht (henceforth V.- und V.recht), op.cit., ii, VIII.

3 UB Tübingen, Md 613/302, Gneist to Mohl, 30 July 1861.



Gneist's quarrel with the East Elbian landed nobility was not about the fact of the power and prestige of its members in rural communities. On the contrary, he considered that social power was a natural expression of landed property. Rather, he objected to the view that this power was a privilege which automatically fell to the nobleman by virtue of his rank. The nobleman's local power was to be exercised as an office of the state and not as a patrimony - which Gneist considered to be a 'feudal' remnant. During the years of the Reaktion, for example, he bitterly opposed the attempts of the 'feudal party' to save its traditional judicial and hunting rights.<sup>1</sup> Nevertheless, a few years later, he was ready to praise the north German Junker as a starting point for the reconstruction of local administration.<sup>2</sup>

'Beamtenthum' was the other major political notion with which Gneist was concerned. The significance of Prussian officialdom for Gneist's political philosophy can hardly be underestimated. A sense of duty towards the state permeated his childhood background and professional career. The Prussian state took priority over the German nation. In 1859, for example, when the Deutscher Nationalverein was being founded, he refused to sign any declaration calling for national unification.<sup>3</sup> For Gneist, the

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1 UB Heidelberg, Heid. Hs. 2746, Gneist to Mittermaier, 8 Jan. 1855 and 2 Oct. 1855.

2 ZSTA Merseburg, Rep. 92, Nachl. Rodbertus B Nr. 8, Bl. 14v, Gneist to Rodbertus, 28 Jan. 1860. See also UB Tübingen, Md 613/302, Gneist to Mohl, 20 July 1860.

3 Nachl. Rodbertus B Nr. 8, Marie Gneist to Rodbertus, 26 Sept. 1859.



Prussian state was, even more than the monarchy<sup>1</sup>, its administrative and judicial servants. But during the years as a youthful Privatdozent before the revolution, his opinion of the bureaucracy had been low. The Reaktion had given further life to his opposition. However, Stein's Verwaltung doctrine provided him with a bureaucratic belief system compatible with the needs of an industrializing society and then the commencing political thaw of the early 'fifties brought a change in his attitude. The bureaucracy could be reformed, he wrote in January 1855, by building up the judicial arm within it.

Ich bin jetzt anerkennender  
gegen den Beamtenstaat ge-  
worden, als vor 1848, und  
strebe jetzt nach der Ausdehn-  
ung des Richteramts, Besch-  
ränkung der Administration auf  
feste Gebiete, - mit einem Worte  
Wiederherstellung eines öffentlichen  
Rechts und Gerichts in Deutschland,  
was uns durch die Einschränkung  
des Gerichtswesens auf Privat-  
und Strafrecht abhanden gekommen.<sup>2</sup>

Obsessed by the doctrine of class struggle, Gneist almost came full circle nine months later. He now considered that the bureaucratic state was the only solution in Germany.

Je mehr es mir klar wird, dass  
alle konstitutionellen Formen nur  
durch eine einheitliche regierende  
Klasse getragen werden.....umso  
schwerer wird es mir zu glauben,  
dass aus dem Materialismus dieser

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1 Gneist complained of frivolity at court, UB Tübingen, Md 613/302, G. to Mohl, 20 July 1860; later he questioned monarchy's capacity to fulfil its role in the state, Nachl. Stein, 4.2.05, G. to Stein, 2 June 1867.

2 UB Heidelberg, Heid. Hs. 2746, Gneist to Mittermaier, 8. Jan. 1855.



muth- und charakterlosen Ritter,  
Grosshändler und Fabrikanten  
jemals ein konstitutionelles  
Regime hervorgehen könne.

The middle classes had more moral and political backbone, but hatred of the ruling class had turned them against the liberalism they associated with it. Under such conditions, it seemed to Gneist, the power of the bureaucracy, as a neutral adjudicator between the classes, would have to be increased in relation to the parliament and local government units.

Die Mittelstände von 1848 haben  
allerdings.....Muth und Charakter  
gezeigt, zugleich aber auch soviel  
Hass gegen eine 'regierende Klasse',  
soviel Uebermuth gegen den von  
ihnen verspotteten Liberalismus,  
dass von dieser Seite auch kein  
Parlamentarismus kommen kann. Ich  
glaube daher, dass der Beamtenstaat  
bei uns in ein Verhältniss zu  
Kammern und Kreisverbänden treten  
muss, welches von dem englischen  
und noch mehr vom französischen  
sein Vorbild nicht entnehmen kann.....<sup>1</sup>

Gneist's faith in the Beamtenstaat grew with the passage of time. Although he frequently displayed impatience with the 'mechanistically' minded Prussian bureaucracy,<sup>2</sup> the criticism he voiced sprang from a benevolent concern that the bureaucracy might isolate itself from the rest of society as it had done before the revolution of 1848. Simply producing more bureaucrats would only exacerbate the problem.<sup>3</sup> He reasoned that, if the state's admin-

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1 UB Heidelberg, Heid. Hs. 2746, Gneist to Mittermaier, 2. Oct. 1855.

2 Gneist complained of the 'populares mechanisches Schema' which dominated in the bureaucracy, Nachl. Stein, 4.2.05, G. to Stein, 30 May 1860.

3 UB Tübingen, Md 613/302, Gneist to Mohl, 20 July 1860.



istrative and judicial power were to be strengthened in the countryside, the gulf that existed between bureaucracy and society had to be bridged. Ideally, the bureaucracy's political and the Junkers' social power ought to be married. With the help of the English example, Gneist spent the rest of the decade showing how this might be done.

Gneist's monumental book on local government in England, the first study of its kind,<sup>1</sup> first appeared in 1860 under the title Die heutige englische Communalverfassung und Communalverwaltung oder das System des Selfgovernment. It made up the second volume of Das heutige englische Verfassungs- und Verwaltungsrecht, in the first volume of which, Geschichte und heutige Gestalt der Aemter in England, published three years earlier, he had given an account of government in England minus Parliament (a third volume on Parliament was planned but never materialized). The second volume, to all intents and purposes a work in its own right, was an expansion of a section in the first, 'Die politische und gesellschaftliche Stellung des Beamtenthums', which had dealt with local government. Gneist's study of county and parish in England (he covered municipal government, too, but only to round off the picture) was based on his studies of statute law rather than research in parish archives,<sup>2</sup> a fact which partly accounts for the complacency of his picture of English local government in

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1 According to S. and B. Webb, English Local Government from the Revolution to the Municipal Corporations Act: The Parish and the County (London, 1906), p. VII.

2 Gneist, Englische Verfassungsgeschichte (Berlin, 1882), p. IV; S. and B. Webb, English Local Government, op.cit., p. X.



the eighteenth century, a picture which was not corrected until the Webbs' work in the early twentieth century.<sup>1</sup> He missed the large number of exceptions to the rule - the leets of private lords, for instance - in county government and passed clean over manorial jurisdiction. Where the Webbs found an 'anarchy of local autonomy' which Westminster was incapable of regulating, Gneist thought he saw a disciplined chain of command descending from Parliament into the parish.

As a political theorist and a scientist of society, Gneist saw his task as a continuation of the beginning made by Lorenz Stein. Stein had pointed the way, in the French context, towards a political solution of the sociale Frage and now Gneist - so he thought - was answering the question, in English terms, of how the monarchy of social reform could actually be brought into being. In a letter accompanying a copy of his new book on English Selfgovernment, he wrote to Stein:

Sie wissen, was ich Ihren  
vortrefflichen Arbeiten  
verdanke, und werden mir die  
grösste Freude machen, wenn  
Sie mir die Hoffnung geben,  
dass ich einen Theil meines  
Danks abtrage, indem ich versuche  
auf dem Boden der englischen  
Verhältnisse positiv zu lösen,  
was Sie auf dem Boden der  
französischen so scharf und  
geistreich als Frage gestellt<sup>2</sup>  
haben.

Gneist thought he had found the way out of the cul-de-sac into

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1 The Webbs' research resulted in eleven volumes of English Local Government, op.cit., published between 1903 and 1929.

2 Nachl. Stein, 4.2.05, G. to S., 6 Nov. 1859.



which Stein's theory of state and society had led. By circumventing the central state, which had been the main object of Stein's concern in the 1840's, he avoided Stein's dichotomy between state and society and instead thought he had found in the English countryside the evidence of their harmonious union. According to his theory, the English had found the secret of integrating state and society and thereby avoided the worst aspects of class struggle.<sup>1</sup> They had done so by creating a third, intermediary force - Selfgovernment.

Selfgovernment in England, Gneist laid down, was

die Verwaltung der Kreise und  
Ortsgemeinden nach den  
Gesetzen des Landes durch  
Ehrenämter der höheren und  
Mittelstände mittels Communal-  
grundsteuern. 2

The definition contained all the essential elements of his doctrine. Beginning with the term Verwaltung, I shall now work through the points contained in Gneist's definition.

By 'die Verwaltung der Kreise und Ortsgemeinden', Gneist meant the judicial, military (militia levy) and policing (in the English sense) institutions in parish and county, as well as those for the maintenance of the poor, the upkeep of public facilities such as roads and bridges and collection of land tax and fixing of

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1 UB Tübingen, Md 613/302, Gneist to Mohl, 20 July 1860.

2 Gneist, Das heutige englische V.- und V.recht, ii, 828.



rates. The significance of his use of the term Verwaltung (inadequately translated by the English 'administration') was that it imposed an inappropriately uniform, technical interpretation upon English local institutions. Conversely, his doctrine marked a new development in the life of the German idea of Verwaltung, which began to transcend the universally detested centralist-bureaucratic associations of the Vormärz. However, Gneist's conception of 'administration' in county and parish, Kreis and Gemeinde was by no means a decentralized one. Local government units were to operate according to laws passed by the national legislature - 'nach den Gesetzen des Landes'.

Although Gneist wanted to stop the Prussian bureaucracy extending its tentacles into the Gemeinde, he was against any form of local autonomy. 'Decentralisation', he reminded his readers, was a term which came from France.<sup>1</sup> Under modern conditions, a centralized state was needed to hold the ring for the social classes. Uniformity in legislation and taxation was necessary to provide the weaker classes with legal protection against the stronger ones, to unite the conflicting social groups and to carry out the 'Erhebung, Belehrung, Förderung des sittlichen und wirtschaftlichen Lebens der zahlreichsten und schwächsten Klassen des Volkes'.<sup>2</sup> He went on to cite England, where land tax was fixed centrally. Prussia, which still retained the features of a 'conglomerate of earlier fragments', needed a similarly uniform tax-

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1 Ibid., p. 857.

2 Loc.cit.



ation system.<sup>1</sup> The complexity of taxation and administration in the modern state dictated that a growing proportion of taxation revenues should pass through a central department.

Die fortschreitende Centralisation von Steuer und Amt macht es allerdings nöthig, dass ein grösserer Theil zunächst der Steuer durch die Centralkasse hindurchgeht und dass die Grundsätze wie die Controlle der Aemter nur von einer Centralstelle ausgehen dürfen.<sup>2</sup>

It was the legislator's task, Gneist argued in the Lower House of the Landtag, to impose the state's unity upon the divided social classes by drawing them into local government.

Dies Zusammengewöhnen der Menschen zu öffentlichen Funktionen ist unsere politische Aufgabe, die sich allerdings aus dem sozialen Leben heraus nicht bildet, sondern die der Gesetzgeber erst durch bestimmte positive starke Mittel schaffen muss.....  
Dadurch verbinden Sie die Menschen, die ihre sozialen Interessen trennen, .....wieder zu der grossen Einheit<sup>3</sup> des Staates.....

Needless to say, Gneist's actual opinion of the legislature's ability to change things was far less optimistic at this time. In a state which was at war with its own society, political parties represented class interests and nothing more. Where the appropriate local government substructure was lacking, the three-class voting system simply produced 'indolence and extremism' in

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1 Stenographische Berichte über die Verhandlungen des Hauses der Abgeordneten (henceforth Stenographische Berichte) (1861), i, 423: Gneist, 8 March 1861.

2 Nachl. Rodbertus B Nr. 8, Bl. 14, Gneist to Rodbertus, 28 Jan. 1860.

3 Stenographische Berichte (1861), iii, 1067: Gneist, 3 May 1861.



the Landtag.<sup>1</sup> Without the sense of political responsibility engendered by local self-government, parliament was just an ideological talking shop confronting the bureaucratic state. The positive legislation required to transform state and society in the Gemeinde could not issue from such a body any more than it could from an Upper House dominated by the selfishness of big landowners. As for public opinion and the press, Gneist felt little more than contempt.

Die positive Gesetzgebung kann  
aber weder aus dem Rasonement  
der Zeitungen, noch aus zusammen-  
gelaufenen Wahlversammlungen,  
noch aus einer Versammlung von  
Privatgutbesitzern (Herrenhaus)  
hervorgehen, weil unsere ganze  
Gesellschaft, von dem Sinn für  
Erwerb, Genuss und Patronage  
durchdrungen, kein gesetzgebendes  
Parlament im englischen Sinne 2  
bilden kann.

Where state and society lay debilitated by mutual alienation, the battle against corruption and materialism in political life could only be carried on by educators like Gneist himself, Rodbertus, Mittermaier and Stein. The key to political progress in Germany lay in Wissenschaft and its enlightening influence.

At the core of Gneist's doctrine of Selfgovernment was a variant of the idealist notion of duty. A sense of public duty, Gneist thought, should replace the selfishness with which the

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1 Nachl. Rodbertus B Nr. 8, Bl. 13v, Gneist to Rodbertus, 28 Jan. 1860.

2 Nachl. Rodbertus B Nr. 8, Bl. 12v, Gneist to Rodbertus, 28 Jan. 1860. See also UB Heidelberg, Heid. Hs. 2746, Gneist to Mittermaier, 23 Dec. 1866.



various social groups and political parties demanded what they thought to be their rights. 'Unser Staat [hat] keine politische Rechte mehr zu vergeben.....[es sind] nur noch Pflichten in dieser Staatsverfassung zu vertheilen.'<sup>1</sup> 'Was ist denn eigentlich Selfgovernment?' he lectured to the Prussian Lower House, 'Selbstverwaltung ist eine Pflicht, nie ein parlamentarisches Recht gewesen.'<sup>2</sup> Duty was duty to the state and its claim on the individual depended upon the latter's position in society. The higher the individual stood in the social hierarchy, the greater his contribution to the whole ought to be, Gneist considered. Because property decided the individual's position in society and because Gneist thought mainly in terms of rural areas, property in the form of land and houses was his criterion for contributing to the state. The contribution consisted of, firstly, obligatory, unpaid office-holding and, secondly, the payment of land taxes and rates.<sup>3</sup> For Gneist, the two went together. If a class paid rates without filling a corresponding position of responsibility in local government, two things would happen. Firstly, a salaried 'caste' of bureaucrats would take over the functions which the local population would otherwise perform for itself. Secondly, the class of ratepayers would lose its sense of responsibility towards the state, become lazy and egotistical, and begin demand-

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1 Das heutige englische V.- und V.recht, ii, IX.

2 Stenographische Berichte (1861), iii, 1058, Gneist 3 May 1861.

3 See Gneist's definition of Selfgovernment quoted above, p.171. See also Das heutige englische V.- und V.recht, ii, 866ff. and Gneist's didactic speeches in the Landtag in the early 1860's, e.g. Stenographische Berichte (1861), i, 422ff. and iii, 1058ff.



ing 'rights' for itself. Gneist thought that this was what had happened in England during the nineteenth century. A class of ratepaying copyholders and leaseholders had grown since the eighteenth century without representation in Parliament or a significant say in local affairs.<sup>1</sup> The Reform Bill of 1832 and the Poor Law Amendment Act of 1834 gave the new commercial and industrial middle classes electoral rights, Gneist argued, without imposing corresponding duties on them. They could elect their local Board of Guardians, but the price they had to pay for their administrative inactivity was powerlessness before a growing army of bureaucrats.<sup>2</sup> The election of Guardians was a 'comfortable' solution, he mocked, but 'ein Paar Striche auf einem ins Haus gebrachten und abgeholten Zettel'<sup>3</sup> were no substitute for the individual ratepayer's own activity.

For a German liberal of the mid-nineteenth century, 'Bürokratie' was the main political enemy, whatever form it took. Gneist's identification of bureaucracy with absolutism explains his paradoxical conclusion, that the rise of bureaucratic forms of government in Britain in the nineteenth century was evidence of the return of absolutism.<sup>4</sup> He pejoratively called the new system of elections and bureaucrats 'wirthschaftliche Selbstverwaltung', for he considered it to rest solely on money (rate paying) and

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1 Das heutige englische V.- und V.recht, ii, 919ff.

2 Ibid., p. 930.

3 Ibid., p. 874.

4 Nachl. Rodbertus B Nr. 8, Bl. 12, Gneist to Rodbertus, 28 Jan. 1860.



class interest (the ratepayers').<sup>1</sup> Gneist thought its leading exponent was John Stuart Mill, whom he frequently attacked.<sup>2</sup> As English Selfgovernment was also the 'substructure' of Parliament in Gneist's eyes,<sup>3</sup> the new system was destroying the historically evolved harmony of the entire constitution, both local and central. His pessimism about the bureaucratization of local government in Britain is best understood as a confusion of the conditions of English political life with the Prussian experience. 'Diese Trennung von Besitz und Amt', he wrote to Rodbertus, 'ist unsere eigentliche Krankheit' (he did not consider the patrimonial justice exercised by the East Elbian landed nobility as 'Amt'<sup>4</sup>),

in welche nun auch England hineingeräth durch den Irrthum,  
welcher die höheren und Mittelstände  
aus volkswirthschaftlichen Gründen  
von der persönlichen Amtspflicht  
entbindet. 5

Blind to the enormous political and social improvements which the English reforms had achieved, Gneist saw only the danger that the English, by separating landed wealth from political power, would fall victim to the same bureaucratic absolutism from which Prussia was beginning to emerge. Parliament had lost its old social homo-

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1 Das heutige englische V.- und V.recht, ii, 920.

2 See e.g. Gneist, Verwaltung, Justiz, Rechtsweg (Berlin, 1969), pp. 51-62.

3 See below, p. 186 f.

4 See above, p. 166.

5 Nachl. Rodbertus B Nr. 8, Bl. 12, Gneist to Rodbertus, 28 Jan. 1860.



geneity and become the plaything of competing social interests and the new centrally organized parties which represented them.

Verfassung and Verwaltung were being torn asunder as they had been under absolutism on the Continent.<sup>1</sup> Parliamentary government as it had hitherto been known in Britain would cease to exist under such a regime.<sup>2</sup> Responsible for the whole development was the spread of materialism. Economic ideas in government and consumer satisfaction (Gneist used Lorenz Stein's terms, 'Erwerb' and 'Genuss') in private life dominated the spirit of the rising commercial and industrial classes.

Die Boards of Guardians sind  
darum in England so populär,  
weil in den erwerbenden  
städtischen Klassen eben  
so wie bei unseren ländlichen  
Grundbesitz die Neigung zum Privat-  
erwerb und Genuss vorherrscht, und  
damit die einseitige Tendenz nur  
Aemter besetzen, nicht Aemter verwalten<sup>3</sup>  
zu wollen.

Gneist's idea of 'Ehrenämter der höheren und Mittelstände' grew out of studies of unpaid offices in the county and parish (in which he included jury duty). The middle classes were supposed to participate in governing themselves through jury duty and holding offices in the parish such as overseer of the poor, surveyor of highways and churchwarden.<sup>4</sup> But at a time when the

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1 Nachl. Rodbertus B Nr. 8, Bl. 12, Gneist to Rodbertus, 28 Jan. 1860.

2 Nachl. Rodbertus B Nr. 8, Bl. 12, Gneist to Rodbertus, 28 Jan. 1860.

3 Nachl. Rodbertus B Nr. 8, Bl. 12, Gneist to Rodbertus, 28 Jan. 1860.

4 Das heutige englische V.- und V.recht, ii, 48ff.



face of the middle classes had changed radically, when the franchise had been extended to the new commercial and industrial middle classes (since the Reform Bill of 1832), Gneist's idea of representation by honorary offices in the county and parish was practically irrelevant. He was aware of the difficulty of applying his doctrine to the middle classes, so he concentrated instead on the higher offices in the county, those of Lord Lieutenant, Sheriff and Justice of the Peace, held by the aristocracy and gentry.

Gneist's interest in the English gentry led him to give the Justices the main weight of his attention. He was one of the first to point to the central position they occupied in the English constitution of the eighteenth century. Although he undoubtedly got things wrong here and there - he passed too lightly over the clergy's representation amongst the magistrates and over-emphasized the Crown's part in their (the magistrates') selection - his sociological interpretation of the Justices' position was a solid contribution to British constitutional history. It was also evidence of the fruitfulness of Stein's theory as a conceptual framework for doing social history.

By forcing the landed gentry to perform as magistrates (service was obligatory for the appointed person) the state had created a 'durchaus tüchtige Schule des praktischen Staatsdienstes'.<sup>1</sup> Gneist thought that its wealth gave the English magistracy a 'natural preponderance' in rural society in the form

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<sup>1</sup> Loc.cit.



of superior education, prestige and connections.<sup>1</sup> 'Der eigentlicher Typus des Friedensrichteramts ist nun der des Gentleman.....<sup>2</sup> Gneist's aim in idealizing the English gentleman-magistrate was to convince his countrymen that local government should be aristocratic rather than bureaucratic.<sup>3</sup> The fact that the gentry constituted an oligarchy and not an aristocracy was a seemingly innocuous slip which nevertheless had fundamental long-term consequences when it came to applying Gneist's doctrine of 'aristocratic' Selfgovernment to the Prussian Kreis.<sup>4</sup> Its dominant position in the counties ensured that the gentry would also dominate Parliament.<sup>5</sup> According to Gneist's scheme, the gentry was thus the most powerful class of society, the main force in the state administration in county and parish and the most highly represented class in Parliament - in short a 'ruling class'.

The most important aspect of the honorary office in local government was that the official could be appointed. In an age when popular election was rapidly becoming the norm for political office-holding, responsibility to an electorate could still be avoided if the official was not paid from public funds. Gneist considered royal appointment to be the 'formal expression' of progress towards unity of the state. By installing officials

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1 Loc.cit.

2 Loc.cit.

3 UB Heidelberg, Heid. Hs. 2746, Gneist to Mittermaier, 2 Jan. 1854.

4 See below, pp. 192-3.

5 Das heutige englische V.- und V.recht, ii, 186. See also below, p. 195 f.



of the necessary character and intelligence, the system of royal appointment had overcome the particular egotisms of the social classes in England. The rule of law had been established above and independently of society and its clashing interests.

Der so ernannte Beamte, als  
unmittelbares Organ des Gesetzes,  
soll wie die monarchische Gewalt  
selbst grundsätzlich unabhängig  
sein von dem zeitigen Stand der  
streitenden Interessen und Klassen  
des Volks, von dem Beifall oder  
Missfallen zeitiger Majoritäten. <sup>1</sup>

To allow shifting majorities to elect state officials was simply to re-infect the state with the social disease. While England thus appeared to be in decline, Gneist - in spite of his frustration with political developments in his own country - thought there was a fundamental respect for law and legality in the German national character, which would in the end uphold the state's independence.<sup>2</sup> By superimposing Stein's theory upon English history, Gneist had managed to turn the classical liberal tenet, that government should be responsible to the governed, upside down. That a leading liberal political theorist of the Nachmärz could be championing the principle of appointment rather than that of election to local government offices is evidence of how far German liberal thought had moved in an authoritarian direction - before Bismarck's seductive influence had even begun to be felt.

Gneist saw the second virtue of the unpaid honorary office in the way that it united political office-holding with

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1 Das heutige englische V.- und V.recht, ii, 880.

2 Ibid., p. XI.



landed wealth. Only a substantial income from a landed estate (an Act of 1732 fixed the qualification at an estate in land worth £100 a year) could provide the Justices with the leisure necessary to perform the functions of their office. 'Die sichere durch Erstgeburt concentrirte Rente gewährt gerade den Familienhäuptern die Musse, obrigkeitliche Aemter im Staat als freien Lebensberuf zu wählen.'<sup>1</sup> The magistrate's income had to come from landed rather than any other kind of property because, as Gneist stressed, the reverse aspect, the right to hold an honorary office, was the duty to contribute financially to the local community by paying taxes and rates.<sup>2</sup> Concentrating on the gentry and its inherited estates, Gneist passed over the point that an ecclesiastical benefice counted as a piece of real estate and that a large proportion of active magistrates in the eighteenth century were clergymen.<sup>3</sup> With the position of established religion in Germany and England so different, the overlap of church and magistracy in England only complicated a picture of local government which otherwise contained clear lessons, Gneist thought, for the Germans. The English gentleman-magistrate was Gneist's political model for the north German Junker. Although he frequently complained to his friends about the Junkers' venality,<sup>4</sup> he nevertheless set his hopes on the landed nobility as the starting point

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1 Loc.cit.

2 See below, pp. 183-6.

3 B. Keith-Lucas, The Unreformed Local Government System, op.cit., p. 49.

4 See e.g. Gneist's letter to Mohl, 20 July 1860, in UB Tübingen, Md 613/302.



for local reform<sup>1</sup> and saw his own books on Selfgovernment as the first stage of its political re-education. A sense of knowing what the Prussian Junker ought to be caused him to idealize, in his own way, the English country gentry. If the Prussian nobility was not performing its historic military-bureaucratic tasks satisfactorily in the present century, Gneist thought he could point to the conveniently vanishing world of the English landed gentry in the previous one, in which obligatory magisterial service had supposedly made a class of society devoted to serving the state.<sup>2</sup>

'Steuern und Amtspflicht gehören zusammen wie Leib und Seele.....'<sup>3</sup> If honorary offices were the medicine Gneist prescribed for the bureaucratic malady, tax-paying was the economic justification for his reasoning. Lorenz Stein's system had put property at the centre of state and society. The distribution of wealth determined the form of political system. Stein saw economic and consequently political relations in terms of domination and subjection. Gneist had followed Stein in making 'hard' economic criteria the foundation of his own system. But in seeking to transcend Stein's depressing scenario of materialistic struggle, he idealized property, playing down its divisive social function and emphasizing it as a source of communal strength. He made an ideological virtue out of ratepaying. The payment of what he called 'Communalsteuern' - church, poor, highway, county and borough rates - was in Gneist's eyes the material bond which held

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1 See above, p. 166.

2 See above, p. 179.

3 Das heutige englische V.- und V.recht, ii, 871.



the conflicting classes together for purposes of self-government.

In his words, Communalsteuern were,

die materielle Basis aller  
Verbindung der Hausstände zu festen  
Gemeindeverbänden, das sicherste  
Band, welches die widerstrebenden  
Klassen der Gesellschaft nachbarlich  
vereinigt, an ein Zusammenleben  
zu gemeinsamen höheren Zwecken <sup>1</sup>  
gewöhnt.

Mistakenly believing that statutory provisions for the taxation of all people and real estate were actually carried out in Britain in the eighteenth century, Gneist painted an oversimplified picture of the parish in which everybody without exception paid rates. The main political point he was making was that there should be no tax exemption for aristocratic landowners in Prussia.<sup>2</sup>

Stein had written that the distribution of property in a society determined social structure and hence the form which political life took.<sup>3</sup> For Gneist, the way that a country taxed itself decided its political physiognomy.<sup>4</sup> If the dominant class in society allowed its landed wealth to be taxed, the economic weight it thereby gained in the state naturally gave it the right to have the deciding voice in the way revenues were spent. The performance of one's economic duty entitled one to political rights. Office-holding was the reverse aspect of tax payment in Gneist's system. The size of the contribution fixed the scope of the

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1. Ibid., p. 867.

2. Stenographische Berichte, op.cit., (1861), i, 364-5, 395, Gneist's speeches 7 and 8 March 1861.

3. See above, p. 118-9.

4. Das heutige englische V.- und V.recht, ii, 832.



reward. The English gentry had permitted its landed wealth to be taxed, thus entitling it, Gneist reasoned, to a free hand in the local levels of the state, where it was contributing most. By assuming the burdens of local administration and jurisdiction, the squirearchy had succeeded in preventing the growth of absolutist bureaucracy which had occurred on the Continent. With the exception of the central level, it had drawn the power of Verwaltung, which both Gneist and Stein considered to be the true source of the state's power, firmly into its own hands. Gneist saw the gentry's possession of the Verwaltung in a positive light. His idea of class rule in England contrasted with Stein's eschatological vision of an ideal state permanently embattled with materialistic social classes. He thought that in England before the revolutionary changes of the nineteenth century, the state had triumphed over the dominant social class by educating it into the responsibilities of government. This fact alone had enabled Parliament to attain such a position of power in the British constitution.<sup>1</sup> A representative assembly dominated by a ruling class could not get out of step with the rest of the constitutional institutions if the represented class were already serving the state in these as its officials. In such a regime enormous representative powers could exist in harmony side by side with the administrative complex already built up by the monarchy.

A point Gneist was fond of making was that Parliament was a reflection of local political conditions. The structure

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1 Ibid., p. 919.



of local offices and taxation, the gentry's hold on local government, were all supposed to recur in one form or another higher up the constitutional ladder in Parliament.

Das stufenweise Ineinander-  
greifen von Steuer- und Amts-  
last, die festen Elemente durch  
königliche Ernennung aus der  
gentry und die beweglichen mit  
den zeitigen Interessen ver-  
flochtenen Elementen aus Comm-  
unalwahlen kehren eine Stufe  
höher gerückt in Ober- und <sup>1</sup>  
Unterhaus wieder.

The problem of unravelling the connections between Selfgovernment and Parliament was too complex to be dealt with in the context of an in-depth study of the former - itself a maze of uncharted difficulties. The problem may have been too big for him to deal with satisfactorily at the time, but that did not stop Gneist developing his arguments when he touched on it. Elsewhere, for example, he argued that Parliament was a taxation institution representing the corporate taxation units of the counties incorporated towns. 'Als.....Steuerkörper werden nun die Kreisverbände und einige hundert Städte die feste Basis des Hauses der Communalverbände, House of Commons.'<sup>2</sup> By stressing the corporate representative element of Parliament, he was obviously swimming against the current at a time when the franchise was being extended to the masses. But in the context of German socio-political thought of the period, in which the corporate idea was something of a fetish,<sup>3</sup> Gneist's interpretation seemed less

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1 Ibid., p. 916.

2 Ibid., p. 123.

3 See above, p. 17 f.



strange. He used the corporate idea to contain the egotistical demands of the dominant social class.

The paradoxical virtue of English Selfgovernment, Gneist thought, was that precisely by abolishing local autonomy, it had been able, in Parliament, to distribute more political rights than had been possible on the Continent, where local conditions had persisted more or less undisturbed.

Es / English Selfgovernment /  
gewährt dem lokalen und Einzel-  
willen einen viel geringeren  
Spielraum, gewährt dagegen um  
desto stärkere politische Rechte  
durch die Vereinigung der gleich-  
gegliederten Communalverbände zu einer 1  
Gesamtheit im Parlament.

In an especially corporative mood, Gneist could claim that the entire English constitution was essentially an 'Aggregat von Corporationen',<sup>2</sup> with Parliament the corporation of corporations. It was a further refinement of his aim of taming the dominant social class. By integrating it into a watertight system of government extending from parish to Parliament, its potentially insatiable drive for power could be bridled and transformed into the sociable expectations of specific rights coupled to the acceptance of concomitant duties. Conversely, the corporative idea provided Gneist with a further explanation of the gentry's dominant position in the state. The gentry took control of the local corporations (parish and county) through its proportionately high tax

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1 Gneist, 'Das Repräsentative System in England' in A.v. Haxthausen (ed.), Das constitutionelle Prinzip (Leipzig, 1864), p. 154.

2 Gneist, Das heutige englische V.- und V.recht, i, 653-4.



contribution. Parliament was supposed to be the representative bundling together of local corporations, so that the gentry's position was equally assured in Westminster.

A decade earlier Stein had resolved the antagonism between state and society into one between Verfassung and Verwaltung. Now Gneist had succeeded, to his own satisfaction, in overcoming this central theoretical problem. He believed Verfassung and Verwaltung could be cemented together by the dominant social class. Selfgovernment assured that this class would serve the state rather than its own interests. State and society were integrated by Selfgovernment, the common foundation upon which Verfassung and Verwaltung could develop in harmony.

