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The Germination Of The German Nation: A Case Study On The Art Of Drawing Political Borders

Maximilian Tirey

Union College - Schenectady, NY

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The Germination Of The German Nation

A Case Study On The Art Of Drawing Political Borders

By Maximilian Tirey

Submitted in partial fulfillment of the requirements for Honors in the Department of History, June 2015

Fig. 1

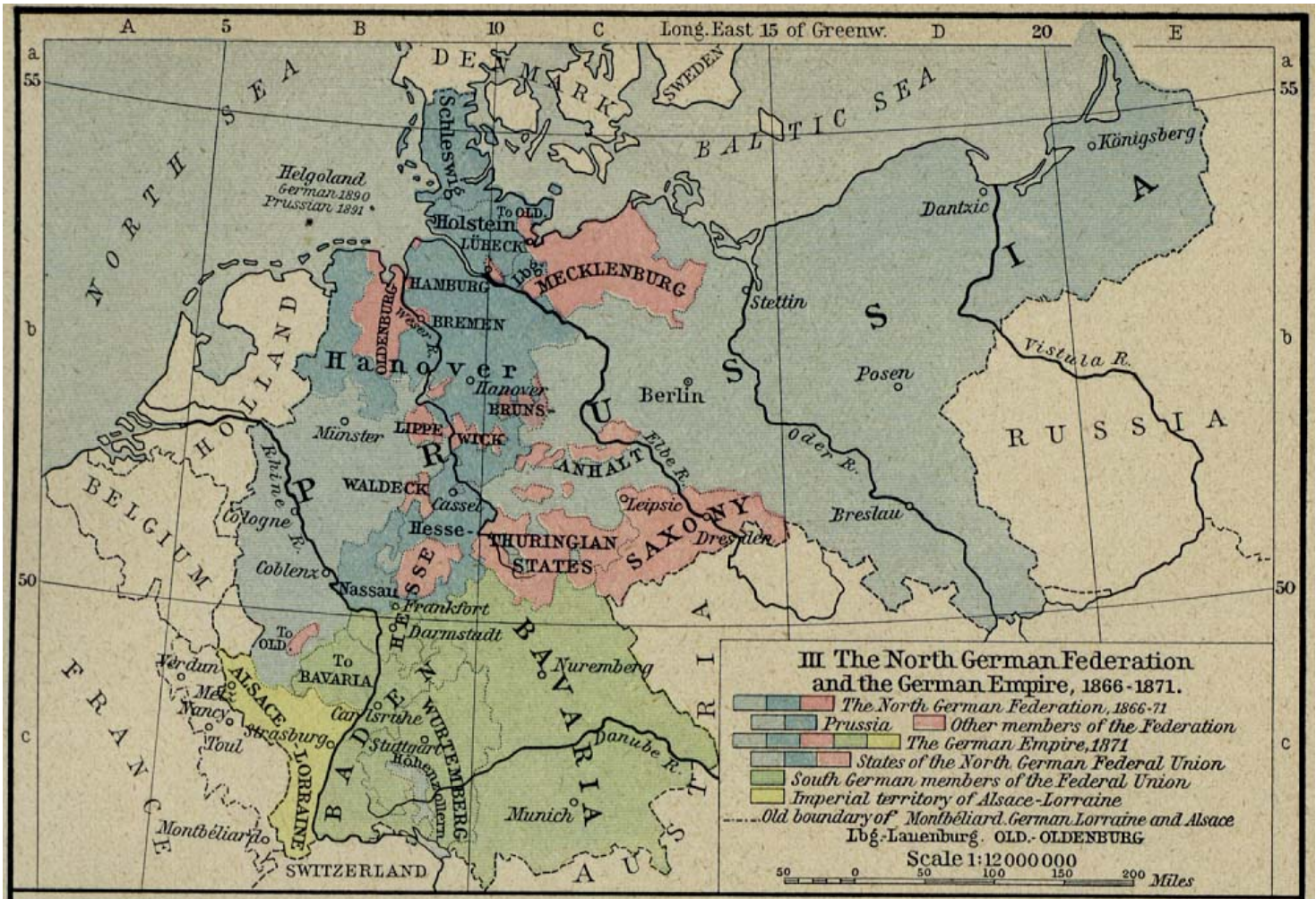


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Abstract

This thesis explores the unification of Germany in 1871 as a case study for successful political border drawing in the modern age. Germany's rise from 39 separate kingdoms into a single, stable, economic world power is interesting; it reflects a similar environment currently found in the Middle East and Africa. There, too, many smaller ethnic, religious, cultural, or tribal groups are found within a single country. However, why was Germany able to hold together, while many Middle Eastern and African countries struggle with constant internal strife?

The rise of Germany into an industrial world power is best analyzed through the inspiration of Friedrich List's three economic stages of development: client state free trade, then, use of industrial tariffs, and last, full scale free trade. Germany's unification through these stages, rather than advancement through nobility or Imperialism, was a key factor in Germany's ability to compete with the more advanced countries of England and France. With no single noble family strong enough to unify Germany during the middle ages, Germany remained too economically inefficient to advance as quickly as England and France. However, during this period from 1815-1834 the Germans unknowing began to develop state building by amalgamation. The genius of this strategy was the slow organization into small trade groups, then these small trade groups into larger trade groups, until a single politically sovereign group, known as a state, is formed. This progression from small and medium economic, to large political bodies has several important advantages: reduction of voices in negotiation, increase in economy for all groups

involved throughout the process, and, low and compartmentalized risk if a politico-economic strategy fails.

List's second stage of development occurred in Germany between 1834~1871. The 1834 creation of the Zollverein was the first major breakthrough for the economic advancement of Germany. It brought most of the German states into one unified economic zone, which greatly strengthen both internal and, especially, international trade. Centralizing the parameters of trade (measurements, currency exchanges, etc.), was the key factor that created economic growth. The creation of the Zollverein also allowed the political growth of Prussia, which later gained enough power to unify Germany. Effectively, Prussia filled the previous lack of a single powerful noble family in Germany. With economic superiority, came the growth of Prussia's politico-military power. However, because economic prosperity was brought by the Prussian system, most German states willingly joined. Thus, Prussia mainly had to exert her physical power externally, towards Denmark, Austria, and France. Between 1864-1871 the military benefits of joining Prussia were so great that most German states joined willingly, some grudgingly. Either way, with the foundation of the German Empire in 1871 all members felt great benefits.

In the time period between 1871-1914 Germany began the transition from List's second stage to his third. In one form or another Germany continued to protect her domestic industry during this time period; Otto von Bismarck even extended tariffs to agriculture. However, the growth of Germany's advanced science-based economy, which was greatly helped by government support and business

cartels, gave Germany a competitive foothold in the world economy. In addition, 1871-1914 was a period of huge cultural growth, which later provided the cement to hold the German Kingdoms together. Thus, the slow political progress from 1815-1871 created a culture and economy that held Germany together during the two World Wars.

Process of Events Diagram

I. German Confederation - 1815

1. Trade Unions - 1815-1834

- a. Germany had political maturity, but channels of communication were blocked
- b. Trade Unions form and open up lines for progressive/complicated political communication
- c. Trade Unions create Zollverein
 - i. German states have enough economic sovereignty to begin using organized tariffs (List's 2nd Stage)

2. Unification - 1834-1871

- a. Zollverein draws attention from Austria to Prussia
 - i. Prussia develops more industry
- b. Prussia uses new power to destroy German Confederation
 - i. Drives Austria from Germany
- c. Prussia establishes North German Confederation
 - i. Impresses South German States to join

3. Successful Legacy - 1871~1900

- a. The country stayed together because
 - i. Further unified economic/scientific growth
 - ii. Creation of new/augmented culture
 - iii. Political fell Apart. i and ii held it together

II. World War I - 1914

Introduction

Humans have always struggled with the art of drawing political borders. Early examples include the Delian League. Led by Athens, the league's early struggles with border drawing, around 450 BCE, are documented by Thucydides' Melian dialogue.¹ Even by the 19th century a method of consistently constructing new, stable borders had not been discovered; as shown by the European Imperialists' failed attempts in Africa, South America, the Middle East, and Asia.² However, ultimately successful border drawing was used in The United States of America, Australia, and Japan.³ This is not to say that successful Imperialism is acceptable. Even the successful colonies were abused.⁴ Hence why historical explanations of successful colonies always contain negative connotations, captured in buzzwords and phrases such as "The Stamp Act" or "Gunboat Diplomacy."

Thankfully, there are also non-abusive border drawing successes ironically found on the continent that failed catastrophically abroad, Europe. Many

¹ Thucydides, and Rex Warner. "Melian Dialogue."

² Many modern conflicts can be traced to European imperialism of various eras. Three examples, and their legacy, are listed in rough chronological order. The Portuguese and Spanish Conquistadors, The Belgian Congo, and French Vietnam. Their causes: various South American wars of independence, and later, civil wars; numerous Congolese domestic wars and power struggles; the Vietnam War.

³ "Successful" is used broadly and from the modern perspective. Japan, the U.S., and Australia are largely peaceful, have industrialized economies, and their governments defend a wide range of human rights.

