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GERMAN SOCIAL DEMOCRACY AND GERMAN STATE SOCIALISM, 1876-1884

In the late eighteen-seventies, the German Social Democratic Party, while still healing the wounds of old battles between Lassalleans and Eisenachers, was confronted by foes who delivered attacks on two levels. On the one level, Bismarck and his supporters fought energetically to annihilate the party with the passage of the Socialist Law (October 21, 1878). After some initial faltering steps, the Social Democrats found a firm footing and struggled successfully to preserve their political existence. The movement was preserved, even though the party organization, its affiliates and its newspapers were suppressed. On another level, the Social Democrats faced an ideological challenge. Their political suppression broadly paralleled the emergence of a conservative socialism which flourished for a short time in a variety of forms. Whatever clothing it wore, conservative socialism aimed to undermine the growing appeal of Social Democracy to the working-men of Germany. A theory of State Socialism was the most attractive garment designed by conservative social thought. The response of the Social Democratic Party to the various facets of this conservative socialism is a significant chapter in the history of the German socialist movement.¹

Isolated theoretical statements of a conservative socialism were developed in Germany even before the emergence of the Lassalleans and Eisenachers in the eighteen-sixties. Most notably, Johann Karl Rodbertus (1805-75) had published his study, *Zur Erkenntnis unserer staatswirtschaftlichen Zustände* (1842), two decades before the beginning

¹ Fragmentary treatment of the problem may be found in Franz Mehring, *Geschichte der deutschen Sozialdemokratie* (8th and 9th ed.; Stuttgart, 1919), IV, *passim*; Gustav Mayer, *Friedrich Engels. Eine Biographie* (The Hague, 1934), II, pp. 338-42, 356-64; Ernst Engelberg, *Revolutionäre Politik und Rote Feldpost, 1878-1890* (Berlin-East, 1959), pp. 53-95; Carl Landauer, *European Socialism* (Berkeley and Los Angeles, 1959), I, pp. 275-83.

of the vigorous working class movement in Germany. However, a vital interest in conservative socialist thought was not apparent until the working class entered the German political arena. In the late sixties and throughout the seventies younger exponents of conservative social thought pressed for state action on behalf of the *vierte Stand*. They were all well educated, and several had direct contact with the government of Chancellor Bismarck.¹ While conservative social thinkers could hope to influence the Chancellor, they suffered conspicuously from a lack of popular support. Hermann Wagener (1815–1889) and Rudolf Meyer (1839–1899), in association with Rodbertus, had vague notions in the early seventies of creating a movement of conservative socialism on a popular base in conjunction with some Lassalleans. Such plans were still-born.² In still other quarters conservative social thought made an appearance. Within the *Verein für Sozialpolitik*, founded in 1872, there were numerous advocates of a concerted attack on the principles of private capitalism by the action of the state. Most notably, the Professors of Political Economy, Albert Schäffle (1831–1903) and Adolf Wagner (1835–1917), became leading exponents of a theory of State Socialism. Although the *Verein für Sozialpolitik* was not specifically a society for the promotion of State Socialism, its broad tendency was to reject the doctrines of the Classical Economists; the members were popularly dubbed as *Kathedersozialisten*.³ Finally, men like Wagner sought, without much success, to attract the Evangelical Church toward a social program in the early seventies.⁴ Despite the steady appearance by the mid-seventies of literature related to conservative socialism, it was not a cohesive or popular movement. Its theoretical literature was directed largely to an academic audience. It still had no practical influence with either Bismarck's government or any non-academic community in Germany.

The German Social Democrats were familiar with the literature of the academicians on the social question; they sporadically investigated

¹ Walter Vogel, *Bismarcks Arbeiterversicherung* (Brunswick, 1951), pp. 67 ff.; Wolfgang Saile, *Hermann Wagener und sein Verhältnis zu Bismarck. Ein Beitrag zur Geschichte des konservativen Sozialismus* (Tübingen, 1958), passim.

² Hans-Joachim Schoeps, "Hermann Wagener – Ein Konservativer Sozialist. Ein Beitrag zur Ideengeschichte des Sozialismus", in: *Zeitschrift für Religions- und Geistesgeschichte*, VIII (1956), pp. 214–15.

³ Cf. Abraham Ascher, "Professors as Propagandists: The Politics of the *Kathedersozialisten*", in: *Journal of Central European Affairs*, XIII (October, 1963), pp. 282–302; Heinrich Herkner, *Die Arbeiterfrage* (6th ed.; Berlin, 1916), II, pp. 149–56.

⁴ Wagner addressed the Protestant Kirchentag in October 1871 on the social question. His efforts are well covered in William O. Shanahan, *German Protestants Face the Social Question* (Notre Dame, Indiana, 1954), I, pp. 401–06.

its theoretical contributions with obvious interest and occasional approval.¹ As long as the conservative social thought failed to make an appeal either to the government or to the people, the Social Democrats sensed no necessity to define publicly their relation to it. Only when Bismarck initiated a program for nationalization of the railroads by the Reich government (1876), and a Christian-Social movement advocating State Socialism emerged (1877), were the Social Democrats forced to respond systematically to the new current. The story of that response reveals a persistent ambiguity in the conceptions of the Social Democrats about their relationship both to State Socialism as a theory, and to Bismarck's concrete proposals for nationalization and social welfare.

A precise definition of the meaning of State Socialism in the context of the late seventies is impossible to give. The term had no well-defined limits, even among academicians who were knowledgeable in all the relevant literature.² Furthermore, the term was ambiguous in polemical literature, so that for example, to the protagonist of *laissez-faire* economics, State Socialism was used to designate all programs which advocated a degree of state regulation in the economy.³ Despite the difficulties, some broad characteristics of State Socialism can be noted as a preliminary. First, it recognized an obligation of the existing State to undertake measures for the improvement of the working class. The specific measures set forth varied

¹ For a short while in the seventies, some of the Social Democrats in Berlin were enamored with the work of Eugen Dühring, a Privatdozent at the University of Berlin, who can not be considered a conservative socialist. That phase passed before the decade was out. It was not long before Dühring was remembered more through Engels' famous rebuttal than for his own works which were involved, verbose and quarrelsome. After 1878 Dühring's name seldom, if ever, appeared among the Social Democrats. He disappeared from their horizon as rapidly as he had appeared. Cf. Mayer, II, pp. 282-95; Peter Gay, *The Dilemma of Democratic Socialism: Eduard Bernstein's Challenge to Marx* (New York, 1952), pp. 94-103; Eduard Bernstein, *Sozialdemokratische Lehrjahre* (Berlin, 1928), pp. 52-55.

² Since State Socialism as a theory emerged in Germany, it was frequently associated only with that country. See e.g., the definition under "Sozialismus", Meyers Grosses Konversations-Lexikon (6th ed.; Leipzig and Vienna, 1909), XVIII, p. 641. Socialism of every brand was occasionally treated by British writers as a foreign doctrine. See e.g., the assertions by the Oxford Professor of Political Economy, J. E. Thorold Rogers, in "Contemporary Socialism", *Contemporary Review*, XLVII (Jan.-June, 1885), pp. 51-64.

³ The Englishman John Rae, disliking State Socialism as a total system but nevertheless an advocate of social reform, went to great lengths to show that the true tradition of English "social politics" viewed the state as social reformer but not as socialist. John Rae, *Contemporary Socialism* (3rd ed.; New York, 1901), pp. 343-409; and "State Socialism", *Contemporary Review*, LIV (July-Dec., 1888), pp. 224-45, 378-92. Popular denunciations of State Socialism came also from the pens of Manchester Liberals in Germany. See e.g., L. Bamberger, Th. Barth and M. Broemel, *Gegen den Staatssozialismus* (Berlin, 1884).

with the different promoters of State Socialism. Second, it advocated some level of nationalization or municipalization, also varying in degree with different writers. Usually the German State Socialists looked to the Reich and not to the individual states (*Bundesstaaten*) or the municipalities for the implementation of their program. Third, State Socialism was loyal to the monarchical state and the values of the established churches and generally aimed to attract the working class to the existing system. Political reform was not a concern of State Socialism.¹ Given these characteristics, it is appropriate, although not beyond dispute, to use State Socialism as a label for those parts of Bismarck's economic program which sponsored nationalization (or monopolization) of certain sectors of the economy, and social welfare measures for the workers.