In 1867 the Prussian government turned to the long overdue task of reforming government in the Province, Kreis and Gemeinde. The ensuing legislative process, delayed by the events of 1870-71, resulted in the Kreisordnung of 13 December 1872 applying to the six old provinces of Prussia, Brandenburg, Pomerania, Posen, Silesia and Saxony (applied in the 1880's to the other provinces) and the Provinzialordnung of 29 July 1871. Of the two laws, the former was the most important, the Kreisordnung bill having required two re-draftings and the creation of twenty-



four peers before conservative opposition in the Upper House was overcome.<sup>1</sup> Bismarck's dislike of the Kreis reform nearly caused the fall of its principal architect, interior minister Graf Eulenburg. Surprisingly, Gneist only played a small part in the legislative process which culminated in the Kreisordnung.<sup>2</sup> In September 1868 Gneist's Verwaltung, Justiz, Rechtsweg appeared, attracting the attention of members of the Lower House.<sup>3</sup> In February 1869 Gneist attended a conference with Bismarck on the matter of Kreis reform and the principle of honorary offices was discussed.<sup>4</sup> Slightly later in the year Gneist wrote a long memorandum for Eulenburg, applying his ideas to the Kreis reform. But Gneist played no direct part in drafting the bill and was not even in the parliamentary committee set up to study it.<sup>5</sup> He only made one speech on the Kreisordnung bill in the Lower House.<sup>6</sup> It may have been that in the Landtag in 1869 and 1871 Gneist's position on local government reform - by now very well known indeed - was considered too doctrinaire and inflexible for the compromises necessary in all-party negotiations. The same reason may have

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1 Two accounts of the 1872 Kreisordnung's making can be found in H. Heffter, Die deutsche Selbstverwaltung im neunzehnten Jahrhundert (Stuttgart, 1950), pp. 546-556, and E.R. Huber, Deutsche Verfassungsgeschichte seit 1789, iv, (Stuttgart etc., 1969) pp. 352-359.

2 Hahn, Gneist op.cit., pp. 155-191 covers Gneist's role in detail.

3 H.v. Poschinger, Bismarck und die Parlamentarier (Breslau, 1895), ii, 73.

4 Ibid., pp. 73-77.

5 Ibid., p. 79.

6 Stenographische Berichte, 1869-1870, i, 108ff., Gneist's speech of 19 Oct. 1869.



spurred Eulenburg to select Rudolf Friedenthal, leader of the Free Conservatives, rather than Gneist, as his parliamentary consultant and spokesman in late 1871, when the Kreisordnung bill was re-introduced in the Lower House in slightly altered form.

If the influence which Gneist had exerted directly on the Kreisordnung's making had been slight, that which he exercised indirectly was very great. The details may not have been his, but his ideas dominated the intention behind the Kreisordnung. The surviving element of patrimonial local government was brought to an end. The larger landowners retained their traditional power, but henceforth as magistrates - Amtsvorsteher - appointed by Oberpräsidenten of the Provinces.<sup>1</sup> Unlike the English Justices, however, the Amtsvorsteher were appointed for six years, rather than for life.<sup>2</sup> In the 'Motive zu dem Entwurf' appended to the Kreisordnung bill which he circulated in the Lower House in October 1869, Eulenburg explained his basic idea in reorganizing the big (not necessarily aristocratic) landowners' political power:

Es galt hierbei, nicht einen privilegierten Grundbesitzerstand zu schaffen oder zu erhalten, sondern dem wirklich vorhandenen grösseren Grundbesitzer die ihm zukommende Stellung im Kreis-  
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verbände zu sichern.

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1 Gesetz Nr. 8080, 'Kreisordnung für die Provinzen Preussen, Brandenburg, Pommern, Posen, Schlesien, Sachsen', 13 Dec. 1872, in Gesetz-Sammlung für die königlichen Preussischen Staaten, 1872 (Berlin), pp. 661-716, cf. 675.

2 Loc.cit.

3 Anlagen zu den Stenographischen Berichten über die Verhandlungen des Hauses der Abgeordneten 1869-1870, Nr. 4, p. 21.



The point was exactly the one Gneist had been making for nearly twenty years. In the Gemeinde, the principle of unpaid, obligatory offices replaced the anachronistic attachment of political rights to the ownership of certain parcels of land.<sup>1</sup> As to whether the new honorary offices established at the Kreis's summit should be elective or appointive, Gneist was even more conservative than Eulenburg. He reproached the government with vote-hunting because the members of the Kreisausschuss, the standing committee elected by the Kreis assembly, were made elective.<sup>2</sup> Gneist's axiom that Selfgovernment should be a function of the state - rather than a form of local self-determination - lay at the heart of the new order in the Kreis. The Kreisordnung began by stating that the Kreis was both a unit of the state and a local self-government body. In fact the former element dominated through the Amtsbezirk, the intermediate unit between Kreis and Gemeinde, which failed to develop a democratic character. Gneist's principle, drawn from the example of the petty and quarter sessions, of the inseparability of justice and administration was applied to the Kreisausschuss, which both performed the day to day administrative work of the Kreis and acted as the Kreis's court of administrative justice.<sup>3</sup>

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1 Gesetz-Sammlung für die königlichen Preussischen Staaten 1872, op.cit., p. 671.

2 Gneist to Heinrich v. Sybel, 19 Nov. 1874. An excerpt of the letter is reproduced in Hahn, Gneist, Appendix E, p. 295.

3 For the functions reserved for the Kreisausschuss, see Gesetz-Sammlung für die königlichen Preussischen Staaten 1872, pp. 694ff.



On the whole, liberal hopes for the 1872 Kreisordnung were not fulfilled. The political power of the Junkers and landed magnates in the old Prussian provinces survived - was strengthened, if anything, by rationalisation. By electoral weighting in favour of the larger landowners, conservative majorities were ensured in the Kreisversammlung (Kreis assembly).<sup>1</sup> The gulf between town and country was reinforced and the former's representation prevented from exceeding half the number of seats in the Kreisversammlung.<sup>2</sup> At a time when the agrarian elite's real hold on the population was slipping, the 1872 Kreisordnung, which remained the basis of government in the Kreis until the collapse of 1918, was an artificial perpetuation of landed power in the local community. Gneist's part in the Kreisordnung's making illustrates how far right-wing liberals were prepared to go in conceding the aristocracy its 'rightful' place in the reconstructed state. At the same time it is a striking example of the way in which relatively modern, bürgerlich ideas penetrated the world of the Prussian nobility. As the newly rich bourgeoisie was buying its way into the nobility's landed estates, so was its social cousin, the political professor, forging a new ideological justification for a landed elite.

Nevertheless, the survival of ständisch elements in the East Elbian elite prevented it developing into the sort of landed oligarchy Gneist had envisaged. In a way Gneist did more to per-

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1 See Gesetz-Sammlung für die königlichen Preussischen Staaten 1872, op.cit., pp. 682ff. for the electoral arrangements for the Kreisversammlung.

2 Ibid., p. 683.



petuate than to destroy the 'feudal' system he so disliked. Muddled ideas on social class - in particular his use of a crude property standard - obscured the real differences between the social and political positions of the English gentry in the eighteenth century and big landowners in Prussia east of the Elbe in the nineteenth century. Gneist's point of departure, his image of the English gentleman-magistrate, was in itself something of a fiction, for during the course of the eighteenth century the gentry proved increasingly incapable of performing the tasks of local government. If Gneist's theory of Selfgovernment, as realized in the Kreisordnung, failed to uproot feudal traditions, it also failed to keep Gneist's other bête-noire, bureaucracy, out of the Kreis. The highest Kreis office, that of Landrat, came to be seen by ambitious officials as a rung on the promotional ladder.<sup>1</sup>

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1 Heffter, Die deutsche Selbstverwaltung, op.cit., p. 555.



CHAPTER IV

Lorenz Stein and the 'Verwaltungslehre'

*Ich musste wissen, als ich meinen weiten Weg begann, dass ich überhaupt nicht für die gegenwärtige, in Detailfragen verfahrenene Generation arbeite, sondern das, was ich möchte, eine grossartige und organische Welterscheinung des ganzen Lebens der Menschheit, vor der Hand zum Schweigen verurtheilt ist - von mir wahrlich nicht geschaffen werden kann.*

*(Stein to Gustav Schmoller,  
30 December 1865)*

In Chapters I and II we have seen how Stein, aiming to found a 'science of society', produced a theory of state and society. This Chapter deals with the second and last period of Stein's career, in which Stein, teaching at the University of Vienna, concerned himself almost exclusively with the state. Firstly he treated the state as an economic force - in his Finanzwissenschaft<sup>1</sup> - secondly as Verwaltung. Stein's Verwaltungslehre<sup>2</sup> represents the culmination of his intellectual career. The development of his interests in Vienna follows logically from what went before and there can be little doubt that in the late 1840's and early 1850's Stein knew in which direction he wished to move in the future. There were indications in the mid-forties that his science of society was becoming

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1 See below, p.236 ff.

2 See below, p.240 ff.



a 'science of government'.<sup>1</sup> That the state was already Stein's primary concern in the early 1850's is indicated by the fact that his major theoretical work, published in 1852 and 1856, which was supposed to systematize his ideas on economy, society and state, was called System der Staatswissenschaft. The theories of economy and society were subordinated to the state and its science. Although the last volume on the state never appeared, the volumes of Stein's Finanzwissenschaft and Verwaltungslehre, which appeared in the 1860's, can be seen as a partial fulfilment of Stein's promise, made in the early fifties, to deliver a theory of the state.

Returning to Lorenz Stein's position in Kiel after the 1848 revolution, he succeeded in winning a seat in the Schleswig-Holstein Landesversammlung in a by-election in March 1850.<sup>2</sup> Although no longer excluded from the political process in his own country, he could gain little influence, for he had by this time become notorious for political unpredictability. His record during the revolutionary years prevented him from getting the full professorship he so desired.<sup>3</sup> By his own admission, Stein had become the political bête noire of the country.<sup>4</sup> The conservatism and lack of clear political goals of the provisional

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1 Stein, 'Der Begriff der Arbeit und die Prinzipien des Arbeitslohnes in ihrem Verhältnisse zum Socialismus und Communismus', Zeitschrift für die gesamte Staatswissenschaft, iii (1846), 2nd Heft, 247-8.

2 W. Schmidt, Lorenz von Stein, op.cit., p. 60.

3 Ibid., p. 57.

4 Ibid., p. 170, Stein to Droysen, 8 Aug. 1848.



government and its Prussian appointed successors led him to put his faith in a second revolution.<sup>1</sup> When this failed to materialize, he began to lose hope in the modernization and democratization of the country. Hanging over the move towards domestic reform was the uncertainty of Schleswig-Holstein's future after Prussia's cessation of hostilities against Denmark in the summer of 1848. A letter he wrote to Johann Gustav Droysen in Frankfurt in a mood of despair shows that he wanted to leave as early as January 1849.

Ueber unser Land und unsre Zustände  
mag ich Ihnen nichts schreiben.

.....Es ist nicht möglich sich einen  
apathischeren Zustand zu denken als  
den der Gemüther in unserem stamm-  
verwandten Schleswig-Holstein. Alles  
ist verloren, und die Ehre mit. -

Wissen Sie für mich keinen  
Platz jenseits der Elbe? Ich kann es  
hier gar nicht mehr aushalten. Seit  
fünf Jahren habe ich den Ruhm Schl.  
Holst. hinaus posaunt in die Welt, und  
jetzt muss ich solches ansehen! Wir  
sind, trotz unserer Armeen, ein gänz-  
lich entwaffnetes und willenloses Volk! 2  
Oh my country! Oh what times! -

The dependence of his country on the vacillating policies of the King of Prussia made him see things very bleakly. In fact, the struggle against the Danes was by no means over. Others had more stamina than he. Yet this time Stein's belief in the outcome of the German-Danish struggle proved correct.

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1 Schmidt, Lorenz von Stein, p. 171, Stein to Droysen, 26 Jan. 1849.

2 Schmidt, Lorenz von Stein, p. 171, Stein to Droysen, 26 Jan. 1849.



Political resignation re-channelled his energies into his real love - writing. It was a period of great literary productivity for Stein, in which he not only re-wrote his history of French socialism and maintained a steady output of articles on the Schleswig-Holstein and national questions, but also built a reputation for himself as one of the leading economists in Germany.<sup>1</sup> Particularly depressing for him was what he saw as the eclipse of the greater German national cause which accompanied the growing mood of political uncertainty in the Duchies. The grossdeutsch cause meant more to him than any other. It was this that made him so unpopular amongst Droysen's pro-Prussian friends.<sup>2</sup> In such a highly charged political atmosphere, his lack of a political following was bound to affect his reception in the lecturing hall. Despite his originality, he failed to build his own school of political science.<sup>3</sup> But as his star waned at home, his reputation grew in South Germany and Austria, where his articles in the prestigious Allgemeine Zeitung and Cotta's Deutsche Vierteljahrs-Schrift made him the leading North German publicist of the greater German cause.

In a letter of 5 August 1850 to Gustav Höfken, a political economist and a leading expert on the Zollverein whom the Austrian commerce minister Freiherr von Bruck had brought to

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1 See below, pp. 210-11.

2 Droysen's opinion of Stein's politics can be seen in Droysen's letter to Karl Samwer of 15 March 1850 in R. Hübner, Johann Gustav Droysen. Briefwechsel (Berlin/Leipzig, 1929), i, 617.

3 As Stein put it himself, 'mir fehlt ein persönlicher Wirkungskreis'. ÖSTA, Abt. H H u STA, Nachl. Höfken 1, Stein to Höfken, 18 Aug. 1850.



Vienna, Stein expressed his feelings about his home country and the growing attractiveness of Austria for him. The letter contained both Stein's assessment of the German national question and a candid profession of his hopes for his own future. A number of Austrians whom he had met in Kiel, he wrote to Höfken, had drawn his attention to the changes going on in Austria, to the Austrian government's commitment to far-reaching reforms and, particularly, to the 'ehrendvollen und richtigen Platz, den man der norddeutschen Wissenschaft dort [in Austria] einzuräumen beabsichtigt...'<sup>1</sup> The latter was a reference to the reform of the Austrian education system carried out by Graf Leo Thun-Hohenstein, a reform which got under way in 1849 and succeeded in attracting a number of German professors to Austrian universities.<sup>2</sup> Stein got to the point by saying that all this had made him wonder if he should not try to transfer to Vienna. He continued by throwing himself on Höfken with an openness calculated to disarm.

Es kommt Ihnen vielleicht wunderlich vor, dass ich an so etwas denke, ohne dass man mich dazu veranlasst; allein einige dieser Herren [Austrians in Schleswig-Holstein] meinten, es würde nicht so gar schwierig sein, hinüber zu kommen. Da habe ich mich nun entschlossen, mich an sie, den einzigen Mann den ich in Oesterreich kenne, zu wenden. Ich will

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1 ÖSTA, Abt. H H u STA, Nachl. Gustav Höfken 1, Stein to Höfken, 5 Aug. 1850.

2 See H. Pirchegger, Geschichte und Kulturleben Deutschösterreichs (Vienna/Leipzig, 1937), iii, 254, for the influx of the Germans into the law faculty of Vienna University after 1848.



Ihnen persönlich gegenüber mich  
ganz offen aussprechen. 1

Probably fearing that the Duchies would eventually be handed back to the Danes, now that the Confederation (the previous month) had made peace with Denmark, Stein wanted to get away at almost any cost. Schleswig-Holstein was too 'small' for him.

Hier sind die Verhältnisse in denen ich hier bin, in jeder Weise zu eng. Die Universität ist klein, das Land ist klein, seine Politik ist klein. Ich habe deshalb die grösste Lust, überhaupt weg zu kommen. Allein ich habe eine gute Stellung hier, so dass ich andererseits schon angemessene Anerbietungen erwarten muss. Doch das ist das Unterge- 2  
ordnete.

Stein went on to say why he thought Germany's - and his own - future lay with Austria and not Prussia.

Ich bin der Ueberzeugung, dass bei der gänzlichen Auflösung des Nordens in seine - freilich sehr festen - Atome aus Deutschland wenig oder nichts wird, und dass namentlich Preussen ausser Stande ist, den Ganzen fortzuhelfen. Preussen gehört zu den Staaten, deren Glanz auf der Individualität seiner Fürsten beruht; Oesterreich 3  
ist was es ist durch sich selber.

By the 'complete dissolution of the north into its..... atoms', Stein meant the break-up of the Prussian state and the integration of its provinces into a unified Germany. It was an extreme variation of an idea which was quite common in the

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1 Nachl. Höfken 1, Stein to Höfken, 5 Aug. 1850.

2 Nachl. Höfken 1, Stein to Höfken, 5 Aug. 1850.

3 Nachl. Höfken 1, Stein to Höfken, 5 Aug. 1850.



grossdeutsch party at the time. That he thought this would not work, indicates that he now thought a genuinely federal solution to the problem of German unity would not work. Prussia was too firmly tied to the interests of its Hohenzollern rulers, Stein thought, for it to be able to lead Germany along this road. The factor most responsible for turning Stein against Prussia was Frederick William's desertion of Schleswig-Holstein. The peace he had signed in July 1850 left the Duchies fighting alone and their bloody defeat in the same month sealed their fate for the foreseeable future. The Danes had apparently won. The looming failure of Radowitz's Unionspolitik was further evidence that Prussia was incapable of leading Germany.

Thun's reform of the Austrian universities, the introduction of the more liberal German system of study and democratization of university faculties<sup>1</sup> now made the prospect of a chair at the University of Vienna an attractive one for Stein. He saw the university reforms as part - the most important part - of Austria's Germanization. Up till now, Stein continued, Austria had forfeited its rightful place in Germany by suppressing the development of German culture, the main expression of which was 'science'.

Oesterreich hat bisher seinen rechten Platz in Deutschland darum nicht haben können, weil es in beständigem Kriegszustande mit dem Ausdruck des deutschen Geistes, der deutschen freien Wissenschaft gewesen. Es hat ferner aus demselben Grunde die

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<sup>1</sup> See Geschichte der Wiener Universität von 1848 bis 1898 (Wien, 1898).



Herrschaft des germanischen Elements nicht zu fester Entwicklung kommen lassen; denn gut oder schlimm, der Deutsche ordnet sich und lebt wesentlich durch die Bildung.

If the education system were reformed, then the Germanic element would come to the fore and Austria would take its rightful place in Germany.

Wenn nun die Oesterreichische Regierung auf diesem Punkt etwas thun will, so wird es zwei Ziele zugleich erreichen; es wird einerseits das herrschende germanische Element in seinen eigenen Staaten auf unerschütterliche Basis stellen, und andererseits in Deutschland die unbezweifelte Präponderanz haben. Wir aber bedürfen vor allem eines solchen Staats.

Much of this was self-justificatory. Stein knew about the reforms going on in Austria and wanted to come anyway.

Und da es von der Ferne wenigstens erscheint, als ob die Regierung sich in ähnlicher Weise die Dinge ansieht, so muss ich gestehen, dass ich gerne in diesem grossen Werke [the reconstruction of Austria] meinen bescheidenen Theil hätte. Wenn ich daher eine Veranlassung fände, dahin zu gehen, so würde ich gerne kommen.

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Linking the education reforms to Austria's Germanization was merely a way of convincing himself that Austria was firmly set on a German path. Nevertheless, these lines are significant, for they show how far Stein's thinking had moved away from social towards national considerations. Austria's social reform received no mention.



Höfken communicated Stein's wish to the Austrian minister for commerce Freiherr von Bruck straight away.<sup>1</sup> The latter reacted favourably and Stein was encouraged to send him an application for a professorship at the University of Vienna, which Bruck conveyed, together with his enthusiastic support, to Graf Thun, the minister for education.<sup>2</sup> There the matter was left in November 1850. It was now a question of waiting. But early in 1851 the Danes re-occupied Schleswig-Holstein and in June Stein was dismissed along with seven other university professors.<sup>3</sup> Stein's position was not desperate. He was able to support his family by writing. He even built himself a house near the port in Kiel.<sup>4</sup> Yet it was a depressing time of uncertainty and political isolation for Stein, who almost alone stood against the Duchies' annexation by Prussia.<sup>5</sup> A measure of his literary resourcefulness was his anonymous publication of a book on household economics written for housewives - no doubt the result of putting his head together with his wife on how to balance the household budget.<sup>6</sup> He was to retain his interest in the subject for the rest of his life.

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1 H. Uhl, Lorenz von Stein und Karl Marx, op.cit., p. 226, Höfken to Stein, 12 Aug. 1850. Uhl omits to give his sources.

2 Ibid., p. 226, Höfken to Stein, 13 Nov. 1850.

3 Schmidt, Lorenz von Stein, p. 63.

4 R. Hübner, Johann Gustav Droysen. Briefwechsel, op.cit., ii, 104, K. Müllenhoff to Droysen, 17 May 1852.

5 See Schmidt, Lorenz von Stein, p. 175, Stein to Forchhammer, 28 Feb. 1864.

6 Die wirthschaftliche Erziehung und die Lebensaufgabe der Hausfrau (Leipzig, 1852).



Vienna was evidently in no hurry to create a chair for him, so he began looking elsewhere. He asked his friends on the Allgemeine Zeitung to use their influence on his behalf in the South German universities. When a chair at the university in Würzburg was vacated in the summer of 1852, Cotta (the newspaper's owner) and G. Kolb (editor-in-chief) did their best to get Stein in.<sup>1</sup> In Würzburg the faculty of political science seemed favourable,<sup>2</sup> yet the application came to nothing. The reputation Stein had acquired in Copenhagen and Berlin for political unreliability put the Bavarian government off. At the same time Stein sounded out the political scientist Friedrich Christoph Dahlmann, who was then teaching in Bonn. Dahlmann could offer Stein no hope of a chair, either in Bonn or any other Prussian university.<sup>3</sup> This came as no surprise to Stein, who had just published an article in Cotta's widely read Deutsche Vierteljahrs Schrift expressing his disillusion with Prussia in the strongest possible terms. Prussia would never be able to develop a genuine representative constitution, he argued, because it lacked the social basis for one.<sup>4</sup> Prussia was economically, ethnically and territorially divided.<sup>5</sup> Prussia did not possess a society which could be represented. Only its

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1 Nachl. Stein, 4.2.05, Kolb to Stein, 13 June 1852.

2 Nachl. Stein, 4.2.05, Prof. Carl Edel, Dean of staatswissenschaftliche faculty, Würzburg Uni., to Stein, 6, 14 and 29 July 1852.

3 Nachl. Stein, 4.2.05, Dahlmann to Stein, 2 July 1852.

4 Stein, 'Zur preussischen Verfassungsfrage', DVJS, 1st Heft, (1852), 1-37.

5 Ibid., p. 17.



administration held the Prussian state together<sup>1</sup> and because it lacked an organic social basis, the administration was condemned to remain a bureaucratic machine. The inadequacy of the Prussian state, Stein concluded, was a yearly reminder of the need for a German one.<sup>2</sup> The Prussian government had let Stein know that he was persona non grata in Prussia.<sup>3</sup> In all he was turned down by four German universities during the early 1850's.<sup>4</sup>

It was paradoxical that at a time when Stein was beginning to develop an interest in administration, he should have broken with Prussia which, more than any other German state, was associated with an efficient Verwaltung. Stein had begun as an ardent admirer of Prussia but was now her enemy. His attitude to Prussia was to change again in the late 1860's but the Prussian authorities never forgave him.<sup>5</sup> Stein's break with Prussia makes Blasius' argument, that the reforming Prussia of the early nineteenth century was Stein's administrative model, seem very unlikely.<sup>6</sup>

In November 1854 Stein left Kiel for good. He was relieved finally to get away and henceforth kept up few per-

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1 Ibid., p. 12.

2 Ibid., p. 37.

3 R. Schnur, Staat und Gesellschaft, op.cit., p. 557, Stein to Robert Mohl, 14 Feb. 1853.

4 Ibid., p. 558, Stein to Mohl, 14 Feb. 1853.

5 See below, p.273 .

6 D. Blasius, 'Lorenz von Stein und Preussen', Historische Zeitschrift, ccxii (1971), 339-362.



sonal links with former friends and colleagues, only returning occasionally with his wife, to visit her family. First he travelled to Munich, where he apparently hoped to take over from Kolb as editor-in-chief of the Allgemeine Zeitung.<sup>1</sup> The idea fell through and he then went to Prague, where he stayed with the historian Constantin Höfler, who gave him an introduction to Graf Leo Thun.<sup>2</sup> By December he and his family were in Vienna, where Stein worked as the Allgemeine Zeitung's correspondent. At about this time the political economy professor at Vienna University, August Nowak, died and the law faculty (of which political economy was a part) began looking for a successor. Stein was the faculty's third choice but neither its first choice, Wilhelm Roscher, nor its second, Hanssen in Göttingen, were interested. It only remained for the faculty professors to overcome their misgivings - some thought that Stein had played a demagogic part in the revolutionary events of 1848 - before they recommended Stein for the chair.<sup>3</sup> Thun strongly recommended the choice of Stein to the Kaiser, who approved Stein's appointment as Professor of Political Economy on 22 March 1855.<sup>4</sup>

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1 E. Grünfeld, Lorenz von Stein und die Gesellschaftslehre, op.cit., p. 4.

2 H. Lentze, Die Universitätsreform des Ministers Graf Leo Thun-Hohenstein (Vienna, 1962), 267-8, Höfler to Thun, 18 Nov. 1854.

3 A. Novotny, 'Lorenz von Stein's Berufung nach Wien', Festschrift zur Feier des zweihundertjährigen Bestandes des Haus-Hof- und Staatsarchivs (Vienna, 1951), ii, 474-84.

4 Ibid., p. 480ff.



Stein's career at Vienna University was to last over thirty years and was by all accounts exceptionally brilliant. In addition to his political economy lectures, Stein lectured on Verwaltungslehre and 'finance'.<sup>1</sup> His lectures, particularly earlier on, were unusually well attended - by over 600 students in some years<sup>2</sup> - and are said to have exercised a powerful effect on many of his students.<sup>3</sup>

When lecturing, Stein spoke quietly but highly fluently and with considerable eloquence, apparently without relying on notes. He improvised lucidly, developing his thoughts as he went along and weaving in items of topical interest, a technique which helped win him the attention of his listeners.<sup>4</sup> He always understood how to enliven a particular point by relating it to subjects of wider interest. In this his lecturing style resembled Gneist's, although Stein's willingness to think aloud sometimes led his students to call him superficial,<sup>5</sup> something which was never said of Gneist. Although Stein's lectures were free of the difficult dialectical language which characterized much of his writing, his original philosophical treatment of his

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1 Geschichte der Wiener Universität von 1848 bis 1898, op.cit., pp. 172-3.

2 ZSTA, Merseburg, Rep. 92, Nachl. Gneist, Nr. 71, Bl. 2, Stein to Gneist, 1869 (undated).

3 K.T. Inama-Sternegg, 'Lorenz von Stein', Allgemeine Deutsche Biographie, xxxv (Leipzig, 1893), 661-666.

4 E.v. Plener, Erinnerungen (Stuttgart/Leipzig, 1911), i, 12-14.

5 Ibid., p. 13.



subjects even attracted philosophy students.<sup>1</sup> Stein lectured on Verwaltungslehre from the winter semester 1856-7 onwards. These lectures, together with Gneist's on Verwaltungsrecht in the early 1870's, have been seen as the first university courses in the emerging discipline of administrative jurisprudence.<sup>2</sup>

Particularly in Verwaltungslehre, which became his main field of interest, he saw his task at the University as the development of an administrative science which could serve as a basis for training officials.<sup>3</sup> The establishment of a class of officials with a common training, Stein thought, would be the best possible foundation for the Habsburg Monarchy.<sup>4</sup> His students later claimed that Stein influenced a whole generation of German Austrians studying in the middle years of the century.<sup>5</sup> When Stein retired in 1885 (he continued to lecture for three years after retirement) it was said that nearly all the younger Austrian higher ranking officials as well as a good number of parliamentarians had studied under him.<sup>6</sup>

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1 Nachl. Stein, 4.8.01, Bl. 12, undated newspaper clipping.

2 See G. Wacke, 'Lorenz von Stein als Begründer des Verwaltungsrechts', Zeitschrift für die gesamte Staatswissenschaft, cii (1942), 262ff.

3 K. Menger, 'Lorenz von Stein', Jahrbücher für Nationalökonomie und Statistik, 3rd Folge, i (1891), 198.

4 Nachl. Höfken 1, Stein to Höfken, 18 Aug. 1850.

5 E.v. Plener, Erinnerungen, op.cit., i, 13.

6 Nachl. Stein, 4.8.01, Bl. 13, undated newspaper clipping.



In Vienna Stein dominated the field of political economy, easily outshining young Adolf Wagner at the Handelsakademie (from 1858 to 1863), until 1868, when Albert Schäffle took up a second chair of political economy at the University, which had been created for him. The two men's personalities evidently clashed, although both remained outwardly correct towards each other. Stein - quite unjustifiedly - considered Schäffle to be a dilettante<sup>1</sup> and Schäffle was not above poking fun at Stein's financial plight at the end of the 1870's.<sup>2</sup> (Schäffle left the University in February 1871 to head the commerce ministry but after the Hohenwart government's fall later that year, returned to Germany.) Despite the fact that for much of the time he taught in Vienna, there was nobody of his stature either in economics or political science, Stein was no more able to build his own 'school' there than he had been in Kiel. He did receive some students at home - something then unusual amongst Viennese professors - but he only invited the wealthy or aristocratic ones to his 'tea evenings'.<sup>3</sup> When an institute of political economy was founded in 1874, it was the young Karl Menger, and not Stein, who was chosen to head it.<sup>4</sup> Stein was too preoccupied with his own ideas to spend his time

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1 ZSTA, Merseburg, Rep. 92, Nachl. Schmoller Nr. 151, Bl. 9v, Stein to Gustav Schmoller, 3 March 1869.

2 A. Schäffle, Aus meinem Leben (Berlin, 1905), i, 152. For Stein's financial plight, see below, p. 273.

3 L.v. Pribram, Erinnerung eines alten Österreichers (Stuttgart/Leipzig, 1910), i, 54.

4 Geschichte der Universität Wien 1848-1898, op.cit., p. 174.



helping students develop theirs.<sup>1</sup> Both critics and admirers considered him a poor listener.<sup>2</sup>

On the whole, Stein only played a small part in the university's internal affairs. After university offices were opened to non-Catholics in 1873, he held the office of dean once.<sup>3</sup> In 1862 he wrote a memorandum for the minister for education on the question of integrating the evangelical theological faculty into the university - something which was not carried out until 1922. Bringing the evangelical faculty into the university, he argued, would stop the flow of Protestants out of Austria and help unite Catholics and Protestants, something which was in the highest interests of the Monarchy, as the 'head and future' of Germany.<sup>4</sup> On the occasion of the Schleswig-Holstein war in 1864, he organized a committee to aid students from that region.<sup>5</sup> Apart from these few activities, he showed little interest in university affairs. He had set his sights on wider horizons. From the time of his arrival in Vienna he

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1 K. Menger, 'Lorenz von Stein', op.cit., p. 203 and Inama-Sternegg, 'Lorenz von Stein', op.cit.

2 K. Menger, 'Lorenz von Stein', p. 203 and Plener, Erinnerungen, op.cit., i, 14.

3 Geschichte der Wiener Universität von 1848 bis 1898, ed. Akademischer Senat der Wiener Universität (Wien, 1898), p. 399.

4 G. Mecenseffy, Evangelische Lehrer an der Universität Wien (Graz/Vienna/Cologne, 1967), pp. 41-43.

5 G. Hahn, Lorenz von Stein und die deutsche Rechtswissenschaft (unpublished Habilitationsschrift, jur. Fak., Berlin, 1943), p. 34.



worked hard to establish himself in the Monarchy's political and business life, spheres which then overlapped substantially.