⁴ Britain's abuse of America was highly publicized by the American Revolutionary War, but one cannot forget that British citizens directly and indirectly killed millions of Native Americans. Australia's native people shared a similar fate. Thankfully, Australia did eventually receive peaceful independence. Japan is a strange example because it managed to stay isolated, only later becoming forcibly opened by America's Admiral Perry. Technically not carried out by Europeans, Japan was treated in the European style of Imperialism. Interestingly, the Japanese did not suffer huge abuse, but rather suffered from under appreciation. Frustrated by the lack of credit, and rewards, given it by European allies after WWI, Japan launched a military offensive to earn respect. The result was the first non-European victory over a European opponent, the Russo-Japanese War: a victory roughly equitable in importance to the Prussian defeat of France in 1871. India is another complicated example not elaborated here.

paths to modern borders existed. England brought about the end of monarchical rule and began the process of modern democratic governance beginning with the Magna Carta. France went through the internal upheavals of various French Revolutions and ultimately negotiated the creation of a new state starting with the Tennis Court Oath. However, both of these examples deal with countries already largely in their modern borders. The struggle was not to create a new nation from old kingdoms, but instead concerned the modernization of an already existing sovereign kingdom. Fig. 2 shows the incredible fragmentation of the German states, only loosely organized under the Holy Roman Empire in 1500. Especially when compared against Spain, France, Portugal, and England

On the other hand, the Germany of today boasts the legacy of creating a successful, stable state from 39 separate ones, an incredible success of border drawing.⁵ This thesis will define this kind of border drawing as border amalgamation: the creation of a larger unified border, through the unification of many smaller borders.

The importance of this case study comes from the application of border amalgamation lessons, learned by Germany, onto the scenario of the modern world. Some countries, such Iraq and Ukraine, seem to show the beginning of failures of borders drawn in the last 100 years. These examples can be joined by numerous counties in Africa and the Middle East, which are currently experiencing political upheaval and the questioning of borders. This paper explores the political, economic, and cultural lessons in the German experience that offer hints as to what

⁵ Buford Rowland, and J. C. Easton. "The Assembly of German Princes of 1863." *The Journal of Modern History* 14, no. 4 (1942): 480-99.

works, and what does not, when creating a single nation out of numerous, smaller, unique ones. This is key because communities in Africa and the Middle East are largely based on cultural, tribal, religious, or linguistic lines. However, modern European inspired borders separated, and often continue to separate, these communities. This community separation ultimately led to extremist actions, such as those of ISIS, which is currently trying to build an Islamic, culturally-based nation across modern borders. Aforementioned upheaval is a direct effect of poorly drawn borders causing internal strife between domestic factions, ultimately leading to violent cultural-based anger.

Historical Setting

Before 1815 there was no “Germany,” there was only the Roman concept of “Germania,” and the medieval concept of the “Holy Roman Empire,” but Germany’s first form would not come into existence until the creation of the German Confederation in 1815. Even under this unification no one claimed to be a German citizen. Instead, the people identified with their home states, such as Prussia, Austria, Bavaria, or the less well-known formations of Hesse-Darmstadt, Wuerttemberg, or Thuringia.

Nation building by amalgamation is of great importance because, as the Germans quickly realized, there is huge economic benefit from the amalgamation of several smaller states into one nation. The below quotes outline how inefficient the German states’ economic system was.

The 830 toll barriers in Germany cripple domestic traffic and bring more or less the same results: how if every limb of the human body were bound together, so that blood could not flow from one limb to the other[.] In order

to trade from Hamburg to Austria, from Berlin to the Swiss Cantons, one must cut through the statutes of ten states, study ten tolls and toll barriers, ten times go through the toll barriers, and ten times pay the tolls. Who but the unfortunate has to negotiate such borders? To live with such borders? Where three or four states collide, there one must live his whole life under evil, senseless tolls and toll restrictions. That is no Fatherland!⁶

The *Duesselder Zeitung* expressed a similar opinion in 1843:

...we have instead of one Germany, 38 German states, almost the same number of courts, as many representative bodies, 38 distinct legal codes and administrations, embassies and consulates. What an enormous saving it would be if all of that were taken care of by one central government...Yet far worse than the present waste of money is the fact that in these 38 states prevail as many separate interests which injure and destroy each other down to the last detail of daily intercourse. No post can be hurried, no mailing charge reduced without special conventions, no railway can be planned without each seeking to keep it in its own state as long as possible.⁷

Through the experiences above, the Germans discovered that the creation of a "Fatherland," a state to called Germany, would require economic unification.

German politicians of various origins and decades labored endlessly to discover the perfect combination of states that would create a single, stable nation. They coerced some to join, forcefully excluded others, and tempered their own emotions and ambitions; all in the name of building a bigger, better state. This essay will examine their successes, their failures, and the lessons they themselves learned and applied.

As previously mentioned, this paper begins with the German Confederation in 1815, which marks the first attempt at creating a Second Reich. Then, it will trace events until the successful rise of the Second Reich, under the leadership of Otto von

⁶ Bittschrift des Allgemeinen Deutschen Handels- und Gewerbevereins an die Bundesversammlung vom 20. April 1819 gemäß Friedrich List: *Schriften, Reden Briefe, Bd. 1, Berlin 1929.*, found in Manfred Görtenmaker: *Deutschland im 19. Jahrhundert*. 2. Auflage. Leske+Budrich, Opladen 1994, S. 166 ISBN 3-8100-1336-6.

⁷ W. O. Henderson, *The rise of German industrial power, 1834-1914*. Berkeley: University of California Press, 1975, 40.

Bismarck. Last, this paper will discuss the legacy of the successes and failures of: Bismarck, the new German economy, and the new German culture. The reason for ending in the very early 20th century, as opposed to moving through the Third, and final, Reich to the creation of the Federal Republic of Germany, is that the Weimar era was the culmination of the enormous politico-economic developments made in the century before. The economy and culture created before the Weimar Era were what kept Germany unified during the chaotic early-to-mid 20th century. It is this pre-wars economy and culture, which define Germany today. Thus the time period between 1932-1945 was, to put it very lightly, a political mistake and hiccup in the development of Germany. Germany should never forget its mistake, but it should also be allowed to enjoy its successes in the century before the First World War. The monument that embodies the democratic connection between Weimar Germany and today's German Government, is the *Reichstag*, which housed the Weimar Diet and houses the modern *Bundestag*, but fell into disrepair during the Nazi and split regimes.⁸

The reason for the examination of over 100 years of history is because Germany did not unify in one fell swoop of Bismarck's cunning. Despite the fact that Germany was officially politically unified into an Empire in 1871, the full unification process advanced slowly through economic and political baby-steps. In the words of Gustav Stolper:

Thus, economically, the Reich was set up in three stages: the first was the creation of the Zollverein in 1833; the second, the political formation of the

⁸ "Geschichte Des Gebäudes." Deutscher Bundestag.
<<http://www.bundestag.de/kulturundgeschichte/architektur/reichstag/geschichte>>.

Reich in 1871; the third, the revolution of 1918. There is no doubt that 1871 was by far the most important.⁹

The stage divisions of this paper differ from those of Stolper, because, as he states, he bases these divisions purely on economic grounds. This thesis also takes political and cultural changes into consideration when determining the stages of German unification. In particular, Stolper does not take into account that slow unification resulted in the creation of a new German culture without replacing the old regional cultures. This essay begins with a Germany that has 39 separate cultures and ends with a Germany that shares a common culture. As this essay will prove, the creation of a new common culture, symbolized by new national past times like soccer or Kabarett, is one of the key elements that held the country together. This conclusion is not world altering, in fact, it seems obvious. Culture binds countries, reversely countries without common culture fall apart, see Roman history. More important is: how does one create common culture, especially in states opposed to one another?

Chapter I: The Development of Communication

Section 1: Historical Context

Perhaps the most influential mind behind the economic rise of Germany was Frederick List. An early German economist, List challenged the well-loved School of Adam Smith. List questioned Smith's "Free Trade" policy, arguing instead that there are two steps necessary before "Free Trade" economics can be properly applied. List argued that the first step to unification was to standardize measures and currencies.

⁹ Gustav Stolper, Karl Häuser, and Knut Borchardt. *The German economy, 1870 to the present*, (New York: Harcourt, Brace & World) 1967, 31.

German history before List's policies and List's initial influence, are analyzed in the section below, while his greater strategy will be explained fully in chapter two.

List's book *The National System of Political Economy*, written in 1841, outlines the development of unification in Germany compared to the rest of Europe. Seminally, List points to the medieval German nobility for hindering Germany's ability to grow flax and graze sheep, thus hindering economic development in the countryside. This was due to the nobility's love of fighting over farms, in the process destroying them, and the practice of leaving trees in fields to harbor game for sport hunting.¹⁰ The result was rich, independent cities based on trade separated by poor agricultural lands ruled by Princes. Soon cities began forming leagues, such as the Hanseatic, the Swabian, and the Helvetic.¹¹ Unfortunately, geographic space between the cities, owned by the nobility, stunted the success of trade leagues: "[t]hough they continued powerful for a time owing to the spirit of youthful freedom which pervaded them, yet these leagues lacked the internal guarantee of stability, the principle of unity, the cement."¹² The Germans understood the merits of working together, however several additional factors were hindering them: geography, nobility, experience, and communication.