The Social Democrats were first impelled to discuss aspects of State Socialism in the years between 1876 and 1878 as a consequence of Bismarck's proposal that the Reich government should nationalize the German railroads. In May 1876, Bismarck unsuccessfully sought to persuade the Prussian Diet to sell the Prussian railroads to the Reich. Opposition arose, not only from the National Liberals and Progressives in the Prussian Diet, but also from the governments of the other German states.² When the Social Democrats met at Gotha (August 19-23, 1876) for their annual congress, Bismarck's nationalization plan was discussed. The delegates at the congress were nearly unanimous in rejecting the Imperial Railroad Monopoly, but simultaneously they were unquestionably in favor of ownership by the individual states. Their resolution condemned private ownership as an "unjustifiable monopoly," but registered a fear that Imperial nationalization would be used to promote the "interests of the class and military state..."³ The resolution satisfied two requirements of Social Democratic policy at the time: political opposition to the Reich and an economic preference for immediate nationalization. Although the resolution rejected a State Socialism administered by Bismarck and

¹ The most serious effort to work out a theory of State Socialism was made by Adolf Wagner. He sought to develop a kind of middle ground between the principles of "Individualism" and "Socialism" (the latter taken as total collectivization). Adolph Wagner, *Grundlegung der Politischen Oekonomie* (3rd ed.; Leipzig, 1892), I, pp. 58-61. See also Herkner, II, pp. 68-72, 194-202; William H. Dawson, *Bismarck and State Socialism* (London, 1891), pp. 3-13; Carl Jantke, *Der Vierte Stand* (Freiburg im Breisgau, 1955), pp. 203-28; William English Walling and Harry W. Laidler (eds.), *State Socialism, Pro and Con* (New York, 1917), p. vii.

² Johannes Ziekursch, *Politische Geschichte des neuen deutschen Kaiserreiches* (Frankfurt am Main, 1927), II, pp. 305-06.

³ Quoted in Wilhelm Schröder (ed.), *Handbuch der sozialdemokratischen Parteitage von 1863 bis 1909* (Munich, 1910), p. 127.

the Reich government, it nevertheless endorsed a principle of the State Socialists – that fundamental industries should be owned by an existing political unit. It is notable that the resolution failed to demand complete democratization of the *Bundesstaaten* as a precondition to nationalization of the railroads. A Social Democrat could hardly have argued in 1876 that state ownership of the railroads in Prussia would imply a greater democratic control than Imperial ownership. It is difficult to see, therefore, how the Social Democrats could believe that state railroad ownership was not also a buttress for the “interests of the class and military state”. Finally, it should be noted that in their resolution of 1876 the Social Democrats favored the policy which was actually carried out in Germany; in the succeeding decades each state proceeded to purchase the railroads, so that by the end of the century very little private ownership remained.

The question of nationalization became more pressing in the years after 1876. The Social Democrats groped for clarity and independence on the issue. But in these years much of their thinking was guided by the writings of theorists for State Socialism. A most significant influence was exerted on the Social Democrats by the work of the Tübingen Professor of Political Economy, Albert Schäffle, who had a decided predilection for State Socialism. In 1874 Schäffle published a small book, *Die Quintessenz des Sozialismus*, to counter, as he said, the general ignorance of the economics of socialism, both among its adherents and its opponents.¹ One of the appeals of the booklet for the Social Democrats was the fact that Schäffle claimed to give a summary of Marx’s “Capital”. August Bebel fully accepted *Die Quintessenz* and recommended it to the deputies in the Reichstag as a reliable guide for the study of socialism; Eduard Bernstein later asserted that it reflected the economic comprehension of the Social Democrats in the early eighties; and late in 1878 Karl Höchberg, the wealthy benefactor of the Social Democrats, purchased ten thousand copies of the booklet for free distribution throughout Germany.² Written by a scholar with clarity and brevity, *Die Quintessenz* was admirably suited for popular consumption.

According to Schäffle the “*Alpha and Omega of socialism is the transformation of private and competing capitals into a united collective capital*”.³

¹ Albert Schäffle, *The Quintessence of Socialism* (2nd ed.; London, 1890), pp. 1-2. The English edition was translated from the 8th German edition, but Schäffle had made no substantive changes in the original text, except for the last chapter which is not used in this paper.

² Bebel in the Reichstag on April 18, 1877, *Stenographische Berichte über die Verhandlungen des Reichstages*, III Legislative Period, Session 1 (1877), vol. I, p. 570 (hereafter cited as Sten. Ber.); Eduard Bernstein, pp. 70-72; Karl Kautsky, *Erinnerungen und Erörterungen*, ed. Benedikt Kautsky (The Hague, 1960), p. 410.

³ Schäffle, p. 20.

All trends toward capital concentration and political centralization, in fact “everything which trains the masses as a whole, which centralizes, which brings about a public union of individual forces on the largest possible scale, is very closely allied to socialism”.¹ As Schäffle continued to explicate the relationship between socialism and the state, he did serious violence to his effort to present a discourse on Marxism. Simply put, he transformed Marxism into a form of State Socialism, overlooking completely the political and revolutionary principles of Marx. He contended that socialism was in no way a negation of the state. “Economically considered”, he continued, “it [socialism] is rather the universal application of the special principle of the State and the municipality, the extension over the whole range of social production of the idea of an official public service. The collectivist principle, whether realizable or not, is essentially a State-principle”.² The Marxist class analysis of the state was not only omitted, it was directly contradicted by Schäffle. Consequently, when the Social Democrats endorsed Schäffle’s interpretation of socialist principles they undermined the theoretical foundation for opposition to Bismarck’s monopoly program. Therefore, there was a gap between the traditional democratic-political principles of the Social Democrats and what they took to be an acceptable social-economic program.

The tension between the democratic-political principles and the economic principles accepted by the Social Democrats became apparent in a series of articles on nationalization which appeared in *Die Zukunft*, the first “scientific” periodical of the party. The consensus of the writers, except for August Bebel, was highly favorable to a program of immediate public ownership on all levels – by the Reich, the states and the municipalities. The initial contributor, who identified himself only as a party member, complained that the Social Democratic opposition to the Imperial Railroad Monopoly was based too exclusively on political grounds. He maintained that even in the hands of the “worst state – and the German Reich is certainly not the worst state ... – the transit system is looked after better than in the hands of the best private capitalists”.³ Moreover, every increase in the concentration of capital, such as the Railroad Monopoly would exemplify, was a step toward the socialist state.⁴ Interestingly enough, he feared that within the party he might be called a “reactionary”, but that did not deter him from being “practical”.⁵ Subsequently,

¹ Ibid., pp. 17–18.

² Ibid., pp. 50–51.

³ –s, “Zum Reichseisenbahn-Project”, in: *Die Zukunft*, I (1877/78), p. 76.

⁴ Ibid., p. 79.