In the early 'fifties Stein's political views took a decidedly conservative turn. He rejected the idea of government by elected majorities at the local level<sup>1</sup> and, like other leading political thinkers of the Reaction, advocated aristocratic forms of government.<sup>2</sup> Although his arguments were more hard-headed than those of neo-romantics like Wilhelm Heinrich Riehl and Friedrich Julius Stahl, the conclusion reached was not that much different. Stein argued on economic grounds for a politically strong aristocracy. A third social class, secure in its landed wealth, was needed to counterbalance the destructive forces in industrial society. Running parallel to his new-found conservatism was his interest in economics. Once again, his thoughts moved with the general trend. In the post-revolutionary era politics were frozen and continental liberals switched their attention to the economic sphere. In 1851 the boom began which brought a period of rapid material progress to Europe. In Germany and to a lesser extent Austria industry entered a period of expansion. No-one was more keenly aware than Stein of the meaning of economic factors for a political system. If the right policies were implemented, economic change could pave the way, he thought, for Germany's political unification. The

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1 Stein, 'Das Gemeindewesen der neueren Zeit', DVJS, 1st Heft, 1853, 22-84, cf. p. 81.

2 Loc.cit. and 'Das Wesen des arbeitslosen Einkommens und sein besonderes Verhältniss zu Amt und Adel', DVJS, 4th Heft, 1852, 139-190.



result was some of the most ingenious tracts he ever wrote.<sup>1</sup> Well researched, closely argued yet never losing sight of their far-reaching objectives, his articles on the extension of the Zollverein, the establishment of a German bank and a single German currency earned him the reputation of a leading German economist. He systematized his ideas on economics and produced a 'Volkswirthschaftslehre' (1st volume of System der Staatswissenschaften) in 1852. However, the book's philosophical discursions and prolixity put some people off. The apparent ease with which he could get down to the statistical details of butter production in Schleswig-Holstein and the advantages of gold-backed currencies, whilst at the same time writing major theoretical works<sup>2</sup>, as well as turning out a steady stream of articles for the Allgemeine Zeitung (two or three a week was normal for him in these years), shows the versatility of his mind.

Stein's practical economic aims were remarkably similar to those of Karl Freiherr von Bruck (1798-1860), Austrian minister for commerce from 1848 to 1851 and for finance from 1855 until 1860. At the root of their economic plans was the common

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1 See for example 'Die Handels- und Zoll-Verhältnisse der Herzogthümer Schleswig und Holstein, mit besonderer Berücksichtigung eines Anschlusses an den Zollverein', Zeitschrift des Vereins für deutsche Statistik, 2nd Jahrgang, 1848, 159-177, 214-231, 460-473; 'Die Errichtung einer deutschen Bank', DVJS, 2nd Heft, 1851, 197-233; 'Die Goldwährung als Grundlage der deutschen Münzeinheit', DVJS, 3rd Heft, 1853, 80-137.

2 The third edition of his history of French socialism and communism was published in 1850 and the first volume of Stein's System der Staatswissenschaft in 1852.



vision of a German-dominated central European trade and customs union stretching from the Ardennes to the east coast of the Baltic in the north and from the Alps to the Black Sea in the south.<sup>1</sup> The inspirer of this vision was the economist Friedrich List, whose Das nationale System der politischen Ökonomie Stein had read when it first appeared in 1841.<sup>2</sup> It is unlikely that Stein met or corresponded with List, who died by his own hand in 1846, before Stein had been able to develop his economic ideas. But Stein was no doubt aware of List's propaganda in the Zollvereinsblatt, the Allgemeine Zeitung and elsewhere, on behalf of Germany's economic modernization and unification.<sup>3</sup> Individual ideas of List which Stein later took up included the establishment of a German trade area to complement the Zollverein<sup>4</sup>, the expansion of the Zollverein to embrace the north German coastal states,<sup>5</sup> the establishment of a German navy and merchant navy,<sup>6</sup>

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1 See Stein, Oesterreich und der Frieden (Vienna, 1856), p. 15 and passim. For Bruck, see R. Charmatz, Minister Freiherr von Bruck Der Vorkämpfer Mitteleuropas. (Leipzig, 1916), pp. 177-204, 241-281, Bruck's memoranda concerning Mitteleuropa.

2 See above, p.56.

3 See W.O. Henderson, Friedrich List (London, 1983), p. 75ff.

4 See Stein, 'Der Begriff des Freihandels und die praktische Bedeutung desselben', Zeitschrift für die gesamte Staatswissenschaft, 2nd Heft, (1848), pp. 310, 358 and Henderson, pp. 90-1.

5 See Stein, 'Die Handels- und Zollverhältnisse der Herzogthümer Schleswig und Holstein', op.cit. For List see Henderson, pp. 90-1.

6 For Stein, see above, p. 100 . For List, see Henderson, p. 96ff and 103.



the introduction of a single German currency<sup>1</sup> and the holding of industrial exhibitions.<sup>2</sup> Similarly, List's ideas on opening up the Near and Middle East to German capital and colonization, his emphasis on the role of waterways and railways and the importance he attached to Austria and Hungary in the establishment of Mitteleuropa chimed with the ideas of Stein and Bruck.

When List visited Austria in 1844-45, attracting considerable attention amongst leading industrialists and bankers,<sup>3</sup> Bruck was managing the Austrian Lloyd company in Trieste. It was Austria's biggest steamship company, which Bruck himself had built up in the 1830's out of the original shipping insurance business.<sup>4</sup> The Lloyd was a shining example of Austrian commercial penetration of Asia Minor and the eastern Mediterranean and Bruck was almost certainly as keen as List to see German-Austrian capital and political influence fill the vacuum left by the slow disintegration of the Turkish empire. In 1848 Bruck was elected to the Frankfurt National Assembly where he sat on the economic and the naval committees. Lorenz Stein composed the report which circulated in the naval committee in the summer of 1848<sup>5</sup> and it is possible that Bruck first became aware of

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1 See Stein, 'Die Goldwährung als Grundlage der deutschen Münzeinheit', op.cit. and Henderson, p. 102.

2 See Stein, 'Die deutsche Industrieausstellung', DVJS, 4th Heft, (1854) and Henderson, p. 97.

3 Henderson, op.cit., p. 110.

4 Charmatz, Minister Freiherr von Bruck, op.cit., p. 12ff.

5 See above, p. 100.



Stein in this way. However they did not get to know each other personally until Stein moved to Vienna.

Bruck became Austria's first minister for commerce in November 1848. In the two and a half years during which he held the job, he succeeded in building up the ministry, establishing chambers of commerce in the provinces, signing a postal convention with Prussia, to which nearly all German states adhered, getting Austria's old-fashioned prohibitive tariff replaced by a more modern protectionist one, laying the foundation for a national railway system by taking over privately owned railway companies and bringing about the customs union of Hungary and Austria.<sup>1</sup> However, his long-term objective, a customs union between Germany and the Habsburg Monarchy, foundered on Prussian intransigence. Bruck's plan was to integrate the north German coastal states, the existing Zollverein and the Habsburg Monarchy into one customs unit by stages, each group gradually bringing its commercial laws into line with an agreed common system.<sup>2</sup> The progress he made in the early 1850's towards the economic integration of Austria and Hungary has to be seen in the light of his masterplan to bring about the phased convergence of the three blocs - north and middle Germany and Austria - which was to culminate in the establishment of a central European union. Like List, he saw the device of a customs union as a step towards firstly commercial and then full economic union. Both men saw the creation of such a central European union, with

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1 Charmatz, Minister Freiherr von Bruck, op.cit., p. 38ff.

2 Ibid., pp. 177-204, Bruck's memorandum, 30 May 1850.



and Carl Freiherr von Hock whom Bruck used to air his policies in Austria and Germany.<sup>1</sup> In the first two years of his appointment, Stein produced a number of articles and essays on economic and financial conditions in Austria and Austria's politico-economic mission in central Europe after the Crimean war, which bear the signs of close collaboration with Bruck.<sup>2</sup> Stein was well paid for his work, receiving at intervals sums of up to 1000 Gulden.<sup>3</sup> One of Bruck's main aims was to build up national borrowing facilities. The rapid expansion in industry and agriculture had created a shortage of investment capital, which Bruck, like bankers, industrialists and officials all over Germany, sought to solve by providing the initiative for the founding of a state bank for industrial credit along lines of the Credit mobilier in Paris. The Creditanstalt für Handel und Gewerbe came into life in February 1856. He was also instrumental in the establishment of a mortgage department in the Austrian National Bank, with a capital of 155 million Gulden drawn from the state domains.<sup>4</sup> Stein wrote a careful yet imaginative defence of Bruck's fiscal policy, Die neue Gestaltung der Geld- und Credit-Verhältnisse in Oesterreich (1855),

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1 See Charmatz, Minister Freiherr von Bruck, op.cit., p. 66.

2 See Die neue Gestaltung der Geld und Credit-Verhältnisse in Oesterreich (Wien, 1855); Oesterreich und der Frieden (Wien, 1856); Die Grundlagen und die Aufgaben des künftigen Friedens (Wien, 1856); 'Mitteilungen aus Serbien', DVJS, Heft 4 (1857), 195235.

3 ÖSTA, Abt. FuHKA, Pr.A 351/1857, 16 April 1857, 1000 fl. Remuneration.

4 Account of Bruck's activities as finance minister in Brandt, Der österreichische Neoabsolutismus, op.cit., i, 246-80 and ii, 712-60.



which helped earn him the animosity of the extreme protectionists amongst the Austrian business community.<sup>1</sup> Bruck further planned to set up a credit institute, to have been called 'Austria', to promote agriculture by buying, selling, renting and splitting up large estates. Stein was to have been a member of the company's board, which was to have included prominent figures from the aristocracy, the stock exchange and the bureaucracy.<sup>2</sup> However, the unfavourable money market of the late eighteen fifties prevented Bruck's 'Austria' from becoming anything more than a plan.

Stein's relationship to Bruck gives a clue to the nature of Stein's own personality. Stein was attracted to the ideas and energy of men like Saint-Simon, List and Bruck, charismatic figures who were driven by the idea of society's material reconstruction. Bruck and List died by their own hands and Saint-Simon attempted suicide. There is nothing to indicate that Stein had suicidal tendencies. His personal identification with the causes he served was not as intense as Bruck's, List's or Saint-Simon's. But his sense of affinity with men like these indicates something of Stein's own nature. He felt the need to dedicate himself to what he saw as the highest goals in life and saw his own work as a contribution to the causes he served. This sense of excitement was present in his scholarly work, sometimes causing him to overstretch his abilities.

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1 Ibid., i, 431n.

2 Ibid., i, 310, 311, 311n.



From his arrival in Austria, Stein cultivated his connections with the Viennese business community. On his appointment as university professor, Thun had recommended to the Kaiser that Stein receive a higher salary than would normally be the case for a man of his age and experience, because he was in the position to obtain a lucrative position in a private company.<sup>1</sup> The mid-1850's were boom years in Austria and Stein was swept along by the mood of optimism which prevailed in Vienna's business world. In a letter written fifteen months after his arrival in Vienna to his friend, the historian Konstantin Höfler, Stein described the exhilaration he felt at being able to participate in the Empire's industrialization. Things were going very well for him. He wrote that 'Ich [habe] in und ausserhalb der Universität [i.e. in Viennese political and business circles] einen Wirkungskreis gefunden, wie ich mir ihn weder schöner noch grösser denken kann.' He continued,

Der rasche Aufschwung der industriellen Verhältnisse unseres Kaiserstaats hat etwas ungemein belebendes auch für [mich], da ich zuminde[st] Gelegenheit habe, die Entwicklung der Verhältnisse ziemlich in der Nähe mit <sup>2</sup> anzusehen.

The tasks involved in Austria's modernization were not at all daunting, Stein thought, 'und ich danke täglich dem Herrn, dass die Ahnung die mich nach Oesterreich trieb, so rasch und glänzend in Erfüllung gehen wird.' He meant his university

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<sup>1</sup> Novotny, 'Lorenz von Steins Berufung nach Wien', op.cit., p. 482.

<sup>2</sup> Wiener Stadtbibliothek, Handschriften Sammlung IN, Ant 33295, Stein to Höfler, 4 March 1856.



appointment. Characteristically, he broke his train off on a note of impatience. He could hardly wait to begin work on the tasks that lay ahead. 'Aber es wird noch viel zu thun geben; und unendlich glücklich wäre ich wenn es mir vergönnt würde, auch dafür ein wenig mitzuwirken.' The eighteen sixties and seventies saw Stein rise to a position of prominence in business and industry. He was on the board of one company and president of another,<sup>1</sup> the 'Austria', a mutual life assurance company which seems to have had nothing to do with Bruck's 'Austria' beyond having the same name. By the time Stein retired from the company's board in 1878, the Austria had increased its capital from around 5 750 000 to nearly 14 400 000 Gulden.<sup>2</sup>

Stein's first business venture began in the late eighteen fifties. Using the money he had made as Bruck's publicist, he bought a piece of land in Tüffer in Styria with a thermal spring on it.<sup>3</sup> Over the years he built a spa which he called the 'Kaiser Franz Joseph Bad'.<sup>4</sup> In the late sixties and early seventies he invested in various companies including a

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1 Nachl. Gneist, Nr. 71, Bl. 2, Stein to Gneist, letter undated but probably 1869.

2 Cf. Compass Kalender und Jahrbuch für Handel, Gewerbe und Industrie in Österreich 1868, p. 114 and 1880, p. 668.

3 ÖSTA Abt. FuHKA, Pr.A. 5149/1880, Stein's request of 30 Sept. 1880 to finance ministry for tax exemption for the year 1879 on account of bankruptcy. Stein's application contains a detailed statement, dated 18 Jan. 1880, of his business affairs leading up to his bankruptcy in 1879. Copy in Schleswig-Holsteinische Landesbibliothek, Nachl. Stein 4.6.03, Nr. 11.

4 ÖSTA Abt. FuHKA, Pr.A. 5149/1880, Stein's request for tax exemption.



butter factory in Vienna, and a railway carriage construction firm in Prague.<sup>1</sup> Stein's biggest venture into industry came with his involvement in a glass manufacturing enterprise which had been started by a lawyer called Benedict and an industrialist from Belgium who was also a member of the Reichsrat, Peter Steffens.<sup>2</sup> With Steffens as managing director, their factory near Salzburg grew to be the largest glassware manufacturing enterprise of its kind in Austria.<sup>3</sup> By the second half of the eighteen seventies, Stein's shares in the Benedict-Steffens companies, together with his other investments - including Bad Tüffer - amounted to 421 000 Gulden (Stein's estimate).<sup>4</sup> It was a considerable fortune which, with his other assets including a large library, a portrait collection<sup>5</sup> and a house in Vienna, made him a rich man. He enjoyed his wealth, displaying it conspicuously. Although by nature ascetic,<sup>6</sup> he furnished his house sumptuously<sup>7</sup> and adopted a flamboyant style of life. In the eighteen sixties he was a well known sight, riding through the

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1 A. Boockmann, Lorenz von Stein, op.cit., p. 37. Stein's business papers are contained in his Nachlass under the heading '4.5', see A. Boockmann, Lorenz von Stein, pp. 36-7.

2 ÖSTA Abt. FuHKA, Pr.A. 5149/1880.

3 ÖSTA Abt. FuHKA, Pr.A. 5149/1880.

4 ÖSTA Abt. FuHKA, Pr.A. 5149/1880.

5 Nachl. Gneist Nr. 68, Bl. 25, Stein to Gneist, 14. May 1865.

6 Schäffle, Aus meinem Leben, op.cit., i, 152. Schäffle described Stein as 'vom Leben abgewandt'.

7 L.v. Pribram, Erinnerungen eines alten Oesterreichers, op.cit., i, 54.



Prater park in a coach with two liveried footmen.<sup>1</sup> His deliberate show of opulence fulfilled a need which he had felt since youth to acquire by his own efforts the material status which illegitimacy had deprived him of. The industrial capital he had built up was also a realization, in its way, of the Saint-Simonian ideas he had absorbed in Paris. Stein had become an industrial. All that was lacking to round off his success was nobility, the rank which, he felt, should have been his by birth. It was not long in coming.

In recognition of his services to the Monarchy Stein was made a 'Ritter des Ordens der eisernen Krone, dritte Classe' in August 1868 and thereby raised into the hereditary nobility.<sup>2</sup> It was a reward for over thirteen years of publicistic work on behalf of the state. He had begun as Freiherr von Bruck's collaborator. The loss of his patron Bruck in 1860 and the uncertainty of political life after the Bach system's collapse decided him to withdraw temporarily from involvement in politics.<sup>3</sup> But in 1862 he was ready to renew his professional connection with higher officialdom, this time as the founder and editor of the interior ministry's official periodical for railways and steamship travel, the Centralblatt für Eisenbahnwesen und Dampfschiffahrt, which remained in his hands until 1879,

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1 Loc.cit.

2 Allgemeines Verwaltungsarchiv, Vienna, Min. des Innern, Facikel IV D1 Ritterstand.

3 Nachl. Gneist Nr. 64, Bl. 10v, Stein to Gneist, 12 Dec. 1861. 'Hier sind Dinge so unklar, dass ich mich von der Politik vor der Hand ganz zurückgezogen habe.'



when he transferred it to his son, Ernst.<sup>1</sup> As of January 1863 Stein edited the commerce ministry's official weekly publication Austria (again, there seems to have been no connection with Bruck's projected 'Austria' company or Stein's life-insurance society beyond the name). He undertook to bear the costs in return for a monopoly of the profits.<sup>2</sup> He got into financial difficulties with the Austria straight away. The number of subscribers turned out to be much smaller than he had originally believed and he had to turn to the finance ministry for help.<sup>3</sup> Stein's working relationship with Bruck's successor of the finance ministry, the liberal bureaucrat Ignaz von Plener, appears to have been relatively close, although he never had the same rapport with a minister that he had had with Bruck. He did not hesitate to demand that Plener keep him informed of his policies on banking, the budget and taxation.<sup>4</sup> However the Austria was taken away from him at the end of 1866 when it was decided to employ an editor with more practical tastes.<sup>5</sup> Unofficially Stein wrote for the cause of his adopted country by continuing to contribute to Cotta's publications. He wrote two articles for the Deutsche Vierteljahrs-Schrift on Serbia, in which he defended the Austrian decision of 1849 to remove the

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1 A. Boockman, Lorenz von Stein (1815-1890), op.cit., p. 25.

2 ÖSTA Abt. FuHKA, Pr.A. 628/1863.

3 ÖSTA Abt. FuHKA, Pr.A. 641/1863, Stein to finance ministry, 26 Jan. 1863.

4 ÖSTA Abt. H H u STA, XIX/II, Nachl. Plener 19, Stein to Ignaz von Plener, 5 Jan. 1863.

5 Nachl. Plener 19, Stein to Ernst von Plener (son of Ignaz), 17 Dec. 1866.



territory from Magyar control.<sup>1</sup> More importantly, he wrote for the Allgemeine Zeitung. His articles - which grew fewer as his other commitments increased - dealt with Balkan, Hungarian, Austrian and German questions. In the latter, he concentrated on customs-related issues down to 1866. After that he wrote very little for the newspaper until the late eighteen seventies. Like Gneist, he had nothing to say to his public when confronted with the actual facts of Germany's unification.

In the eighteen fifties and sixties, Stein's writing lost some of the qualities which had made him a great political theorist in earlier years. On the whole, the tension in his style remained, but his preoccupation with the state led to a specialized and dull subject matter. He lost interest in preaching about the plight of the working classes and instead worked hard at making money. For a Saint-Simonist, enriching oneself was a positively moral activity, so long as it was industrially productive. The need for social reform gave place in his mind to the question of capital and the task of increasing the amount of it in circulation.<sup>2</sup> Gone was the magical dialectic into which the conflicting claims of monarchy and proletariat, state and society had led him.

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1 'Mitteilungen aus Serbien', DVJS, Heft 2 (1856), 59-72 and Heft 4 (1857), 195-235.

2 See below, p. 224 ff.



As early as 1851-2, Stein had shown a new respect for capital. This led him on to rationalize the existence of the middle classes. He wrote about the 'Identität' of the 'scheinbar entgegengesetzten Interessen des grossen und des kleinen Kapitals'.<sup>1</sup> Although big enterprises had their disadvantages, they represented progress in economic life.<sup>2</sup> The existence of big capital was the precondition for the acquisition of small, Stein thought.<sup>3</sup> Insurance schemes, merchant banks and loan funds were all ways of ameliorating big capital's destructive effect on small capital and labour.<sup>4</sup>

In 1858 Stein wrote up his economic ideas again, presenting his students with a work more digestible than his earlier Volkswirtschaftslehre, which contained long, philosophical passages.<sup>5</sup> The more capital there was, he now seemed to say, the stronger the whole economy would be and consequently the more harmonious the social classes in their interaction.<sup>6</sup> Harmony replaced conflict as the norm for economic class relations.<sup>7</sup> There were now three 'economic classes' according to

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1 System der Staatswissenschaft, op.cit., i, 422.

2 Ibid., p. 423.

3 Loc.cit.

4 Ibid., p. 381ff.

5 Stein, Lehrbuch der Volkswirtschaft zum Gebrauche für Vorlesungen und für das Selbststudium. (Vienna, 1858).

6 Ibid., p. 172.

7 Ibid., pp. 172-3.



Stein: a working class without capital, a middle class and a class of big capitalists including industrialists and large-scale landowners.<sup>1</sup> This was supposed to represent an immutable socio-economic order, in which it was impossible for any one class to be absorbed into another.<sup>2</sup> Upward mobility was good and desirable, but so too was downward mobility. In the latter case, Stein thought that the laws regulating inheritance broke up capital formation sufficiently to ensure that enough individuals were off-loaded into the two lower classes for the correct balance to be maintained between the size of the classes and the distribution of capital in society.<sup>3</sup> He ignored the obvious objection that, without heavy death duties, inheritance laws could equally be seen as a contributor to capital concentration. There was apparently no longer anything wrong in having an unpropertied working class, as long as its wages were sufficient to satisfy its needs. Writing in 1858 with the economy still booming, he saw pauperism, which he had previously regarded as a structural part of industrial society, as just a 'malfunction' in the economy's function.<sup>4</sup> It occurred where there was an excess of labour over capital.<sup>5</sup> Here wages dropped, lowering demand. Production and investment fell off, affecting all classes - although mass poverty was confined to

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1 Ibid., pp. 158-9.

2 Ibid., p. 176.

3 Ibid., p. 177.

4 Ibid., p. 179f.

5 Ibid., p. 179.



the workers.<sup>1</sup> Stein saw the way out of recessions in what he called 'the organization of credit',<sup>2</sup> through which the shortage of capital was to be overcome. His youthful interventionism had shrunk to manipulating the lending rate, a point of view which dovetailed nicely with Freiherr von Bruck's fiscal policies. While credit interested Stein because he thought it provided the key to economic growth, he paid only passing attention to the actual financial institutions designed to raise the working classes' standard of living - for example savings banks and insurance schemes. But it was the growing success of a large number of such institutions in Germany and Austria in the eighteen fifties - Hermann Schulze - Delitzsch's cooperatives for instance - which made Stein realize that the socialist theories on capital he had studied in Paris in the early forties were not necessarily right. It was evidently possible for unpropertied workers to acquire capital without the state having to steam-roller the capitalist class. The clash of interests between those with and without property was not as absolute as he had once thought.

Growing signs in the eighteen fifties of the sociale Frage's tractability and his increasing blindness towards the unacceptable aspects of capitalism helped Stein convince himself both that the industrial working class did not have to be a proletariat and that the middle classes had a future in industrial

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1 Ibid., p. 130.

2 Ibid., p. 131 and Stein, 'Der Kredit und die Organisation desselben', DVJS, Heft 1 (1857), 1-87.



society. As far as the economic element in his social thinking went, this left him with a three-class model in place of the old two-class one. How did this affect his theory of society?

In 1856 Stein published a 'theory of society' as the second step, after his theory of economics, in his System der Staatswissenschaft. Stein, who was now involved in teaching at the University of Vienna and publicizing the Austrian cause for Bruck, had little time left over to complete his System der Staatswissenschaft. His Gesellschaftslehre accordingly bore the signs of hasty composition and lacked any empirical foundation. What should have been the crowning achievement of years spent working towards the establishment of a science of society turned out to be a mere sketch. Nevertheless, it was an interesting sketch and one full of originality.

Stein realized in the 1850's that he had fallen into a form of economic determinism, which had unwelcome consequences for his theory of society. It had never been his intention to subordinate all the non-economic aspects of social life to economic causes. Robert Mohl had made Stein aware of his mistake. 'Ich weiss nicht, wie ich Ihnen dafür danken soll', Stein wrote to Mohl,

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dass Sie es waren, der darauf  
zuerst mit Entschiedenheit  
hinwies, dass die beschränkte  
rein wirthschaftliche Auffassung  
der Gesellschaft wie sie bisher  
vorlag, zu eng und deshalb falsch<sup>1</sup>  
sei.

Stein admitted that as his point of departure had been labour's  
exploitation by capital, he had assumed

dass, da die gegenwärtige Gestalt-  
ung der Gesellschaft wesentlich  
durch die wirthschaftlichen Ver-  
hältnisse bedingt sey, die gesell-  
schaftliche Ordnung überhaupt  
nichts anderes sein könne, als  
gleichsam der Abdruck der wirth-  
schaftlichen, durch die Familie  
dauernd erhaltenen und durch das  
Recht geschützten Ordnung der<sup>2</sup>  
Menschen.

Stein wrote to Mohl that Mohl's objections had caused him funda-  
mentally to re-think his ideas on economy and society. 'Es hat  
mir das [sic] meine ganze Auffassung so wesentlich geändert  
und gefördert, dass ich mich erst jetzt im Stande fühle, ernst-  
lich an dieser Wissenschaft weiter zu arbeiten.'<sup>3</sup>

The result of Stein's re-thinking was confusion.

Introducing non-economic elements into his system of economy and  
society clouded the picture - which had been clear, if narrow.  
Nevertheless, a number of interesting points were raised.

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1 R. Schnur, Staat und Gesellschaft, op.cit., pp. 554-5.

2 Stein, DVJS, 4th Heft (1852), p. 142.

3 R. Schnur, Staat und Gesellschaft, op.cit., pp. 554-5.



Stein began by retaining the notion that property, its nature and distribution, determined the form of society. He identified three kinds of property - landed, mercantile ('gewerblich') and capital.<sup>1</sup> It was an improvement over his earlier scheme, which had tried to treat factories and handicraft workshops as the same thing.<sup>2</sup> Money was now lumped together with industrial property as capital, leaving pre-industrial movable wealth to find its own category. The first social order was the 'Geschlechterordnung', in which landed property was held by families.<sup>3</sup> The second was the 'Ständeordnung', in which land was distributed between the Stände - orders of priests, warriors, judges and burghers. The burghers increased, becoming the distinguishing feature of the next order, the 'gewerbliche Gesellschaftsordnung', which was based on mercantile property. Capital developed out of mercantile wealth and became the basis of the 'Kapitalsordnung' or 'Klassenordnung'.<sup>4</sup> Later on, Stein reduced the scheme to three orders by fusing the last two into what he called a 'staatsbürgerliche Gesellschaftsordnung'.<sup>5</sup> The inadequacies of Stein's property-based scheme of historical periodization have already been mentioned.<sup>6</sup> Property may have

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1 System der Staatswissenschaft (Syst. d. St.Wiss.), ii, 38-46.

2 See above, p. 117 f.

3 Syst. d. St.Wiss., ii, 41.

4 Ibid., pp. 42-6.

5 Stein, Gegenwart und Zukunft der Rechts- und Staatswissenschaft in Deutschland (Stuttgart, 1876).

6 See above, p. 117 f.



provided a useful index for distinguishing the various social forms, but it gave no indication of how or why historical change takes place.

Within each social order, social life was characterized by certain patterns of psychological behaviour. The first of these was 'Gesittung', the moral and religious sanctioning of hierarchical relationships based on property and occupation. Gesittung was the abstract, subjective aspect of personality in society.<sup>1</sup> The original superior power of leaders assumed ethical ('sittlich') dimensions with the passage of time.<sup>2</sup> The functions of priesthood, weapon-bearers and judges were similarly invested with ethical significance.<sup>3</sup> Indeed, any kind of hierarchical social relation, Stein thought, was reinforced by ethical meaning attributed to it from above and below.<sup>4</sup>

If Gesittung was meant to be abstract, the concept which Stein next introduced, 'Ehre' and 'Macht' were supposed to be more concrete. Honour was attached to occupation and property and, in the Ständeordnung, carried its own legal code.<sup>5</sup> It determined an individual's or group's position in society.<sup>6</sup>

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1 Syst. d. St.Wiss., ii, 77ff.

2 Ibid., 91.

3 Ibid., 83.

4 Ibid., 107-8.

5 Ibid., p. 115.

6 Ibid., p. 113.



Stein defined social power as 'die Gesamtheit der Einwirkungen, welche der Einzelne durch die in seinem Besitze befindlichen Güter auf den Willen der Andern ausübt', adding that it could take the forms of authority, influence, respect and 'Herrschaft'.<sup>1</sup> Stein called honour and power 'gesellschaftliche Güter', and considered all individuals and groups naturally displayed 'interest' in acquiring them - hence ambition, desire to dominate and egotism.<sup>2</sup> The special interest of the upper classes (Stein did not say which social order he meant) lay in preserving the momentary distribution of property and preventing the lower classes from acquiring education, bearing arms or performing an active role in the legal system.<sup>3</sup> The pursuit of this interest was ethically wrong and could lead to conflict between the upper and lower classes and the use of physical violence.<sup>4</sup> Social honour and power were not simply functions of property power, for the desire to acquire them was what drove the individual in society to labour.<sup>5</sup> As labour was ultimately the source of all property, this was an example of the way social relations could affect economy.

Next Stein turned to the social consequences of property and labour. Property was in itself a primarily psycho-

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1 Ibid., pp. 117-8.

2 Ibid., pp. 121-3.

3 Ibid., pp. 124-6.

4 Ibid., pp. 127-33.

5 Ibid., pp. 119-20.



logical thing expressing the relation of personality to goods in law.<sup>1</sup> Property laws affected economic life. If they were not effective, then the economy suffered.<sup>2</sup> The various forms of property also exercised an influence on the psychological processes of society. Landed property tended to produce continuity amongst its owners, whereas commercial property more easily caused change.<sup>3</sup> Labour produced its own social ethos which differed between those who laboured mechanically and those whose labour was 'geistig'.<sup>4</sup>

Stein saw 'Geselligkeit', 'Sitte' and 'Recht' as binding forces holding society together. Sociability represented the individual's need for the company of his fellow men.<sup>5</sup> The idea of Sitten or mores was a common theme in German social thought in the nineteenth century.<sup>6</sup> Stein associated it with property. Lack of property meant for him lack of mores.<sup>7</sup> Each social order produced its own kind of mores.<sup>8</sup> Law differed from mores in that it sanctioned what was, whereas mores related to things as they ought to be.<sup>9</sup> Law covered all the aspects of

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1 Ibid., p. 152.

2 Ibid., p. 153.

3 Ibid., pp. 158-61.

4 Ibid., p. 185ff.

5 Ibid., pp. 214-7.

6 See above, p.11.

7 Ibid., pp. 219-20.

8 Loc.cit.

9 Ibid., p. 221.



social life: the relations of people to goods, people to people and people to the state.<sup>1</sup> Each social order produced its own kind of laws and if two or more social orders existed side by side, then so did the corresponding number of legal orders.<sup>2</sup> Social law in fact made up the entire field of what German jurists called Privatrecht<sup>3</sup> (in contradistinction to öffent-liches Recht, which relates to the state).

Lastly Stein dealt with the classes. He greatly complicated the picture by seeking classes in all four social orders. Confining the classes to the Klassenordnung of society would have been more logical and simpler, but his concept of 'Besitzerklassen', 'Ehrenklassen' and 'Rechtsklassen' was an interesting idea which he invented to try to get away from the idea of classes as exclusively economic formations. There were honour classes in the Geschlechterordnung - the nobility with its idea of honour - and in the Ständeordnung - in codes of honour associated with the burghers, for example.<sup>4</sup> Legal classes were simply classes whose social power or lack of it had been sanctioned in law.<sup>5</sup> In keeping with the developments in his economic thinking, Stein now saw three property classes where he had earlier seen only two.<sup>6</sup> The middle class repre-

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1 Ibid., p. 223.