List goes on to explain that there are two forms of unification: one via nobility and the other by economics. The former was ragingly successful in England, France, and Spain. List expands, however, that the former was inoperable in Germany. As explained above, petty squabbles between princedoms, and want for

¹⁰ List, Frederick. *The National System of Political Economy by Friedrich List*, trans. Sampson S. Lloyd, with an Introduction by J. Shield Nicholson (London: Longmans, Green and Co., 1909), 63.

¹¹ List, *The National System*, 64.

¹² List, *The National System*, 63.

luxury, prevented German rulers from building up their own economy through market farming and textiles. This disallowed build up in strength of one family who could then unify the country.¹³ The result was that the Germans became wed to civilization they famously destroyed, Rome. "Hence the persevering adherence to the idea of the Imperial Roman Empire amongst German kings." Due to the constant skirmishes of princes, kings believed that "[o]nly at the head of armies were the [Holy Roman] emperors rulers; only when they went to war were they able to bring together prince and cities under their banner."¹⁴ This was the fate and flaw of the Hohenstaufens, whose numerous failed attempts to follow Rome on the crusades, crumbled their strength and, along with it, any dreams of German unification through noble force.¹⁵ In a sad trick of vanity, by focusing on their hobbies, instead of on their nation building duties, the German nobility managed to trick itself that unification came only by the sword, that economic strength played little role. Thus they ruined their own ability to become truly powerful at the head of a large nation.

The second method, List suggests, is far more interesting and shows the early attempts of what List would inspire, economic unification. He suggests that the independent cities could have unified Germany, but quickly explains why they did not.

The cities, inasmuch as they tended to promote the prosperity of agriculture, by so doing necessarily were working at their own effacement, unless they contrived to incorporate the agricultural classes of the nobility as members of their unions. For the accomplishment of that object, however, they lacked requisite higher political instincts and knowledge. Their political vision seldom extended beyond their own city walls [...] Thus we see even to the

¹³ List, *The National System*, 63.

¹⁴ List, *The National System*, 64.

¹⁵ List, *The National System*, 64.

beginning of the eighteenth century in Germany, barbarism in literature and language, barbarism in legislation, State administration and administration of justice; barbarism in agriculture, decline in industry and of all trade on a large scale, want of unity and of force in national cohesion; powerlessness and weakness on all hands in dealing with foreign nations.¹⁶

However, the Germans were eventually successful. So, how did they advance through barbarism to develop a complicated unification system? There is no good answer as to what the initial trigger was. List attributes it to the general character of the German people:

One thing only the Germans had preserved; that was their aboriginal character, their love of industry, order, thrift, and moderation, their perseverance and endurance in research and in business, their honest striving after improvement, and a considerable natural measure of morality, prudence, and circumspection."¹⁷

This is a flattering description, unfortunately Germany's actions 100 years after its original publication in 1841 effectively weaken the second part of the argument; however, this explanation, especially the first part, seems at least mostly true.

There is a common German saying describing their culture, "Das Land der Dichter und Denker", "The land of poets and thinkers." The Germans pride themselves on a combination of art and science, on industry and improvement. Indeed List is not alone in his assertions about the German spirit. Otto Pflanze, one of the great intellectuals of German Unification, finds the seeds for a unified German culture in the writings of Johann Gottfried von Herder, Georg Wilhelm Friedrich Hegel, and Adam Mueller. Herder asserted the idea of a "Volksgeist." Pflanze writes:

Each nation, [Herder] taught, possesses a unique character determined by its folk spirit (*Volksgeist*) and the peculiarities of its historical growth. What applied to national cultures, others realized, could also be said of the state. As

¹⁶ List, *The National System*, 63-66.

¹⁷ List, *The National System*, 66.

a traditional institution constructed by many generations, it too was an organism endowed with individuality.¹⁸

Hegel described the state as: “the vessel of the world spirit [Weltgeist],” “the divine idea as it exists on earth,” and the actually existing, realized moral life.”¹⁹ Finally, Adam Mueller went so far as to declare “Christ died not only for men, but also for states.”²⁰ Whether one agrees with them or not, the great intellectuals in Germany at the time were inspired and believed the words of these philosophers. Suddenly, a large amount of attention was given to defining the German spirit, to creating something bigger than the intellectuals themselves, which would hopefully span “many generations.” Romanticism, one of the strongest cultural movements in German history, defined this time period. It was an era of incredible intellectual growth spearheaded by philosophers like Kant, Hegel, Goethe, and Schiller; musicians, such as Mozart and Beethoven; artists, like Casper David Friedrich; and cultural researchers such as the Brothers Grimm.²¹ With the cultural connections growing between the German States, economic ties progressed in a similar fashion. “Barbarism” was slowly disappearing in the rear view mirror.

Section 2: The Development of Economic Ties

Economic ties were eventually created by a complicated series of trade treaties and unions, which slowly standardized the practice of trading amongst the German States. The three early, major unions, in chronological order, were: the

¹⁸ Otto Pflanze, *Bismarck and the development of Germany*. Princeton, N.J.: Princeton University Press, 1963, I, 7.

¹⁹ Pflanze, *Bismarck*, I, 8.

²⁰ Pflanze, *Bismarck*, I, 8.

²¹ Pflanze, *Bismarck*, I, 6-7.

Some of the listed intellectuals are not strictly romantics, however they all either participated or directly inspired the movement.

Bavaria-Wuerttemberg Trade Union, the Hesse-Darmstadt-Prussia Trade Union, and the Central German “Anti-“Union. All three treaties were enacted in 1828 and ultimately led to the creation of the Zollverein in 1834. The successes here are numerous: standardized measures, standardized monetary exchanges, standardized tolls and travel fees, to name a few. However, the significance of these changes goes far past the monetary benefit. All of the states, large and small, were gaining experience in negotiating and compromising. These early trade treaties and unions, were important experiments in the art of cooperation; ultimately they helped developed the negotiating skills required for the creation of the German Empire. The fighting between German powers was far from over, however, the talking had begun. This small step was a major breakthrough.

The German Confederation, founded in 1815, was an important failure in the history of German unification. Much like the Articles of Confederation in the United States, the German Confederation sought to be a “community of independent states” internally, and a “politically unified, federated power in its external relations.”²² Unlike, the Articles of Confederation, it was met with initial hostility. Historian Heinrich Sybel points out that the Confederation was “received by the German nation at large partly with cold indifference and partly with patriotic indignation.”²³ It also failed for many of the same reason the U.S. articles did, such as: lack of federal power, lack of centralized monetary systems, and lack of easy interstate commerce. So, why was it so important? Because it proved that political unification, without

²² Christopher Clark, *Germany 1815-1848: Restoration or Pre-March?* In *German History since 1800*, edited by Mary Fulbrook, by (London: Arnold ; 1997), 41.

²³ Gordon Alexander Craig. *Europe, 1815-1914*, (3rd ed. Hinsdale, Ill.: Dryden Press, 1972), 55.

economic unification, was an infeasible plan. Economic failure is shown by Frederick List's actions in 1820, while the Confederation's political organizational cracks begin to show around 1830.

The period of "List's Agitation" occurred from 1819-1820 and was the first serious push for national economic unification, but ended in failure. List describes the establishment of the main organization behind the movement:

It was this state of urgent necessity which led to the formation of that private union of five to six thousand German manufacturers and merchants, which was founded in the year 1819 at the spring fair held in Frankfort-on-the-Main, with the object of abolishing all the separate tariffs of the various German states, and on the other hand of establishing a common trade and customhouse system for the whole of Germany.²⁴

At first, List, and the league he led, focused on expressing the ideals of free trade and commercial liberty to various German states through numerous political mediums. However, by winter, the focus had shifted to industrial interests and domestic industrial protection. List caused uproar, especially amongst the independent trade city powerhouses such as Bremen, Hamburg, and Leipzig.²⁵ Though List had good ideas, his inexperience quickly became clear. His points were weakened by "[m]any sophisms, rationalizations, exaggerations, mistakes, and inconsistencies." Then again, the same can be said about List's opposition's argument.²⁶ Either way, List faded from the limelight. However, his ideas survived, even if not in their original form.

²⁴ List, *The National System*, 71.

²⁵ Price, *The Evolution of the Zollverein*, 44.

²⁶ Price, *The Evolution of the Zollverein*, 44.

List focused on economics, but his heart yearned for political unification. For, he believed it was key to Germany's national welfare.²⁷ While reading his book, it quickly becomes clear that List loves Germany, sometimes even to a biased fault. However, the prototype to any project still requires lots of time and effort. List's project was no exception.