⁵ Ibid., p. 80.

two other Social Democrats argued the case for nationalization and municipalization. Identified merely as “—m”, one argued that municipal ownership of “industrial operations” and utilities would increase socialization without the risk of increasing the powers of the militarist state.¹ In a later article, he also complained that opposition to nationalization among Social Democrats was frequently built on a tendency to give political principles excessive significance.² The remainder of the essay revealed his agreement with Schäffle that every increase in economic concentration was a move toward socialism. Finally, “B-d” defended nationalization on the ground that working conditions were often more reasonable in state-owned enterprises than in private ones. He warned, nevertheless, that even with municipalization it would be necessary to increase democratic controls *within the municipalities*.³

The primacy of political principle over economic considerations was presented by August Bebel. He argued simply that there could be no conflict between the democratic-political principles and the socialist-economic principles of Social Democracy.⁴ While he agreed that increased economic concentration was a necessary transitional stage to socialism, he sharply denounced the view that a “state economic organization” would make the transition easier, or that it would provide a model for future socialist economic organization.⁵ Progress toward a genuine socialist society, in his view, was dependent upon the socialists’ ability to gain political power. The interest of the Social Democrats, therefore, was to insure that the economic development in Germany would not take a course which would block their road to power. Both nationalization and municipalization, Bebel concluded, would hinder, rather than promote the political objectives of the Social Democrats. He therefore opposed any increase in economic control by either the Reich or the municipalities.⁶

The conflicting positions presented in the *Zukunft* discussions on nationalization foreshadowed the characteristic ambiguity of the

¹ —m, “Ueber den Gewerbebetrieb der Communen”, in: *Die Zukunft*, I (1877/78), pp. 242-43, 245-46. The author may have been Carl August Schramm, a Social Democrat who was expelled from Berlin in 1878 and went to Zurich where he was a close associate of Karl Höchberg. Schramm was later one of the defenders of Rodbertus within the party.

² —m, “Ueber den Zusammenhang des wirthschaftlichen und des politischen Princips im demokratischen Socialismus”, in: *Die Zukunft*, I (1877/78), pp. 296-97.

³ B—d, “Zur Frage des staatlichen und communalen Gewerbebetriebes”, in: *Die Zukunft*, I (1877/78), pp. 361-62.

⁴ August Bebel, “Der Gewerbebetrieb durch den Staat und die Commune”, in: *Die Zukunft*, I (1877/78), pp. 465-66.

⁵ *Ibid.*, pp. 467-68.

⁶ *Ibid.*, p. 470.

Social Democratic response when confronted with a fuller version of Bismarck's State Socialism in the years after 1878. The attraction of much of Bismarck's economic program remained strong for many Social Democratic leaders. In April 1878, for example, Wilhelm Bracke, in a letter to Friedrich Engels, expressed broad approval of the Imperial nationalization of the railroads; he even thought that the projected Tobacco Monopoly was "not unacceptable". He added hastily that he would oppose any public Social Democratic support for Bismarck's economic program.¹ The enactment of oppressive laws against the Social Democrats in October 1878 did not deter many members from enthusiasm for Bismarck's program. Had the Social Democratic Party never been suppressed by Bismarck, those members who had sympathy for State Socialism might well have preserved greater influence in the party. But once Bismarck used the whip against their organization, members of the Social Democratic Party found it more difficult to endorse publicly his economic program.

Plagued by unsureness in their theoretical response to Bismarck's unfolding economic program, and legally suppressed as a political party, in 1878 the Social Democrats faced still another challenge from the camp of State Socialism. In the previous year, the Evangelical Pastor, Rudolf Todt, in conjunction with the State Socialists Rudolf Meyer and Adolf Wagner, founded the *Zentralverein für Sozialreform auf religiöser und konstitutioneller Grundlage*.² In January 1878, one of its members, the Court Chaplain Adolf Stöcker, endeavored to transform the theoretical approach of the *Zentralverein* into a mass movement by founding a Christian-Social Party. He hoped to encourage working-class loyalty to Christianity and the Monarchy by making State Socialism attractive to German workingmen.³ But Stöcker's very identification with the Evangelical Church and the Prussian Monarchy made him suspect to the Berlin workers, already deeply embued with Social Democratic ideas. Social Democratic leaders, especially Johann Most, were always present at Stöcker's public meetings to pour ridicule and sarcasm on the Court Chaplain. On the other side, Stöcker's vigorous endorsement of a wide range of social reforms, including a progressive income tax, a progressive inheritance tax and

¹ Wilhelm Bracke to Friedrich Engels, April 26, 1878, quoted in: Karl Marx and Friedrich Engels, Briefe an A. Bebel, W. Liebknecht, K. Kautsky und Andere. Teil I, 1870-1886, ed. W. Adoratski (Moscow-Leningrad, 1933), p. 175.

² Herkner, II, pp. 97-98; Paul Göhre, Die evangelisch-soziale Bewegung, ihre Geschichte und ihre Ziele (Leipzig, 1896), pp. 10 ff.

³ Dietrich von Oertzen, Adolf Stöcker, Lebensbild und Zeitgeschichte (Berlin, 1910), I, pp. 138-46; Walter Frank, Hofprediger Adolf Stöcker und die christlichsoziale Bewegung (2nd ed.; Hamburg, 1935), pp. 43-50.

a high tax on luxuries, made him suspect to the propertied defenders of Monarchy and Christianity.¹ Frustrated as a religious leader of the working class, he turned to a vicious anti-semitism which also failed as an instrument for building a mass base for State Socialism. Stöcker's failure was evidence that State Socialism, whatever it influences, was not likely to present a serious challenge to Social Democracy as a popular movement.²

The failure of Stöcker and Wagner did not mean that State Socialism ceased to be a matter of concern for the Social Democrats. Quite the contrary, as after 1878 many Social Democratic leaders exhibited a marked approval of Bismarck's economic program. Sharply opposed positions were taken in the party. The difficulty was aggravated because, under the conditions of the Socialist Law, it was impossible to fight out the issues in full debate. The official leadership of the party, almost of necessity, passed into the hands of the Social Democratic Reichstag deputies, who were relatively free to formulate policy beyond the control of the rank and file. Confusion followed, and was multiplied by the traditional uncertainty of the Social Democrats on most economic issues. On the protective tariff, for example, the party had scrupulously avoided formulating a position; some were free traders, others were protectionists. This opened the way for Max Kayser, a young Social Democratic deputy, to endorse Bismarck's protective tariff at some length on May 17, 1879.³ Although Kayser had not violated party principles, violent protests were directed against him in some of the newspapers associated with the Social

¹ Frank, p. 52.

² The only serious threat from Stöcker's Christian Social Party as a popular contender with the Social Democrats came in the elections of 1881 in Berlin. Throughout Germany the Social Democrats lost ground in 1881, especially in Berlin. In Berlin's second district, where Stöcker campaigned, the Social Democratic percentage dropped from 26.3 in 1878, to 9.5 in 1881. In the fourth district, where Bebel ran against Adolf Wagner (on a "Social Conservative" ticket) the Social Democratic percentage dropped from almost 50 in 1878, to 32 in 1881. In their greatest stronghold, the sixth district, their percentage dropped from 41 in 1878, to 27 in 1881. Cf. Adolf Neumann-Hofer, *Die Entwicklung der Sozialdemokratie bei den Wahlen zum deutschen Reichstage 1871-1903* (3rd ed.; Berlin, 1903), p. 30; Eduard Bernstein, *Die Geschichte der Berliner Arbeiterbewegung* (Berlin, 1907), II, p. 75.

³ Sten. Ber., IV. Leg., Session 2 (1879), vol. II, p. 1282. The official position of the Social Democratic Party held that protectionism was purely an issue within capitalism and, therefore, did not directly concern socialist principles. See Schröder, p. 271. The Social Democratic Reichstag delegation was little concerned in 1879 to achieve party unity on these economic issues. This is evidenced by the fact that Bebel and the other delegates knew that Kayser was in complete agreement with Bismarck's tariff and yet they chose him to speak for the party on the tariff bill. See Bebel's letter to Wilhelm Bracke, April 13, 1879, quoted in Georg Eckert (ed.), *Aus den Anfängen der Braunschweiger Arbeiterbewegung* (Brunswick, 1955), p. 64.