2 Ibid., p. 227.

3 Ibid., p. 229.

4 Ibid., pp. 313-8.

5 Ibid., p. 323.

6 Ibid., p. 305ff.



sented a transitional phase between lower, unpropertied class and the upper one.<sup>1</sup> It combined intelligence with economic virtue.<sup>2</sup> In fact Stein's property classes were purely creatures of the modern class order of society. To project them back onto earlier social orders was merely to confuse the issue. As far as the honour and legal classes were concerned, Stein borrowed the idea for them from earlier social orders, hoping to dilute the economic content in the modern idea of social class. Under the mid-nineteenth century conditions, however, they amounted to little more than psychological shadows of the property classes.

Although the emphasis, as in economy, was firmly on harmony rather than conflict, Stein devoted a section of his Gesellschaftslehre to social antagonisms.<sup>3</sup> Here he identified class rule, caste rule and theocracy as forms of social antagonism and described several different economic and legal ways - privileges, wages, inheritance laws - in which the ruling groups perpetuated their power and honour.<sup>4</sup>

The overall picture was one of confusion. How did non-economic factors - Gesittung, Sitte, Recht, Ehre, Macht - relate to property in the various social orders? How and why did they operate differently in the modern class order of

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1 Ibid., p. 309.

2 Ibid., p. 335.

3 Ibid., p. 344ff.

4 Loc.cit.



society and the Ständeordnung? Stein introduced immateriate factors such as Sitte and Gesittung in an attempt to get away from the economically determined idea of society. Yet property remained the prime mover in his theory. The statistics of land ownership, he still maintained, supplied 'die Statistik des geistigen Lebens selber'.<sup>1</sup> After all, Stein's achievements in economics by now outweighed those in any of the other disciplines which he drew into his sociological system. Essentially, his thinking on society followed the pattern laid down by his economic ideas. As his attitude to capital became increasingly benevolent,<sup>2</sup> so did his arguments develop in defence of the classes associated with it. The entire battery of ethicizing ideas which he introduced in his Gesellschaftslehre was simply an attempt to grease the economic machinery of society. He enlisted ethical forces to expedite capital production and circulation. The fact that this helped diversify his theory of society by camouflaging its economic basis suited his purpose. At the same time Stein's retention of an economic foundation for society meant that the social classes remained essentially egotistical and possibly aggressive. The state - and with it the philosophy of personality - was therefore still needed to keep the social classes in check when necessary. Stein's 'laws' of Verfassung and Verwaltung,<sup>3</sup> whereby Verfassung fell victim to society, made it clear that henceforth the state was to act on

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1 Ibid., p. 184.

2 See above, p. 224 ff.

3 See above, p. 115 f.



society as Verwaltung. The conservative turn which Stein's socio-economic thought had taken - on capital, the rights of the middle class and ethical forces in society - gave him more freedom with regard to the role of Verwaltung in society than had previously been the case. The more complacent he became about the existing structure of society and economy, the less he needed to rely on direct state intervention.

Stein's work on Volkswirtschaft was distinctly superficial if one compares it with the work being produced around the middle of the century by economists such as Roscher, Mill and Marx. His Volkswirtschaftslehre only managed to devote 29 pages to Volkswirtschaft as such!<sup>1</sup> As an economist, Stein's real interest lay in what the Germans called 'Finanzwissenschaft', or 'Staatswirtschaftslehre' as it was sometimes called, which related to the economic functions of the state. His real achievement as an economist lay in this field.

As a Finanzwissenschaftler Stein saw himself reviving the eighteenth century German 'Polizeiwissenschaft' - of which the foremost representatives had been Johann Heinrich Justi (1720-1771) and Joseph von Sonnenfels (1732-1817) - which included elements of what nineteenth century social scientists

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<sup>1</sup> Stein, Lehrbuch der Volkswirtschaft, op.cit.



called political economy, but with a strong fiscal slant.<sup>1</sup> In the nineteenth century the science of Polizei had died away along with the demise of the old German territorial states. Its place had been taken firstly by French and British political economy, in which the state was submerged in Volkswirtschaft, and secondly by the legal philosophy of Kant, Hegel, Herbart and Fichte.<sup>2</sup> The latter was as impractical and abstract as the Polizeiwissenschaft had been unimaginatively technical.<sup>3</sup> The task, Stein thought, was to unite idealist Rechtsphilosophie with Polizeiwissenschaft. In fact Stein brought much more into his idea of Finanzwissenschaft. The German organic idea of the state was his starting point and inspiration, but his Finanzwissenschaft rested on a broad vision of economy and society, as well as a rapidly growing knowledge of the actual operation of administrative and governmental processes in several European countries.<sup>4</sup>

Until the publication of Stein's Lehrbuch der Finanzwissenschaft in 1860 the authoritative source on Finanzen had been Karl Heinrich Rau. Rau's Grundsätze der Finanzwissenschaft was a thorough yet dull enumeration of, firstly, state expenditures - to which he gave only superficial attention - and, secondly, sources of income - including domains, mines, post, taxes and

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1 Stein, Lehrbuch der Finanzwissenschaft, (5th rev. edn., Leipzig, 1885), i, 3.

2 Ibid., pp. 2-3.

3 Ibid., p. 3.

4 See below, p. 240 ff.



customs duties.<sup>1</sup> Despite, or perhaps because of, its philosophical approach, Stein's Lehrbuch der Finanzwissenschaft represented a distinct improvement on Rau's book, for it opened up a much broader view of the state as an economic entity. Stein's starting point was, as always, the organic unity of the subject in question. Transferred to the economic state, the idea of organism provided a strong systematizing principal when applied to the extensive and frequently inaccessible subject-matter involved. The result was that Stein was able to illuminate new dimensions of the state's economic activity, which Rau, with his common sense approach, had overlooked. 'Ihr Lehrbuch der Finanzwissenschaft möchte ich epochemachend für diese Disciplin nennen', the young economist Gustav Schmoller wrote to Stein in November 1862. 'Was vorher existirte waren mir einzelne Betrachtungen über einzelne Steuern ohne inneren Zusammenhang.'<sup>2</sup>

Stein aimed to show the interaction of Staatswirthschaft with all other aspects of the state's life. State expenditure had to be seen in the light of the state as a totality.<sup>3</sup> It was wrong to think that some aspects of state spending were productive and others unproductive. Apparently unproductive spending as, for example, that made on the army, was just as

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1 K.H. Rau, Grundsätze der Finanzwissenschaft, 2 vols. (4th rev. edn., Leipzig, 1859-60).

2 Nachl. Stein, 4.2.05, Schmoller to Stein, 13 Nov. 1862.

3 Stein, Lehrbuch der Finanzwissenschaft (Leipzig, 1860), p. 32.



necessary as investment in profit-making enterprises such as railways, Stein argued.<sup>1</sup> In the second, revised edition of his Finanzwissenschaft,<sup>2</sup> Stein brought to bear an unequalled knowledge of comparative government. He was able to represent the processes of taxation and state spending as functions of the administrative machinery which carried them out. He gave a sketch of the historical growth of central finance authorities<sup>3</sup> and, with the help of Gneist's work on English local government, pointed out the financial functions of local government formations - Landschaft, Gemeinde and Körperschaften.<sup>4</sup> On the history of taxation, he applied his socio-economic theories to give an interpretation which envisaged three epochs: a feudal one based on landed wealth, a 'staatsbürgerlich' one and the one of his own time which was characterized by the social question.<sup>5</sup> More importantly - particularly from the Austrian point of view - he systematized the field of state loans and debts, covering aspects like stock market loans, British consols and German Staatsobligationen,<sup>6</sup> which Rau had neglected. In an age when Austrian state finances were continually in crisis, it was a timely piece of instruction for Austrian Staatswissenschaft

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1 Ibid., pp. 33-4.

2 Lehrbuch der Finanzwissenschaft (2nd rev. edn., Leipzig, 1871).

3 Ibid., pp. 88-95.

4 Ibid., see p. 117.

5 Ibid., pp. 252-272.

6 Ibid., pp. 618ff.



students, some of whom would soon be dealing with the reality of these problems.

Stein's work on Staatswirthschaft should be seen as part of a growing interest among German economists in the middle and later nineteenth century in the state. Stein did much to inspire that interest. The first edition of his Finanzwissenschaft appeared some twenty to thirty years before the major works of other economists were published on the subject.<sup>1</sup> Adolf Wagner, writing in 1880 considered that Stein's Finanzwissenschaft had up till then been 'by far' the most important work in the field and had brought the discipline as far beyond Rau's achievement as his (Stein's) Verwaltungslehre represented an improvement upon Robert Mohl's Polizeiwissenschaft.<sup>2</sup> Stein had done much to reinstate the position of the state in German economics. He had been able to do this not least by virtue of his unique knowledge of what he called Verwaltung. Let us now turn to Stein's theory of Verwaltung, which Wagner was not alone in greeting enthusiastically.

Stein's Verwaltungslehre was published by Cotta in

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1 E.g. A. Wagner, Finanzwissenschaft (4 Theile, Leipzig, 1883-9), A. Schäffle, Die Steuern (2 Theile, Leipzig, 1895-7).

2 Wagner, Lehrbuch der Politischen Oekonomie (Leipzig, 1880), vi, 142-3.



Stuttgart between 1865 to 1868 in seven parts. It was divided into 'vollziehende Gewalt' (executive power) and 'innere Verwaltung' (inner administration). The executive was subdivided into central and local government, while inner administration included sub-sections on Bevölkerungsswesen, public health, Polizeirecht, education system and press and economic administration. The Verwaltungslehre was an attempt to produce a theory of 'administration' and was intended to treat every aspect of its subject. The work remained unfinished, for Stein was incapable of carrying out the plan which he had conceived for it. He complained several times during the 1860's to Gustav Schmoller, who had become one of his closest confidants,<sup>1</sup> that the Verwaltungslehre project exceeded his capacity to carry it out. When Stein sent Schmoller the seventh part (on economic administration), he wrote, 'Es wird wohl für längerer Zeit der letzte sein, da ich fühle, dass ich des Stoffes nicht mehr recht Herr werden kann'.<sup>2</sup> The material which Stein complained about consisted mainly of French, English and German constitutional and administrative history. Stein left Austria out because its composition as a state was too complex to be of any use to him.<sup>3</sup> Not content with the first part on the executive, he re-wrote it in 1868, this time developing his ideas on Vereinswesen into a

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1 See below, p.336 .

2 ZSTA, Merseburg, Rep. 92, Nachl. Schmoller, Nr. 151, Bl. 15, Stein to Schmoller, 23 Nov. 1868.

3 Verwaltungslehre, (2nd edn.), 1st Theil, 1st Abteilung, pp. X-XI.



separate section. It was published in 1869. In the 1880's he re-wrote the parts on education and health.

In fact the Verwaltungslehre only covered a fraction of what Stein considered to be Verwaltung. His original conception of Verwaltung - in terms of the areas of social and state life it embraced - can be seen in the divisions of the archive he planned in 1860 with Franz Brachelli of the Vienna Polytechnical Institute and Moritz von Stubenrauch, professor of administrative law at Vienna University. The Central-Archiv für Gesetzgebung, Verwaltung und Statistik, was attached to the Gesellschaft für Gesetzkunde und Statistik planned by the three in the same year, and was intended to hold the laws and decrees of all European states relating to all aspects of public life.<sup>1</sup> Obviously the result of Stein's planning, it was organized into two main sections - Verfassung and Verwaltung. Apart from his inclusion in it of Vereinswesen - the 'system' of associations sometimes also referred to in German as 'Genossenschaften' or 'Körperschaften', - the Verfassung section contained no surprises, predictably consisting of sub-sections on head of state and popular representative assemblies at central and local levels.<sup>2</sup> Verwaltung began with a sub-section called 'Organismus und Kompetenzverhältnisse der Behörden nach den einzelnen Zweigen der öffentlichen Verwaltung'. This category was to become the 'vollziehende Gewalt' in Stein's Verwaltungslehre.

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1 ÖSTA, Abt. FuHKA, Pr.A. 5461/1860, 'Statuten der Gesellschaft für Gesetzkunde und Statistik'.

2 Pr.A. 5461/1860 'Statuten'.



Next came 'Innere Verwaltung', which more or less conformed to the plan laid out in the Verwaltungslehre. The Verwaltung section also made provision for 'Rechtspflege', 'Staatswirthschaft' and 'Bewaffnete Macht', none of which were mentioned in the Verwaltungslehre.

From the above several things become clear. First, Stein began collecting the material for his Verwaltungslehre in 1860 at the latest. What happened to the Gesellschaft für Gesetzkunde und Statistik and its archive is unclear. The society did not develop into a university seminar, as might have been expected<sup>1</sup> and its journal, the Jahrbuch für Gesetzkunde und Statistik ceased to appear after 1862.<sup>2</sup> Second, the society, which received its charter from the Kaiser in 1861,<sup>3</sup> was planned to monitor international legislation. The Central-Archiv was to hold statutes, decrees and other legislative material. This meant that Stein's primary source material for the Verwaltungslehre consisted of legal documents. Stein's retreat into a narrow legalism,<sup>4</sup> particularly surprising in someone who had spent so long on social questions, is partly explicable in view of this. This helps explain why Stein, despite his achievements in sociological methodology, produced a legal theory of administration rather than a sociological one in the Verwalt-

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1 K.T.v. Inama-Sternegg, 'Lorenz von Stein', Allgemeine Deutsche Biographie, xxxv, (Leipzig, 1893), 661-666.

2 See M. Munding's bibliography of Stein's works in R. Schnur, Staat und Gesellschaft, op.cit., pp. 561-625.

3 Pr.A. 5461/1860 'Statuten'.

4 See below, p. 265, passim.



ungslehre. Third, the Verwaltungslehre, which by its title purported to be a general theory of administration, was only a beginning. Stein never reached administration of justice or armed forces and he only made a very modest beginning on economic administration.<sup>1</sup> Fourth, Stein transferred Vereinswesen from Verfassung to Verwaltung during the course of the 1860's. As I shall argue below,<sup>2</sup> this change represented an important development in Stein's administrative thinking.

What was Stein trying to do in the Verwaltungslehre, a book which he claimed to be one of the most extensive ever written by one man about the state<sup>3</sup> and to which he dedicated, as he put it, 'the best strength of my life'?<sup>4</sup> We have seen that by the early 1850's, at the latest by the mid-1850's, Stein's thoughts were turning to Verwaltung as a long-term theoretical solution to the problem of society. By the mid-1850's, at the latest, he was certain that Verfassung - the representative part of the state - generally succumbed to the materialistic aggression of society and that the state's integrity therefore resided in Verwaltung.<sup>5</sup> Stein's dismissal of Verfassung in the 1850's, when the forces of conservatism seemed to have rendered the

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1 Verwaltungslehre, (1st edn.) 7th Theil.

2 See below, p.258 ff.

3 C. Menger, 'Lorenz von Stein', Jahrbücher für National-ökonomie und Statistik, 3rd Folge, i (1891), 198.

4 Stein, Verwaltungslehre (2nd edn., Stuttgart, 1869), 1st Theil, 1st Abteilung (Abtg), XII.

5 See above, p.115.



German revolutionary parliaments impotent, remained a permanent feature of his thinking.

The Verwaltungslehre should be seen as part of a European upsurge of interest in bureaucratic forms of government. In England there was the Benthamite tradition of utilitarian public administration.<sup>1</sup> In France, centralization produced a developed corpus of droit administratif during the course of the nineteenth century.<sup>2</sup> In Germany in the mid-nineteenth century men like Otto Bähr, Robert Mohl, Gneist and Stein devoted themselves to developing administrative jurisprudence. Whereas the motive of social reform was generally present amongst nineteenth century administrative thinkers, the German case was complicated by the late development of constitutional forms of government. Thus German theorists like Bähr and Gneist were concerned with the issue of justice; were the higher courts to be inside the bureaucracy or outside it? The judicial reforms of the 1870's largely settled the issue in favour of the bureaucracy.<sup>3</sup> The second factor which complicated the issue in Germany was the fact of national statelessness up to 1871. The national issue was, for a number of jurists, closely tied to the development of bureaucratic government. In practice - some reasoned - the way the nation was to be united depended more upon the way it was to be administered than on constitutional

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1 See L.J. Hume, Bentham on Bureaucracy (Cambridge, 1981).

2 E. Forsthoff, Lehrbuch des Verwaltungsrechts (10th rev. edn., München, 1973), i, 52.

3 See W. Jellinek, Verwaltungsrecht (Berlin, 1928), p. 88ff.



documents or parliamentary majorities. Neither did this issue die in 1871, for the new Reich had only just begun to develop its administrative organs.

The images Stein used to describe the differences between Verfassung and Verwaltung were varied and confused, but on the whole show a consistent prejudice in favour of the idea that the state's real business was carried out in its Verwaltung. In the 1850's, it will be remembered, Stein had defined Verwaltung in terms of the state's 'That', believing that action was the characteristic expression of personality.<sup>1</sup> By the late 1860's, his respect for legislative assemblies had apparently revived sufficiently for him to call them the state's 'will', while Verwaltung remained as That.<sup>2</sup> It should be noted here that Stein referred to legislative ('Gesetzgebung' or 'gesetzgeberisch') assemblies and not representative ones. The question of political representation, which implied society's conquest of the state, was entirely omitted. Verfassung was now the volitional back-up - legislation - for state action. Increasing conservatism led him to side-step the question of representation, with its unwelcome implications for the state, and treat Verfassung as law-making. In the 1880's Stein called Verfassung both 'Wille' and 'That' of the state.<sup>3</sup> But enhancing the Verfassung's role was illusory in view of Stein's limi-

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1 See above, p. 80.

2 Die Verwaltungslehre (2nd rev. edn., Stuttgart, 1869), 1st Theil, 1st Abtg, p. 13.

3 Lehrbuch der Finanzwissenschaft (Leipzig, 1885), 1st Theil, p. 13.



ted technical-legal idea of the legislature. Verwaltung was now 'the state's labour',<sup>1</sup> which was, in terms of the significance Stein's philosophy attributed to labour, perhaps the most satisfactory solution (for Stein) of all. According to this idea, Verwaltung was the ethical self-realization of the state-personality.

Stein hoped that the theory of Verwaltung would become the basic course which Staatswissenschaften students studied at university. This is what he meant when he told his public that he looked forward to a time when Verwaltungslehre would become the 'Pandekten' (the standard courses in Roman law taken by law students) of the Staatswissenschaften.<sup>2</sup> The jurists, who taught most of the Staatswissenschaften, could not see beyond their scholastic quarrels about the merits of Roman and German law to the increasingly pressing need to equip future officials with a knowledge of how public law - Stein meant the state - actually worked.

In zwanzig Jahren wird man nicht mehr begreifen, wie man Verwaltungsbeamte hat bilden können auf Grundlage des römischen Rechts, das grundsätzlich das Jus publicum ausschliesst, und des deutschen Rechts, das das Jus publicum nicht 3 begreift.

From the 1860's onward, Stein became steadily more absorbed in his self-appointed task of developing the corpus of adminis-

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1 Loc.cit.

2 Verwaltungslehre (2nd edn.) 1st Theil, 1st Abtg, p.XII.

3 Loc.cit.



trative law. 'Sie wissen dass mir das Ideale [ sic.] meines Lebens', he wrote to Gneist in the late 1870's, 'die Herstellung einer auf unserer Wissenschaft gegründeten Verwaltungsrechtspflege ist.'<sup>1</sup> At the end of a search for certainty which had lasted half a life, the legal science of administration provided a perfect resting place for Stein, because it combined for him the best of political theory and practice.

Stein was convinced that the future of Germany and Austria lay in Verwaltung. With Germany still fragmented in the 1860's and Austria undergoing a phase of constitutional experiment, the question of how the German people were going to live both with each other and with the other central European peoples remained open. Unification meant the state, especially for Staatswissenschaftler. Although most people realized the outward course events would take after 1866, men like Stein and Gneist had their gaze fixed on what they thought of as the state's 'inner' life. While German unity was being decided on the battle fields of France, Gneist wrote to Stein

Inzwischen sind unsere Arbeiten  
über das innere Staatsleben  
durch gewaltige Umwandlungen  
des äusseren Staatslebens  
augenblicklich ganz in Hinter-  
grund getreten. Ich erwarte  
aber von der mächtig auf-  
steigenden deutschen Staats-  
gewalt eine bald wiederkehr-  
ende organisatorische Thätig-  
keit im Innern.

National unity had been won by feats of arms. Now Verwaltung was to consummate outward unity by bringing about inner unity in

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<sup>1</sup> Nachl. Gneist, Nr. 79, Bl. 10v, S. to G., no date but most probably 1877.



society. Stein's work on Verwaltung had appeared at just the right time, Gneist thought. 'Ihre grossen Arbeiten und die ganze aufwachsende Literatur über das Verwaltungsrecht fallen somit wohl in den rechten Zeitpunkt.'<sup>1</sup>

Although Stein was proud of the administrative reforms carried out in Austria - particularly in local government<sup>2</sup> - by the Goluchowski and Schmerling ministries, he never came to terms with the Ausgleich.<sup>3</sup> He wanted the Habsburg state run by a strictly centralized, German-dominated bureaucracy. He greatly admired the modernizing achievements of the Bach system<sup>4</sup> and agreed with the introduction of representational elements into the Austrian state in the 1860's mainly because he thought this would increase the government's tax base.<sup>5</sup> Austria was the equal of Germany, he wrote in 1876, in its Verwaltungsrecht, but in its actual Verwaltung, national and linguistic divisions hindered development. These had to be overcome, for Austria's future lay in its Verwaltung, which alone contained the possibility of true statehood.<sup>6</sup> However,

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1 Nachl. Stein, 4.2.05, Gneist to Stein, 7 Sept. 1870.

2 See Stein, 'Aus dem inneren Leben Österreichs', op.cit., pp. 8-9 and Verwaltungslehre (2nd edn.), 1st Theil, 1st Abtg, p. XVIII.

3 See Stein, 'Aus dem inneren Leben Österreichs', DVJS, 1st Heft, (1868), p. 39.

4 Stein, 'Aus dem inneren Leben Österreichs', op.cit., pp. 8-9 and 'Die verschiedenen "Fragen" in Österreich', DVJS, 2nd Heft, 1st Abtheilung (1865), 41.

5 Stein, 'Zur Finanzlage Österreichs', DVJS, 2nd Heft (1860), 159ff.

6 Stein, Handbuch der Verwaltungslehre (2nd rev. edn., Stuttgart, 1876), p. 90.



after the Ausgleich, Stein looked increasingly towards Germany for the realization of the hopes he attached to the Verwaltungslehre. The end of Schmerling's centralist policy combined with the disheartening prospect of being excluded from the mainstream of the nation's development.<sup>1</sup> The key to Germany's political unity, Stein thought in the mid-1870's, lay in the development of administrative science - Stein meant the training of bureaucrats - for Germany's political development henceforth depended, not on its Verfassung, but on its Verwaltung.<sup>2</sup> The Reich's executive power had to be expanded and developed and a system of taxation introduced for the whole Reich. 'Vielleicht, dass es gelingt, der Verwaltungslehre.... eine definitive Fügung ins deutsche Studium zu finden', he wrote to Gneist when he sent him a copy of his Handbuch der Verwaltungslehre in July 1870.<sup>3</sup>

Having considered the background to the Verwaltungslehre, let us now look more closely at the work itself. The first part, on the executive power, dealt with 'das verfassungsmässige Verwaltungsrecht' (constitutional administrative law) first in central, then in local government and lastly in Ver-eine (associations). Stein's treatise, based as it was on England, France and Germany in the 1860's, assumed monarchy to be the normal form of government. Stein made this assumption because he thought that monarchy was the form of government

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1 ZSTA, Merseburg, Rep. 92, Nachl. Gneist, Nr. 70, Bl. 99, 99v, Stein to Gneist, 9 Jan. 1867.

2 Stein, Handbuch (2nd edn.), op.cit., pp. 89-90.

3 Nachl. Gneist, Nr. 73, Bl. 30v, S. to G., 26 July 1870.



which had the strongest executive and his theory, for reasons given below, required the strongest executive possible. Since his student days in Kiel, Stein had supported the monarchical principle.<sup>1</sup> His political views in this respect sprang from specifically German conditions and so comparisons with England and France with regard to monarchy were confined to the odd remark designed to show how Germany was better off than the other two countries. England had no government in the continental sense, he wrote, simplifying Gneist's position. Central government in England was just a substitute for local government, when this could not carry out what was required.<sup>2</sup> The fact that France ceased in 1870 to have a monarch made no difference at all to Stein's theory.

One of the main points Stein made in treating the executive power was that what he called Verordnungen - administrative decrees - were to be treated as an independent form of legislation. He distinguished here between Gesetz, which was legislated by the Verfassung, and Verordnung, the administration's own kind of law.<sup>3</sup> Because Stein did not say that Gesetz overrode Verordnung, the implication was that the latter was not only separate but equal to the former. The relationship of Gesetz to Verordnung was fundamental, for it raised the question of how Verfassung was actually supposed to operate alongside Verwaltung. Assuming the persistence of some representa-

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1 See above, p. 37.

2 Verwaltungslehre, (2nd edn.) 1st Theil, 1st Abtg, p. 200.

3 Ibid., p. 101ff.



tional element in Stein's idea of Verfassung, conflicts of powers were bound to arise between it and Verwaltung. However, Stein gave no adequate answers to the questions implicit in the relation between Gesetz and Verordnung under conditions of conflicting powers and interests.

The element of conflict is notable in the Verwaltungslehre by its absence. The real conflicts of powers and interests which one expects to meet in any study of government were either ignored or trivialized. It is true that Stein did cover problematical subjects like appeal against administrative decisions, prosecution of officials and conflicting functions of administrative organs,<sup>1</sup> yet he did so in a mainly technical-legal way. This trivialization of problems was partly a result of the method he used, a combination of the idealist holism which had always characterized his writing and historical examples frequently brought in to illustrate and legitimate the given point under discussion. When Stein wanted to establish an administrative category, such as 'verfassungsmässige Verwaltung'<sup>2</sup> or 'Amt',<sup>3</sup> he began with its 'Begriff' (concept) and then, having 'deduced' the rational necessity for its existence, moved on to trace its historical evolution with fragments from French, English and German constitutional history. Gneist was by far Stein's most important source on the English constitution. 'Ohne Ihre Arbeiten', Stein wrote to Gneist about the

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1 Ibid., p. 367ff.

2 Ibid., p. 1ff.

3 Ibid., p. 204ff.



first part of his Verwaltungslehre, 'würden meine Mühen wenigstens zu drittem Theil vergeblich werden.'<sup>1</sup> For the French droit administratif Stein relied on Maurice Block, editor of the Annuaire de l'administration française. For Germany, Stein supplemented his first-hand knowledge of the sources with the works of jurists like Heinrich Zachariä, Nicolaus Gönner, Rönne (Prussian law), F.F. Mayer, Robert Mohl, Perthes, J.F. Stahl, Pötzl (Bavarian law), Heinrich Zöpfl and the Polizeiwissenschaftler (Justi, Sonnenfels and G.H. von Berg) of the eighteenth and early nineteenth centuries.<sup>2</sup>

As in Hegel's philosophy, which also worked outwards from first principles, harmony was the predominant feature of Stein's theory of administration. Giving everything a Begriff from which its actual forms followed, was to say with Hegel that everything was rational and the rational was everything. On Amtswesen, for example, Stein began with the 'ethisch' essence of Amt,<sup>3</sup> the concept of which, he thought, arose as part of the rise of the state as kingdom. 'Das Amt bedarf des Königthums nicht bloss organisch, sondern es bedarf desselben ethisch.'<sup>4</sup> The Begriff of Amt was linked 'organically' to that of Königthum. As each organ in the administrative chain had a Begriff and each Begriff harmonized with the other Begriffe, the resulting 'theory' was a pre-harmonized abstraction, which

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1 Nachl. Gneist, Nr. 67, Bl. 95v, S.to G., 4 Jan. 1864.

2 Verwaltungslehre (1st edn.) 1st Theil, pp. 28-30, 229-232.

3 Ibid., p. 281ff.

4 Ibid., p. 286.



Stein simply decorated with a mass of selected historical examples. Stein knew much more than Hegel about the history and anatomy of the actual state but the terms in which he thought of the state were just as abstract. The tremendous body of factual knowledge which he assembled on the constitutional, economic and social aspects of the state was arranged arbitrarily according to a preconceived philosophical scheme.

The second section of the first part of the Verwaltungslehre (on the executive power) dealt with Selbstverwaltung (local government). Stein's ideas here came too late to influence the reform of Austria's local government (in 1861) but they were still of some topical interest to reformers in Prussia and some other German states when they appeared in 1865 and, in revised form, 1869. Allowing for variations of emphasis - he showed more sympathy for the French system<sup>1</sup> - Stein followed the main outlines of Gneist's theory in this field. He shared Gneist's belief in a kind of authoritarian centralism. For Stein, autonomy meant participation in executive action, not in the legislating process.<sup>2</sup>

In April 1863 Stein wrote to Gneist that he was engaged in writing 'eine Verwaltungslehre'. Without Gneist's work on the English constitution, Stein wrote, his own study of Verwaltung would have been impossible. 'Gerade Ihr Werk allein macht eine solche Untersuchung /i.e. Stein's own Verwaltungs-

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1 Verwaltungslehre (2nd edn.), 1st Theil, 2nd Abtg, p. 165ff.

2 Ibid., p. 152.



lehre] möglich.' Stein continued, 'Ich brauche Ihnen im Allgemeinen nichts über den Werth desselben [i.e. Gneist's work] zu sagen;

Ich darf aber hinzufügen, dass in der einen bestimmten, Ihr ganzes Werk [bestimmenden] Richtung die Aufnahme der socialen Elemente in die Bewegung und Entwicklung der Verfassung und Verwaltung gewiss niemand mehr Ihnen zur lautesten Anerkennung verpflichtet ist, als ich.

Stein concluded, that he would rely completely on Gneist's work and that his own Verwaltungslehre would be an 'advertisement' for the latter's Geschichte und heutige Gestalt der englischen Kommunalverfassung (1863).

Ich meinerseits kann Ihnen meine Hochachtung für Ihre bahnbrechende Arbeit nicht besser ausdrücken, als indem ich in meiner Arbeit, die einen gleichen Zweck auf einem andren Wege anstrebt, mich ganz u[nd] gar in Ihre Arme werfe. Dieselbe [Stein's Verwaltungslehre] wird Eine grosse Anzeige<sup>2</sup> Ihres Buches sein.

The Verwaltungslehre's first volume was indeed something of an advertisement for Gneist's work, for it began with a lengthy, eulogizing dedication to Gneist.<sup>3</sup>

Stein distinguished between a Selbstverwaltung in the broader sense, which included central government organizations

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1 My own word. Original illegible.

2 Nachl. Gneist, Nr. 66, Bl. 41, 41v, 42, S. to G., 22 April 1863.

3 Verwaltungslehre (1st edn.), 1st Theil, p. V ff.



with local government functions - boards, commissions and chambers of trade and commerce - and in the narrower sense, which related to the local government units like Gemeinde, Corporation and Landschaft.<sup>1</sup> Although Selbstverwaltung was firmly part of the state, Stein thought that social conditions influenced the actual forms of local government more than they did the central state.<sup>2</sup> Stein did not, however, attempt systematically to apply his theory of society to the history of the Gemeinde or larger units. This would have required detailed knowledge of the history of property in a given geographical area and, even if carried out on a very small scale, would have involved slow and painstaking work. Stein contented himself with a number of scattered discursions on the relation between his historical 'social orders' and the development of local government.

Forms of administration associated with the village, Mark, Gau and Genossenschaft belonged to the 'stateless' epoch of the Geschlechterordnung of society.<sup>3</sup> Stein's inclusion of Genossenschaft in his idea of Verwaltung put him on a parallel tack to young Otto Gierke. However, the differences of opinion between the two on what a Genossenschaft was, were considerable.<sup>4</sup> The Ständeordnung witnessed the development of village

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1 Verwaltungslehre (2nd edn.), 1st Theil, 2nd Abtg, p. 110ff.