By the end of 1820, List's agitations had created powerful enemies and his voice was silenced in Europe. Finances and political disagreement strained personal relations within the League. Accordingly, List retreated to Wuerttemberg's capital, Stuttgart, to edit the League's magazine, *Organ des deutschen Handels- und Frabrikantenstandes*. By the fall, List was no longer involved with the League, but did publish a paper critical of Wuerttemberg's administration. Quickly convicted, List was forced to emigrate to the United States of America. Once in the U.S., List lost all influence on German politics.²⁸

The German Confederation was provided some military powers. Ironically it was this limited power that caused the Federal Diet (*Bundesversammlung*) to fall from favor; another proof of the medieval lesson: unification needed to come through economics, not violence. In 1830, the Diet passed legislation allowing it to intervene, without permission, into violent domestic conflicts of any member states. Then, in 1833 it passed secret information collection laws. Both were used in various incidents.²⁹ As can be anticipated, the smaller member states did not react kindly. However, Christopher Clark describes the confederation as both "illiberal

²⁷ Price, *The Evolution of the Zollverein*, 46.

²⁸ Price, *The Evolution of the Zollverein*, 162.

²⁹ Clark, "Germany 1815-1848", Fullbrook, 42.

and oppressive” and as a “formidable achievement.”³⁰ So, how can the German Confederation have been both destructive and irreplaceably productive?

One reason is that the German Confederation accentuated the power struggle between the large and small states. The sole executive body of the Confederation was the Inner Council (*Engerer Rat*), which represented states based on their size. While the larger states, such as Austria and Prussia, received their own vote, smaller states were forced to share votes. The effect of this unequal representation was shown with the legislation discussed in the paragraph above. Confederate forces entered Luxemburg during a revolution in 1830 and fought the free city of Frankfurt in 1833. Lastly, in 1831 Baden’s attempt to reform its press laws to a more liberal system failed as a result of threatened federal military action (*Bundesexekution*).³¹ Plainly the smaller states were at a disadvantage, the German Confederation effectively created an unfair form of control over the smaller states. Though the Diet’s military power was limited, the point was made, and the reactionary anger was intense.

The weakness of the Confederation, parallel to rise of unification sentiments, is perfectly exemplified by the Göttingen Seven. In retaliation to revolutionary speech in Hambach, the Confederate Diet (the legislative body) passed articles in 1832 making all local level legislative assemblies powerless and dissolving their financial power. One effect was that in 1837 the newly crowned king of Hanover actually went through with disassembling the Hanover assembly and releasing all

³⁰ Clark, “Germany 1815-1848”, Fullbrook, 44.

³¹ Clark, “Germany 1815-1848”, Fullbrook, 44.

representatives from their oaths.³² The reaction shows the German “aboriginal character” that List describes.

Seven professors from the local Göttingen University refused to give up their oaths and directly defied the new king, earning banishment from Hanover. Among these seven were the great German folklorists Jakob and Wilhelm Grimm. Upon leaving, Jakob:

pointed out that the universities were the conscience of the nation and university professors must have a jealous regard for their word, lest students, seeing them waver on one issue, think them capable of compromising in their teaching.³³

The incident made all seven into heroes in the eyes of the middle and upper classes across Germany.³⁴ The Göttingen incident, combined with their constant work on new editions of *Children's and Household Tales* and the seminal organizing of the German dictionary, meant these two brothers were forming the German culture by both artistic practice and political example.

Constrictive political pressure also descended upon the smaller states from the two regional powers, Bavaria and Prussia. There are two people to blame for this, though their intentions were not hostile. The first is Friedrich von Motz, Prussian Minister of Finance and key supporter of the Prussia-Hesse-Darmstadt Customs Union. The second is King Ludwig of Bavaria, key supporter of the Bavaria-Wuerttemberg Customs Union. Both men rose to power in 1825 and both men sought to extend their states' economic borders. Ludwig managed to secure a treaty with the smaller state of Wuerttemberg and attempted to block the Prussian-Hesse-

³² Craig. *Europe*, 56.

³³ Craig. *Europe, 1815-1914*, 58.

³⁴ Craig. *Europe, 1815-1914*, 58.

Darmstadt Union, founded later in the same year. Motz was even more aggressive, though he did listen to being told not to damage the interests of any other German states. Still, Motz pursued several negotiations after the closure of the customs union with Hesse-Darmstadt. Weimar, Nassau, and Hanover negotiated with Motz directly, while Hesse-Kassel was contact via a Hesse-Darmstadt mediator. A mediator was necessary because Prussia's relationship with Kassel had earlier fallen apart.³⁵ This aggressive action of contacting even unfriendly states does make some sense. Motz, like List, had a vision of a unified Germany in mind; it made the most economic sense. However, as the member of a large state, he seems to have underestimated the importance of independence to the smaller states.

When Motz was met with failure (except in Hesse-Darmstadt). So, Prussia switched tactics and began to repress nationalization attempts through the political power given it by the Confederation of Germany. Prussia hoped to delay economic unification until her own regional influence could grow and unification could occur of its preferred terms. This is perfectly exemplified by the 1847 Uniform Law on Bills of Exchange, which Prussia delayed for 10 years and was ultimately never instituted.³⁶ During this time, all of Germany suffered economic opportunity cost as an increasing number of years were spent using the old, inefficient separate exchange laws system.

Prussia was able to weather this cost so easily because of its proportionally smaller economic gain associated with early economic unification. Prussia had large

³⁵Price, *The Evolution of the Zollverein*, 225.

³⁶ Kanning, A. J. "The Emergence of a European Private Law: Lessons from 19th Century Germany." (*Oxford Journal of Legal Studies* 27, no. 2, 2007: 193-208), 6.

domestic markets and vast resources, it could produce what it needed and had the domestic market to easily promote economic progress. Oppositely, many smaller states, especially Saxony, were highly industrialized, but had small populations and markets. The result: these smaller states disproportionately lost profit on every tariff and seaport access charge they had to pay to sell their goods on foreign markets. Moreover, every year that passed, Prussia was able to build up its industry to compete with that of the smaller states.³⁷ Prussia also received tariff free trading through its custom union allies and was able to produce most necessities on her own anyway. Since Prussia's economic gain from early unification was low, its opportunity costs were low; making the waiting game it was playing very political profitable for comparatively little economic cost.

These blatant politico-economic plans caused the small central German States to create of the Central German Union of 1828, which was dubbed an "anti-union" for it disallowed its members from joining other unions. The anti-union movement was a mishmash of various similar positions. On the extremes were men such as Schweitzer³⁸ from Saxe-Weimar, interested in simply defying Prussia, and Thomas of Frankfurt who was a devoted anti-unionist and staunchly believed that "individualism was one of the basic German characteristics."³⁹ However, there were also several moderates who had economic goals in mind and some who eventually wanted to join Prussia's Union.⁴⁰ The union hoped to be a geographic barrier for the

³⁷ Kanning, "The Emergence of a European Private Law", 5.

³⁸ Schweitzer's first name was not given in the source. Unfortunately, he has too common a last name, and is too obscure a political figure, to find his first name even with significant research. Thus, for this papers purposes, his name will simply remain Schweitzer.

³⁹ Price, *The Evolution of the Zollverein*, 226.

⁴⁰ Price, *The Evolution of the Zollverein*, 226.

larger regional powers, as well as, create a bargaining chip to later gain entrance, with favorable terms, into the larger trade unions. However, due to the fragmentation of views, the Union was short lived and effectively died with the signing of the Treaty in Einbeck in 1830, which stipulated a future customs union upon the legal removal of the Central German Union.⁴¹

The Treaty of Einbeck was small and largely copied previous treaties, however one Article stands out. This customs union between Hanover, Hesse-Kassel, Oldenburg, and Brunswick became known as the “*Steuerverein*,” the “tax union.” This name stems from the fact that Article XIV of the union was the first to established unified consumption tax laws in all member states.⁴² This is interesting because all previous agreements left consumption laws as variable, to be governed by domestic laws. Instead, previous treaties dictated that the merchant should pay the difference in consumption tax at the border between states. This unification of consumption laws, and common law in general, is an important step in the unification of states. For, when unification did eventually come about, if there is little or no change in daily rule of law, then the people can more easily adjust to regime change.

Since the Confederation never made economic progress, the solution to the problem of representation for the small states was not discovered until the larger Germany states began to set up regional trade unions. Even when the solution was presented, most of the smaller states remained unwilling to accept the offer until much later. During the Bavaria-Wuerttemberg Customs Union negotiations the

⁴¹ Price, *The Evolution of the Zollverein*, 225-227.

⁴² Price, *The Evolution of the Zollverein*, 229.

Bavarian Ministries of Finance and Interior proposed a new idea, a creation of a Customs Union as opposed to a common customs system. The purpose of this change was to simplify the process, prevent misunderstanding of Wuerttemberg's position, and to solidify Wuerttemberg's position as equal and sovereign. For giving equal representation, Bavaria was allowed to use its own, preferred, customs laws as those of the entire union.⁴³ The trade here is interesting and ground breaking. Wuerttemberg gains guaranteed political equality, despite its inferior power, and veto power over a much larger economic domain than before. Though it used to give in to Bavaria's regional domination, it now gained veto ability. In addition it also gained the power to join further trade agreements attached to Bavaria, an important mechanism, which will be discussed later. In turn, Bavaria lost regional economic domination, but it gained economic markets and preferable customs laws in those markets.