Democrats. Others came forward to defend him, and the evidence is clear that protectionism was as cherished by some as it was abominated by others.¹

For an understanding of the attitudes of the Social Democrats toward State Socialism, their responses to the projected Tobacco Monopoly are more significant than their reaction to protectionism. Once again, protagonists and antagonists appeared within the party. It is striking that in the summer of 1880 the Tobacco Monopoly was endorsed unconditionally in two lead articles in *Der Sozialdemokrat*, the "official" organ of the party. Georg von Vollmar, notorious for his radicalism in the early eighteen-eighties, edited the paper at that time. One is justified in assuming that if von Vollmar did not write the articles, he must at least have given his editorial approval.² The writer called upon the Social Democrats to campaign for the Tobacco Monopoly because of its threat to the bourgeoisie.³ "For the monopoly," went the second installment, "because it brings harm to the bourgeoisie; for the monopoly, because it improves the situation of the workers; for the monopoly, because it smooths out the road economically and morally for Social Democracy; for the monopoly, in one word, because it is a part of the overthrow of the existing social order, which we have inscribed upon our Banner!"⁴ A State Socialist could not have disagreed with much of this. Some Social Democrats did disagree, and said so.⁵ But it is notable that none of the party's parliamentary leaders wrote a rebuttal, although some of them must have found the articles disturbing.

The full impact of the challenge of Bismarck's State Socialism did not hit the Social Democrats until 1881. On November 17, 1881, the well-known social message of the Kaiser was presented to the Reichs-

¹ The most vitriolic attack against Kayser was launched by Karl Hirsch, a Social Democrat in exile who published a pocket-size periodical, *Die Laterne*, between December 1878 and June 1879. He filled several issues with bombast against Kayser. Johann Most, shortly to become an anarchist, also heaped bitterness on Kayser. See *Die Freiheit*, No. 21, May 24, 1879. It is nevertheless clear that Kayser had numerous comrades in the party who supported him on protectionism, as indicated by August Bebel, *Aus meinem Leben* (Stuttgart, 1914), III, pp. 63-64, 75-76.

² The recent biography on von Vollmar does not make any suggestion as to whether or not he wrote these articles. It is pointed out that he was later an opponent of the Tobacco Monopoly. Reinhard Jansen, *Georg von Vollmar: Eine politische Biographie* (Düsseldorf, 1958), p. 29.

³ "Neue Taktik, I", in: *Der Sozialdemokrat*, No. 23, June 6, 1880 (hereafter cited as SD).

⁴ "Neue Taktik, II", in: SD, No. 24, June 13, 1880.

⁵ H. Rackow, "Gegen das Tabakmonopol", SD, No. 27, July 4, 1880; and two articles signed "Dbsch" (identity not known), "Gegen die 'neue Taktik'", in: SD, No. 28, July 11, and No. 29, July 18, 1880.

tag, outlining the overall scheme for accident, sickness and invalidity insurance. Deliberations on these measures occupied much of the Reichstag's time through 1884. Combined with the Tobacco Monopoly, which came before the Reichstag in 1882, these measures forced themselves into the center of Social Democratic discussions. It is no exaggeration to say that Bismarck's State Socialism created a serious crisis in the Social Democratic Party – a crisis which was largely hidden from public view.

The Imperial social welfare program posed a painful dilemma for the Social Democrats. A number of the leaders were sufficiently impressed by the insurance scheme so that they were tempted to approve it openly, and possibly even to vote for it. This moderate group included men who had been recognized leaders of Social Democracy for many years, for example, Karl Frohme, Karl Grilloberger, Moritz Rittinghausen, Max Kayser, and Wilhelm Hasenclever. It was impossible, however, for Social Democrats simply to accept the Imperial insurance program without undermining their political opposition to the Iron Chancellor. It was equally impossible for the Social Democrats, who actively demanded improvements for the working class, simply to reject a program for social welfare because of their political opposition to Bismarck without facing a serious charge of hypocrisy. A radical group within the party, clustered around August Bebel and including Georg von Vollmar and Eduard Bernstein, was determined to avoid the danger of undermining their political opposition by a too sympathetic response to the social welfare program.

To solve the dilemma, the Social Democrats had to find a course by which they could both accept and reject the insurance program. The course was found. In the spring of 1881, when a draft for the Accident Insurance was first debated by the Reichstag, the Social Democrats introduced a series of amendments to the bill. In essence the Social Democratic changes fully agreed with the principles of Bismarck's bill, but in detail they greatly extended the benefits for the working man.¹ Simply put, the Social Democrats affirmed that the Chancellor was moving in the right direction, but they complained that he was not prepared to move far enough. Explaining the "official" stand of the Social Democrats on April 4, 1881, Bebel admitted that his party was happy to see the bill for Accident Insurance, but hastily added that the measure would be a genuine reform only if the amendments of his party were incorporated.² Some weeks later Wilhelm

¹ For the Social Democratic amendments, see Sten. Ber., IV. Leg., Session 4 (1881), vol. IV (Anlagen), Doc. 201, pp. 1050-52.

² Sten. Ber., IV. Leg., Session 4 (1881), vol. I, pp. 746, 748, 755.

Liebknecht displayed the party's inclinations when he commented in the Reichstag, "Now then, Gentlemen, Prince Bismarck may move further toward our goals – on this course we march together, and we do not hang on his coat-tails."¹ Some of the moderate Social Democratic deputies expressed a much deeper approval of the path taken by the Chancellor. Georg Hartmann, a long-time Lassallean, lashed out at those Liberal parties in the Reichstag which intended to hinder Bismarck's further pursuance of the "socialist principle",² while Ignaz Auer and Wilhelm Hasenclever mixed criticism of specific points in the Chancellor's draft with a conciliatory and sympathetic commentary on the overall goals.³

The tactic of introducing amendments or parallel bills, which the Social Democrats initiated in the spring of 1881 in conjunction with the Accident Insurance, was repeated in the succeeding years as both Accident and Sickness Insurance were debated. The measures passed in 1883 and 1884, but the Reichstag was never willing to incorporate the amendments of the Social Democrats. The latter voted against all the welfare legislation on the ground that it was wholly inadequate and therefore fraudulent. The public rejection of the Accident and Sickness Insurance bills by the Social Democrats merely camouflaged the fact that within the party Bismarck's State Socialism continued to exert a seductive appeal for many moderate leaders.

In the spring of 1882 attention was momentarily turned from the insurance programs to Bismarck's Tobacco Monopoly, which was presented to the Reichstag in a comprehensive bill. It became clear that many Social Democrats still could not differentiate their principles from those guiding the Chancellor. Georg von Vollmar honestly admitted to the Reichstag that the Social Democrats approved the Tobacco Monopoly on several points. His whole approach directly reflected Schäffle's thinking. "Taken in the abstract", von Vollmar commented, "we socialists must have a certain weakness for the monopoly, for it is decisively a piece of the social production of goods... and it presents, in principle at least, the state as the only qualified director of production."⁴ But he had objections, nevertheless, which led him to reject the monopoly. The socialist idea, von Vollmar explained, was that nationalization by the state should begin with the concentrated industries, such as railroads, mines, ferrous metals, sugar refineries and the large landed-estates. To start with tobacco was to begin with a decentralized industry and thereby to turn the

¹ Sten. Ber., IV. Leg., Session 4 (1881), vol. II, p. 1455.

² Sten. Ber., IV. Leg., Session 4 (1881), vol. II, pp. 1757-58.

³ Sten. Ber., IV. Leg., Session 4 (1881), vol. II, pp. 1517, 1529.

⁴ Sten. Ber., V. Leg., Session 2 (1882/83), vol. I, p. 156.

correct process upside down.¹ To that point von Vollmar still reflected Schäffle, so that, curiously enough, he was lecturing Bismarck on the subject of a genuine State Socialism. He proceeded further to point out that the Social Democrats also objected to the Tobacco Monopoly because Bismarck's intent was to raise revenue for the Reich beyond the control of the Reichstag, and, finally, that the monopoly would not benefit the workers.² Von Vollmar's speech is, nevertheless, a demonstration of how even a radical Social Democrat was permeated by ideas drawn from the thought of State Socialism.