2 Verwaltungslehre (1st edn.), 1st Theil, p. 245.

3 Ibid., p. 137.

4 See below, p. 260.



Verwaltung in the form of the office of Schulz and the establishment of courts.<sup>1</sup> It also marked the rise of a nobility which dominated these courts.<sup>2</sup> The church as an institution of local government, municipal government and Korporationen (guilds, for example) all made their appearance in this epoch.<sup>3</sup> In the seventeenth and eighteenth centuries the monarchical state triumphed over local autonomy - this did not seem to fit into the three social epochs scheme<sup>4</sup> - and in the nineteenth century, the epoch of staatsbürgerliche Gesellschaft, the irregularities and contingencies of society were supposedly removed from local government and replaced by the uniformity of state legislation. The state compelled local government units to have constitutions compatible with its own.<sup>5</sup>

Interesting as they were, sketches like these amounted to nothing more than an indication of what could have been a very fruitful way of treating the subject. But the jurist in Stein got the upper hand, with the result that he produced a predominantly scholastic study of the legal forms - Gemeindebürgerrecht, Heimathsrecht, Gemeindeverwaltungsrecht<sup>6</sup> - of local government. A narrow legalism characterized much of the

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1 Verwaltungslehre (2nd edn.), 1st Theil, 2nd Abtg, pp. 138-9.

2 Loc.cit.

3 Ibid., pp. 139-40.

4 See above, p.229.

5 Ibid., p. 146ff.

6 Ibid., pp. 309ff., 320ff.



Verwaltungslehre. In a way the attempt itself to demonstrate the existence of Verwaltung as an independent form of state life condemned him to dwell on the legal forms of government. A broader approach to his subject, no matter whether from a political or an economic angle, would have raised questions about representation which he desired to exclude.

The last field Stein covered under the executive power was 'Vereinswesen' (system of associations), to which he devoted a separate sub-section in the second, revised edition of the 'Die vollziehende Gewalt'. He attached great importance to the association, which he considered the characteristic form of public life in the mid-nineteenth century.<sup>1</sup> The Vereinswesen included educational associations, public share companies, mutual insurance companies, producer cooperatives and labour unions, and the political associations which flourished in Vormärz Germany.<sup>2</sup> The Verein proper, Stein thought, was a creature of the nineteenth century<sup>3</sup> but it was related to the medieval Corporation - the Ritterschaft and guild - out of which it had developed.<sup>4</sup> Stein saw the Genossenschaft as a transitional form between the Corporation and the modern Verein. The Verein was a limited unity - for a particular purpose - voluntarily brought into existence. It represented the

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1 Verwaltungslehre (1st edn.), 1st Theil, p. 520 and 2nd edn., 1st Theil, 3rd Abtg, p. V.

2 Verwaltungslehre (2nd edn.), 1st Theil, 3rd Abtg, p. 118ff.

3 Verwaltungslehre (1st edn.), 1st Theil, p. 520.

4 Verwaltungslehre (2nd edn.), 1st Theil, 3rd Abtg, p. 102ff.



most egalitarian and individualistic form of organizational activity in the state. In the Corporation and Genossenschaft, the egalitarian and individualistic elements were weaker. The Genossenschaft had been absorbed by the state in the modern era and had become either part of the Gemeinde or the central state.<sup>1</sup> This opinion conflicted with that of the other jurist who was then trying to systematize the idea of association, Otto Gierke, the first volume of whose Deutsches Genossenschaftsrecht was published in 1868.

Gierke, a leading spokesman of the Germanist school of historical law, traced the idea of Genossenschaft back to ancient German political and legal practice, seeking to establish the theoretical foundation of a new branch of law. He tried to read the Genossenschaft idea, which he saw as an expression of Germanic freedom, into every form of organization from state to Aktiengesellschaft.

The associative ideas of Stein and Gierke were part of the broad corporativist vein which ran through German social and political thought in the nineteenth century. Stein was more modern than Gierke and other corporativists, most of whom tended to look backwards in time for their models. Yet in his desire to lock up freedom in corporate vessels, he displayed the same tendency which Hegel, perhaps the most imaginative corporative thinker of all, had shown in the early years of the century. Hegel used the device of Gliederung (articulation) to

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<sup>1</sup> Loc.cit.



build a system of organizational dams against the fury of mob rule, which had erupted in the French revolutionary Terror.<sup>1</sup> With Stein, the associations were a barrier against class rule. Cooperative enterprises could, by pooling the resources of small capital, help it to survive the levelling tendencies of big. For both men the corporate idea was an insurance against revolution.

Apart from their difference on the meaning of the word Genossenschaft, Stein and Gierke were fundamentally split on the role they envisaged for corporate bodies. Stein's Verein was the corporate equivalent of Gierke's Genossenschaft but whereas Gierke saw the state as Genossenschaft, Stein regarded the state as an essentially modern phenomenon, free of medieval corporate elements. Bearing in mind the dualism in Stein's system between state and society, Stein seemed to imply that the Verein ought to belong in society. However, according to Stein, the Verein was an administrative organization. If the Verein belonged in society, then Verwaltung would have become a social activity, independent of the state, something which would have forced Stein to re-think his entire system.

As already mentioned, Stein only decided relatively late in the day to treat the Vereine as a form of administration.<sup>2</sup> The reason he did so was that he was committed in

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1 See Grundlinien der Philosophie des Rechts, 3rd Theil, 'Die Sittlichkeit'.

2 See above, p.244.



his Verwaltungslehre to giving a comprehensive theory of administration and not all forms of administration are political. Nobody was more keenly aware than he of the rapidly increasing role then played in public life by societies, associations and companies of various kinds, many of which carried on their own forms of day-to-day organizational activity which bore some resemblance to that performed inside government. Stein tried to cope with the problem of reconciling government with non-government administration by inventing a category of executive administration, 'die freie Verwaltung', to accommodate both Selbstverwaltung and the Vereine. Die freie Verwaltung, together with central government administration, completed the picture of executive administration given in 'Die vollziehende Gewalt'.

Like most, if not all, administrative activity carried on in local and central government, the Vereine acted on and in society and therefore had social elements for the content of their action. But, as Gneist had demonstrated in the case of Selbstverwaltung, the Vereine were also part of the state's life. They had grown out of conditions established by the state, which oversaw their existence. The question which Stein involuntarily raised by including Vereinswesen in his theory of Verwaltung, was how much were the Vereine to be seen as part of society and how much the state?

Stein tried to solve the problem raised by the Vereine by stressing their closeness to the state and playing down their function as social interest groups. 'Es ist kein Zweifel, dass diess [sic] System der Vereine kein anderes ist,



als das des Staatslebens selbst.'<sup>1</sup> The Verein represented individuality in the state's life.<sup>2</sup> It was the 'Verschmelzung' (fusion) of the state personality with the free personality.<sup>3</sup> The state gave the Vereine steadfastness of purpose and helped subordinated individual interests in them to corporate unity.<sup>4</sup> In return the Verein 'multiplied' the state's administrative power.<sup>5</sup> Beyond such rhetoric, Stein gave some indication of how the Vereinswesen related to the two forms of government. Membership of a Verein was voluntary, pursued limited goals, could be of limited duration and did not extend to all the individuals inside a geographical area, as in the state or Selbstverwaltung.<sup>6</sup> Stein pointed out that organizations which he called 'Verbände' - for the maintenance of roads, for irrigation, schools - represented a kind of intermediary structure between Selbstverwaltung and Verein.<sup>7</sup> But he had little to say on how the quality of administrative activity differed between government and association. For him the Vereine were an enhancement of the state's life, but could never replace the state, which remained the senior partner in Verwaltung. But how the activity of a Beamte was supposed to be superior to

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1 Verwaltungslehre (2nd edn.), 1st Theil, 3rd Abtg, p. 104.

2 Ibid., p. 108.

3 Verwaltungslehre (1st edn.), 1st Theil, p. 522.

4 Ibid., p. 523.

5 Ibid., p. 521.

6 Verwaltungslehre (2nd edn.), 1st Theil, 3rd Abtg, pp. 11-17.

7 Ibid., p. 99ff.



that of a Verwaltungsrat or an Angestellte in an economic enterprise remained unclear.

Stein either failed to see or refused to recognize the implications which the Vereinswesen had for his own system - in particular for its dualism between state and society. His attempt to make the Vereinswesen part of the state was unconvincing. He was bound to make this attempt, for his idea of Verwaltung, which he extended to the Verein, was inseparably associated with the state. Without realizing it, Stein had discovered in the Vereinswesen a second 'link' between state and society. Had he followed the logic of his own system, he would have attempted to work out his ideas on Vereinswesen in the way Gneist had done with Selfgovernment. But he would have been treading on much more difficult terrain than Gneist, for whom English constitutional history provided a suitable material for his purpose.

The remainder of the Verwaltungslehre was devoted to 'die innere Verwaltung', some parts of which - in the tradition of Polizeiwissenschaft - simply traced the legal forms of government functions like policing (in the narrower sense), health and education. The more interesting, if confusing, parts of Stein's innere Verwaltung - 'Die Entwährung' and 'Das Bevölkerungswesen' - were the result of an attempt to cut across conventional divisions of government functions. He divided innere Verwaltung into three general areas: 'personal life' - in which administration was supposed to affect the individual as an individual - 'economic life' and 'social life'. The scheme was so arbitrary that it proposed to treat



things like maintenance of the poor and some policing functions independently of the local and central government institutions - already covered under the executive power - which actually administered them.

Stein never reached 'Armenwesen', 'Hülfswesen' (for example savings banks and industrial insurance schemes), 'Besitzrecht', 'Verkehrswesen' (transport and communications), 'Landwirthschaft', 'Handel' - which he allocated to economic and social life, so that his treatment of the executive power and especially local government, remained a hopelessly impoverished version of what it might have been, had he not kept so rigorously to a scheme which owed more to his own love of systematization than any divisions in real life and which by far exceeded his ability to carry out. Even the parts of his inner administration which Stein did complete frequently followed such a confusing plan that they did more to obscure than illuminate the administrative functions of government. For instance, in the part of 'personal life' called 'Bevölkerungswesen',<sup>1</sup> designed to cover all administrative aspects of movement and growth in the population, Stein included Gemeindebürgerrecht and Heimatwesen (residence), questions which could have been more usefully dealt with under Selbstverwaltung.

The only part of economic administration which he wrote, 'Die Entwährung' - a term Stein invented himself - dealt imaginatively with the complex of problems involved in the land

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1 Verwaltungslehre (1st edn.), 2nd Theil.



reforms which had been going on in the German countryside since the land legislation early in the century. Stein viewed the process as the most important feature of the historical development from the Ständeordnung of society to the egalitarian staatsbürgerliche Gesellschaftsordnung.<sup>1</sup> 'Die Entwährung' is an example of Stein's continued ability to get away from a narrow form of administrative legalism and produce interesting work. It was a useful contribution to the German corpus of administrative thought. Had he pursued this line of thought, in his Verwaltungslehre, he might have succeeded in really developing a theory of 'sociale Verwaltung' - a phrase he liked to use in the 1870's. But he felt unable to master the rapidly growing volume of material in this field.<sup>2</sup>

Stein did not succeed in the Verwaltungslehre in making a theory of administration. The book - if one can so call its ten volumes<sup>3</sup> - remained unfinished and so did the theory. Besides, his administrative categories were muddled. 'Die vollziehende Gewalt' - the only part Stein completed - was conceived only as an introduction to the world of 'inner administration'. The volumes on social and economic administration, which should have contained the book's central statement, were never written. Consequently, one is left with the 'Vollziehende Gewalt', a technical-legal study of the internal

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1 Verwaltungslehre (1st edn.), 7th Theil, p. 80.

2 Ibid., p. V.

3 Die Verwaltungslehre, reprint of 1st and 2nd edns., 8 Theile in 10 vols. (Aalen, 1962).



operation of administrative mechanisms, which seeks to establish the independence of the idea and apparatus of administration from other parts of the state. The scope of its conception and the energy of its execution makes it one of the most impressive monuments to the idea of authoritarian government in the modern age. One could call it a theory of government without the governed. The questions of liberty and consent play no part in it. Justice, as a branch of government, was wholly absorbed into the idea of executive administration. Even the egalitarian idea of Verwaltung as the social equalizer was reduced to a formal legal meaning. Since Stein had satisfied himself that an unpropertied working class was a necessary part of the social order,<sup>1</sup> the need for state socialism à la Rodbertus had disappeared.

Fortunately, the Verwaltungslehre, and particularly the 'Vollziehende Gewalt', was a work of great scholastic obscurity, which few people have been able to understand. A few pages of Max Weber's work tell more about the nature of administrative practice than volumes of Stein's writing. Stein, who had previously known how to make a point so well, lost himself in an encyclopedic mass of detail and an equally great amount of rhetoric. Having established, as he thought, an unassailable foundation in philosophy, economics, Gesellschaftslehre, and other fields, he felt free wholly to absorb himself in the 'real' task of assembling a supposedly indestructible corpus of 'positive' knowledge.

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<sup>1</sup> See above, p.225.



It has been said that Stein's Verwaltungslehre superseded the only other comparable work in the field at the time, Robert Mohl's Polizeiwissenschaft.<sup>1</sup> According to Ernst Forsthoff, one of the leading present-day authorities on German Verwaltungsrecht, Mohl was supposed to have based his administrative ideas on an atomistic model of society and correspondingly impoverished the social role of administration.<sup>2</sup> Accordingly Mohl is thought to be nearer to the eighteenth century science of Polizei, whereas the notion of administration as a positive contributor to the processes of society and economy is thought to originate with Stein.<sup>3</sup> Stein himself was largely responsible for spreading this idea, when he wrote that Mohl represented the 'impoverished conception' of the Rechtsstaat.<sup>4</sup> There may be some truth in this with regard to Mohl's earlier work, but it was certainly untrue of his later opinions. In the 1860's Mohl treated public administration as a moral and economic motor for the reform of society.<sup>5</sup> This was quite incompatible with an atomistic view of society, something which Mohl abandoned - if he had ever seriously held it - in the

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1 E. Forsthoff, Lehrbuch des Verwaltungsrechts (10th rev. edn., München, 1973), i, 44.

2 Loc.cit.

3 See F. Mayer, 'Die Verwaltungslehre des Lorenz von Stein - Verwaltungslehre heute', in R. Schnur (ed.) Staat und Gesellschaft, op.cit., p. 441.

4 Verwaltungslehre (1st edn.), 2nd Theil, p. 24.

5 R. Mohl, Die Polizei-Wissenschaft nach den Grundsätzen des Rechtsstaates, (3rd rev. edn., 2 vols., Tübingen, 1866).



early 1850's.<sup>1</sup> What is true, is that Mohl had an essentially negative idea of administration - it was there just to remove barriers which individuals and groups were unable to remove alone<sup>2</sup> - whereas Stein had a positive idea of administration. For Stein, administration was 'der Organismus des Lebens der Gemeinschaft in ihrem Verhältniss zum Leben und zur höchsten sittlichen Bestimmung des Einzelnen',<sup>3</sup> which, in plainer language, amounted to saying that it was an end in itself.

The opinion that Stein is the father of modern German administrative law, or at least the part of it called Verwaltungslehre, has resulted from the post-war cultivation of Stein's administrative thought by constitutional theorists like Forsthoff and E.R. Huber<sup>4</sup>, who are attracted to Stein's maximal idea of administration. Stein's Verwaltungslehre has enjoyed an artificial revival in the hands of men like them. The debate continues amongst German administrative jurists as to

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1 E. Angermann, 'Zwei Typen des Ausgleichs gesellschaftlicher Interessen durch die Staatsgewalt' in W. Conze, Staat und Gesellschaft im deutschen Vormärz 1815-1848 (Stuttgart, 1962), pp. 173-205.

2 Mohl, Polizei-Wissenschaft, op.cit., pp. 6, 7.

3 Verwaltungslehre (1st edn.), 2nd Theil, p. VI.

4 See Huber, 'Lorenz von Stein und die Grundlegung der Idee des Sozialstaats', in same, Nationalstaat und Verfassungsstaat (Stuttgart, 1965), pp. 127-143 and E. Forsthoff, Einleitung, in same (id.) Lorenz von Stein, Gesellschaft - Staat - Recht (Frankfurt, 1972) and Forsthoff, Lehrbuch des Verwaltungsrechts, op.cit., i, 40-58.



whether Verwaltungslehre has any function in administrative jurisprudence today.<sup>1</sup> Those who wish to see administrative law as something more than a collection of specialist areas look to Lorenz Stein's as the first attempt to give unity to Verwaltungsrecht. However, one can question the sense of reviving an outdated work like the Verwaltungslehre, which was largely ignored by nineteenth century jurisprudence for the simple reason that it did not contain any administrative law as such. In its own time, Stein's Verwaltungslehre was virtually useless for training officials in the growing field of administrative law, for its confusing theoretical categories cut across the real divisions in German administrative practice. It was left to Otto Mayer to capture the field of administrative jurisprudence in the 1890's.<sup>2</sup>

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1 See Forsthoff, Lehrbuch des Verwaltungsrechts, op.cit., i, pp. 47-8 and F. Mayer, 'Die Verwaltungslehre des Lorenz von Stein', op.cit. for supporters of Verwaltungslehre.

2 See, O. Mayer, Deutsches Verwaltungsrecht (Leipzig, 1895).



After the 1860's Stein produced nothing really new. Although he continued to write volumes in the 1870's and '80's, his books were re-written or expanded versions of what had gone before. He produced a revised edition of his Volkswirthschaftslehre,<sup>1</sup> a simplified version of the Verwaltungslehre for his students, which he twice revised.<sup>2</sup> Although he included social and economic administration,<sup>3</sup> which he had been unable to cover in the Verwaltungslehre, his treatment was superficial and he managed little more than a compendium of administrative tasks. Compared to the social and economic research being published in Germany in the 1870's and '80's, Stein's books now looked old-fashioned. He expanded his Finanzwissenschaft into a two volume account of European Finanz,<sup>4</sup> kept up his interest in the economic position of women<sup>5</sup> and published a volume of his poetry - which gives a glimpse of the humorous side of his character.<sup>6</sup>

Austria's defeat by Prussia in 1866 made it clear that Austria would be excluded from a unified Germany. Stein's

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1 Die Volkswirthschaftslehre (2nd rev. edn., Wien, 1878).

2 Handbuch der Verwaltungslehre, 1st edn., (Stuttgart) 1870, 2nd edn., 1876, 3rd edn., 2 vols., 1887-8.

3 See Handbuch der Verwaltungslehre (3rd edn.), 2nd and 3rd Theile.

4 Lehrbuch der Finanzwissenschaft (5th rev. edn., 2 vols., 1885-6).

5 See Die Frau auf dem Gebiete der Nationalökonomie (Stuttgart, 1875).

6 Alpenrosen. Gedichte (Stuttgart, 1873).



political hopes were dashed. He described his disappointment to Ernst von Plener, son of the finance minister whom Stein had served after Bruck and an old student of Stein's, who became a leading German liberal parliamentarian in Austria in the 1870's.

Denken Sie sich einen Menschen, der drei Stunden im Regen vor einem Thor gestanden; - endlich geht das Thor auf, und er findet sich in einem offenen Hofraume, den Regen in den Kleidern, über sich den Regen, unter sich den Regen, und vor sich thürlose Mauern. Es gibt im Menschenleben Augenblicke, wo man mehr an höchst subjective Sicherheits [gedanken] und einen guten Regenschirm, als an die ganze Weltgeschichte denkt. <sup>2</sup>

Stein's hostility towards Prussia disappeared and in the spring of 1869, when he heard that a chair of political economy in Berlin would soon be free, he wrote to Gustav Schmoller - then at Halle University but with good contacts in Berlin<sup>3</sup> - and Gneist and Droysen in Berlin, stating in the strongest possible terms his desire to come to Berlin. He was ready at any time, Stein wrote to Schmoller, hoping for an official offer from Berlin, publicly to declare that he had applied for the position.<sup>4</sup> Salary was no object. 'Ich brauche

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1 My word. Original illegible.

2 ÖSTA, Abt. H H u STA, XIX/11 39/15, Nachl. Plener 19, Stein to E.v. Plener, 30 Oct. 1866.

3 See below, p. 294.

4 Nachl. Schmoller, Nr. 151, Bl. 11v, Stein to Schmoller, 21 March 1869.



weder Geld noch Auszeichnung; ich bin zu reich, als dass tausend Thaler jährlich mehr oder weniger auf mich einen besonderen Eindruck machen sollten.'<sup>1</sup> Austria was ungrateful<sup>2</sup> and he owed her nothing, Stein claimed.

Ich habe hier von der Regierung nichts zu erbitten; hätte ich es wollen, so hätte ich es längst gehabt; ich habe bisher jeden Titel abgewiesen und nur die Erhebung in den Adelsstand <sup>3</sup> angenommen.

Consumed by his new ambition to get to Berlin, Stein was showing exactly the same disloyalty which, as a young man, had caused him to spy on the Left while at the same time working together with some of its leading figures. His attempt to dissociate himself from Austria was despicable in view of the fact that he had worked closely with successive ministries, acted as one of Austria's leading publicists in Germany during the Bruck era, and been ennobled for his services. Having alienated the Prussians and most of his old colleagues in Kiel, he was prepared to do the same in Vienna, to which he owed all his success in the past thirteen years. Luckily Schmoller and others were discrete about the episode and Stein had the sense not to make public his desire to go to Berlin, where he in any

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1 Nachl. Schmoller, Nr. 151, Bl. 11v, Stein to Schmoller, 21 March 1869.

2 Nachl. Schmoller, Nr. 151, Bl. 10, Stein to Schmoller, 3 March 1869.

3 Nachl. Schmoller, Nr. 151, Bl. 121, Stein to Schmoller, 21 March 1869.



case remained 'persona ingrata'.<sup>1</sup> Nothing came of the incident.

In 1879 Stein went bankrupt. The Benedict-Steffens enterprise, into which he had invested most of his capital, had to be declared insolvent due partly to mismanagement by Steffens and partly to the fact that Benedict's son had got into debt and borrowed large sums from the company.<sup>2</sup> Stein claimed he had known nothing about the true situation until it had been too late. He was forced to sell off nearly everything he possessed. He had earlier transferred the family spa, Bad Tüffer and the Centralblatt für Eisenbahnen und Dampfschiffahrt to his sons, so these were not affected.<sup>3</sup> Stein was forced to apply to the Finance Ministry for tax exemption for 1880.<sup>4</sup> His Vienna flat was sold off and he moved into the house of one of his sons in Weidlingau near Vienna. His library and some of his furniture were only saved by his sons' willingness to buy them back from his creditors.<sup>5</sup> Much later Lujo Brentano described how, when he had visited Stein shortly after the bankruptcy but evidently before Stein had moved out of his apartment, the room in which he and Stein had conversed had been

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1 Nachl. Stein, 4.2.05, Gneist to Stein, 27 June 1869.

2 ÖSTA, Abt. FuHKA, Pr.A. 5149/1880, Stein's application for tax exemption.

3 L. Brentano, Mein Leben (Jena, 1931), p. 117.

4 ÖSTA, Abt. FuHKA, Pr.A. 5149/1880.

5 ÖSTA, Abt. FuHKA, Pr.A. 5149/1880, Stein's application for tax exemption.



almost empty of furniture and Stein unable to entertain him.<sup>1</sup> It was just one more paradox, in a life filled with paradoxes, that the man who had made an ideology out of property had lost most of his own.

In the late 1870's and 1880's Stein's career took a new and exotic turn. He became an advisor to the Japanese government on constitutional matters.<sup>2</sup> The Meiji rulers, at this time intending to reform the Japanese constitution, employed several German Staatswissenschaftler for advice. In the 1880's the Japanese government sent a commission to Europe, led by Prince Ito, to study European forms of government. Members of the Japanese commission made contact with Rudolf Gneist in Berlin<sup>3</sup> and it seems possible that he directed them to Stein. Ito liked Stein,<sup>4</sup> whose monarchism no doubt appealed to Japanese political views. The lectures which Stein gave, in which he stressed the need for a stringent separation of Verfassung and Verwaltung, evidently impressed the members of the commission, for Stein's reputation in Japan grew. Stein corresponded regularly with leading Japanese statesmen<sup>5</sup> and received a steady flow of Japanese students. In 1889 Stein gave private

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1 Brentano, Mein Leben, op.cit., pp. 117-8.

2 E. Grünfeld, 'Lorenz von Stein und Japan', Jahrbücher für Nationalökonomie und Statistik, 3rd Folge, xlv (1913), 354-361.

3 Ibid., p. 355.

4 Loc.cit.

5 Correspondence in Nachl. Stein, 4.3.03.



lectures to a member of the Japanese privy council, who had been sent by the government,<sup>1</sup> and who, when he returned, published a Japanese translation of the lectures entitled Stein's Private Lectures.<sup>2</sup> Prince Ito had such confidence in Stein that, when Stein retired, he asked him to take up residence in Japan as a government advisor.<sup>3</sup> Stein, who no doubt felt too old for such a venture, refused the offer and contented himself with forming his picture of Japanese conditions from what information he could extract from his Japanese students, the reports of his son Ernst, who visited Japan in 1887-8<sup>4</sup>, and whatever was available in print in the West. He did, however, continue to advise the official Japanese representatives in Vienna.<sup>5</sup> Stein's Handbuch der Verwaltungslehre (second edition) was translated into Japanese and published by the privy council in 1887. According to Munding's bibliography, eighteen translations of Stein's works - including books, letters to Ito, an appraisal of the Japanese constitution done for Ito and private lectures - were published in Japan down to 1949.<sup>6</sup> Grünfeld, the only man to have researched Stein's Japanese connection and published his findings in German (much more has appeared in

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1 Grünfeld, 'Lorenz von Stein und Japan', op.cit., p. 355.

2 M. Munding, bibliography in R. Schnur, Staat und Gesellschaft, op.cit., p. 581.

3 Grünfeld, 'Lorenz von Stein und Japan', op.cit., p. 359.

4 A. Boockmann, Lorenz von Stein, op.cit., p. 11.

5 Grünfeld, 'Lorenz von Stein', op.cit., p. 359.

6 M. Munding, bibliography in R. Schnur, Staat und Gesellschaft, op.cit., pp. 580-2.



Japanese<sup>1</sup>) doubted whether Stein had exercised any practical effect on Japanese constitutional reforms.<sup>2</sup>

Stein's later work on the economic and administrative aspects of the state seems to have played some part in the development of Italian political thought - Stein's Verwaltungslehre was translated into Italian and published in 1897<sup>3</sup> - but it seems that, apart from Japan and Germany, Stein found most admirers in the Russian Empire. Stein corresponded regularly with academics and government officials in St. Petersburg, Warsaw, Moscow and Tiflis.<sup>4</sup> In the 1880's his correspondents included Prince Tolstoy, minister for education and then home office minister, finance minister Parey and Vladimir Besobrasov, a member of the Russian imperial privy council and the academy of sciences, who referred to Stein as 'Meister'.<sup>5</sup> Stein made little, if any, impact on the English speaking world until part of his Geschichte der socialen Bewegung in Frankreich was translated and published in New Jersey in 1964.<sup>6</sup>

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- 1 M. Munding, bibliography in R. Schnur, Staat und Gesellschaft, op.cit., p. 594ff.
  - 2 Grünfeld, 'Lorenz von Stein und Japan', op.cit., pp. 357-8.
  - 3 M. Munding's bibliography in R. Schnur (ed.) Staat und Gesellschaft, op.cit., p. 581.
  - 4 Stein's correspondence in Nachl. Stein, 4.2.05.
  - 5 Nachl. Stein, 4.2.05, see Besobrasov's 66 letters to Stein dated between 1869 and 1889.
  - 6 K. Mengelberg (ed. and transl.), The History of the Social Movement in France 1789-1850 (Totowa, New Jersey, 1964).



In 1878 Stein was made a member of the Akademie der Wissenschaften in Vienna. Numerous other honours were conferred on him in later life including membership of Japanese, Italian and Russian royal and imperial orders and membership of academies of science in Rome, St. Petersburg and Moscow and of the Institut de France and the law society in Moscow.<sup>1</sup> He was made an honorary doctor of the University of Bologna. In Vienna, he was for a time president of the volkswirtschaftliche Gesellschaft and a member of the militär-wissenschaftlicher Verein and the statistische Central-Commission and the Staatseisenbahnrat.<sup>2</sup> In 1885 at the age of 70 Stein retired but went on lecturing at Vienna University for three years afterwards. He continued writing until the end. From the first article he wrote in 1839 to the last in 1890, his literary productivity had been phenomenal. His books alone make a small library. Added to this were numerous articles in newspapers and periodicals. It is not just the quantity of his writing which staggers the reader, but also the breadth of the subject matter which it takes in: philosophy, economics, statistics, law, social theory, constitutional history and political science. He died after an illness at the age of 74 on 23 September 1890 at his home in Weidlingau near Vienna and was buried in the cemetery of the Protestant Matzleinsdorfer Church in Vienna.<sup>3</sup>

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1 Nachl. Stein, 4.8., announcement of Stein's death and funeral.

2 Nachl. Stein, 4.8., announcement of Stein's death and funeral.

3 Nachl. Stein. 4.8., announcement of Stein's death and funeral.



CHAPTER V

Lorenz Stein and Young Gustav Schmoller

*Attempts have been made to construct an abstract science with regard to the actions of an 'economic man', who is under no ethical influences and who pursues pecuniary gain warily and energetically, but mechanically and selfishly. But they have not been successful, nor even thoroughly carried out. For they have never really treated the economic man as perfectly selfish.*

*(Alfred Marshall)*

This Chapter treats the intellectual relationship between Lorenz Stein and the young economist and historian Gustav Schmoller. This relationship, although not without elements of uncritical admiration, was different to the relationship of Stein to Rudolf Gneist and cannot be treated in the same way.

Stein and Gneist read each other's books uncritically, taking ideas from each other - the social kingdom and Self-government - incorporating them, like finished products, in their own systems. Schmoller was a more critical mind. Although briefly overawed by Lorenz Stein's intellect, he worked hard to adapt Stein's ideas to his own purposes, which were considerably more practical than Stein's. The process through which Schmoller assimilated Stein's ideas cannot be treated simply as one of 'influence', a word which suggests a passive, and therefore uncritical, role on the part of the recipient.



This is not to say that Schmoller was never 'influenced' by Stein. One is better advised, in Schmoller's case, to think of the recipient of intellectual goods as one would a discriminating consumer, who does not buy a product until he knows something about the manufacturer and the way it is put together.

The following treatment of the relationship between Stein and Schmoller will be carried out as a comparison of two equal and independent minds. It is true that, in the intellectual exchange which took place between them, Stein stands firmly on the supply side and Schmoller on that of demand. Stein was twenty three years older and had reached the peak of his productivity by the time Schmoller began studying Staatswissenschaft. But a mechanical action and reaction paradigm will not serve to illuminate the interaction which actually took place between them. This interaction took place in the mind of Schmoller, who found much that he admired in Stein's intellectual personality but did not allow his admiration to dull his critical faculties.

Gustav Schmoller (1838-1917) is remembered in the first place as the central figure in the 'younger historical school of political economy', a school of economic thought which dominated in German universities in the last quarter of the nineteenth century. Although there is some confusion as to who should be considered a member of the school, it is clear that



the school's kernel consisted of the friendship between Schmoller, Lujo Brentano (1844-1931), Adolf Held (1844-1880), Georg Friedrich Knapp (1842-1926) and Gustav Schönberg (1839-1908). Others like Karl Bücher (1847-1930) and Gustav Cohn (1840-1919) have been associated with the school.<sup>1</sup> The initial common aims of these economists were to refute what they thought to be the abstractions of laissez faire and socialist economic theory and to contribute to the improvement of the working classes' condition. In an effort to make economic science more 'practical', the economists of the younger historical school began to study specific social and economic problems, usually but not always from a historical perspective, in great detail. One of their main sources for the monographs they produced was the statistical material which had been collected in the government statistical offices which had grown up in Germany since the early years of the century. Although the school, in particular Schmoller, was later sharply condemned for retarding the development of economic theory in Germany,<sup>2</sup> there is general agreement that it greatly contributed to economists' knowledge of the actual circumstances within which economic processes take place.<sup>3</sup>

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1 See e.g. A. Müssiggang, Die soziale Frage in der historischen Schule der Nationalökonomie (Tübingen, 1968), 183ff. for Cohn and A. Oberschall, Empirical Social Research in Germany 1848-1914 (Paris/The Hague, 1965), pp. 11-12 for Bücher.