Further agreements showed the seriousness and detail that the statesmen used when negotiating the agreement. Plenipotentiaries were given the power to review each other's books, accounts, and meetings. As well as having the power to voice official complaints and to protest the economic actions of the other state. Another highly detailed agreement of the union was the system of which costs the states covered and which costs were forwarded to the union as whole. While the union covered salaries and office supplies, pensions and facility maintenance were left to the states.⁴⁴ However, since these detailed rules worked they were copied

⁴³ Price, *The Evolution of the Zollverein*, 193.

⁴⁴ Price, *The Evolution of the Zollverein*, 195.

into future documents. Thus, slowly, by trial and error the German state diplomats began to put together the eventual unification rules of Germany.

The organization of trade unions began attaching small states onto larger regional powers. These combined economic organizations could more easily communicate, compromise, and unify with each other. This is the attachment mechanism, a process by which smaller states become economic attached to larger ones, while still keeping their political independence. A hierarchy of representation developed through the costume unions, which simplified, and thus allowed the success of, larger negotiations. The squabbles of the smaller states were dealt with at a regional level, as the smaller states had equal representation to every other member state within their unions. These domestic debates then became absorbed into the political positions of the larger states at national negotiations. Thus, the opinions of the smaller states were not expressly mentioned at the negotiating table, but rather were weaved into the terms presented by the representative of the entire trade union. For example, when Prussia economically communicated with Austria or Bavaria, Hesse-Darmstadt did not send a representative. However, since Prussia could not enter a trade treaty without permission from Hesse-Darmstadt the Prussian representative could only agree to terms that Hesse-Darmstadt found favorable. This provided the simple logistical advantage that there were fewer voices and emotions involved around the negotiating table. This professionalism in German diplomacy quickly showed its merits as Germany's unification process progressed by leaps in bounds compared to the previous centuries.

Section 3: Successful Economic Unification

Despite better organization, lots of political maneuvering was required to join the majority of Germany into the Zollverein. By 1831, both Prussia and Bavaria had voiced wants to join in a customs union.⁴⁵ Unfortunately, Bavaria and Prussia were only awkwardly geographically connected. Saxony and the Thuringian States separated Prussia's main territory from Bavaria in the southeast. Bavaria and Wuerttemberg did share a border with Prussia's Rhineland enclave in the southwest, however the Hessian and other central German states separated Prussia from its enclave. This mess of borders made communication difficult, but they also complicated the matter of where to draw the customs border. It became clear that these smaller states would have to be included, luckily the Central German Union was quickly falling apart.

Finally, three nearly identical treaties signed on different dates by various groups established the Zollverein to begin on January 1, 1834. First, Prussia, Hesse-Kassel, and Hesse-Darmstadt signed with Bavaria and Wuerttemberg. Second, Saxony signed with all members. Finally, the Thuringian States organized into a smaller union, which then signed into the Zollverein as a single unit. The resulting treaty simplified and unified nearly every shared system among the states. Still, the rules go on for pages: Hesse-Darmstadt's measures became standard, exchange rates were fixed, all tolls were capped by the Prussian tariff of 1828, forced sale was abolished, equal access of port and consul was granted, maintenance and upkeep payments structures created, representative bodies established, an appeals process

⁴⁵ Price, *The Evolution of the Zollverein*, 239.

established, equal inspection rights granted, and and anti-smuggling convention was established, etc..

Section 4: Conclusion

The traditional progression of a colonized, fledgling industrial power is economic/ industrial development, then political organization, ending in national stability. Strangely, Germany switched the first two steps. As List described:

Elsewhere, high mental culture rather grew out of the evolution of the material power of production, whilst in Germany the growth of material powers of production was the outcome chiefly of an antecedent intellectual development.⁴⁶

This may seem to contradict the entirety of the explanations above, which show how Germany had to undergo several political and intellectual changes before it was able to begin becoming an industrial power. However, List is holding Germany in comparison with colonies, where no infrastructure exists and so first industry must be built to encourage education and intellectual growth. In Germany, the basic intellectual development process had long been successfully completed. Roads were maintained, schools well established, and handcrafts perfected. However, industry had never been built up to such a level that politicians would want to communicate about anything other than political squabbles and rudimentary trade. With the formation of trade unions, Germany passed a certain industrial threshold required to begin the constructive political conversations of progressive industrialization and, later, sovereign unification. It was the passing of this infrastructural threshold that was necessary for Germany to unify. So, while in most colonies the process is two-step: industrial then intellectual growth; in Germany it was three step: basic

⁴⁶ List, *The National System*, 66.

intellectual growth, then modern industrial growth, followed by advanced political growth.

Perhaps this was one of the secrets to Germany's success, the divisive Germans found common ground in the ever-growing mutual benefit of trade. Political borders then form naturally. The German states also added an interim step that again lengthened the process, but also made it proceed much more smoothly. As normal, the German unification process began with small-scale political negotiations inspired by a small activists groups; in Germany this group included List, Motz, and Ludwig. Then came the step that the Germans innovated, the creation of medium-sized trade unions inspired by the small-scale unification movement. Finally, the territories were amalgamated from medium sized trade unions, into one large sovereign state. The addition of this middle, medium-sized trade union step has several advantages. While German politicians fine-tuned their negotiating and compromising skills by organizing the trade unions, there was not the wealth of a whole nation at stake. The trade unions created an environment that had plenty of margins for error and thus, one that was perfect for experimentation. Again, smaller scale equals smaller risk. As every single state in the German territories worked on various trade unions, it created a unification strategy brainstorm that was contemplated by every German speaking state. Each trade union had slightly different rules creating an opportunity to see which mechanisms worked and which did not. Of course, the most successful medium-scale economic and political mechanisms were adopted when Germany unified in 1871. Furthermore, the struggles of individuals such as List, Motz, and Ludwig fell to the wayside. Instead,

the organized meetings of trade unions took up their efforts, with well-established officials spearheading the unification effort.

The conclusions of the Zollverein treaties created enough administrative organization to politically unify. Germany was finally past the petty squabbles of princes and now moved on to the limited wars of Kaisers. As this paper enters the mid-1800s, Napoleon has fallen; the Hapsburgs will soon stumble; and Bismarck and Wilhelm prepare to establish Germany. Ironically, decades of negotiation were replaced by Bismarck's reign of "Blood and Iron."

From the end of the 18th century to the creation of the Zollverein in 1833 the seeds for unification had been successfully sown: industry had grown to the minimum required size, the works of various artists and intellectuals was creating a common culture to be proud of, and politico-economic communication had developed into a constructive form. Still, the German path to unification was by no means guaranteed. The Zollverein unified the major trade unions into a single economic territory, but it took Bismarck's military tactics to evolve economic unification into political unification.

Chapter II:

The Development of Industry

Section 1: Progress Made

In *The National System of Political Economy* Frederick List presents the three ideal developmental steps for a growing economic power. First, a fledgling industrial state must engage in free trade with more advanced nations in order to develop modern agriculture, advance intellectually, and to develop basic industry. Second, domestic industry must be protected by minimal tariffs to encourage

further domestic industrial development. This is a key step for new economies to become competitive with larger economic powers. Fledgling states must develop an industry that has more to offer than simple raw resources or rough goods. Minimal tariffs help create a level economic playing field, which prevents hegemonic driven subjugation of the economically younger and smaller state. Finally, once domestic industry is fully developed, the tariffs are removed and the country can successfully engage in full-scale free trade.⁴⁷ List categorizes the major countries of Europe as of 1841:

In the first stage, we see Spain, Portugal, and the Kingdom of Naples; in the second, Germany and the United States of North America; France apparently stands close upon the boundary line of the last stage; but Great Britain alone at the present time has actually reached it.⁴⁸

List's 1841 analysis confirms the change that Stolper says occurred several years earlier in 1833 with the creation of the Zollverein. It seems clear that the 1833 Zollverein treaties gave the German states an advantage. This boost was felt most strongly by the Kingdom of Prussia, which now could reach its enclave and bypass various other geographic obstructions. However, it does not seem that the advantage was immediately felt. Like an automobile's turbo, there was a small lag before Prussia, and the rest of Germany, became revved up enough to begin accelerating aggressive economic, political, and militaristic tactics in the name of unification.

The following chapter will largely skip the short period between the creation of the Zollverein in 1833 and Revolution of 1848. Again, this is because the 15-years

⁴⁷ Nicholson, "Introduction", in List, *The National System*, xx.

⁴⁸ List, *The National System*, 93.

were a lag period in which Germany built up here basic industry in preparation of drastic future growth. It was the transition period in which Germany made her switch from a fledging economy into a List category two economy. This paper will give more focus on four time spans of more interesting politico-economic growth. The first was the Revolution of 1848. The second lasted from 1847-1857 and is defined by intense, but unorganized, development that ultimately ended in economic collapse. Third, the collapse of 1857, and its importance in reorganizing the German industries into a more efficient pattern, will be analyzed. Last, this paper will cover 1857-1871, discussing the economic and military tactics of Otto von Bismarck and why they were ultimately successful in unifying the country.