The inherent dangers of the inclination for State Socialism among the Social Democrats were quite apparent to Friedrich Engels in London. He stayed in close contact with the German movement through correspondence with the leaders, particularly Bebel, and through occasional meetings with Social Democrats who happened to be in London. Paul Singer, a Berlin clothing producer and a member of the party since the late seventies, frequently visited Engels on his business trips to London "He [Singer] belongs to those", Engels wrote to Bebel in May 1882, "who see in the nationalization of something a half-way or in any case a preparatory measure [toward a socialist economy] and are therefore enthusiastic for protective tariffs, tobacco monopoly, railroad nationalization etc."³ The reason for these "fibs", Engels observed, was the "one-sidedly exaggerated struggle against Manchesterism".⁴ In this analysis of the cause for the attraction to State Socialism, Engels agreed with what Eduard Bernstein had written in an article of December 1881. At that time, Bernstein had warned that in their unrestrained attack on the economic views of the liberals the socialists would fall into the trap set by the State Socialists.⁵

Among the Social Democrats it was Eduard Bernstein who was most disturbed by the undeniable enchantment of a great number of his comrades with the Chancellor's State Socialism. Bernstein became the editor of *Der Sozialdemokrat* early in 1881 and he used his position to counter the threat. He frequently published articles, either by himself or his colleague Karl Kautsky, designed to expose the fraud in Bismarck's program. He warned the workers not to believe in the

¹ Sten. Ber., V. Leg., Session 2 (1882/83), vol. I, p. 157.

² Sten. Ber., V. Leg., Session 2 (1882/83), vol. I, pp. 158-59.

³ Friedrich Engels to August Bebel, May 16, 1882, in: Friedrich Engels, Briefe an Bebel (Berlin-East, 1958), p. 62.

⁴ *Ibid.*, p. 62.

⁵ Leo [pseudonym for Bernstein], "Manchesterthum, Sozialdemokratie und 'soziale Reform'", in: SD, No. 49, Dec. 1, 1881.

Chancellor's apparent altruism.¹ Later, Kautsky analysed State Socialism as a program to buttress the power of the "Militarist Monarchy" by giving the people "bread without freedom".² During the election campaign in the fall of 1881, Bernstein came back with another rebuttal based upon Marx's class analysis of the state.³ Both Bernstein and Kautsky sought to apply their first studies in Marxist theory to clarify the political thinking of the Social Democrats. But their criticisms of State Socialism seemed to be of small help; in the summer of 1882, the danger it posed appeared even greater to Bernstein.

State Socialism was one of the central issues discussed by the leaders of the Social Democratic Party at a secret conference, held in Zurich, August 19–22, 1882. All of the recognized leaders of the party attended, including Bernstein as editor of *Der Sozialdemokrat*. The debates were often "very heated",⁴ with Bernstein in the midst of the controversy. He believed that the continued influence of Lassalle explained the inclination of Social Democrats to approve of Bismarck's program. He therefore vigorously opposed a suggestion that the party reprint Lassalle's brochures for agitational literature because much of Lassalle's writing could be supported by every State Socialist. Manchesterism, he declared, was much less dangerous to the Social Democrats than State Socialism. For agitational literature, he proposed that a new brochure be made of Engels's "Socialism: Utopian and Scientific".⁵

Bernstein received very little support. Ignaz Auer argued that Lassalle's writings were not harmful, but necessary, especially since nothing "significant" had been written since 1878. Wilhelm Liebknecht admitted that Lassalle's writings supported State Socialism, as Bernstein understood it, but saw no danger or harm in using them.⁶ Not even Bebel was prepared to raise objections to Lassalle's writings. Finally, Max Kayser, the young Social Democratic Reichstag deputy from Breslau, completely opposed Bernstein's view that State Socialism was a greater danger than Manchesterism; Kayser had no fear of

¹ Leo, "Staatshilfe!?", in: SD, No. 2, Jan. 9, 1881.

² Symmachos [a Kautsky pseudonym], "Der Staatssozialismus und die Sozialdemokratie", in: SD, No. 10, March 6, 1881.

³ Leo, "Staatssozialismus und Klassenstaat", in: SD, No. 41, Oct. 6, 1881.

⁴ Wilhelm Blos, *Denkwürdigkeiten eines Sozialdemokraten* (Munich, 1919), II, p. 48.

⁵ The Social Democrats naturally did not publish any account of the secret meeting at Zurich. However, a copy of handwritten abbreviated minutes, cited here as the Handwritten Minutes of the Zurich Conference, (August 19–22, 1882) is preserved in the Motteler Archive, International Institute for Social History, Amsterdam (hereafter abbreviated as IISH); Bernstein's comments on p. 2. A partial resumé of these minutes can be found in Paul Kampffmeyer, *Unter dem Sozialistengesetz* (Berlin, 1928), pp. 211–15.

⁶ Ibid., p. 2.

Bismarck's State Socialism. "Bismarck's State Socialism", Kayser concluded, "makes much too much allowance to Manchesterism."¹ Bernstein's effort to prevent the reprinting of Lassalle's writings wholly failed, and his anxious warnings about the dangers of State Socialism seemed to go unheeded.

After the Zurich Conference Bernstein was even more worried than before. On September 1, he communicated his anxiety to Engels. There were many people in the party who were of the opinion that "from the socialist side something must always 'happen'". They were not people to make revolutions or plan assassinations, but they were no longer permitted to agitate in the manner which was customary before the Socialist Law. Therefore, they looked toward legislative activity. "But now since one can not constantly or simply present Workmen's Protection Laws and since in Germany, thanks to the Lassalleian agitation, a colossal State Cult haunts our ranks, so the danger is always present that these elements will fall for an agreeable but completely unsocialist project, if only the word 'State' plays a role in it, and if the whole matter is presented as directed against big capital or is actually directed against the so-called mobile capital."² The sin was found not only among the former Lassalleans, Bernstein noted in a later letter to Engels, but also "many Eisenachers are still very attached to Lassalle".³ Bernstein's alarm aroused Engels to consider writing a criticism of the State Socialists and Bismarck's socialism which could be printed in *Der Sozialdemokrat*; one part could be devoted to an exposé of Lassalle's errors.⁴ Engels dropped the idea by early 1883, however, believing that the inclination among Social Democrats to support Bismarck's State Socialism had waned. As evidence, Engels reported that he had talked once again with Paul Singer, who previously had support all nationalization, but now was free from such ideas and was of "regular revolutionary" convictions.⁵

It was no doubt true that Lassalleian influence was in large part responsible for the favorable attitude of many Social Democrats toward

¹ Ibid., p. 3.

² Bernstein to Engels, Sept. 1, 1882, Marx/Engels Archive, IISH.

³ Bernstein to Engels, Sept. 15, 1882, Marx/Engels Archive, IISH.

⁴ Engels to Bernstein, Sept. 13, 1882, in: Friedrich Engels, Die Briefe von Friedrich Engels an Eduard Bernstein. Mit Briefen von Karl Kautsky an Ebendenselben, ed. Eduard Bernstein (Berlin, 1925), pp. 78-79.

⁵ Engels to Bernstein, Feb. 8, 1883, in: ibid., p. 109. Nearly three years earlier Engels had published in French a short analysis of Bismarck's socialism, limited to a discussion of the protective tariff and the Imperial Railroad Monopoly. The article, in two parts, did not appear in German. "Le Socialisme de M. Bismarck", in: l'Égalité, March 2, 1880, p. 6; and March 24, 1880, p. 4.

Bismarck's State Socialism. But apart from Lassalle the Social Democrats had already accepted the assumptions of State Socialism as evidenced by their use of writings of men like Albert Schäffle. Bernstein had alluded to another reason in his letter to Engels. Many Social Democratic leaders wanted to see improvements in the conditions of the working class immediately and they were usually the same people who had little expectation of a nearing social and political revolution in Germany. They seem to have been genuinely impressed when Bismarck opened the path for such reform. Karl Grillenberger, for example, told the Reichstag on January 10, 1882 that the Social Democrats would not reject "practical achievements" for the workers merely out of political opposition to Bismarck, because, for the present at least, they had no motive to see the "Bismarck System" replaced by another.¹

Contrasting optimistic and pessimistic views about the possibilities of revolution in Germany shared in shaping attitudes toward State Socialism. At the Zurich Conference a sharp line had divided August Bebel, who constantly expected the revolution momentarily, and the moderates, some of whom expected a revolution only in the distant future, and others who even looked upon revolution as undesirable. Bebel found the moderates' view detrimental to the policies of Social Democracy; it undermined the political independence of the party. As he explained in a letter of October 1882, some people in the party "do not believe in the level of the present revolutionary development and therefore dream more or less of a social reform in alliance with other elements."² Since Bebel believed firmly in an approaching revolution, partial reforms were of minor importance. The total solution of the labor question would come shortly with the revolution.