2 See e.g. E. Beckerath, 'Schmoller' in Staatslexikon (Freiburg, 1961), p. 1147.

3 See e.g. A. Marschall, Principles of Economics (London, 1890), i, 68-71.



The younger historical school is distinguished from the 'older historical school of political economy'. The older school consisted of Wilhelm Roscher (1817-1894), Bruno Hildebrand (1812-1886), and Karl Knies (1821-1898), the most important of whom was Roscher. Although Roscher was an industrious historical researcher, his method was not fully historical, in the sense that he only succeeded in superimposing a historical dimension upon a conventional framework of economic theory, as this had developed down to John Stuart Mill. Much the same could be said of Schmoller's other main forerunner in economics, Lorenz Stein, who differed from Roscher mainly by placing more emphasis on the kind of abstract argumentation which characterized Marx's work and by possessing a knowledge of economic history inferior to Roscher's. Schmoller's work, which placed still more emphasis on the historical 'facts' than Roscher's, represents an empirical advance over the systematizing and frequently teleological efforts of the generation which preceded him.

Developments after Schmoller can be seen in the light of what Schumpeter called a 'youngest historical school',<sup>1</sup> consisting of Max Weber (1864-1920), Werner Sombart (1863-1941) and Arthur Spiethoff (1873-1957), who was Schmoller's assistant until the latter's death. Weber's and Sombart's work resembles Schmoller's in that they continued the attempt, begun by the older historical school, to arrive at a closer relationship

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<sup>1</sup> J.A.S. Schumpeter, History of Economic Analysis, ed. E.B. Schumpeter (London, 1981. 12th reprint of 1954 edn.).



between idea and actuality of economy and society by enlisting the aid of historical 'fact'. Weber and, particularly, Sombart were historians to a far lesser degree than Schmoller but their method of illuminating economic processes by integrating them in a socio-historical nexus was similar to Schmoller's. This kind of economics is called 'Sozialökonomik' in German. The main methodological difference between Schmoller and the younger men was that Schmoller deliberately wrote from what he called the 'ethical' point of view,<sup>1</sup> whereas Weber and Sombart aimed at 'Wertfreiheit'.<sup>2</sup> Schmoller's and the younger historical school's influence was felt in West European countries, and the U.S.A., where Thorstein Veblen made use of their ideas.<sup>3</sup> At the time, their impact seems to have been strongest in Britain, where a rising interest in the 1880's in developments in Germany seems to have played a part - if a limited one - in the work of historical economists and economic historians like W.J. Ashley, William Cunningham, Ingram and Cliffe Leslie.<sup>4</sup>

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1 See below, p.311 ff.

2 See Weber, 'Der Sinn der "Wertfreiheit" der soziologischen und ökonomischen Wissenschaften' (1917) in same, Gesammelte Aufsätze zur Wissenschaftslehre (Tübingen, 1922), pp. 451-502 passim, and especially 463.

3 Schumpeter, History of Economic Analysis, op.cit., 821-2, and A. Montaner, 'Institutionalismus', Handwörterbuch der Sozialwissenschaften (Göttingen, 1959), v, 294-7.

4 See W.J. Ashley, 'The Present Position of Political Economy in England', in Die Entwicklung der deutschen Volkswirtschaftslehre im 19. Jahrhundert, 1st Teil, (Leipzig, 1908) (no continuous pagination) and Schumpeter, History of Economic Analysis, op.cit., pp. 821-2.



The political corollary of Schmoller's and the younger historical school's effort to make economics practical was their founding of the Verein für Sozialpolitik in 1872.<sup>1</sup> The Verein was planned by Schmoller as both a centre for economic research and a political pressure group for social reform.<sup>2</sup> Like the British Fabians, members of the Verein saw social reform in terms of specific issues rather than a total transformation of the existing social order. The Verein für Sozialpolitik continued as the leading German centre for economic and sociological research - its findings are published in 188 volumes of Schriften des Vereins für Sozialpolitik - with Schmoller as its chairman from 1890 to 1917, until it was dissolved in 1936. It was re-founded in 1948 as the Gesellschaft für Wirtschafts- und Sozialwissenschaften, a non-political society for research.

The last point that needs mentioning before we move on to the details of Schmoller's early life is that, in addition to being an economist, he was a historian in his own right, who by no means confined his research to the economic field. His early book on the history of German handicraft workers<sup>3</sup> in the nine-

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1 Informative on the founding and early years of the Verein is W. Goetz, 'Der Briefwechsel Gustav Schmollers mit Lujo Brentano', Archiv für Kulturgeschichte, xxviii (1938), 316-54; xxix (1939), 331-47; xxx (1940), 142-207. See also M.-L. Plessen, Die Wirksamkeit des Vereins für Sozialpolitik von 1872-1890 (Berlin, 1975) and D. Lindenlaub, Richtungskämpfe im Verein für Sozialpolitik (2 vols., Wiesbaden, 1967), the best work on the Verein which deals with its history between 1890 and 1914.

2 See below, p. 301 ff.

3 Zur Geschichte der deutschen Kleingewerbe im 19. Jahrhundert (Halle, 1870).



teenth century remains unsurpassed and his work on the German towns, published posthumously, is likewise a standard work in its field.<sup>1</sup> As a historian, Schmoller belongs to the Prussian 'school' of historians which included men like J.G. Droysen, Heinrich von Sybel and, later on, Otto Hintze. Schmoller was the leading architect and editor, from the late 1880's on, of the Acta Borussica,<sup>2</sup> in which a massive collection of eighteenth century Prussian state papers was published.

Born in Heilbronn on 24 June 1838 the son of a middle grade Württemberg state official, Gustav Schmoller had a settled childhood in a comfortably-off family.<sup>3</sup> The early death of his mother in 1846 may have contributed to the effect of young Schmoller's frail constitution to make him an unusually serious, studious child. On his mother's side of the family, his grandfather and great grandfather had been talented botanists.<sup>4</sup> His

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1 Deutsches Städtewesen in älterer Zeit (Aalen, 1964. Reprint of 1922 edn.).

2 See Schmoller, Nachrichten über die Acta Borussica (Berlin, 1908), p. 3 and 'Vorrede' to Die preussische Seidenindustrie im 18. Jahrhundert und ihre Begründung durch Friedrich den Grossen = Acta Borussica (Berlin, 1892), i, V.

3 See Schmoller, 'Meine Heilbronner Jugendjahre' in Von schwäbischer Scholle. Kalender für schwäbische Literatur und Kunst (Heilbronn, 1917), pp. 53-61 for Schmoller's account of his own family background and childhood.

4 Ibid., p. 55.



maternal grandfather, who corresponded with Darwin and knew Goethe, was evidently an important figure in Schmoller's childhood development.<sup>1</sup> From his father's side of the family, Schmoller inherited the self-confidence of an old Protestant Swabian family of civil servants. This was to stand him in good stead later on when he rose to prominence inside the Prussian establishment. The background of state service helps explain the enormous importance which Schmoller was in future to attach to the state.

When Schmoller had finished school, his father brought him into his office for eighteen months, so that Schmoller could gain some practical experience of public administration before studying its theory at university. In his father's office Schmoller worked on tax matters, dealing with farmers, artisans and entrepreneurs.<sup>2</sup> He seemed set to follow his father's footsteps into Württemberg state service.

Schmoller studied history and Kameralwissenschaft at Tübingen University from 1857 to 1861. In the latter, some of the lectures Schmoller enjoyed most were in 'theory of machines' and 'technology'.<sup>3</sup> 'Political arithmetic' (for the calculation of rents and insurance), trigonometry, arithmetic, agricultural economics, forestry, Finanzrecht, taxation and Roman law were

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1 Loc.cit.

2 Ibid., p. 57.

3 Ibid., p. 59.



some of the subjects he studied.<sup>1</sup> It seems that only after he had finished his studies and got his doctorate late in 1861 did he begin systematically to read the philosophical-theoretical works which gave him the foundation for his later historical and economic studies.<sup>2</sup>

In history, Schmoller attended some lectures in the late 1850's and early 1860's on Roman and legal history, which he found dull.<sup>3</sup> The real influence here came from Max Duncker (1811-1886). Coming from Halle in 1857, Duncker only spent two years in Tübingen before being called to Berlin to join the 'new era' government. In Berlin he went on to head the government press department and from 1861 was chief advisor to the Prussian Crown Prince.<sup>4</sup> He sat in the Landtag at the same time. Duncker had been a member of the pro-Prussian erbkaiserlich party in the Frankfurt National Assembly of 1848-49. Although his field was classical history, he was evidently a first rate political mind.<sup>5</sup> The post 1848 Reaction only muzzled his political activism temporarily. Despite having been refused promotion on political grounds in Halle, Duncker continued in Tübingen to work

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1 Loc.cit. and HSTA Wiesbaden, Nachl. Schmoller, Abt. 1088, 23, Kolleghefte.

2 See below, p. 290 ff.

3 HSTA Wiesbaden, Nachl. Schmoller, Abt. 1088, 23, Kolleghefte, Sommersemester 1858 and 1860. Schmoller, 'Meine Heilbronner Jugendjahre', op.cit., p. 59.

4 See R. Haym, Das Leben Max Dunckers (Berlin, 1891).

5 Rudolf Haym called himself Duncker's 'politischer Schüler', see Haym, Aus meinem Leben (Berlin, 1902), p. 277 and Schmoller, 'Meine Heilbronner Jugendjahre', op.cit., p. 59.



for Prussian leadership of Germany.<sup>1</sup> Duncker and his wife - who spent most of her time on charitable work for the poor<sup>2</sup> - had the ability to inspire personal loyalty amongst their friends and acquaintances. Schmoller belonged to the Duncker circle of pro-Prussian liberals in Tübingen.<sup>3</sup> Shortly before joining it, Schmoller seems to have flirted with student radicalism. It came as a relief when Duncker offered him an alternative which suited his cautious, conservative temperament better. 'Was mir praktisch beim Heraustreten aus den engen eklich radicalen württembergischen Kreisen am meisten imponierte', Schmoller wrote later of his student days, 'war der preussische Staat mit seinen staatlichen und volkswirtschaftlichen Leistungen'.<sup>4</sup> In a milieu in which hostility to Prussia was widespread, Duncker helped inspire in Schmoller an image of the Prussian state and its historical role which soon became the central belief in Schmoller's political philosophy.

A letter Schmoller wrote to Duncker's wife shortly after Duncker had moved to Berlin in 1859 both throws a useful light on the broad outlines of the student Schmoller's political ideas - which changed very little throughout his later life - and shows how much these were the result of Duncker's influence.

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1 Haym, Das Leben Max Dunckers, op.cit., p. 175.

2 Haym, Aus meinem Leben, op.cit., p. 247.

3 Haym, Das Leben Max Dunckers, op.cit., p. 178 and Schmoller, 'Meine Heilbronner Jugendjahre', op.cit., p. 59.

4 W. Goetz, 'Der Briefwechsel', op.cit., Archiv für Kulturgeschichte, xxx (1940), 203.



Her husband, Schmoller began, was held in 'deep veneration' by Tübingen's students. 'In den trüben Zeiten', he continued, 'welche über unser Vaterland verhängt waren,

war es uns ein freudiger Trost in Berlin unter den Lenkern des Staates einen Mann zu wissen, dessen edle deutsche Gesinnung wir so gut kannten als seine hohe politische Einsicht. Und wenn auch die neueren Ereignisse [i.e. war between Austria on one side, Piedmont and France on the other] die Parthei derer, die das Heil Deutschlands in Preussen suchen, wenigstens in Süddeutschland sehr vermindert haben, so fanden die Verehrer Ihres Herrn Gemahl eine grosse Befriedigung darin, zu wissen, dass Er gerade zu denen zählte, welche denen weisen und ächt deutschen Motiven Preussens eine schnelle Verwirklichung gewünscht haben.

Prussia was to use its strength to unite the rest of Germany under its leadership. 'Wohl uns, wenn sie [die Zeiten] uns unter Preussens Leitung, unter Preussens Fahnen bringt [sic]!' <sup>1</sup> Perhaps the most important thing to notice here is that Schmoller's Prussianism, unlike that of many of his German contemporaries preceded Prussia's unification of Germany beginning in 1864-66. The strength of his faith in Prussia made it easy for Schmoller to close his eyes to the tyrannical domestic background to Bismarck's successes.

Another powerful intellectual and political influence on Schmoller during his student days was his brother-in-law,

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<sup>1</sup> ZSTA Merseburg, Rep. 92, Nachl. Duncker, Nr. 124, Bl. 56, 56v, 57.



Gustav Rümelin (1815-1888). Like his friend Duncker, Rümelin was a prominent member of the kleindeutsch party. He had been a member of the Paulskirche delegation which had offered the German crown to Frederick William in 1849. For part of the time Schmöller was studying in Tübingen, Rümelin headed the Württemberg Kultusministerium in Stuttgart. Here he had little time for Schmöller. But in 1861 he was removed and put in charge of the state statistical office, where Schmöller did his first piece of research work in that year.<sup>1</sup> The image of Prussia which Schmöller learnt to venerate through the ideas of men like Rümelin and Duncker had little to do with Junkers, militarism or the reactionary policies of the Nachmärz. For men like these, Prussia was only reactionary out of 'caprice'.<sup>2</sup> The reforms carried out by Freiherr von Stein and Hardenberg were thought to demonstrate Prussia's capacity to regenerate Germany as a whole. For Schmöller, the attraction of Prussia lay not in its power and military might, but in its embodiment of the ideas of order and justice.<sup>3</sup> He shared with Heinrich von Treitschke the conviction that Prussia under Frederick the Great embodied a more genuine form of socialism than the Social Democrats of his own day.<sup>4</sup>

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1 Schmöller, 'Meine Heilbronner Jugendjahre', op.cit., p. 60.

2 Duncker quoted in T. Nipperdey, Deutsche Geschichte 1800-1866 (München, 1983), p. 658.

3 Thus Otto Hintze, 'Gustav von Schmöller', Historische Zeitschrift, cxviii (1917), 482-3.

4 See e.g. Schmöller, 'Die sociale Frage und der preussische Staat' in same Zur Social- und Gewerbepolitik (Leipzig, 1890), p. 60 and Treitschke, 'Die gerechte Vertheilung der Güter', Preussische Jahrbücher, xxxv (1875), 439.



Curiously the two most talented social scientists in Tübingen when Schmoller was there, Robert Mohl and Albert Schäffle, seem to have made little impact on Schmoller at the time. The fact that neither Schäffle, then editor of the Zeitschrift für die gesamte Staatswissenschaft, nor Mohl had any sympathy for the Prussian cause excluded them, as far as Schmoller was concerned, from those whose friendship he wanted to cultivate. Schmoller discovered Schäffle twenty years later.<sup>1</sup>

Despite a wish to travel, Schmoller spent most of 1862 living with his father in Heilbronn, sunk deep in philosophical literature.<sup>2</sup> He spent part of the summer in Stuttgart again, working in the statistical office and wrote up his research in the Württembergische Jahrbücher.<sup>3</sup> Schmoller spent two weeks writing a closely argued, detailed defence of the Franco-Prussian commercial treaty, which Rudolf Delbrück had negotiated on behalf of Prussia.<sup>4</sup> He wrote the pamphlet anonymously but its authorship soon became generally known. Schmoller came to Delbrück's notice this way.<sup>5</sup> In the winter of 1862-3

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1 See below, p. 329.

2 Schmoller, 'Volkswirtschaft, Volkswirtschaftslehre und -methode', Handwörterbuch der Staatswissenschaften, viii (3rd edn., Jena, 1911), 426. See also Nachl. Stein, 4.2.05, Schmoller to Stein, 13 Nov. 1862.

3 'Die Ergebnisse der in Württemberg 1861 handgehabten Gewerbeaufnahme', Württembergische Jahrbücher (1862), Heft 2, p. 296ff.

4 Der französische Handelsvertrag und seine Gegner. Ein Wort der Verständigung von einem Süddeutschen. (Frankfurt a.M., 1862).

5 Schmoller, 'Meine Heilbronner Jugendjahre', op.cit., pp. 60-1.



Schmoller decided to defer his Habilitation in Tübingen. He spent a second winter withdrawn at his father's house, immersed in moral and legal philosophy and political economy.<sup>1</sup> In 1863 he began the statistical research on German artisans which was to bear fruit in 1870 in the form of his first major publication, Zur Geschichte der deutschen Kleingewerbe im neunzehnten Jahrhundert. 1864 saw him in Prussia. Delbrück's and Roscher's support and the strength of his publications had won him an ausserordentliche professorship in Staatswissenschaften at the University of Halle. In 1865, at the age of 27, he was given a full professorship.

1862-4 were three very important years in Schmoller's development. They represent his first and deepest period of methodological learning. In the quiet of his father's house, Schmoller tried to weld the ideas of philosophers like Kant, Fichte and Lotze, social theorists like Lazarus, and political economists including Stein, Roscher and others into a single system. Schmoller had begun to read Stein's work the previous year. Reading Stein, he had become, as he put it, 'von Stunde zu Stunde begeisterter' and saw in Stein the greatest economist since Adam Smith.<sup>2</sup>

Schmoller thought of writing a book on the development of political economy out of the philosophical systems of

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1 Schmoller, 'Volkswirtschaft, Volkswirtschaftslehre und -methode', op.cit., 426.

2 Nachl. Stein, 4.2.05, Schmoller to Stein, 26 March 1861.



the period 1750-1850<sup>1</sup> but the plan never materialized. The foundations of Schmoller's economic philosophy were more or less complete by 1864. He continued to add a wealth of factual knowledge to them and twice - in the late 1880's and in 1910-11 - returned to methodological questions.<sup>2</sup> Although he made great strides in the 1880's, this did not change anything in his basic theoretical views. Schmoller's basic idea, which he never ceased developing, was that, in economic processes, immateriate 'forces' conditioned materiate ones. He thought that law, Sitten (mores) and, particularly, the state formed a historico-ethical nexus in which economic life took place.<sup>3</sup> The influence of Rümelin, who saw social processes as the result of psychological and ethical (sittlich) impulses,<sup>4</sup> is clearly visible here. At the same time Schmoller devoted a considerable amount of thought to the Arbeiterfrage (as the social question had become known), publishing his first important articles on the subject in 1864-5 in the Preussische Jahrbücher.<sup>5</sup> He directed his fire against Lassalle's generalizations on capital and labour, seeking to break down the Arbeiterfrage into a number of individual issues. The workers' question, Schmoller argued, was

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1 Schmoller, 'Meine Heilbronner Jugendjahre', op.cit., p. 60.

2 Schmoller, 'Volkswirtschaft, Volkswirtschaftslehre und -methode', op.cit., 426.

3 See below, p. 311ff. For Sitten and Sittlichkeit, see above, p. 11.

4 See G. Rümelin, Reden und Aufsätze, Neue Folge (Freiburg, 1881), pp. 1-36 and 149-175.

5 'Die Arbeiterfrage' I, II and III, Preussische Jahrbücher, xiv (1864), 393-424 and 523-47; xv (1865), 32-63.



not the result of a structural defect in industrial society. It represented the growing pains of transition from pre-industrial to industrial society.<sup>1</sup> He attempted to integrate his ideas on social reform into his philosophy of economics, where they became his central practical concern.<sup>2</sup>

Political economy, agricultural statistic,<sup>3</sup> urban history<sup>4</sup> and 'Arbeiterfrage'<sup>5</sup> were some of the subjects Schmoller lectured on in Halle. His lectures were amongst the most popular in the discipline of Staatswissenschaft, with 140-150 students attending on political economy<sup>6</sup> and around 200 on 'Arbeiterfrage'.<sup>7</sup> Rudolf Haym, a close friend of Duncker who taught at Halle University and edited the Preussische Jahrbücher, described Schmoller shortly after the latter's arrival as the best acquisition the University had made for some years.<sup>8</sup>

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1 'Arbeiterfrage' I, op.cit., 396.

2 See below, pp. 312., 319.

3 Goetz, 'Der Briefwechsel', op.cit., Archiv für Kulturgeschichte, xxix (1939), 341, Schmoller to Brentano, 12 Dec. 1871.

4 Nachl. Schmoller, Nr. 131a, Bl. 110v, Schmoller to Knapp, 24 Feb. 1872.

5 Nachl. Schmoller, Nr. 131a, Bl. 125v, Schmoller to Knapp, 12 May 1872.

6 Goetz, 'Der Briefwechsel', op.cit., Archiv für Kulturgeschichte, xxix (1939), 341, Schmoller to Brentano, 12 Dec. 1871.

7 Nachl. Schmoller, Nr. 131a, Bl. 125v, Schmoller to Knapp, 12 May 1872.

8 H. Rosenberg (ed.), Ausgewählter Briefwechsel Rudolf Hayms (Leipzig, 1930), p. 234.



Schmoller, thought Haym, was the leading light in the University's rapidly expanding agronomic institute. Schmoller remained in Halle for eight years. He was a member of the municipal council for the whole period,<sup>1</sup> an experience which gave him a useful practical insight into the operation of local government. At the same time Schmoller began regularly to visit Prussian archives,<sup>2</sup> from which he accumulated a mass of material on urban history. Much of his research findings on the Prussian towns under Frederick William I were ultimately published posthumously in Deutsches Städtewesen in älterer Zeit.

Schmoller spent much of his time during the university vacations in Berlin. As well as working in the archives there, he also cultivated friendships and connections in the circle of young statisticians and economists - Gustav Schönberg, Adolf Held, Georg Friedrich Knapp and Lujo Brentano - centred round Ernst Engel, the director of the Prussian Statistisches Bureau.<sup>3</sup> This group of social scientists was to form the core of the Verein für Sozialpolitik. Through his position on the Bureau's sub-commission for commercial statistics, Schmoller was able to make his first contacts with Prussian higher officialdom.<sup>4</sup> Use

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1 Schmoller, 'Meine Heilbronner Jugendjahre', op.cit., p. 57.

2 G.F. Knapp, Einführung in einige Gebiete der National-ökonomie, (München, 1925), p. 363.

3 Knapp, Einführung in einige Gebiete der National-ökonomie, op.cit., pp. 324-5, 363.

4 Nachl. Schmoller, Nr. 131a, Bl. 104-105, Schmoller to Knapp, 30 April 1871.



of the Bureau's library and stimulating conversations with the academic assistants, particularly Knapp, encouraged the development of Schmoller's ideas - learnt originally from Rümelin - on the nature and role of statistics as an auxiliary discipline in the Staatswissenschaft.

Rümelin introduced Schmoller in the early 1860's to social - or 'moral' as it was then called - statistics.<sup>1</sup> Schmoller was fascinated with the idea that the methods of Moralstatistik could provide the key to apprehending the 'mathematical rhythm' of social life.<sup>2</sup> While he saw regularities in mass human behaviour, Schmoller agreed with his friend Georg Friedrich Knapp that the 'laws' of social life had to be seen not as compulsion operating on the individual from outside, but as the consequence of individual volition reproduced millions of times over in similar form.<sup>3</sup> Knapp and Schmoller thought that Oettingen, who tried inductively to work out a Christian code of morality from marriage, birth, prostitution and crime statistics,<sup>4</sup> had gone too far. Schmoller considered the human soul

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1 For Rümelin and Moralstatistik, see. G. Rümelin, Reden und Aufsätze (Freiburg/Tübingen, 1881), Neue Folge, pp. 136 and 149-175.

2 Schmoller, 'Ueber die Resultate der Bevölkerungs und Moral-Statistik' in Sammlungen gemeinverständlicher wissenschaftlicher Vorträge, eds. R. Virchow and F.v. Holtzendorff (Berlin, 1871), vi Serie, Heft 121-44, p. 67.

3 See G.F. Knapp, 'Die neueren Ansichten über Moralstatistik' in same, Einführung, op.cit., pp. 3-16.

4 A.v. Oettingen, Die Moralstatistik und die christliche Sittenlehre (3 Theile, Erlangen, 1868-73).



to be inaccessible to inquiries based on this kind of statistical evidence.<sup>1</sup>

The liberals' conflict with Bismarck in the early 1860's did not shake Schmoller's faith in Prussia and her mission. As tension built up between Prussia and Austria in April 1866, he joined a group of Halle liberals in signing Haym's declaration of support for Prussia. The declaration regretted the record of Bismarck's government but urged people to stand behind it nevertheless.<sup>2</sup> A few lines written to Rümelin the following month express Schmoller's mood very clearly. He had been in conversation with officers billeted in the town.

Trotz alles Missbehagens über  
Bismark [sic] ect [sic] sind  
die preussischen Traditionen,  
die Folgen der allgemeinen Wehr-  
pflicht,<sup>3</sup> der Stolz auf die  
preussischen Waffen und auf den  
preussischen Staat doch so gross,  
dass die Truppen sehr kampflustig  
sind.....

The Prussian tradition, enthusiasm for the Prussian state itself, Schmoller thought rather idealistically, were enough in themselves to generate fighting morale amongst soldiers. Pursuing his thoughts, he philosophized on the tremendous resources in morale, quite disregarded by democrats, which a great state

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1 ZSTA Merseburg, Rep. 92, Nachl. Schmoller, Nr. 131a, Bl. 98v, Schmoller to Knapp, 21 Feb. 1871.

2 Rosenberg (ed.), Ausgewählter Briefwechsel Rudolf Hayms, op.cit., pp. 244-6.

3 Schmoller regarded the Prussian conscription system as a democratic thing.



like Prussia could mobilize in its citizens. 'Von der geistigen und sittlichen Kraft, die ein grosser Staat und eine Geschichte wie die preussische geben, haben unsere föderativ [sic] Demokraten gar keine Ahnung.'<sup>1</sup>

In 1872 Schmoller was offered the chair of political economy in Strassburg. He accepted. To be chosen to help build up the new University in the recently annexed Reichsland was a considerable honour and it was a sign of Schmoller's success both in making himself felt in Berlin and in achieving scholarly recognition that the University's Kurator, Freiherr von Roggenbach, should have chosen him.

Schmoller stayed in Strassburg for ten years. It was a very fruitful decade for him. He succeeded in attracting students to the new University<sup>2</sup> and in research and teaching consolidated the reputation he had founded in Halle. He and some of his 'Kathedersozialist' (as they were now being called) friends took an important step into the world of practical politics by founding the Verein für Sozialpolitik. By the time he left Strassburg for Berlin, Schmoller was well on the way to having established his historical method of economics as the dominant one in German universities. In the East people began to talk about Schmoller and his students as the 'Strassburg school'.<sup>3</sup> His Strassburger Tucher-und Weberzunft (1879) was

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1 Tübingen UB, Md 1076/19/3, Schmoller to Rümelin, 27 May 1866.

2 See Knapp, Einführung, op.cit., 365-6.

3 Knapp, Einführung, op.cit., p. 365.



considered a model for the new historical approach. In 1878 he started publishing his students' research work in a series called Staats-und socialwissenschaftliche Forschungen and three years later began editing the Jahrbuch für Gesetzgebung, Verwaltung und Volkswirtschaft im deutschen Reiche, or Schmollers Jahrbuch, as it soon came to be known. In Schmoller's hands, the Jahrbuch became one of the most important German periodicals for economics and sociology. It continues to appear today under the name of Schmollers Jahrbuch für Wirtschafts-und Sozialwissenschaften.

In 1872, the year of the Verein für Sozialpolitik's founding, H.B. Oppenheim began a controversy which was to last some years by attacking reformist professors in an article on Kathedersozialismus.<sup>1</sup> Two years later Heinrich von Treitschke entered the controversy with his 'Der Sozialismus und seine Gönner'.<sup>2</sup> In a superficial mélange of popular ideas on political economy and Sozialpolitik, Treitschke urged the Kathedersozialisten and the liberal economists, organized respectively in the Verein für Sozialpolitik and the Volkswirtschaftlicher Kongress, to bury their differences and concentrate their energies on destroying the real enemy, social democracy.<sup>3</sup> The Kathedersozialisten, Treitschke thought, went too far in their adoption of socialist demands like changing trade union

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1 See H.B. Oppenheim, Der Katheder-Sozialismus (Berlin, 1872).

2 Preussische Jahrbücher, xxxiv (1874), 248-301.

3 Ibid., 286ff.



legislation.<sup>1</sup> 'Einige wärmere Gemüther', wrote Treitschke on the origins of the Kathedersozialisten's ideas, 'unterlagen auch dem Einfluss Lorenz Steins.'<sup>2</sup> This was directed at Schmoller, who had written to Treitschke in March of that year that Treitschke's and Gneist's social ideas came, via Lorenz Stein, from Louis Blanc.

Auch das werden Sie nicht leugnen können, dass gewisse Grundgedanken, die von Lorenz Stein in Deutschland zuerst ausgesprochen wurden, und die gerade bei Ihnen und Gneist oft wieder klingen, ihren Ursprung in 3 Louis Blanc haben.

Treitschke, who had conspicuously ignored Stein in his Habilitationsschrift on 'Gesellschaftswissenschaft',<sup>4</sup> refused to accept the point and replied to Schmoller that,

Ich verdanke L. Blanc und L. Stein gar nichts; wenn ich in einzelnen Sätzen mit ihnen übereinstimme so bin ich auf anderem Wege dazu gelangt.

He had learnt most from Aristotle, Treitschke wrote, and, after him, Roscher, Dahlmann, Gneist and Hegel. Ignoring the obvious similarity between Gneist's and Stein's work, he continued that he had only read socialist literature later on and had always found it repulsive.

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1 Ibid., p. 288.

2 Ibid., p. 286.

3 DSB East Berlin, Nachl. Treitschke, Schmoller to Treitschke, 25 March 1874.

4 H.v. Treitschke, Die Gesellschaftswissenschaft (Leipzig, 1859).



Stein aber halte ich heute  
wie 1859, als ich ihn mit  
meiner Habilitationsschrift  
kränkte, für einen begab-  
ten, doch unklaren und soph-  
istischen Kopf, der es gerade  
verdiente aus einem Deutschen<sup>1</sup>  
ein Oesterreicher zu werden.

Schmoller, by now incensed at Treitschke's public criticisms,  
replied that whether or not Treitschke had been personally  
influenced by socialist literature, German philosophy had since  
Fichte been absorbing socialist elements.

Wenn die Gefahr der Klassen-  
herrschaft nicht drohte, wäre  
die ganze Betonung des König-  
thums, wie sie Gneist auch  
hauptsächlich Stein gemacht  
hat [sic], sinnlos.

Schmoller considered that the whole body of German literature  
written in the nineteenth century around the idea of Königthum  
only made sense as a response to the threat of revolution. He  
thought Stein's achievements here were outstanding.

Stein unterschätzen sie, wie  
ich glaube. Er mag persönlich  
noch so verächtlich sein; seine  
staatswissenschaftlichen [und]  
verwaltungsrechtlichen Leistungen<sup>2</sup>  
sind epochemachend.

The following year Schmoller published a reply to  
Treitschke's essay on socialism and its patrons. Schmoller's  
Über einige Grundfragen des Rechts und der Volkswirthschaft<sup>3</sup> was

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1 H.v. Treitschke, Briefe, ed. M. Cornicelius (Berlin, 1920),  
iii/2, p. 397.

2 DSB East Berlin, Nachl. Treitschke, Schmoller to Treitschke,  
5 Aug. 1874.

3 (Jena, 1875).



less polemical than Treitschke's essay and lacked the latter's cutting edge. It was also muddled. The main difference between Treitschke's and Schmoller's positions was that Treitschke, while advocating limited social reform, thought there would always be inequality between the social classes, whereas Schmoller emphasized social justice and the need to improve the working classes' condition. Über einige Grundfragen contains Schmoller's first mature statement of his historic-ethical philosophy of economics. The political and philosophical views contained in it remained essentially unchanged for the rest of his life.<sup>1</sup>

Schmoller was one of the founding members of the Verein für Sozialpolitik. He more than anyone was responsible for the fact that the Verein, in its earlier years at least, included a broad spectrum of political views<sup>2</sup> amongst the professors, officials, industrialists, big landowners, and representatives of chambers of commerce and trade unions who attended the annual assemblies.<sup>3</sup> With Julius Eckardt he organized the Verein's constituent assembly, which took place in Eisenach in October 1872, and gave the opening speech before the social question was discussed. Two considerations were of particular importance in the background to the Verein's founding. Firstly

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1 Thus Schmoller in same, Über einige Grundfragen der Sozialpolitik und der Volkswirtschaftslehre (Leipzig, 1898), V.