Section 2: Industry 1833-1847

One point that does need to be made about the 1833-1847 period is the development of steam power and its use of coal based fuel. Having only 400 transportation steam engines in 1834, Germany increased its steam capacity by 1850 to include 1,200 steam engines used in transportation.⁴⁹ In a complimentary relationship of industry, coal incentivized steam and steam-incentivized coal. As steam technology developed the need for non-timber based fuel greatly increased. Coal was the obvious solution, but many of the German states' reserves were held in remote, mountainous regions or deep underground. The solution was to develop steam locomotives and steam powered elevators to reach these areas and utilize the

⁴⁹ Henderson, *The rise of German industrial*, 40.

coal reserves. Thus, between 1841 and 1849 twenty-four new coal pits were opened in what would become of Germany's most famous iron and coal region, the Ruhr.⁵⁰

Section 3: The 1848 Revolution

The 1848 revolution rippled across the German states, but had the most defining effects in Prussia. Between 1800 and 1848 the position of the middle class greatly improved, but the lower classes felt little change. For the impoverished, who numbered as high as 40% in some areas, even a small economic downturn meant catastrophe. Then, in 1846, there was a bad harvest, whose most devastating effect was a food price spike in 1848. In Prussia this price jump can be directly connected to the Typhus outbreak in Silesia, which left 80,000 dead.⁵¹ It was an event in which even King Frederick William IV saw the "seeds of the overthrow of existing conditions."⁵² The combination of an increase in basic living standards for the middle classes and the extreme health issues of the impoverished cause a large disconnect. Those with the ability to make change were unaware, at least not fully aware, of the circumstances in large parts of the country. Simultaneously, the conservative bureaucracy was facing decreasing public popularity and, more imminently, the looming potential financial depression. The Prussian government became overwhelmed with the situation and fell into paralysis.⁵³ Martin Kitchen argues that an economic analysis is not enough, that one must understand the social wave breaking on Europe at the time:

⁵⁰ Henderson, *The rise of German industrial*, 54.

⁵¹ Martin Kitchen, *The Political Economy of Germany, 1815-1914* (London: Croom Helm, 1978), 80.

⁵² Kitchen, *The Political Economy of Germany*, 80.

⁵³ Kitchen, *The Political Economy of Germany*, 80.

It was a result of the widespread feeling that the day of reckoning had come, that the old order had failed and had lost its legitimacy. Life had become too complex and too hectic, menacing changes loomed on the horizon, the old certainties were lost. The world of the railways, the factory, the steam engine and applied science could not be mastered by the autocratic state, however enlightened its servants, and in [this new world's] underworld were menacing forces that threatened to break loose and disrupt the ordered certainties of the familiar social world.⁵⁴

Germany was divided. Clearly the current conditions were not stable, but; were technology and industrialization the cause or the answer?

The turmoil climaxed in Prussia in March of 1848 with a demonstration turned impromptu skirmish in Berlin. The government, lead by ministers Camphausen and Hansemann, managed to keep the peace by making structured concessions, be they on its terms.⁵⁵ One obvious solution was to extend the benefits of industrialization to the peasant class. In 1848 all remaining feudal rights were abolished in various German states including Prussia. The primary result of this was the freedom of movement for all citizens.⁵⁶ This change gave had large advantages. The first was the economic benefit presented by a flexible employment pool. However, more importantly, it allowed the various German peoples to interact at every level of society. Suddenly, the opinions of leaders did not necessarily define the peoples' opinion of neighboring states.

The more creative concession was the creation of Germany's first joint-stock bank, the *Schaffhausensche Bankverein*. The brainchild of Hansemann, the bank's self stated goal was:

[T]o induce the capitalists of country, by recommendations based on exhaustive investigation, to turn idle capital toward such enterprises, which, when

⁵⁴ Kitchen, *The Political Economy of Germany*, 80-81.

⁵⁵ Kitchen, *The Political Economy of Germany*, 82.

⁵⁶ Kitchen, *The Political Economy of Germany*, 83.

properly launched, in response to existing requirement, and offering the guarantee of expert management, bid fair to yield reasonable profits.⁵⁷

In Kitchen's opinion this was a good move, for:

It was the slackening of investment and contraction of the market in 1847 that was the main cause of the reduction of output in almost all sectors of industry in early 1848, and not the sudden panic-stricken reaction to the barricades in March.⁵⁸

This fiscal change combined with the Californian and Australian Gold Rushes to create a post revolution economic boom. This, in turn, caused the revolutionary political rights fights to be abandoned in favor of social and economic stability. Thus, Germany remained socially conservative, though its economic policy greatly liberalized.⁵⁹

Section 4: Economic Policy 1847-1857

By 1847 Germany found itself in both List's and Stolper's second stage of economic development. Stolper, who wrote his work nearly 100 years after List, does not accredit List with inspiring his three stage economic analysis. However, he does accredit List for inspiring the creation of one of the most important economic institutions: the Zollverein and the policies that would follow its creation:

After the establishment of the Zollverein, protectionist tendencies began to play a role in German trade policy under the influence of the devastating competition from the English textile industry and under the spiritual influence of the great German economist Friederich von List, the principal champion of the Zollverein idea. Consequently, a number of duties were imposed in the 1840s.⁶⁰

Interestingly, there seems to be confusion about how effective Lists plan actually was in the 1840s. W.O. Henderson paints a similar, but also markedly different

⁵⁷ Kitchen, *The Political Economy of Germany*, 84.

⁵⁸ Kitchen, *The Political Economy of Germany*, 84-85.

⁵⁹ Kitchen, *The Political Economy of Germany*, 86.

⁶⁰ Stolper, *The German Economy*, 61.

picture. "By 1848 a few concessions had been made to the protectionists, but most Zollverein import duties continued to be levied at much lower rates than those of other countries on the Continent."⁶¹

The disagreement of these two contemporary intellectuals fittingly shows the debates held between German intellectuals in the 1840s. The intellectual leader of the free-trade movement in Germany was aptly named John Prince Smith. Published two years after List's book, Smith's pamphlet *Ueber Handelsfeindseligkeit* argues that the Maassen Tariff, adopted by the Zollverein from Prussian law, had grown to a much larger proportion of profit then intended by 1844. He examples pig-iron, whose tariff had increased by £1/ton in 1844 due to that fact that the Maassen tariff was based on the value, not the weight, of a good.⁶² Dr. John Bowring agreed, citing that import duties on manufactured goods had increased from 10% to as much as "60%-100%" in some cases.⁶³ In addition, the Director General of Taxes, Ludwig Kuehne reported in *Der deutsche Zollverein waehrend der Jahre 1834 bis 1845* that in its first 11 years the Zollverein had increased its tax revenue by 90% even though its population had only increased by 21%.⁶⁴ Based on these statistics it seems, as suggested by Stolper, that protectionist influence was growing and duties were being allowed to increase as required. However, Henderson makes the classic protectionist argument: despite the proportional increases, the Zollverein's tariffs were still the most liberal in Europe. In fact, England, the supposed flagship of free trade, had some of the highest tariffs, especially for corn. England also followed a

⁶¹ Henderson, *The rise of German industrial*, 41.

⁶² Henderson, *The rise of German industrial*, 33, 42.

⁶³ Henderson, *The rise of German industrial*, 42.

⁶⁴ Henderson, *The rise of German industrial*, 43.

strict navigation code, which stipulated who could trade, where they could trade, how much they could trade, and what the price level should be.⁶⁵ The protectionist free trade conversation remained unresolved because the 1848 revolutions brought an end to the debates.⁶⁶

Arguments like the one above are the great frustration of Germany from 1834-1871. As exemplified above, Germany was split between two vague groups. On one side were those with conservative, tradition based sentiments, on the other, liberals, with current events based sentiments. Otto von Bismarck's philosophy of *Realpolitik* will eventually break the stalemate and prove the protectionists right. However, even Bismarck was still completely infatuated with the conservative line of thought in the late 1840s. A rowdy young man, Bismarck became deeply religious and conservative after his marriage to Johanna von Puttkamer in 1847. As part of the ultraconservative party in the 1847 Prussian Diet, Bismarck voted to support the King's ultimate divine rule. In fact, Bismarck opposed German unification, fearing it would damage Prussia's autonomy. In 1848 Bismarck even went so far as to attempt to rally peasants into a militia to march on Berlin and save the king. This mission was the beginning of a new Bismarck. Thankful for this loyalty the King appointed Bismarck as Prussian Representative to the German Confederation.⁶⁷

The Confederation had little power by 1851, but it did teach Bismarck the art of politics. He began to hatch a new plan to undermine the power of Austria and to

⁶⁵ Henderson, *The rise of German industrial*, 41.

⁶⁶ Henderson, *The rise of German industrial*, 43.

⁶⁷ Evans, Richard J.. "The Wars of German Unification, 1864-1871." Lecture, from Gresham University, London, sponsored by, The City of London Corporation and the Mercers' Company.

unify the German states. It started with simple mimicry. Insisting on every privilege extended to Austria, Bismarck began lighting cigars and removing his jacket when he saw the Austrian representative do so. Bismarck also developed a new theory for unification: unity through Prussian leadership, not through the fully democratic means in the 1848 Revolutions style. His opinion shift came with the realization that "People cannot create or divert the stream of time. They can only travel upon it and steer with more or less skill and experience; they can suffer shipwreck and go aground and also arrive in safe harbors."⁶⁸ Bismarck eventually came to believe that the unification of Germany was necessary and inevitable, however, he did not want this to harm Prussia's reputation. His response, in true *Realpolitik* fashion, was to take the reality of the circumstance and see how his own interests, the preservation of Prussian power, could be met as well. The obvious response was for Prussia to lead the unification process with her own institutions and laws in order to do make the unification go her way.⁶⁹ Bismarck would eventually correctly realized that the waiting game Prussia had been playing since 1815 could be capitalized on by the 1860s.