For the reformist, revolution in the future was not a satisfactory solution for intolerable conditions in the present. Only fragmentary evidence remains about the thinking of the reformists who privately endorsed Bismarck's social program. Therefore, a few unpublished letters from the pen of Karl Höchberg are exceptionally valuable. Although Höchberg had helped financially to launch the careers of Bernstein and Kautsky, he regretted their commitment to Marxism. He encouraged them to embrace Bismarck's program. "One must force the government on this path [of reform]", he wrote to Bernstein in June 1884, "in order to prepare for the socialist state, to make it

¹ Sten. Ber., V. Leg., Session 1 (1881/82), vol. I, p. 503.

² Bebel to Comrades in New York, Oct. 9, 1882, quoted in Heinrich Gemkow, Friedrich Engels' Hilfe beim Sieg der deutschen Sozialdemokratie über das Sozialistengesetz (Berlin-East, 1957), p. 79.

easier; otherwise one fine day we may stand before a sticky problem, which we may not solve — *because the time is lacking for us.*¹ In his reply, which is not extant, Bernstein must have assured Höchberg that in time the economic development within capitalism would lead to the complete transformation of society. "It is noteworthy", Höchberg answered, "that you always answer everything by time, a consequence of the Marxist theory of history; and still more noteworthy, that you are absolutely in no hurry. *I am in a hurry...*"² In his haste for social reform Höchberg was willing to put aside democratic political demands. He admitted gladly that if the welfare of the people was improved, it did not concern him whether it was accomplished through a monarchy or a republic.³ Höchberg was speaking for himself, but the scattered evidence indicates that the other Social Democratic sympathizers with Bismarck's program agreed with the general tenor of his argument. They were willing, when possible, to cooperate with the Chancellor.

The Reichstag was scheduled to return to the sickness and accident programs in the spring of 1883. Before it convened the Social Democrats held a secret congress at Copenhagen in March, where they first formulated the party's official statement on Bismarck's social reforms. The resolution, which was "unanimously" adopted, declared that the party believed neither in the "honorable intentions" of the government, nor in the "ability of the ruling classes" to carry out a reform. The party affirmed its conviction "that the so-called social reforms will only be used as a tactical means to divert the worker from the correct path". Finally, the resolution called upon the socialist deputies to protect the interests of the working class in all proposals which touched on the "economic condition of the people".⁴

Opinion at the Copenhagen Congress was not as "unanimous" on Bismarck's social reform as the published record indicated. Those who sympathized with Bismarck's program lacked courage to speak out, especially against the forceful criticism and skillful leadership of Bebel. The sympathizers kept their true feelings private. There were rumors, however, about the compromising attitude of many leaders which Bebel reported to Engels. Bruno Geiser, Wilhelm Liebknecht's son-in-law, was reported to have said that the class conflict was an "invention" of Marx; Wilhelm Blos expressed himself in a "hateful manner" at a memorial service for Marx in Stuttgart; Wilhelm Hasen-

¹ Karl Höchberg to Bernstein, June 8, 1884, Bernstein Archive, IISH.

² Karl Höchberg to Bernstein, June 21, 1884, Bernstein Archive, IISH.

³ Karl Höchberg to Bernstein, Oct. 28, 1884, Bernstein Archive, IISH.

⁴ Protokoll über den Kongress der deutschen Sozialdemokratie in Kopenhagen (Hottingen-Zurich, 1883), pp. 29-30.

clever was "enchanted" over the "politeness" with which some Junkers treated Social Democrats in the Reichstag; and Moritz Rittinghausen had spoken openly about an approaching "era of great reforms". Max Kayser and Rittinghausen, Bebel had heard, were intent upon voting for the Sickness Insurance, but he could not confirm this.¹ Clearly, the resolution rejecting Bismarck's reforms was a façade of unity, approved not out of full agreement, but out of the necessity to present a closed front and the fear the moderates had of being discredited by Bebel before the whole party.

In public, nevertheless, the Social Democrats preserved the appearance of complete party unity. When the Reichstag first debated the Sickness Insurance bill in April 1883, they returned to the tactic initiated in the spring of 1881. They presented a bill of amendments designed to increase the compensation to sick workers and to extend the insurance to categories of workers not included in the government bill.² Once again the Social Democrats challenged the particulars of Bismarck's social welfare, but not its general principles. Grilloenberger warned the Reichstag not to assume that the Social Democratic amendments represented a true socialist plan because they had been adapted to existing conditions.³ But Rittinghausen assured the house that he would not make reproaches merely because the Sickness Insurance had weaknesses in particulars. With obvious conciliatory intent, Rittinghausen assured his listeners: "It goes without saying that when one enters a new terrain for the first time, one cannot proceed with the certainty which is necessary to create a truly good thing; in such matters it is also necessary to pay a high cost for learning."⁴ But because the Sickness Insurance did not incorporate their amendments the Social Democrats voted against it. The same held true for the Accident Insurance when it was debated and passed in the spring of 1884. In the debates von Vollmar accused the government of betraying its own "high flying State Socialist plans" in the face of bourgeois demands.⁵ Wilhelm Blos later added further repre-

¹ Bebel to Engels, May 2, 1883, Marx/Engels Archive, IISH. The sections cited here from this letter were omitted when it was printed in the third volume of Bebel's memoirs, *Aus meinem Leben*, published posthumously. Karl Kautsky edited this last volume, although Bebel had prepared the material. It was apparently in the best interest of the party in those years before World War I not to spell out fully how far to the right some members of the party leaned even during the years of the heroic struggle against Bismarck's Socialist Law.

² The Social Democratic amendments are in Sten. Ber., V. Leg., Session 2 (1882/83), vol. VI (Anlagen), Doc. 251, pp. 950-54.

³ Sten. Ber., V. Leg., Session 2 (1882/83), vol. III, p. 1995.

⁴ Sten. Ber., V. Leg., Session 4 (1884), vol. IV, p. 2469.

⁵ Sten. Ber., V. Leg., Session 4 (1884), vol. I, p. 36.

mands for the manner in which the government had conceded points to the propertied classes.¹ With that the Social Democrats once again cast negative votes.

With the passage of the Accident Insurance by the Reichstag in June 1884, the Social Democrats had confronted the crisis created by Bismarck's State Socialism without suffering an open fissure in the party. For the official position of the party, the principle of a democratic-political opposition had triumphed over the attraction for economic expedience. Throughout, Bernstein had continued to publish exposés of Bismarck's social program.² Something of the fundamental weakness would remain, however, as long as Social Democrats relied on State Socialists like Schäffle to explicate socialist economics for them. The few popular articles in *Der Sozialdemokrat* were not sufficient to remedy the weakness. Kautsky and Bernstein, themselves so recently initiated into Marxism, believed the Social Democrats suffered from an insufficient theoretical knowledge, particularly of Marxist economics. A concerted effort was launched, signaled especially by the founding of *Die Neue Zeit* (1883), to disseminate Marxism and make it the undisputed master of Social Democratic thought. As these young intellectuals studied and wrote, always under the benevolent and approving gaze of Engels in London, Marxism gradually displaced the reliance of the party on other economic theorists. But the last word, however, had not yet been heard from the advocates of State Socialism within Social Democracy.

A few Social Democrats joined in a new flourish of partisan interest in the works of Rodbertus, the conservative socialist. After Rodbertus died in 1875, Adolf Wagner edited Lassalle's letters to Rodbertus (1878) and subsequently supervised the publication of the unpublished writings. In 1882, Rudolf Meyer published the letters he had received from Rodbertus.³ In the universities, professors and students turned more attention to the theory of the Pomeranian economist. A Rodbertus movement emerged on the German stage, with Wagner and Meyer coaching at either wing. Among its number could be found a few Social Democrats and some intellectuals who occasionally flirted

¹ Sten. Ber., V. Leg., Session 4 (1884), vol. II, pp. 1112-13.