2 J. Eckardt, Lebenserinnerungen (Leipzig, 1910), i, 275.

3 See Plessen, Die Wirksamkeit des Vereins für Sozialpolitik, op.cit., p. 49 for a breakdown of the early membership.



the Verein was a response to the challenge posed by the founding of the Social Democratic Workers' party in 1869. The choice of Eisenach for the Verein's first assembly makes this clear. The other main threat, which Schmoller and his friends saw, came from the laissez faire economists, men like John Princesmith, Faucher and Braun, who were propagating their views through the Volkswirtschaftlicher Kongress. The Verein was conceived as an organization for combatting the laissez faire doctrine, which Schmoller and his friends called 'Manchesterism' and which was at the peak of its popularity in Germany at this time, in science and politics. Historicist economists like Schmoller saw laissez faire and socialist economic theory as twin offspring of Ricardo's 'abstract' labour theory of value. The Verein's political function in Schmoller's eyes was primarily to enlighten officialdom.<sup>1</sup> Here Schmoller wanted to discredit anti-interventionist policies and establish a favourable atmosphere for labour and other legislation required to improve the working classes' condition. The Verein soon outshone the Volkswirtschaftlicher Kongress. In the late 1870's there was a merger between the two and in 1885 the Kongress was dissolved.

In his opening speech, Schmoller stressed the urgency of the need for action. Class struggle, he thought, could threaten existing institutions if nothing were done.<sup>2</sup> Laying

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1 See Lindenlaub, Richtungskämpfe im Verein für Sozialpolitik, op.cit., i, 28.

2 Schmoller, 'Rede zur Eröffnung der Besprechung über die soziale Frage in Eisenach, den 6. Oktober 1872' in same, Zur Sozial- und Gewerbepolitik der Gegenwart (Leipzig, 1890), p. 12.



down policy guidelines for the future, Schmoller said that the Verein looked above all to the leadership of a strong state ('Staatsgewalt'), 'welche, über den egoistischen Klasseninteressen stehend, die Gesetze gebe, mit gerechter Hand die Verwaltung leite, die Schwachen schütze, die unteren Klassen hebe.'<sup>1</sup>

These words could have been written by Lorenz Stein in his radical days. The major difference was that Schmoller's model for a strong, just state was a specifically Prussian one.

'Sie', he addressed the assembled Sozialpolitiker in Eisenach,

stehen in dem zweihundert  
jährigen Kampfe, den das  
preussische Beamtenthum und  
das preussische Königthum  
für Rechtsgleichheit, für  
Beseitigung aller Privilegien  
und Vorrechte der höheren  
Klassen, für Emanzipation  
und Hebung der unteren  
Klassen siegreich gekämpft  
[hat].<sup>2</sup>

Although Schmoller could be vociferous in the 1880's and 90's in attacking the entrenched interests of the industrialist and agrarian lobbies, state-worship prevented him, in contrast to Friedrich Naumann and Max Weber, from regarding government officials in the same light as bureaucrats in business or other fields - something which led to a crisis in the Verein in 1905 over the question of government control over cartels.<sup>3</sup>

Schmoller's unique talent for compromise, his ability to hold

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1 Ibid., p. 9.

2 Loc.cit.

3 P. Theine, Sozialer Liberalismus und deutsche Weltpolitik (Baden-Baden, 1983), p. 160ff.



more impatient members, like Brentano, in the Verein when disintegration threatened, made him the natural choice for the chairmanship, which he occupied - after Gneist and Erwin Nasse - from 1890 until his death in 1917.

An issue which split the Verein perhaps more than any other was that between free trade and protectionism, which was brought to a head in 1879-81 by Bismarck's switch to a protectionist course. Some considered it opportunism on Schmoller's part when he moved in line behind government policy.<sup>1</sup> He had long since exchanged his youthful enthusiasm for free trade (expressed in his support for Rudolf Delbrück's commercial treaty with France<sup>2</sup>) for a pragmatic position on the state's role in trade and industry. He was considerably more cautious than his fellow Kathedersozialist, the 'Staatssozialist' Adolf Wagner, on the question of nationalization.<sup>3</sup> Although not fully satisfied with Bismarck's social insurance legislation of the 1880's, he considered it the best that could be achieved within the limits of the situation<sup>4</sup> and acknowledged that Bismarck had developed

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1 Lindenlaub, Richtungskämpfe im Verein für Sozialpolitik, op.cit., i, 140.

2 See above, p.290.

3 See A. Wagner, Die Strömungen in der Sozialpolitik und der Kathedersozialismus- und Staatssozialismus (Berlin, 1912), p. 18.

4 Schmoller, 'Die Wissenschaft, die Parteiprinzipien und die praktischen Ziele der Politik' (1880) in same Zur Sozial- und Gewerbepolitik der Gegenwart, op.cit., pp. 198-9.



his thinking on the subject independently of the Verein.<sup>1</sup> Indirectly, the Kathedersozialisten played a greater part in the social legislation of the early 1890's through their influence on officials and government ministers, like the Prussian minister for commerce Hans von Berlepsch, who had been or continued to be members of the Verein.<sup>2</sup>

In 1882 Schmoller transferred to Berlin University, of which he was made Rektor in 1897, representing it in the Upper House of the Landtag. In 1884 he was made a member of the Staatsrat, which enjoyed a brief revival of activity under Kaiser Wilhelm. He was ennobled in 1908. Schmoller's friendship with the universities' section chief in the Prussian Kultusministerium, Friedrich Althoff, made him one of the most powerful figures in Prussian university politics around the turn of the century.<sup>3</sup> His closeness to the government did not, however, stop him resisting it in the 1890's over the case of the Privatdozent Leo Arons, who was an active Social Democrat and whom the government eventually removed.<sup>4</sup> Through his activity in the Herrenhaus Schmoller came into regular contact with land-owning aristocrats, financiers, top government officials and the Oberbürgermeister of the larger Prussian towns. This gave him

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1 G. Schmoller, M. Lenz, E. Marcks, Zu Bismarcks Gedächtnis, (Leipzig, 1899), p. 32.

2 See Lindenlaub, Richtungskämpfe im Verein für Sozialpolitik, op.cit., i, p. 51ff.

3 C. Brinkmann, Gustav von Schmoller und die deutsche Volkswirtschaftslehre (Stuttgart, 1937), p. 115.

4 F.K. Ringer, The Decline of the German Mandarins (Cambridge, Mass., 1969), pp. 141-2.



a first-hand knowledge of the inner machinery of the Prussian-German state which few other academics could match. In politics Schmoller preferred to work behind the scenes. His decision not to put himself up for election either to the Prussian Lower House or the Reichstag indicates a distaste for parliamentary politics. He consistently opposed parliamentary government for Germany.<sup>1</sup> In foreign policy, he supported Chancellor Bülow's Weltpolitik.<sup>2</sup> In 1899 he spoke on behalf of the Navy League about the need for colonial expansion and a strong navy.<sup>3</sup>

Schmoller did not allow political work to get in the way of scholarship. When in 1887 he was made a member of the Prussian Akademie der Wissenschaften, he used his position to organize a systematic publication of Prussian eighteenth century state papers. Droysen's research had dealt mainly with Prussia's external relations. Schmoller was concerned to illuminate the establishment of Prussia's 'innere Verwaltung' by Frederick William I and Frederick the Great.<sup>4</sup> The first two volumes, on Frederick the Great's founding of the Prussian silk industry, of

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1 See Schmoller, 'Herkunft und Wesen der deutschen Institutionen' in O. Hintze, F. Meinecke, H. Oncken, H. Schumacher (eds.) Deutschland und der Weltkrieg (Leipzig/Berlin, 1915), p. 214 and Über einige Grundfragen des Rechts und der Volkswirtschaft, op.cit., p. 128.

2 Bundesarchiv Koblenz, Nachl. Bülow, Nr. 119, Bl. 1-3, Schmoller to Bülow, 4 July 1909.

3 Schmoller, 'Die wirtschaftliche Zukunft Deutschlands und die Flottenvorlage' in same Zwanzig Jahre deutsche Politik (1897-1917) (München/Leipzig, 1920), pp. 1-20.

4 Schmoller, Nachrichten über die Acta Borussica, op.cit., p. 3.



the Acta Borussica. Denkmäler der preussischen Staatsverwaltung began to appear in 1892. The Acta Borussica and Schmoller's other, smaller works on Verwaltungsgeschichte and Finanzgeschichte - mainly of Prussia<sup>1</sup> - were, in their way, equally the products of Schmoller's economic thinking as his publications on Volkswirtschaftslehre. Schmoller expressed his ideas on the relation of history and state to economy thus:

Wer nicht für jede volkswirtschaftliche Erscheinung den Staats- und Verwaltungsmechanismus, innerhalb dessen sich die sozialen und wirtschaftlichen Prozesse abspielen, ganz genau kennt, der wird mit seinen Schlüssen gar zu leicht ins Nebelhafte, Unsichere kommen. So wurde für mich das wirtschaftliche Detailstudium immer zugleich zu einem rechts- und verwaltungs-<sup>2</sup> geschichtlichen.

In 1883 Schmoller clashed with the Austrian Karl Menger over methodology in economics. The notorious Methodenstreit, which involved a whole generation of German economists, was begun by Menger when he argued for a strict separation of political economy from the study of history, society and state.<sup>3</sup> Amongst other things, it was a direct attack on Lorenz Stein's Finanzwissenschaft, which treated the state as a separate economic entity. Menger thought economics should be treated as

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1 E.g. Umriss und Untersuchungen zur Verfassungs-, Verwaltungs- und Wirtschaftsgeschichte (Leipzig, 1898).

2 Ibid., p. VIII.

3 K. Menger, Untersuchungen über die Methode der Sozialwissenschaften und die Politische Oekonomie insbesondere (Leipzig, 1883), passim.



pure theory - in the sense of universally valid hypotheses - on the one side, supported by detailed empirical data on the other.<sup>1</sup> Schmoller immediately defended his point of view that in complex modern societies, economic problems could not be studied in isolation.<sup>2</sup> Economists were not yet capable, Schmoller claimed, of defining their material precisely.<sup>3</sup> This argument was aimed at overcoming Menger's defence of pure theory, which rested on the assumption of precise data. No-one 'won' the argument and the Methodenstreit subsided along with the ebb of economic historicism in the following decades.

In the mid-1880's, Schmoller began work on a general theory of economics. In the work which emerged, Grundriss der allgemeinen Volkswirtschaftslehre<sup>4</sup>, which took him over fifteen years to write and made use of the ideas of scores of European and American social scientists, Schmoller brought together his thoughts on language, technology, social class, race, primitive society, law, the state, mores, and social ethics. The Grundriss contained relatively little economics as such and still less theory. It contained sections on price and value but Schumpeter considered Schmoller's ideas here to have been taken

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1 K. Menger, Die Irrthümer des Historismus in der deutschen Nationalökonomie (Wien, 1884), p. 13.

2 Schmoller, 'Zur Methodologie der Staats- und Sozialwissenschaften' Jahrbuch für Gesetzgebung, Verwaltung und Volkswirtschaft, neue Folge vii (1883), 247.

3 Schmoller, 'Die Schriften von K. Menger und W. Dilthey zur Methodologie der Staats- und Sozialwissenschaften' (1883) in same, Zur Literaturgeschichte der Staats- und Sozialwissenschaften (Leipzig, 1888), p. 281.

4 2 vols., 1st edn. Leipzig, 1901-4.



from Menger. The book's strength lay in its sociological explanation of economic processes. In this respect Schmoller succeeded in making enormous strides. The ideas on Sitte and Recht which had characterized his earlier writing remained but were now supplemented by the ideas of Albert Schäffle, Herbert Spencer, Comte, Wilhelm Dilthey and Gobineau. In particular the notion of the division of social labour came to the fore.<sup>1</sup> The Grundriss was soon forgotten by economists but, seen from the perspective of Max Weber's and Werner Sombart's work, represents an important stage in the evolution of sociology in Germany.

The following comparison of Stein's and Schmoller's work will, following Stein's own divisions, be divided into three sections: economy, society and the state. This scheme is somewhat arbitrary in relation to Schmoller, but has the advantage of conceptual clarity. Before beginning with economy, a few words are first necessary on Schmoller's philosophical background.

I have said above that Schmoller's work represents an empirical advance over that of the systematizing, teleological social scientists of the generation which preceded him.<sup>2</sup> He was

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1 Grundriss, i, 324ff.

2 See p. 291 .



a believer in 'exakte Detailforschung' in the sense of the controlled observation which characterizes the natural sciences' method.<sup>1</sup> The increasing accuracy and volume of statistical material, he thought, was gradually leading to a state of affairs in which social scientists would be able to measure certain regularities in mass social phenomena and, with a degree of probability, predict future movements.<sup>2</sup> This did not, however, mean that Schmoller's thought was altogether free of teleological elements - far from it. As mentioned above, this was precisely the point - the role of normative ideas in social science - at which he and Max Weber parted ways.<sup>3</sup> The normative values in Schmoller's methodological thinking were of two kinds. The first kind made up the philosophical foundation, constructed in 1862-4<sup>4</sup>, of his 'historico-ethical' method of economics. The second kind of normative ideas in Schmoller's system came from socialism. The attention Schmoller paid to Ferdinand Lassalle has been mentioned above,<sup>5</sup> as has the role of Lorenz Stein - in connection with the Schmoller-Treitschke controversy - in alerting Schmoller to French socialists like Louis Blanc.<sup>6</sup> Schmoller

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1 Schmoller, 'Die Wissenschaft, die Parteiprinzipien und die praktischen Ziele der deutschen Politik' (1880), in same Zur Sozial- und Gewerbepolitik, op.cit., p. 189.

2 Schmoller, Über einige Grundfragen der Sozialpolitik und der Volkswirtschaftslehre, op.cit., p. 269.

3 See above, p. 282.

4 See above, p. 290-1

5 See above, p. 292 - 3.

6 See above, p. 299.



largely derived his idea of socialism either from or through Lorenz Stein, whose ideas on the subject have been covered in Chapter II above. Schmoller's idea of the ethical, however, requires some explaining.

Schmoller's concept of the ethical - 'Sittlichkeit'<sup>1</sup> - sprang partly from the philosophers Kant and Fichte, who dealt with the problem from the perspective of moral judgement in the individual, partly from Johann Friedrich Herbart, Hegel and M. Lazarus, who found the meaning of Sittlichkeit in society. Lazarus gave the clearest statement of the ethicizing branch of German social thought in 1860.<sup>2</sup> He posited an ethical continuum running from spontaneous expressions of human decency - charity, gratefulness, hospitality - which he called 'Sitten', through 'Gesetz' - a legal crystallization of Sitten - into 'Recht' (a broader notion than Gesetz, including the idea of justice), state and church. His purpose was to show that Sitten were the original source of law, state and religion - both in the temporal sense that they preceded them and in the causal sense that they were continually generating new norms of collective human behaviour, which gradually seeped into the legal-institutional structure of society. Sittlichkeit was the individual's psychological internalization of the patterns of collective behaviour derived from Sitten.

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1 For Sittlichkeit, see above, p.11

2 M. Lazarus, Ueber den Ursprung der Sitten (2nd edn., Berlin, 1867).



According to Lazarus' theory, everything that occurred in society was 'ethical'. But Schmoller, who was preoccupied with the Arbeiterfrage, certainly did not believe that. Stein's idea of social justice and injustice, of a proletariat cut off from normal material self-fulfilment, showed that Lazarus' view of society, on its own, was not enough. How did the idea of Sittlichkeit relate to the existence of a proletariat? By marrying socialist ideas of social injustice to Lazarus' ethicizing idea of society, Schmoller added the possibility of social reform to the latter.

The proletariat in its rawest form represented Unsittlichkeit. The possibility of Unsittlichkeit arose from the time element in Sittlichkeit. The development of human culture, Schmoller reasoned, was a progressive, incremental accumulation of refinements in institutions and consciousness. As a totality, society embodied the historical sum of these increments and was itself, therefore, the source of all ethical values. However, it was possible for the Sitten of a section of society to have a destructive effect upon the harmony of the whole. The condition of many factory workers was evidence of this. If the Sitten of a minority of the population got seriously out of step with the rest, this had to be an abrupt, ahistorical occurrence, for were it to have historical duration, then it would develop its own Sittlichkeit. In the case of an ahistorical cesure in the Sitten of a part of it, the rest of society could legitimately intervene and reform the Unsitten of the 'sick' part. Reform had, by definition, to be gradual. Without the legitimization of time, it would merely succeed in multiplying Unsitten



and Unsittlichkeit. It was an anti-revolutionary theory, which made revolution seem a self-contradiction. Let us now move on to a comparison of Stein's and Schmoller's economic theories.

As economists the similarity between Stein and Schmoller did not lie in their opinions on this or that particular theoretical issue - opinions which in any case changed considerably with the passage of time. On the question of value, for instance, young Schmoller was somewhat clearer than Stein, although both favoured psychological explanations based on consumers' judgement of utility.<sup>1</sup> In the 1850's and 60's, both retained the classical distinction between exchange value and use-value.<sup>2</sup> On production, Stein's writing in the mid-1840's was considerably more pessimistic about the effect of machines upon the quality of labour than Schmoller twenty years or so later - understandably so, in view of the outbreaks of machine-smashing at the time when Stein was writing.<sup>3</sup> In his idea of

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1 Stein, System der Staatswissenschaft, op.cit., (Syst. d. St.Wiss), i, 168ff. For Schmoller, see Bundesarchiv Koblenz, Nachl. Herold, Nr. 147, Kolleghefte I and II, 'National-ökonomie nach den Vorlesungen von Prof. Dr. Schmoller' and 'Grundriss zu den Vorlesungen über Nationalökonomie von Dr. Gustav Schmoller'. Notebooks contain texts of lectures Schmoller gave in Halle, i.e. between 1864 and 1872.

2 Stein, Syst. d. St.Wiss, i, 193ff and 198ff. Schmoller: Nachl. Herold, Nr. 147, Kolleghefte.

3 For Stein, see above, p. 87 ff. For Schmoller, Nachl. Herold, Nr. 147, Kolleghefte.



labour young Schmoller retained Stein's distinction between 'mechanical' labour, in which the human personality was extinguished by the deadening hand of 'nature', and 'personal' (or 'geistig' as Schmoller called it) labour, in which personality triumphed over nature's material forces.<sup>1</sup> But contrary to Stein, he thought that machines reduced mechanical labour rather than increasing it.<sup>2</sup>

Taking the market, the two differed again on the point of supply. In the 1850's Stein continued to see market forces primarily in a material light. He considered money to be playing a dwindling role in shaping demand, which he saw as increasingly dependent upon technological developments.<sup>3</sup> Against this, Schmoller thought that the entire history of demand should be regarded as a chapter in the history of Sitten.<sup>4</sup> For Schmoller technology was only a part of economic life; it did not determine it.

The real kinship between Schmoller and Stein as economists lay in the importance they attached to their ideas of the ethical and personality. 'Vor Allem', wrote Schmoller

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1 For Stein, see above, p. 87 ff. For Schmoller, Nachl. Herold, Nr. 147, Kolleghefte.

2 Schmoller, Nachl. Herold, Nr. 147, Kolleghefte.

3 Syst. d. St. Wiss., i, pp. 189-90.

4 Schmoller, Über einige Grundfragen des Rechts und der Volkswirtschaft (Jena, 1875), op.cit., (henceforth Über einige Grundfragen), p. 36.

5 Über einige Grundfragen, p. V.



addressing himself to Lassalle shortly before the latter's death in 1864,

möchten wir ihn [Lassalle]  
auf Stein verweisen, der in  
seiner tiefen Auffassung.....  
zeigt, dass die richtige und  
klare Erkenntniss des eigenen  
Interesses stets zuletzt zur  
sittlichen den Egoismus be-  
grenzenden Pflicht führt,  
dass nicht die Einzelinter-  
essen an sich, aber wenig-  
stens die sittlich geklärten  
Einzelinteressen harmonisch <sup>1</sup>  
sind.

Schmoller considered that Stein, better than anyone, showed the way how the postulate of individual egotism could be overcome in economic theory. Stein did this by showing the action of 'personality', supremely represented by the state, on economy and society. Normative elements in Stein's economic theory are bound up in the idea of Persönlichkeit, which was relatively narrowly founded on idealist philosophy. But Schmoller's ideas of Sitte, Recht and Sittlichkeit owed more to the organological historicist tradition.<sup>2</sup> Although a similar ethicizing motif was present in Stein's later theory of society,<sup>3</sup> this did not enter into his idea of economy.

The difficulty in comparing Stein's and Schmoller's economic ideas from Schmoller's 'ethical' point of view is that - quite apart from the difference between Stein's idea of Per-

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1 Schmoller, 'Die Arbeiterfrage', III, op.cit., pp. 56-7.

2 See above, p. 10 f.

3 See above, p. 230 f.



sönlichkeit and Schmoller's of Sittlichkeit - Schmoller's concept of the ethical has strong holist characteristics which draw one on to considerations of social structure and state action, which do not belong in Stein's 'small' concept of the economic. In that case, one could object, why not dispense with Stein's artificial divisions between economy, society and state and simply compare Stein's and Schmoller's systems as wholes? The disadvantage of doing this is that one would be forced to content oneself simply with juxtaposing two large amorphous systems. The best one could hope for from such an approach would be a limited number of generalizations based on surface appearances. Keeping Stein's 'small' idea of the economic as our yardstick remains the best approach.

The key to finding some degree of congruence in Stein's and Schmoller's economic theories lies in their normative ideas. We have seen that Schmoller's normative ideas consisted of socialist and ethicizing elements. The ethicizing element was not common to both men but the socialist one was. If the ethicizing element in Schmoller can be ignored for the time being, then the inflationary factor in his economic philosophy will have been removed and the way opened to compare Stein's and Schmoller's economic theories on the basis of Stein's 'small' idea of the economic. I shall follow this approach.

At the centre of Stein's and Schmoller's diagnosis of the social question - whether they tended to agree or disagree with it - was the socialist idea of an intrinsic, pathological



antagonism between capital and labour. Let us begin by comparing firstly Stein's and Schmoller's ideas on capital, secondly on labour and thirdly on the relation between the two.

Stein conceived the origins of modern capital in historical terms as a process linked to urbanization, in which commerce transformed the (previously agrarian) nature of wealth.<sup>1</sup> Similarly, Schmoller argued from the historical point of view, stressing - like Stein - growth in the use of money as the factor differentiating the medieval and modern forms of economy. Schmoller developed his thoughts on the point in one of his lectures in Halle.

Gegenüber der mittelalterlichen rechtlich geordneten Wirtschaftsweise, hat die Durchführung der Geldwirtschaft, welche den einzelnen mit seinen Geldeinnahmen und seinen jeden Augenblick in Geld verwandelbaren Kapitalbesitz, viel unabhängiger  
[ge]macht. 2

Economic individualism, thought Schmoller, was a good thing in so far as it encouraged the 'economic personality' to develop freely. Yet against this were ranged the unacceptable aspects of capitalism. In an economic system based on competition, the weak were sacrificed to the strong.

Bei der freien Bewegung, die jeden nur auf sich selbst anweist, kommen die Einen um so schneller vorwärts während

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1 Stein, Syst. d. St.Wiss, i, 468ff.

2 Nachl. Herold, Nr. 147, Kolleghefte.



die Anderen um so weiter zurückbleiben.

Warming to his subject, Schmoller inveighed against the stock market speculation of the Gründerjahre in a way that would have done justice to Lassalle or Marx.

Die Herrschaft des grossen Kapitals, resp. einer materialistischen Geldaristokratie, für die es nur noch einen Masstab gibt, den der gewinnbringenden Börsespekulation, des Erwerbs eines grossen Vermögens, nicht mehr in Folge von Arbeit sondern hauptsächlich in Folge von geschickter aber häufig mit schlimmsten Mitteln arbeitenden Spekulation.....das sind die nothwendigen Folgen der einseitig entwickelnden 1 Geldwirthschaft.

Concerning labour, Stein's philosophical ideas on mechanical and personal labour have been touched upon.<sup>2</sup> Schmoller followed Stein in regarding labour as an 'in gewissem Sinne Selbstzweck'.<sup>3</sup> Labour was 'vernünftige Selbstthätigkeit, die mit dauernder Anstrengung etwas in dem System der menschlichen Zwecke als berechtigt Anerkanntes zu bewirken strebt'. In this process of self-overcoming, das Natürliche was overcome and made sittlich.<sup>4</sup> For Schmoller, a study of labour - or any other economic field - meant a descriptive study and not an analytical

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1 Nachl. Herold, Nr. 147, Kolleghefte. Syntax corrected.

2 See above, p. 37 ff.

3 Schmoller, Über einige Grundfragen, p. 33.

4 Loc.cit.



one. However Schmoller, one of the leading academic Sozial-politiker of his day, never wrote anything of importance on the condition of the industrial working class. Instead he chose to write on the vanishing handicraft industries<sup>1</sup> - and this fact leads us on to the question of labour's relation to capital.

Like Stein, Schmoller accepted the basic concept of capital as 'stored' labour. This model allowed the moralizing economist to argue either way: for the rights of capital against labour or vice versa. Under socialist influence, Stein argued the latter in the 1840's. Stein had believed then in the notion of intrinsic antagonism between capital and labour, an idea which, at the time, had often seemed to be born out by events.<sup>2</sup> The logical conclusion to be drawn from the antagonism postulate was that, left to themselves, capital and labour would progressively consume the middle ground between them, eventually producing a hypothetical state in which a mass of pure capital confronted a mass of pure labour. (Revolution would intercede before a state of absolute polarization was reached.) But in the 1850's Stein discarded conflict in favour of harmony as the norm for market relations. This enabled him to interpose an economic middle class between, at the bottom, labour without capital and, at the top, capital without labour.<sup>3</sup>

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1 Zur Geschichte der deutschen Kleingewerbe im 19. Jahrhundert (Halle, 1870).

2 See e.g. C. Jantke and D. Hilger, Die Eigentumslosen (Freiburg, 1965) for contemporaries' image of the problem; also T.S. Hamerow, Restoration, Revolution, Reaction, op.cit.

3 See above, p.224 ff.



Schmoller's preference for 'facts' led him to reject the schematic idea of an intrinsic antagonism between capital and labour. Unhampered by theoretical baggage, he could study the middle classes as he found them. Yet he did not reject the antagonism postulate's sequel, the apocalyptic vision of a total polarization between capital and labour. Hence he could in one moment reject Lassalle's claim that the rich were steadily getting richer and the poor poorer,<sup>1</sup> while in the next asserting that the poor were the fastest growing section of society.<sup>2</sup> His reasoning was that the 'proletariat' was not an endogenous corollary of industrial capital, but the result of an erosion of the lower strata of the middle classes.<sup>3</sup> Schmoller thought that the lower part of the middle classes - small farmers, handicraftsmen, primary school teachers, subaltern officials - were either in danger of or were actually being declassed. There was nothing inevitable about the process, which had resulted from an unfortunate constellation of technical, economic and human factors.<sup>4</sup> How to combat the proletarianization of the middle classes was the fundamental social question of the age.<sup>5</sup> When he wrote of the dangers of big industrial and agricultural enterprises and the growth of an

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1 Zur Geschichte der Kleingewerbe, op.cit., p. 674.

2 Über einige Grundfragen, p. 138.

3 Ibid., p. 107 and Zur Geschichte der Kleingewerbe, pp. 676-7.

4 Zur Geschichte der Kleingewerbe, p. 660f.

5 Über einige Grundfragen, p. 107.



industrial-agrarian proletariat,<sup>1</sup> Schmoller had in mind a disjunction between big capital and small capital, not between big capital and labour. For Schmoller the 'workers' question was largely a domestic issue among the propertied classes - hence his interest in déclassé artisans rather than factory workers.

The second respect in which I shall compare Stein and Schmoller is their theories of society. Again we meet the methodological obstacle of Stein's stringent separation of society from economy. We have seen how Stein began with an essentially economic concept of society, refined and diversified this concept, but never really succeeded in overcoming the criticism of economic determinism.<sup>2</sup> Schmoller was free of any need to show that society existed independently of the state, for he never tried to produce a theory of society as such. He was concerned to find the roots of economic action and therefore generally wrote about society from this particular point of view. In trying to produce a theory of society, Stein aimed at leaving economic action proper to his theory of economics, which left him free to concentrate on the psychological implications of economic action in society. If Stein sought to exclude economy

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1 Ibid., pp. 107-8.

2 See above, p. 235.



from society, Schmoller tried to do exactly the opposite. Where Stein began with economy and moved towards society, Schmoller began with certain ethical postulates concerning social life and sought to inject these into the classical idea of economy.

Schmoller's idea of social class was primarily economic. He sometimes referred to 'economic class'.<sup>1</sup> Like Stein, he began with a simple division between Besitzer and Nichtbesitzer.<sup>2</sup> In the 1860's and 70's Schmoller laid considerable emphasis on the social role of property but he never made property ownership the sole criterion of class divisions. He saw 'mittlere Classen' and 'untere Classen' which were distinguished by differences in income, property and occupation.<sup>3</sup> Like Stein in his Gesellschaftslehre, Schmoller tried to overcome the idea that the classes are a specifically modern form of society.<sup>4</sup> He saw classes in the ancient world.<sup>5</sup> His desire to keep his idea of class free from periodization schemes left Schmoller with the problem of distinguishing a class from a Stand. Confusingly, he sometimes used the two words interchangeably.<sup>6</sup>

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1 'Die Arbeiterfrage' I, op.cit., p. 413.

2 Ibid., p. 412.

3 Über einige Grundfragen, pp. 53-97.

4 For Stein, see above, p.233 f.

5 E.g. in Grundriss der allgemeinen Volkswirtschaftslehre, i, p. 391ff.

6 Grundriss der allgemeinen Volkswirtschaftslehre, i, 394ff.



Schmoller did not systematize his ideas on the origins of class until the 1880's and '90's.<sup>1</sup> The social distribution of property and wealth were more a result than a cause of the class divisions of society, he thought. Apart from the idea of race, the main elements of his later thinking on the question were present - mostly in a rather undeveloped form - in his early work. One of Schmoller's main aims was to demolish the socialist idea of a society consisting of two innately antagonistic classes founded on capital and labour. He argued against Lassalle's schematic division of society into two camps - workers and capitalists - pointing to its neglect of the middle classes.<sup>2</sup> The other materialist argument which Schmoller rejected was that technology determined economy and society. He denied that there could only be one form of economic life to fit a given level of technological development by pointing to the effects of ethical and 'psychological' factors in shaping economy and society.<sup>3</sup> Even the simplest technical processes such as producing a nail, Schmoller claimed, involved ethical considerations because of the labour which went into them.<sup>4</sup>

In a lecture given in the Berlin Singakademie in spring 1874 Schmoller claimed that what he called 'Gewalt' was

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1 See Grundriss der allgemeinen Volkswirtschaftslehre, i, 394-411 and 'Die Thatsachen der Arbeitstheilung', Jahrbuch für Gesetzgebung, Verwaltung und Volkswirtschaft, xiii (1889), 3rd Heft, 57-128.

2 'Die Arbeiterfrage' I, op.cit., p. 406.

3 Über einige Grundfragen, p. 39.

4 Ibid., p. 33.



the historical source of class divisions. If one tribe subjected another, the exploitative relation which resulted formed the basis for a later class division.<sup>1</sup> This conception of social class, which appeared to sanction violence and injustice between the classes, seemed uncomfortably similar to Treitschke's, which appeared shortly after in the Preussische Jahrbücher in the form of an attack, mentioned above, on the 'patrons' of socialism.<sup>2</sup> However, Treitschke's defence of existing social inequalities was far removed from Schmoller's actual position. In his public reply to Treitschke, Schmoller tried to wriggle out of the difficulty posed by the idea of violence. Violence was indeed the source of social inequality, he wrote, but it was not necessarily an evil. Violence could be used for egotistical purposes and to satisfy 'animal drives' or it could serve 'ideal purposes'.<sup>3</sup> Schmoller was trying to say that despite their unjust origins, classes were capable of acting justly. Besides, with the passage of time it was natural for the civilizing influence of customs and mores gradually to replace violence as the norm for human relations. Nevertheless, there were enough examples in history - the Roman world, for example - to show that egotistical violence between classes was capable of destroying a society if nothing were done to stop it.<sup>4</sup>

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- 1 'Die sociale Frage und der preussische Staat' in Schmoller, Zur Sozial- und Gewerbepolitik der Gegenwart, op.cit., p. 40.
  - 2 'Der Socialismus und seine Gönner', op.cit.
  - 3 Über einige Grundfragen, pp. 15, 16.
  - 4 'Die Arbeiterfrage' I, p. 422.