Section 5: Industrial Banking Growth 1848-1857

In 1847 Germany's first Bills-of-Exchange Law was passed, fully enabling German states within the Zollverein to easily engage in fair trade. This law was passed just in time, because by 1848 the riches of the Californian Gold Rush began to reach the German economy. New modern credit banks utilized the gold

⁶⁸ Pflanze, *Bismarck*, I, 3.

⁶⁹ Evans, "The Wars of German Unification."

investments and Germany entered her first promoters' boom.⁷⁰ However, the creation of these banks was not easy. The additional capital was not enough; Prussia also had to figure out a way to utilize the investments coming in. The director of the Prussian Bank, Christian von Rother, insisted on controlling industry through the state, both at the manufacturing and investment levels. Prussia in particular had extremely strict banking laws that discouraged investment. However, the problem was not only at the governmental level. Banks across Germany discouraged small savings deposits, even worse; the public felt the loose floorboards and jars buried in the garden were more secure than bank vaults.⁷¹ By 1848 Rother's plan was in shambles and he knew that the liberals he had fought for so long were right. Intelligently, Rother resigned. Liberal David Hanseemann took his place as director of the Prussian Bank, in addition to his post of Minister of Finance, and attempted to reform the bank to encourage private growth. His goal was to develop joint-stock banks that would focus on private sector investment and would provide funding to small entrepreneurial attempts. Unfortunately, his new ideas quickly caused him to be removed from his minister post for political reasons by September 1848.⁷²

As director of the Prussian Bank, Hanseemann was certainly aware of the huge change caused by the Californian and Australian Gold Rushes. Suddenly, between January and August of 1851 private deposits in the Prussian Bank increased from 4.75 Million thalers to 9.33 Million thalers. The increase in accounts was so sudden, and caused such logistical confusion, that the bank asked depositors who seldom

⁷⁰ Stolper, *The German Economy*, 25.

⁷¹ Kitchen, *The Political Economy of Germany*, 87.

⁷² Kitchen, *The Political Economy of Germany*, 90.

used their accounts to remove their money.⁷³ Frustration caused Hansemann to leave his Prussian Bank directorship position in favor of a chance at creating a new private bank the same year. The *Direktion der Diskontogesellschaft* bank skillfully bypassed all Prussian regulations, stifling any cries to have it dismantled. Starting with a restricted member pool of 256 customers, by 1856 it had rebranded as the *Diskontogesellschaft* to become one of the most powerful banks in Germany. There were several banks throughout Germany making similar progress. The resulting banking system had two interesting effects. The First was the mitigation of agricultural variability on Germany's economy. Germany's biggest industry until the mid-1800s was agriculture, which had great sensitivity to yearly crop variability, as proved in 1848. With the development of industry and consistent banking, Germany's economy stabilized and became investor friendly. Second, with this stability German investments began staying in country instead of going overseas. Thus, investment increased from both domestic and foreign sources.⁷⁴

Section 6: The Great Industries 1848-1857

The section below will not, by any means, make an exhaustive analysis of the industrial growth in the period of roughly 1848-1857. In fact, this entire paper will never make such a comprehensive analysis. Instead, it will focus on the key changes that occurred. By 1850 the steam industry was growing so quickly that timber fuel resources no longer sufficed. Thus, in 1850 the use of coal began to exponentially expand. Before diving into the accomplishments of the steel and coal industries, it should be mentioned that neither was the largest in Germany. Agriculture remained

⁷³ Kitchen, *The Political Economy of Germany*, 87.

⁷⁴ Kitchen, *The Political Economy of Germany*, 91.

the largest economic industry; textiles came second, then coal and steel.⁷⁵ However, despite their size, coal and steel were the most important industries. Coal and steel were the industries that encouraged, and arguable defined, modernity. Steel was the medium of the modernization in Germany and coal was the power. It was steel, coal, and later pharmaceuticals and chemicals, which came to define the modern German state. Less idealistically, steel and coal allowed Germany to compete economically with France, England, and the United States. It was from the coal and steel industries that the sciences began to flourish. It seems that the very dirt below the Germans' feet added to their "Volksgeist."

Other than the lack of lumber, two other factors encouraged the growth of the coal and steel industries. One was the continuous expansion of railways in Germany that connected collieries with populated areas. The second was the Joint Ownership Law of 1851 with which the Prussian government relinquished control of mining operations, except for safety regulations, juvenile employment, and mining engineer qualifications. In addition, the tax on gross coal output was halved from 10% to 5%. Predictably, the industry boomed, but, interestingly, not in the same geographic area. In 1850 Prussia's region of Upper Silesia, in modern day southern Poland, produced twice as much coal as the Ruhr region. However, by 1870 the two regions had switched places.⁷⁶ This is important for the Ruhr region is still located in modern day Germany in the area of Essen and Aachen. The Ruhr eventually became one of the biggest industrial areas in Europe. Large amounts of immigration occurred to the area from Poland and other Eastern European

⁷⁵ Henderson, *The rise of German industrial*, 143.

⁷⁶ Henderson, *The rise of German industrial*, 133.

countries. It is an interesting speculative mystery of history to think what would have happened had Upper Silesia remained the dominant industrial area and German speakers had migrated to the Polish areas instead of the other way around.

The reason for the development of the Ruhr rather than the continued dedication to Upper Silesia, was geographic proximity to iron reserves. As mentioned above, the Ruhr is located well within Germany proper, near several heavily populated areas. Though it had few iron reserves, which were also inconveniently mixed with coal, the Ruhr had huge amounts of coal and was surrounded by several iron rich regions, the important ones will are listed below. The largest iron reserve in Western Europe was found in French Lorraine, just to the south over the French-German border. Slightly north of Lorraine were the iron fields within Luxemburg, Slightly east of Luxemburg one found the Saarland and even further east the high grade iron fields of the Siegerland, which were perfect for steel production.⁷⁷ All of the above mentioned areas are within roughly a two-hour drive of the coalfields and iron works of the Zollverein in the Ruhr. The result was that between 1852-1861 75 new iron companies were established and from 1851-1857, 27 new coke furnaces were built in the Ruhr alone.⁷⁸

The simple ability to utilize these reserves shows the incredible progress Germany had made. Through the Zollverein, the Germans had managed to organize the Kingdom of Prussia, the states of Thuringia, The Kingdom France, the Duchy of Luxemburg, the Kingdom of Hanover, and the numerous small states that lay geographically in between. Even with the evolution of the Prussian banking system

⁷⁷ Henderson, *The rise of German industrial*, 140.

⁷⁸ Henderson, *The rise of German industrial*, 140.

and the development of private mining companies, none of the listed reserves would have been utilized. For the tariffs and tolls would have made mining ventures unprofitable, the difference in measures would have made it impractical, the lack of consistent roads and rails would have made it impossible, and the differences in language would have added insult to injury.

Section 7: The 1857 Collapse

Severe in The United States and Britain, the 1857 collapse served as a gentler warning shot to the German States. The economic failure began with a bumper harvest in the mid-U.S. then spread to the Eastern U.S. when farmers were unable to pay their banks and investors due to plummeted crop prices. Once the main banking networks of the East Coast were hit, companies in various industries began to topple like dominos. Soon, trade and investment with England became affected spreading the crisis to Europe. Through trade links with Britain, Germany received the economic collapse third hand.⁷⁹ However, Germany's comparative success it not only thanks to the English economic buffer zone. The German banking system was far more conservative and less speculative than the institutions of the U.S. and Britain. Most of the ventures in the Germany states were carried out in responsible fashions. In fact, while criticizing certain business practices in Germany, the Magdeburg Chamber of Commerce held the United State as the prime example of irresponsible business:

When we see that a bank with an acknowledged deficit equal to a quarter of its original capital, is nevertheless allowed to pay a dividend to its shareholders, and when dubious and half-lost sums are included in bank

⁷⁹ Henderson, *The rise of German industrial*, 119.

balances and bank statements as if they were assets, we doubt whether we are so very far off from the road that will lead us to a state of affairs similar to that of the United States.⁸⁰

In Germany the collapse affected mostly port cities and some major regional capitals. By far the worst case was Hamburg, due to its extensive trade with England. The British Consul General described Hamburg in November 1857:

[C]ommercial confidence is entirely at an end among the merchants and moneyed capitalists in Hamburg; and that only the bills of *three* or *four* of the first houses are negotiable at the highest rates of interest.⁸¹

Berlin, Cologne, Magdeburg, Leipzig, and Stuttgart all suffered major company collapses caused by financial damage done in the port cities such as Stettin and Danzig. The port city of Bremen suffered the least of all the major port cities with “only 14 company failures.”⁸² For a broader picture one can look at the Zollverein as a whole. In 1857 the Zollverein traded 944 Million thalers worth of goods, two years later by 1859 it produced only 886 thalers.⁸³ However, by the 1860s industrial growth in the German States was once again positive. The experience of 1857 seems to have thinned that fat of German industry, encouraged prudent business, and discourage future rampant speculation and exaggeration. In addition, the 1857 collapse taught both states and banks how to cover for each others’ failures. The prime example is the city of Hamburg, which was saved by a combination of £750,000 worth of Austrian lent silver, a 40% financial backing from the Hamburg Union Bank and Bank of North German, of the five largest Hamburg firms, and last, the remaining 60% was backed by the Hamburg Senate itself. Each German State

⁸⁰ Henderson, *The rise of German industrial*, 119.