² Cf. the following in *Der Sozialdemokrat*: "Die Impotenz des Klassenstaates", (n.s.), No. 2, Jan. 5, 1882; "Das Märchen vom 'sozialen Koenigthum'", (n.s.), No. 10, March 1, 1883; Leo, "Der Sozialismus und der Staat", No. 52, Dec. 20, 1883; "Klassengesetzgebung", (n.s.), No. 20, May 10, 1883; "Klassenkampf und soziale Reform", (n.s.), No. 30, July 24, 1884.

³ Adolf Wagner (ed.), *Briefe von Ferdinand Lassalle an Carl Rodbertus-Jagetzow* (Berlin, 1878); Dr. Rodbertus-Jagetzow, *Briefe und socialpolitische Aufsätze*, ed. Rudolf Meyer (Berlin, n.d. but 1882).

with Social Democracy: Moritz Wirth (1849-1917), Georg Adler (1863-1909), Max Quarck (1860-1930), Conrad Schmidt (1863-1932), Hermann Bahr (1863-1934), Max Schippel (1859-1928) and Carl August Schramm (1830-1905).¹ Most of them contributed to the growing bibliography on Rodbertus as a social and economic thinker. Of these, only Schramm had been a Social Democratic Party member for many years; Quarck, Schmidt and Schippel soon became active Social Democrats.² In the seventies Schramm had been recognized as one of the best informed Social Democrats on economic theory. Like many others, he was expelled from Berlin late in 1878 and then became one of Karl Höchberg's closest co-workers in Switzerland. Schramm shared Höchberg's dislike of revolution and longed for a socialist movement which would work in harmony with all groups favorable to social reform.³ With these credentials, Schramm was the person best suited to promote the cause of Rodbertus among the Social Democrats.

For those other bourgeois intellectuals who were troubled by the social question, Rodbertus held a natural attraction. Such bourgeois

¹ Robert Michels, "Rodbertus und sein Kreis", in: Carl Rodbertus-Jagetzow, Neue Briefe über Grundrente, Rentenprinzip und Soziale Frage an Schumacher, eds. Robert Michels and Ernst Ackermann (Karlsruhe, 1926), p. 48.

² The new Rodbertus literature in the eighties included a variety of studies, directed almost exclusively to the idea that Rodbertus was a significant, but much overlooked, founder of socialist thought. See Moritz Wirth, Bismarck, Wagner, Rodbertus, drei deutsche Meister (Leipzig, 1883). In the later eighties Wirth worked with Adolf Wagner to edit unpublished writings of Rodbertus. Another of these intellectuals, Georg Adler, set Rodbertus up as the founder of "scientific socialism", without even mentioning Marx. See Georg Adler, Rodbertus, der Begründer des Wissenschaftlichen Sozialismus (Leipzig, 1884). In the following year he wrote Die Geschichte der ersten sozialpolitischen Arbeiterbewegung in Deutschland, which was critical of Marxism. As a Professor of Political Economy at Freiburg im Breisgau, Adler later wrote extensively on social problems and the history of the socialist movement. Max Quarck wrote for *Die Neue Zeit* in the eighties under the pseudonym Freiwald Thüringer; he remained in the Social Democratic Party, but always on the right-wing. Conrad Schmidt, attracted by Rodbertus in the mid-eighties, was drawn close to Engels toward the end of the decade, but later became a leader of the reformist wing of Social Democracy as editor of the *Sozialistische Monatshefte*. Hermann Bahr, later to become an Austrian writer of considerable popularity, studied economics under Adolf Wagner at the University of Berlin. At the time he wrote a short study in line with the Rodbertus tendency, *Rodbertus' Theorie der Absatzkrisen* (Vienna, 1884), and published a lecture entitled *Ueber Rodbertus* (Vienna, 1884). Although Bahr continued to have contacts with Social Democrats, he was not himself a committed party member. In addition to the above studies, several others also appeared on Rodbertus: Theophil Kozak, *Rodbertus-Jagetzows sozial-ökonomische Ansichten* (Jena, 1882); and H. Dietzel, *Karl Rodbertus. Darstellung seines Lebens und seiner Lehre* (2 vols.; Jena, 1886, 1888).

³ Cf. Kautsky, *Erinnerungen und Erörterungen*, pp. 443-44; Bernstein, *Sozialdemokratische Lehrjahre*, pp. 56-57.

intellectuals were subject to conflicting cross-currents: their natural loyalty to Bismarck's Reich was increased with the passage of the social reforms, but they were simultaneously drawn toward the Social Democrats as the representatives of the workers. Typifying such an ambiguous outlook was Hermann Bahr, who waxed enthusiastic for all of Bismarck's achievements and fraternized with Social Democratic leaders at the same time.¹ In Rodbertus' theory these intellectuals found their solution – a socialism which combined severe criticism of capitalism with unquestioned loyalty to the Bismarckian Reich.

It is clear that the Rodbertus movement had dangerous implications for the Social Democratic Party. His economic theory apart, Rodbertus had been an unrelenting antagonist of liberalism and democracy, and an equally devoted protagonist of German nationalism. If the Rodbertus movement now succeeded, the Social Democrats would have to take him as a founder for the theory and practice of their party. The principles of democracy and internationalism would suffer, as would the emphasis on the class struggle and the proletarian orientation of Social Democracy. All that was revolutionary in Marx would be in jeopardy. While this tendency would have increased the party's attractiveness in the eyes of numerous intellectuals who feared social and political revolution from below, it would have subverted the party's role as a defender of the democratic principle in German society. Equally important, just as the prestige of Rodbertus increased in the eyes of many Social Democrats because of his connection with Lassalle, so the Lassallean current would be re-enforced by the inclusion of Rodbertus as one of the recognized sources for socialist theory. Therefore, it was all important to the convinced democrats and the Marxists in the party to demolish completely Rodbertus' appeal. For Engels, Kautsky and Bernstein, the leaders in the work of demolition, the crucial task was to demonstrate that Rodbertus had failed as a social-economic scientist. If they could refute the arguments of those who claimed that Rodbertus was one of the founders of "scientific socialism", then the rest of his appeal was also undermined.

The issue, therefore, was fought out on the battle field of economic theory. More specifically, a large part of the battle raged around the claim, first made by Rodbertus himself, that Marx had plundered an early work of his, *Zur Erkenntnis unsrer staatswirtschaftlichen Zustände* (1842), for basic ideas. Both Engels and Kautsky were aroused to these issues early in 1884 when a new work, *Das Kapital*, by Rodbertus

¹ Hermann Bahr, *Selbstbildnis* (Berlin, 1923), pp. 171-72, 176, 187-89.

was published posthumously with an introduction in which the plundering charge against Marx was repeated.¹ Kautsky had just begun his study of Rodbertus, as he assured Engels, "in order to fight him" and with the intent to write a critical article in which recent publications on and by Rodbertus would be reviewed.² Such work was necessary, Kautsky wrote later, because "he [Rodbertus] has a great number of enthusiastic followers in our own ranks. A genuine hatred against Marx and Marxism dominates our educated people, and they eagerly grasp after every non-Marxist socialist, from Louis Blanc to Rodbertus, to play them up against Marx..."³ The awareness of this hostility to Marx warned Kautsky to prepare a completely sound Marxist critique of Rodbertus, and so he turned to Engels for advice. Engels obliged, giving careful counsel. Kautsky queried, Engels answered; Kautsky sent drafts of his article, and Engels returned them with tutorial revisions. Rodbertus haunted nearly every letter.⁴ Kautsky's critique appeared in *Die Neue Zeit* in the later summer, 1884.⁵ At the same time Engels was preparing the German edition of Marx's "Poverty of Philosophy"; Engels' introduction was devoted almost entirely to a criticism of Rodbertus and to a demonstration that Marx could not have derived fundamental ideas from the Pomeranian economist. As it also appeared late in 1884, the attack on Rodbertus was in full swing.