The question of class formation highlights the clash between materialism and organicist ideology in Schmoller. Although he insisted that Sitte and Recht could render the classes sociable, the fact remained that he always saw class conflict and the threat of social revolution as the chief problems of his time. Schmoller's own attacks on the materialism of the age - 'materialist hedonism', 'cynical luxury', 'money for money's sake', 'class prejudice', 'economic injustice', 'stock market speculation'<sup>1</sup> - contrasted with the ethical qualities he wished for the classes. For both Schmoller and Stein the classes represented all they most detested - egotism, materialism, 'animal drives', 'Natur' and 'natural' forces. Their ethico-historical arguments were a response to this.

For both men the history of property remained the surest indicator of developments in the rest of society. Yet they refused to acknowledge the causal primacy of property in forming society. Their attempts to render the materialistic classes relatively harmless caused them to go behind property, wealth and income and attribute ideas drawn from idealist and organological sources to the origins of social class. Stein's concepts of Gesittung, Geselligkeit, Sitte and Recht, which he introduced in the mid-1850's,<sup>2</sup> performed the same function in his theory of society as Schmoller's notions of Sitte and Recht in his.

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1 Über einige Grundfragen, p. 90.

2 See above, p. 230 ff.



Stein and Schmoller paid a considerable amount of attention to the organizational and institutional side of social structure. The awareness of German social scientists of the importance of institutional interaction for society as a whole sprang partly from the corporativist tradition.<sup>1</sup> In his Gesellschaftslehre Stein touched superficially on family and kinship groups<sup>2</sup> but his real effort in the field came in his treatment of the Vereine in his Verwaltungslehre. But what could have been a significant enrichment of his theory of society came to nothing because he insisted on treating the Vereine as if they were part of the state. Schmoller's approach was more flexible and yielded better results. As well as bringing in family, Stamm and Gens to his theory of society,<sup>3</sup> Schmoller covered the effects of what he called Gebietskörperschaften on economy. He considered the question of territorial units from a historical point of view passing from Grundherrschaft, through the town economy, to the early modern German territorial state, and finally, the nineteenth century state.<sup>4</sup>

Leaving aside the question, which requires separate treatment, of the state's role in society and economy,<sup>5</sup> let us consider briefly local government and Körperschaften. Well

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1 See above, p.17.

2 Syst. d. St.Wiss, ii, 41.

3 'Die Thatsachen der Arbeitstheilung', op.cit., pp. 60ff, 74ff.

4 Grundriss der allgemeinen Volkswirtschaftslehre, i, 277ff.

5 See below, p.332 ff.



before the appearance of Gneist's works on the subject, Stein had begun an interesting train of thought on the Gemeinde as an 'autonomous' ('selbstständig') socio-economic unit.<sup>1</sup> However, he failed to follow up on this, instead in the 1860's treating local government as a purely administrative point of view.<sup>2</sup> Schmoller approached the question of local government's role in society and economy from a more genuinely historical angle than either Gneist or Stein. For example, his archival work yielded a monograph on the history of Strasbourg in the fifteenth century which, in a few pages, brought to life the relations between municipal authorities, guilds and social classes more vividly than volumes of Gneist's history of English local government.<sup>3</sup>

Individuals were being progressively absorbed by 'social bodies', Schmoller thought.<sup>4</sup> He contemplated the process with satisfaction, for like Gneist and Stein, he thought society needed intermediary structures - societies, companies, cooperatives, associations - to mediate between the individual and the whole.<sup>5</sup> Technological progress and economic growth were supposed to increase the communal content of society.

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1 Stein, 'Das Gemeindewesen der neueren Zeit', DVJS (1853), 1st Heft, 24.

2 See above, p.257.

3 Strassburg zur Zeit der Zunftkämpfe und die Reform seiner Verfassung und Verwaltung im XV. Jahrhundert (Strassburg, 1875).

4 Schmoller, 'Die Gerechtigkeit in der Volkswirtschaft' (1880) in same, Zur Social- und Gewerbepolitik, op.cit., p. 227.

5 'Die Arbeiterfrage' III, op.cit., p. 36ff.



Jede grössere Unternehmung stellt sich, sobald sie dauernd eine bestimmte Zahl von Menschen zu einem gemeinsamen Zweck verbindet, als eine sittliche Gemeinschaft dar.<sup>1</sup>

One of the most important ideas for Schmoller's theory of society was that of 'die gesellschaftliche und wirtschaftliche Arbeitsteilung'.<sup>2</sup> The idea of divided labour was a popular one among economists in the nineteenth century. Its original inspirer was Adam Smith, who had shown its effects on manufacturing. Stein understood the immense fertility of the idea and set about applying it more broadly to social processes. Stein began with what he termed 'die Organisation der Arbeit', a political slogan which he had borrowed from Louis Blanc and which he used in the same industrial sense as its author.<sup>3</sup> Whether one referred to the articulation of labour as 'organisation' in the sense of wanting it to be re-organized, or as 'division' of labour, which was politically neutral, the principle remained limited to the sphere of manufacturing. It will be remembered that during the 1840's Stein developed a philosophy of labour which transcended the idea of labour as a specifically economic (in the limited sense of the word<sup>4</sup>) thing.<sup>5</sup> For Stein, labour was persönlich or geistig rather than mechan-

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1 'Die Gerechtigkeit in der Volkswirtschaft', op.cit., p. 228.

2 Grundriss der allgemeinen Volkswirtschaftslehre, i, 324.

3 See above, p.60.

4 As e.g. in J. Robinson, Economic Philosophy (Harmondsworth, 1962).

5 See above, p.87.



ical. It was the creative self-expression of personality in die That. Remembering that, for Stein, society was supposed to be a psychological field <sup>1</sup>, labour could in this sense be treated as the creative principle of society as well as economy. Its psychological divisions were the divisions of society. In the Ständeordnung for example, the division of society into priesthood, warriors, judges and a commercial order were the result of die 'Theilung der gesellschaftlichen Arbeit'.<sup>2</sup>

Schmoller developed the concept of a social division of labour considerably. Although he learnt much on the subject from Albert Schäffle,<sup>3</sup> Schmoller was certain from the start that the labour division process underlay the entire structure of economy and society.<sup>4</sup> As has been seen, he followed Stein in viewing labour as an ethical thing.<sup>5</sup> He was thus able to adapt the division of labour principle to his ethical theory of society and economy. Specialization in labour meant interdependence and this carried ethical connotations.

Es verbinden sich von selbst  
mit der Theilung der Arbeit,  
mit dem Arbeiten für einander  
und neben einander gewisse  
Pflichten und sittliche Ge-

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1 See above, p.230.

2 Syst. d. St.Wiss, ii, 42-4.

3 See Schmoller, 'Albert E.Fr. Schäffle' in same, Zur Litteraturgeschichte der Staats- und Sozialwissenschaften, op.cit., pp. 211-32.

4 'Die Arbeiterfrage' I, op.cit., p. 416.

5 See above, p.318.



wohnheiten, die die Voraussetzung jedes weiteren ökonomischen Fortschritts, wie der geistigen und politischen Entwicklung sind. <sup>1</sup>

Schmoller saw the division of labour as a 'unified... social-historical process' which lay behind the articulation of society family, tribes, Geschlechter, social orders, classes and occupations.<sup>2</sup> 'Die Arbeitsteilung ist das grosse Instrument des Kulturfortschritts'.<sup>3</sup> By deepening individualism, the advancing division of labour drove forward society's ethical development, for increasing individualism demanded corresponding advances in the ethical, legal and institutional bonds holding society together.<sup>4</sup>

Nur durch die Arbeitsteilung  
haben wir Denker und Dichter,  
Künstler und Techniker, geschickte  
Handwerker und bessere  
Ackerbauer erhalten; aller geistige  
und technische, aller politische  
und organisatorische Fortschritt  
beruht auf ihr. <sup>5</sup>

For German social scientists seeking to replace mechanistic-materialist concepts of society with organological-idealist ones, the division of labour principle had at least two advantages when applied to society and history. Firstly, it

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1 'Die Arbeiterfrage' I, op.cit., p. 416.

2 'Die Thatsachen der Arbeitstheilung', op.cit., passim.

3 Grundriss der allgemeinen Volkswirtschaftslehre, i, 364.

4 Ibid., p. 362.

5 Ibid., p. 362.



helped remove the antagonistic content from the idea of class by replacing the classes' material foundations with ideal ones. Property, still the most important element in Stein's and Schmoller's concepts of class, was ultimately the result of labour (allowing for intermediate factors like inheritance laws). But labour and its divisions were ethical. Hence property - not just as an object attached to the labouring personality, but in its social distribution - was also ethical. If in the Geschlechterordnung of society, for instance, the division of social labour between those who bore weapons and those who worked the land resulted in an unequal distribution of landed wealth, the latter nevertheless possessed an ethical basis, for it was ultimately the result of labour.

The second advantage of the division of labour principle was that it allowed the corporative idea to be transformed from a static and generally retrospective device into a dynamic one, without requiring it to be divested of its historical character. Labour's social division tied the individual into one or more groups but at the same time stressed the groups' interdependence. Additionally, the nature of social groups could change freely according to whatever cultural, economic, military or racial considerations were thought to predominate in any given historical epoch. Schmoller's and Schäffle's ethical interpretation of the division of labour principle entered French sociological theory when Emile Durkheim, who studied in



Germany in 1885-6, published his De la division du travail social in 1893.<sup>1</sup>

Before leaving Stein's and Schmoller's theories of society, it is worth noting that, viewed separately, both theories contain ideas which often appear to be unconnected, so that the reader in search of a model of society is left confused as to what models Stein and Schmoller were actually proposing. In fact neither was offering a model of society so much as postulating a number of different ways in which groups could be seen to relate to each other in society. However this did not free the two from the onus of at least trying to attempt to guide their public through the uncharted regions lying between, for instance, the institutional-organizational structure of society and social stratification in classes. How were the social classes supposed to relate to Gebietskörperschaften and Vereine? Again, in the making of the classes, how was Schmoller's violence hypothesis meant to relate to the division of labour?

In his speech to the Verein für Sozialpolitik's constituent assembly in October 1872, Schmoller went out of his way to make a statement about the role he envisaged for the

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<sup>1</sup> See S. Lukes, Emile Durkheim (Harmondsworth, 1973), pp. 86-95, 137ff.



state. Claiming to speak for the majority of the men present, he asserted, that they never considered the state

wie das Naturrecht und die  
Manchesterschule als ein  
nothwendiges, möglichst zu  
beschränkendes Übel; immer  
ist ihnen der Staat das  
grossartigste sittliche  
Institut zur Erziehung des  
Menschengeschlechts. 1

In their ideas of the state we find the most obvious similarity between Stein's and Schmoller's socio-political views. The state lay at the centre of both men's social and political thought and hence similarity of their thinking in this respect is the most important in a comparison of the two men's work. Both Stein and Schmoller were monarchists. For example in the 1870's Schmoller thought that the Empire should have been restored in France

weil ich eine Klassenherrschaft  
bald der Besitzenden, bald der  
untern Klassen überall da ein-  
treten sehe, wo nicht eine feste  
monarchische Spitze mit einem  
tüchtigen Beamtenthum vorhan- 2  
den ist.

He even went as far as to assert that the United States ought to have a king.<sup>3</sup> Although Schmoller did not bother to work out a theory of monarchy and did not use Stein's philosophical termin-

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1 'Rede zur Eröffnung der Besprechung über die sociale Frage in Eisenach' in Schmoller, Zur Sozial- und Gewerbepolitik, op.cit., p. 9.

2 Über einige Grundfragen, p. 128.

3 Loc.cit.



ology when writing about monarchy, his reasons for regarding the monarchical state - or 'Königthum' as Schmoller called it - as the best form of government were the same as Stein's: monarchy was the only effective bulwark against class conflict and revolution.

As with Stein, Schmoller's insistence on a strong monarchical state made nonsense of the entire ethical structure he had built into the idea of social class. If the classes were ethically motivated, then why did they need a strong state to control them? In practice, the ethical content in both men's systems amounted to their idea of the state, for this was the only respect in which they were able convincingly to demonstrate the presence of the ethical - in their understanding of the term - in society. The advantage they were seeking to gain by making society ethical or semi-ethical, was that this allowed some flexibility with regard to the state's role in society. The state could be required to do more or less according to the needs of the given situation. In this way dogmatism and state-socialism of the kind professed by Adolf Wagner and Rodbertus could be averted.

Schmoller's social kingdom related to its subjects in much the same way as Stein's. Because it alone represented the interests of all, the kingdom was the sole agent capable of providing the unity of Gesittung and Gesinnung so urgently needed in the modern age.<sup>1</sup> Without ethical unity there could not be an

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<sup>1</sup> Über einige Grundfragen, p. 121f.



equitable distribution of wealth.<sup>1</sup> In the Middle Ages the Church had generated this sense of unity in society but in modern times it could only come from the state, which had taken over functions - education, for instance - which the Church had performed before.<sup>2</sup>

Das Mittelalter konnte des lebendigen Staatsgefühls entbehren, weil es die ethische kirchliche Grundlage hatte. Die moderne Gesellschaft kann ohne einen hochgespannten Patriotismus, ohne ein intensives Staatsgefühl nicht auskommen.<sup>3</sup>

Precisely to engender this 'feeling for the state in the population', the state had to see to the well-being of those who had to bear the burdens of taxation and military service.<sup>4</sup> The role of Königthum in history - the justification for its existence in fact - was protection of the poor and all victims of class rule.<sup>5</sup> Germany was less familiar with the abuses of class rule than other countries, Schmoller believed, on account of its strong 'Königtum und Kaisertum'.<sup>6</sup>

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1 Über einige Grundfragen, p. 121f.

2 Ibid., p. 123-4.

3 Ibid., p. 124.

4 Loc.cit.

5 Ibid., p. 121.

6 Schmoller, 'Herkunft und Wesen der deutschen Institutionen' in O. Hintze et al (eds.) Deutschland und der Weltkrieg, op.cit., p. 217.



Schmoller followed Stein in dividing the state into Verfassung and Verwaltung. As Schmoller wrote very little on political representation, it is unclear to what extent the Verfassung in the system is to be considered representative. Schmoller's rejection of parliamentary government suggests that, following Stein's original view, he saw Verfassung as a micro-cosmic version of society and its antagonisms. In keeping with his bureaucratic political philosophy, Schmoller's scientific interest in the state was concentrated on Verwaltung.

For four years after 1865, as he was writing his Verwaltungslehre, Stein corresponded with Schmoller, communicating his innermost thoughts to the younger man.<sup>1</sup> Stein could not have had a more receptive and intelligent confidant. He was both hurt and gratified when Schmoller published a review of the Verwaltungslehre which was in general highly favourable but at the same time critical in places.<sup>2</sup> Despite the fact, Schmoller wrote, that Stein belonged more to the vanished age of German idealist philosophy, he succeeded in his Verwaltungslehre in treating 'einen sehr interessanten bisher vernachlässigten Stoff mit Geschick, mit vielem Geist und seltenen historischen Kennt-

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1 Nine of Stein's letters to Schmoller, dated between 1861 and 1869, are in Schmoller's Nachlass in ZSTA Merseburg, Rep. 92, one in file Nr. 159, the rest in Nr. 151.

2 Schmoller, 'Lorenz Stein', Preussische Jahrbücher, xix (1867), 245-70, reprinted in Schmoller, Zur Litteraturgeschichte der Staats- und Sozialwissenschaften, op.cit., pp. 114-146.



nissen.<sup>1</sup> The work's greatness, Schmoller continued, lay in the fact that

jede kleinste Verwaltungs-  
massregel steht.....in Zu-  
sammenhang mit den allge-  
meinen Kultur- und Rechts-  
zuständen des bestimmten  
Lands und der bestimmten  
Zeit. 1

Schmoller was being too kind to Stein when he praised the latter's knowledge of history. Stein still stuck to the speculative method of first developing a conceptual framework and then fleshing out his ideas with 'facts'. Stein's Verwaltungslehre may have made use of history but was anything but a history. Schmoller's method was almost exactly the reverse. He put historical data first and theory second. In contrast to Stein's arbitrary juxtaposition of fragments from English, French and German constitutional history, Schmoller's main contribution to the idea of Verwaltung, Die Behördenorganisation und die allgemeine Staatsverwaltung Preussens im 18. Jahrhundert,<sup>2</sup> a nine volume collection of state papers researched by himself and others including Otto Hintze, was a milestone in nineteenth and early twentieth century historiography and remains an indispensable source on the history of the Prussian state. Schmoller's motive for carrying out the project was, like Stein's in the Verwaltungslehre, to demonstrate the positive role of administration in the modern German state. The

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1 Schmoller, 'Lorenz Stein', op.cit., p. 246.

2 9 vols., Berlin, 1894-1907. Part of Acta Borussica.



training and organization of officialdom had continually to be improved to meet the challenges of the industrial age.

Es handelt sich darum, die Beamten so zu beeinflussen, dass es ihrem eigensten Interesse, ihrem innersten Bedürfniss entspricht, gut zu regieren und zu verwalten. 1

The major difference between Stein and Schmoller on Verwaltung was that Schmoller, by choosing to concentrate on the Prussian state, produced results which were more specific and more illuminating than Stein's. Schmoller saw clearly that the formal legal history of administrative organizations, to which Stein had devoted so much energy, was much less important for an understanding of the growth of administration than social and economic forces.<sup>2</sup> In his brief introduction to the Behördenorganisation, Schmoller managed to say more about the development and anatomy of administration than Stein in three volumes of 'Die vollziehende Gewalt'. Schmoller followed a sociological approach by marrying an unrivalled knowledge of the primary sources of Prussian state history in the eighteenth century to social theory. Instead of starting with the abstract concept of Verwaltung, which got Stein into numerous difficulties, Schmoller traced the growth of bureaucratic organizations themselves and the social group, the Beamtenstand, which manned them.

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1 Behördenorganisation, i, p. 140.

2 Ibid., p. 18.



Starting with Herbert Spencer's idea that all government develops out of an original tribal division between the leader, his helpers and the rest,<sup>1</sup> Schmoller traced the origins of bureaucratic government through the medieval Germanic idea of 'Amt' and its associations with landed property and hereditary rights, via excursions into the history of the Roman Principate and fourteenth century France, to the sixteenth century in Brandenburg-Prussia and the beginnings there of a professional officialdom. Life-long service, yearly payment in money, a well defined professional career, specialized training, appointment by the head of state and a developed body of law to cover the duties and rights of office-holders were the factors Schmoller identified which he considered defined a professional Beamtenthum.<sup>2</sup> These factors, Schmoller thought, presupposed a relatively developed division of social labour, a money economy, and a system of social classes.<sup>3</sup> The development of a Beamtenstand was a slow and difficult process, liable to degenerate at any time into corruption and stagnation, which had been ruthlessly carried out by the Hohenzollerns, especially the Great Elector, in the interests of the whole. Nothing had annoyed Frederick William I more than the idea that his officials were enmeshed in the interests of the nobility, Schmoller argued.<sup>4</sup>

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1 Ibid., p. 15.

2 Ibid., p. 31.

3 Ibid., p. 32.

4 Ibid., p. 140.



On the contrary, his government had cultivated the burghers as a counterweight to the nobility.<sup>1</sup>

The special area of Verwaltung theory called Finanzwissenschaft was the aspect of Stein's work in the 1860's which Schmoller admired most. Schmoller recognized that Stein's strength as an economist lay in the fiscal sphere and greatly admired his systematizing achievement here.<sup>2</sup> At the age of 24 Schmoller wrote to Stein of his own fiscal thinking that

Trotz einzelner Abweichungen  
von Ihren Ansichten, die ganze  
Basis meines Gedankenganges  
auf Ihrem Systeme der Finanz-  
wissenschaft, auf Ihrem Prin-  
zip organischer, systematischer  
Betrachtung volkswirtschaft-  
licher Probleme beruht. 3

Although Schmoller outgrew Stein's schematic method, these lines show with unusual clarity the intellectual debt which the man who was later to dominate the science of economics in Germany owed to Stein. Stein's Finanzwissenschaft served Schmoller as a systematic framework for his historiographical work on state and economy.

In politics Schmoller shared Stein's faith in the legal-technical perfection of the state administrative apparatus. With the passage of time, Schmoller turned increasingly towards Verwaltung for a solution to the social question. Gra-

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1 Loc.cit.

2 Nachl. Stein, 4.2.05, Schmoller to Stein, 13 Nov. 1862.

3 Nachl. Stein, 4.2.05, Schmoller to Stein, 13 Nov. 1862.



dually his youthful belief in the role of voluntarist solutions disappeared, leaving only 'die Vervollkommnung und Stärkung des Regierungsapparats' as the solution to the problem of class rule.<sup>1</sup> With the growth of class interest, Schmoller wrote around the turn of the century, redoubled efforts had to be made to keep the state in 'unsullied hands'. This could only be done by the development of an

Immer feineren und gerechteren  
Verfassungs- und Verwaltungs-  
rechts, durch die Erziehung von  
unparteiischen, über die Klassen  
stehenden Trägern der Staats-  
gewalt, die von oben bis unten  
richtig verteilt und einheit-  
lich zusammenwirkend Staat und  
Gesellschaft geistig beherrschen.<sup>2</sup>

(Schmoller's reference to 'Verfassungsrecht' did not relate to representative institutions and their development but to the aspects of executive action which were or needed to be laid down in a constitutional document.)

To sum up, one finds almost complete agreement in Stein's and Schmoller's political views on the nature of the social question and the means to answer it. This is remarkable in view of the fact that, the social question - if indeed one can still talk of a social question by the end of the nineteenth century - presented a set of problems to Schmoller's generation which were increasingly different to those with which Lorenz Stein had been confronted in the 1840's. The close association

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1 Grundriss der allgemeinen Volkswirtschaftslehre, ii, 545.

2 Loc.cit.



of industrial and agrarian interests with government which characterized the Reich, and which Schmoller had occasion to understand better than most, made his faith in officialdom's impartiality anachronistic. With the emergence of the SPD from isolation to the position of largest party in the Reichstag, his belief in technical-bureaucratic solutions to social reform looks distinctly authoritarian. The rationale behind his Sozialpolitik lay in the theory of state and society to which Stein had given clearest expression in 1850.

In Sozialpolitik, the main differences between Stein and Schmoller were that, firstly, Schmoller was a Prussian patriot whereas Stein was not and, secondly, Schmoller was an effective practical political worker, while Stein showed little interest in working with others.

Much more important in comparing Stein and Schmoller is the methodological aspect. The two were thinkers first and politicians only second - and should be treated as such. A number of epithets come to mind, when one seeks to compare Stein's and Schmoller's methods. Stein's was philosophical, abstract and theoretical where Schmoller's was historical, 'descriptive' or 'vivid' (Spiethoff used the word 'anschaulich'<sup>1</sup>) and practical. Perhaps the best comparison is Schmoller's own, which he made in 1867 when he had had time to develop a distinct position

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1 A. Spiethoff, 'Gustav von Schmoller und die anschauliche Theorie der Volkswirtschaft' in same, Gustav von Schmoller und die deutsche geschichtliche Volkswirtschaftslehre (Berlin, 1938) = Schmollers Jahrbuch 62, 2nd Halbband, pp. 16-35.



of his own. Explaining his criticisms of Stein's method in his article on Stein in the Preussische Jahrbücher Schmoller wrote

Trotz aller Bewunderung und  
Anerkennung für Ihre Leist-  
ungen, - was Methode betrifft  
- werden Sie sehen, dass ich  
auf einem ganz anderen Stand-  
punkt stehe und daher den ihr-  
igen [sic] theilweise an-  
greifen muss. Ich stehe mehr  
auf exakt realistischem, Sie <sup>1</sup>  
mehr auf spekulativem.

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<sup>1</sup> Nachl. Stein, 4.2.05, Schmoller to Stein, 17 March 1867.



### CONCLUSION

This thesis has traced the development in Lorenz Stein from a sociological interest in society - his Wissenschaft der Gesellschaft - to a technical, legalistic vision of government - his Verwaltungslehre. Stein's impact on social and political thought in nineteenth century Germany was considerable. Most importantly, his ideas directly influenced the National Liberal politician Rudolf Gneist, who has been called the father of the Prussian Kreisreform of 1872, and Gustav Schmoller, whose work dominated the development of economic science in the last quarter of the nineteenth century.

Stein's intellectual career began with his studies in law and philosophy in Kiel from 1835 to 1839. Although he developed far beyond the controversies between followers of Hegel and Savigny which dominated legal science at that time, Stein always retained much of the jurist's outlook. During the course of his studies he began to show an interest in Hegelian philosophy, particularly in the form in which it had been interpreted by Feuerbach and Arnold Ruge. On Ruge's advice, he went first to Berlin, then Paris (November 1841).

In Paris Stein studied communist and socialist doctrines, including those of Saint-Simon (whom Stein considered a socialist) and Louis Blanc. Despite the fact that he found it personally repellent, Stein accepted the notion that society consisted of classes - originally he thought that there were only two - which were blindly driven by material interests. Following Louis Blanc, he saw economic forces, in the first instance an antagonism between capital and labour, as the prime mover of society. In accordance with this theory Stein, in his widely read Socialismus und Communismus des heutigen Frankreichs, depicted French revolutionary history in terms of a conflict in French society between a capitalist bourgeoisie and a proletariat which was supposed to be inherently communistic. He was one of the first to write in the German language about society in the light of class conflict.



Accepting the materialist doctrine of socialists did not lead Stein to jettison the idealist philosophical ideas he had acquired in Germany before going to Paris. His central problem now was to reconcile the contradictory claims of modern French materialism and German idealism. Stein set about solving this problem both in a sociological way - he attempted to found a Wissenschaft der Gesellschaft - and, implicitly, in a political way - his Wissenschaft der Gesellschaft was to be an instrument for comprehending and combatting social revolution. Stein's political motives proved stronger than his sociological ones, causing him to posit a principle of social equality as an ideal force which asserted itself periodically in revolutionary upheavals aimed at redressing economic imbalances. German society, Stein considered, would soon be gripped by the same conflict between capital and labour as already beset French society. His task was now to establish an ideal principle like that of égalité for German conditions, which led him in the early 1840's to work out an idealist philosophy of the state.

During the 1848-9 revolution, Stein succeeded in integrating the class-based idea of society he had acquired in Paris with his idealist philosophy of the state, producing a unified theory of state and society. The theory culminated in a doctrine of the soziales Königthum - a monarchy which would avert revolution through social reform. Henceforth Stein devoted little time to the theory of society. He did make some attempt to transcend the narrowness of an idea of society constructed on purely economic foundations and he expanded his two-class model of society to accommodate a middle class. But from now on the main weight of his attention was directed towards the state.

In Stein's theory the antagonism between state and society was resolved into one between Verfassung and Verwaltung. Verfassung, the representative



side of the state, did not interest Stein, who considered political parties to be tied to the interests of the classes they represented. Accordingly he concentrated on Verwaltung, which for him was the true repository of the state's Persönlichkeit.

Stein treated the state's Verwaltung as, firstly, a purely economic entity - in his Finanzwissenschaft - and, secondly, as a control mechanism affecting every single aspect of society - in his Verwaltungslehre. The former enterprise was considerably more successful than the second, which failed on account of the immensity of the task which Stein had set himself. In his attempt to present all aspects of modern government, with the exception of representation, as 'administrative' functions, Stein was seeking to render popular assemblies superfluous. He circumvented the difficulty of executive responsibility to the parliament by emphasizing the historical link between administrative institutions and the monarchy.

The consistency in Lorenz Stein's development as a theoretical thinker during the course of thirty years from the attempt to suppress political conflict in society - the Wissenschaft der Gesellschaft - to a similar attempt with regard to government - the Verwaltungslehre - stands in marked contrast to his shifting political allegiances. Changing loyalties, rapidly altering views on practical issues and alternating support for Prussia and Austria indicate a readiness on Stein's part to adapt his opinions to changing circumstance. The tendency easily to enter into and break associations with those around him, taken together with intellectual consistency, suggests an excessive preoccupation with himself and his own development. This goes some way to explaining Stein's failure to interact in the way one might have expected with the academics around him either in Kiel or Vienna. By contrast both Gneist and Schmoller - the two academics who interacted with Stein most significantly - were sufficiently distant to prevent their admiration of him developing into any closer form of dialogue, which ultimately would have foundered on Stein's arrogance.



Gneist read Stein's Geschichte der socialen Bewegung in Frankreich at a time when revolution had forced him fundamentally to re-think his political ideas. Stein's book presented Gneist with a framework for explaining revolution and its social causes, which Gneist accepted more or less without reservation. Taking English constitutional history as his subject, Gneist thought he had overcome the destructive conflict between state and society in Stein's system by interposing an intermediary force, Selfgovernment, between them. Gneist's sociological interpretation of government in parish and county in eighteenth century England enabled him to fuse the local government functions - in policing, taxation, justice, defense and other technical services - which he referred to collectively as Verwaltung, with the strongest social class - the gentry. In this fusion, the ethos of duty to the state supposedly overrode egotistical interest in the dominant class. Gneist believed that, because central state institutions rested on local ones, the strongest class's union with local Verwaltung was also the first step in mastering the conflict between state and society in the central state. The isolation of Verwaltung from the rest of society which, according to Gneist and Stein, had in the Vormärz been a major cause of the revolution, could thus be avoided.

The letters of the young Gustav Schmoller to Stein as well as comments in Schmoller's published works indicate that Stein was arguably the most important single intellectual influence on him. Schmoller developed his historical method of economics at least partly on the basis of Stein's conceptual framework of economy, society and state. He adopted Stein's dichotomous model of state and society, was also a monarchist and called for a Königthum of social reform. On the question of social reform, he differed from Stein firstly by going into the social or workers' question far more thoroughly and secondly by limiting his idea of the Königthum to the Prussian state. On the relation of state to economy, he considered with Stein that



the state's civilizing influence was the prerequisite for the growth of a modern market economy. Also in accordance with Stein, Schmoller saw the state primarily in terms of Verwaltung. But whereas Stein's approach was predominantly legalistic, Schmoller's was more genuinely sociological. He traced the growth of a Beamtenstand and a Behördenorganisation in Prussia, understanding the former in Hegel's sense of the state's intelligence and the latter as a progressive division of the state's labour.

To sum up Stein, Gneist and Schmoller viewed society essentially as consisting of materialistic, egotistical classes, bent on exploiting or dominating the state. Against this they set the notion of a reforming monarchy, which they visualized primarily in terms of Verwaltung. In an attempt theoretically to establish the maximum degree of autonomy for the state's Verwaltung, Stein enlisted the monarchical principal of F.J. Stahl and idealist philosophical defences of state power. All three emphasized historical growth as a legitimating factor.

As university teachers Stein, Gneist and, to a large extent, Schmoller saw their tasks in terms of propagating an understanding for what they considered to be the role of the state in modern society. Gneist's and Schmoller's practical involvement in Sozialpolitik should also be seen in this light. Taken together, the work of the three represents an ideological complement to the monarchical Beamtenstaat, as it existed in Germany and Austria down to 1918.



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a huge market of 70 million people, as the best way to the economic growth and industrialization they wanted, although Bruck was never the protectionist that List was. Only such a union, Bruck thought, could create a commercial unit big enough to compete with England on world markets.<sup>1</sup>

In March 1855, the same month in which Stein was appointed Professor for Political Economy in Vienna, Bruck returned to the Austrian government as minister for finance. Bruck, who enjoyed the Kaiser's confidence, was soon able to dominate the government's economic policies.<sup>2</sup> In view of the fact that Bruck and Stein shared both the same political views and a growing friendship,<sup>3</sup> it was natural for them to cooperate in their efforts to attain their common political goal - Austrian hegemony in Germany. Bruck, who was one of the first Austrian government ministers who understood how to make full use of the press, employed Stein to publicize his ideas. Stein's appointment had in any case been in part due to the publicistic value Thun saw in his detailed political and economic knowledge of north Germany.<sup>4</sup> Stein joined a circle of economists including Gustav Höfken and Carl Freiherr von Czörnig

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1 Ibid., p. 201.

2 H.-H. Brandt, Der österreichischer Neoabsolutismus (Göttingen, 1978), ii, 715.

3 After Bruck's suicide, Stein wrote that he had been very fond of Bruck. Nachl. Gneist, Nr. 63, Bl. 7, Stein to Gneist, 11 May 1860.

4 Novotny, 'Lorenz von Steins Berufung nach Wien', op.cit., p. 480n.