The controversy which ensued between Schramm, defending Rodbertus, and Kautsky, promoting Marx, need not be followed in detail. Although Schramm wrote a stinging reply to Kautsky, published in *Die Neue Zeit*,⁶ the Marxists were in control of the theoretical journal as well as the party newspaper and used both to further the attack on

¹ Carl Rodbertus-Jagetzow, *Das Kapital*, Vierter sozialer Brief an von Kirchmann, ed. Theophil Kozak (2nd ed., Berlin, 1913) p. xii, from "Einleitung" to 1st edition of 1884.

² Kautsky to Engels, Feb. 14, 1884, in: Benedikt Kautsky (ed.), *Friedrich Engels' Briefwechsel mit Karl Kautsky* (Vienna, 1955), p. 98.

³ Kautsky to Engels, May 29, 1884, in: *ibid.*, p. 118.

⁴ Engels to Kautsky, Feb. 16, 1884, *ibid.*, pp. 100-01; Kautsky to Engels, June 23, 1884, *ibid.*, p. 124; Engels to Kautsky, June 26, 1884, *ibid.*, pp. 126-28; Kautsky to Engels, June 26, 1884, *ibid.*, pp. 128-29; Kautsky to Engels, July 7, 1884, *ibid.*, p. 130; Engels to Kautsky, July 11, 1884, *ibid.*, p. 132; Kautsky to Engels, July 16, 1884, *ibid.*, p. 134; Engels to Kautsky, August 1, 1884, *ibid.*, p. 139; Engels to Kautsky, August 22, 1884, *ibid.*, p. 141; Kautsky to Engels, Sept. 17, 1884, *ibid.*, p. 143; Engels to Kautsky, Sept. 20, 1884, *ibid.*, pp. 144-45; Kautsky to Engels, Oct. 11, 1884, *ibid.*, pp. 146-47; Engels to Kautsky, Oct. 15, 1884, *ibid.*, p. 148; Kautsky to Engels, Oct. 22, 1884, *ibid.*, p. 153.

⁵ Karl Kautsky, "Das 'Kapital' von Rodbertus", in: *Die Neue Zeit*, II (1884), pp. 337-50, 385-402 (hereafter as N.Z.).

⁶ C. A. S., "K. Kautsky und Rodbertus", in: N.Z., II (1884), pp. 481-93, and an immediate rejoinder by Kautsky, "Eine Replik", pp. 494-505.

Rodbertus.¹ Frustrated and angry, Schramm demanded that a committee of university professors should be called in to arbitrate the dispute between him and Kautsky.² Failing in that, Schramm wrote a booklet, *Rodbertus, Marx, Lassalle*, which the Social Democratic press in Zurich refused to publish,³ but which came out late in 1885 under the auspices of Louis Viereck, a Social Democratic Reichstag deputy who was enticed by Bismarck's program. Schramm frankly admitted that the revolutionary doctrines of Marx repelled him, and he asserted confidently that the great majority of the party agreed with him.⁴ He couched his pro-Rodbertus inclination in a glorification of Lassalle: "Rodbertus, Marx, Lassalle, they are the great founders of a world-historical movement, but Lassalle is the greatest of the three."⁵ Schramm may or may not have been correct about the majority's reluctance to embrace revolutionary doctrines, but he certainly failed in his drive to make Rodbertus equal to Marx for Social Democracy.⁶ In 1886 he left the party and the other members of the Rodbertus group either separated completely from Social Democracy or modified their views considerably. Late in 1886 Engels observed that the Rodbertus threat had been "smashed", although, he reflected, it had been serious at the time.⁷

Caution is certainly necessary in evaluating the larger significance of State Socialism for the Social Democratic movement in Germany.

¹ Karl Kautsky, "Schlusswort", in: N. Z., III (1885), pp. 224-32; Karl Kautsky, "Aus dem Nachlass von Rodbertus", in: N. Z., IV (1886), pp. 258-63. "Materialistische Geschichtsauffassung", (n. s.), in: SD, No. 7, Feb. 12, 1886; "Staatssozialismus", (by "s"), in: S.D., No. 12, March 18, 1886; "Eine wissenschaftliche Kritik" des Marx'schen Systems", (n. s.), in: SD, No. 7, Feb. 11, and No. 8, Feb. 18, 1887 (review of a work by Georg Adler).

² Karl Kautsky to Engels, Dec. 2, 1884, in: Friedrich Engels' Briefwechsel mit Karl Kautsky, p. 158.

³ Carl A. Schramm to Hermann Schlüter (business director for the Sozialdemokrat), May 9, 1885, in Schlüter Archive, IIISH; Hermann Schlüter wrote to Karl Kautsky that he had never read such a "masterpiece of perfidy" as Schramm's booklet. May 16, 1885, in Kautsky Archive, IIISH.

⁴ C. A. Schramm, Rodbertus, Marx, Lassalle. Sozialwissenschaftliche Studie (Munich, [1885]), pp. 66, 79, 83.

⁵ Ibid., p. 75.

⁶ With the publication of Schramm's booklet, Bernstein issued an extensive denunciation in serial form: "Ein moralischer Kritiker und seine kritische Moral", (n. s.), in: SD, No. 4, Jan. 21; No. 5, Jan. 28; No. 6, Feb. 5; and No. 7, Feb. 12, 1886. In reply, Schramm complained bitterly that a "clique" in the party no longer represented the program but blindly "believes in the possibility of achieving the goal of the movement through a violent revolution..." "Polemik", in: SD, No. 9, Feb. 26, 1886.

⁷ Engels to Laura Lafargue, Nov. 2, 1886, in: Frederick Engels, Paul and Laura Lafargue, Correspondence (Moscow, 1959), I, p. 394.

There is little doubt that the Social Democratic leaders had been educated to think along the lines of State Socialism and that many were also won over to Bismarck's economic program. The picture is still not complete because, unfortunately, the evidence which would reveal the true sentiments of many leaders is wanting. And the meager evidence on the attitudes of the rank and file Social Democrats almost precludes generalization. The notable fact is that many Social Democrats privately endorsed the economic policies of Bismarck, even while suffering persecution. There were Social Democrats who desired to cooperate with the Reich government, but Bismarck had denied them that possibility. No self-respecting Social Democrat could openly endorse the Chancellor's program without implicit treason to his own cause. Much the same holds true for the Rodbertus threat. In theory and economic analysis, Rodbertus was certainly much inferior to Marx. But that in itself was not crucial for most Social Democrats. What was crucial was the simple fact that Marxism was a buttress for political opposition to the Bismarck government when no other posture was in fact possible for the Social Democrats.

When Bismarck failed to achieve a renewal of the anti-socialist legislation in 1890, the external pressures on the Social Democrats to maintain an intransigent political opposition were decreased. It then became clear that the confrontation of the early eighties had not banished all thoughts of State Socialism from the minds of Social Democrats. The early crisis had been a preview of later conflicts. The seeds of State Socialism, which had been lying dormant, sprouted again in the nineties, cultivated carefully by the agrarian oriented von Vollmar.¹ Bismarck's oppression had only momentarily retarded the growth. It is ironic, therefore, that without the pressures of the anti-socialist legislation, the influence of State Socialism on the Social Democrats would have been much greater, and the history of the reformist challenge would date from the late seventies rather than the early nineties.²

¹ For von Vollmar's role in the new debate on State Socialism, see Jansen, pp. 44 ff.

² The literature on reformism in the nineties is considerable. Cf. Gay, *passim*; Landauer, I, pp. 298 ff.; Mayer, II, pp. 477 ff.; Carl Schorske, *German Social Democracy, 1905-1917. The Development of the Great Schism* (Cambridge, Mass., 1955), pp. 7 ff.; Harry J. Marks, "The Sources of Reformism in the Social Democratic Party of Germany, 1890-1914", in: *Journal of Modern History*, XI (Sept., 1939), pp. 334-56.