⁸¹ Henderson, *The rise of German industrial*, 120.

⁸² Henderson, *The rise of German industrial*, 120.

⁸³ Henderson, *The rise of German industrial*, 121.

used slightly different means to recovery. Prussia, for example, suspended its interest laws for three months and authorized the extension of credit to merchants and firms from the Bank of Prussia.⁸⁴ This gave the German States a long-term advantage, because every state acted as its own petri dish, each producing a slightly different financial situation, each allowing for experimentation of financial recovery, while being at least partially compartmentalized from each other.

This financial experiment began proving the Prussian system better than the Austrian. In Prussia the crisis manifested itself mainly in the agricultural and capital market sectors, while reactive organization and lucky timing saved her modern industries. As the crisis broke Prussia's mining companies resorted by forming associations to protect their interests. These organizations remained stable because many of the associations' members had managed to complete their first round of capital investments before the crisis broke. The shafts were dug, the machinery in place, and finances in order. Thus, these large new companies did not collapse due to inability produce, but instead had to run at a slight loss for a few years. In Prussian industry the main burden of the recession was spread out among the many investors of the various companies, not any single company. The result was an industry that stagnated, but did not suffer catastrophic loss of capital. Quite the success when stock prices fall 50% and wholesale prices drop 30%. Thus, when the crisis passed, Prussia was chomping at the bit to fully utilize free-trade tactics.⁸⁵

Conversely, Austria suffered extreme losses directly to its investment and industrial sectors. The first large, and probably the biggest, institution to tumble

⁸⁴ Henderson, *The rise of German industrial*, 120-121.

⁸⁵ Kitchen, *The Political Economy of Germany*, 106.

was the firm Boskowitz. A period newspaper described the severity situation to its readership in Australia.

The sum for which M. Boskowitz has failed exceeds £250,000, and his fall must necessarily lead to that of a great number of manufacturers of silk, cotton, and woollen goods...[i]nformation has just been given me that the insolvency of Boskowitz has already led to the failure of one or two other firms of some importance.⁸⁶

To help put the £250,000 sum into perspective, the total value of M. Boskowitz's non-trade goods property was £70,000 and the bail out from Austria for the entire city of Hamburg, arguable the biggest trade city in Germany at the time, was £750,000. As in the United States, the initial failure was caused by bumper crop farmers who were unable to pay their over stretched investors, in Austria's case Boskowitz.⁸⁷ Predictably, the response of Austrian popular sentiment was the opposite of Prussia's calls for free trade, Austrians began calling for greater domestic protection of industry.⁸⁸ Economically, protectionism may have been the wise move, however, it certainly weakened Austria's standing amongst the German states. This was an opportunity Prussia would not miss; soon Bismarck took the helm and steered Prussia "into safe harbors."

This collapse was not the first, nor anywhere near the last, financial crises Germany experienced. However, it proved the first major economic crisis to hit the industrialized German States, forcing it to react in the context of modern banking and business systems. The difference between 1857 and even 1848 is very clear. The crop failure of 1848 reignited the age-old flame of conflict between lord and

⁸⁶ "FOREIGN INTELLIGENCE." The Moreton Bay Courier (Brisbane, Qld. : 1846 - 1861) 6 Jan 1858: 4. Web. 7 Feb 2015 <<http://nla.gov.au/nla.news-article3720594>>.

⁸⁷ "FOREIGN INTELLIGENCE," The Moreton Bay Courier.

⁸⁸ Kitchen, *The Political Economy of Germany*, 106.

vassal. The reaction in 1848 was to build barricades and demand freedoms. By 1857 the reaction was to draw together to heal the financial bleeding. Instead of disrupting legislative actions and demanding change, connections were drawn between private institutions and between various sovereign states. In 1857 it also became stunningly clear that the economic actions of one city, such as Hamburg, held repercussion for all of Germany; that the financial systems of each state had become completely entangled in those of its neighbors.

Section 8: The Prussian War Theory of 1857-1871

The Prussia military tactics used during the Schleswig-Holstein Conflict, the Austro-Prussian War, and the Franco-Prussian War are perfect examples of Prussian General Carl von Clausewitz's theory on war. His theory was used to great positive effect, as Pflanze describes, "[The wars] reconstructed, but did not destroy the European balance."⁸⁹ Strangely, though Clausewitz's theory and Bismarck's practice almost perfectly match, they were unrelated. In Bismarck's own words, "[t]o my shame I have to confess that I have never read Clausewitz and have known little more about him than that he was a meritorious general."⁹⁰ This should be held as a positive sign. Clausewitz and Bismarck were both inspired by their Prussian heritage to engage in war in a constructive, organized, and progressive manner. Assuming that Bismarck is not lying, this is an excellent show of how the "*Volksgeist*" of Germany developed. Thus, in a way the fact the Bismarck was able to meddle in military affairs, despite the generals' growing disapproval, makes sense. Sadly, while Clausewitz understood what was found to be the truth, he was unable

⁸⁹ Pflanze, *Bismarck*, I, 470.

⁹⁰ Pflanze, *Bismarck*, I, 470.

to convince his contemporary, military compatriots. Perhaps this explains why Bismarck never read Clausewitz, his words were unconvincing and so, unimportant at the time. Luckily, Kaiser Wilhelm, with one foot in military and the other in political life, heard the sense in Bismarck's similar arguments and acted as a bridge to facilitate his policy into military strategy. Thus, at the end of each war one sees a fight between the military and Bismarck; on the one hand, the military urging the traditional method of complete invasion and domination, on the other, Bismarck arguing limited war in return.

Acknowledging that Bismarck used Clausewitz's theory without purposeful intent, this paper will refer henceforth to the method employed by both men as the Clausewitz method. This is simply because Clausewitz left behind a work, *Vom Kriege*, which, though uncompleted, clearly structures and elaborates the details of this style of warfare. In his work Clausewitz outlines two interesting theories, first:

War is a mere continuation of policy by other means...for the political view is the object, war is the means, and the means must always include the object in our conception.⁹¹

Second, is his concept that "war is not a true chameleon," he describes war this way because though each particular case is different, there is a trinity of powers involved in every armed conflict:

[A] wonderful trinity, composed of the original violence of its elements, hatred and animosity, which may be looked upon as [1.] blind instinct; of the [2.] play of probabilities and chance, which make it a free activity of the soul; and [3.] of the subordinate nature of a political instrument, by which it belongs purely to the reason.⁹²

⁹¹Carl Von Clausewitz and J. J. Graham. *On War*, (London: N. Trübner, 1873), Book 1, Chapter 1, section 1, § 24.

⁹² Clausewitz, *On War*, Book 1, Chapter 1, section 1, § 28.

Clausewitz's ideas present an interesting concept: that war should always be in a position subordinate to politics.

Again and again we see Bismarck follow this principle. Before each of the three wars, Bismarck prepares everything with intense thoroughness. First, he prepared the army and its supplies years in advance. This meant that the Prussian's were always well organized, fast, and well armed. So when "chance" caused things to go wrong, the Prussian's could easily recover. Second, Bismarck surveyed the political landscape. Who could be his allies, who would remain neutral, and who did he want to fight. Often, this held serious geographic advantages, a worth Hitler clearly missed. Third, Bismarck stunted the "blind instinct" of the Prussian military off of the battlefield (Mars-la-tour proved the usefulness of blind instinct on the battlefield). To the incredible frustration of the Prussian Generals, Bismarck always controlled the end of each war by leveraging King Wilhelm. Bismarck controlled when and where the borders would be drawn and what the conditions of surrender would be. In this way Bismarck completed the third and final step in the Clausewitz method. He, himself, physically embodied the superiority of politics over the military.

Section 9: The 1859-1871 Wars of German Unification

During the 1859 New Years Day celebrations Napoleon III informed the ambassador of Austria, "I regret that our relations are not as good as I wished, but please report to Vienna that my personal feelings toward the Kaiser are

unchanged.”⁹³ Upon hearing the news Bismarck wrote Gustav von Alvensleben, the Prussian regent’s adjutant,

Ours will be the winning card in the present situation, if we let Austria become deeply involved in the war with France and then burst out with our entire army to the southward, taking our boundary stakes in our knapsacks and planting them again on the Bodensee or where the protestant faith ceases to predominate.⁹⁴

Similarly, Bismarck wrote Prussian foreign minister Schleinitz,

Prussia would soon be able to construct better and more natural relations with her German neighbors, [without the German Confederation....] I would like to see the word ‘German’ instead of ‘Prussian’ inscribed on our banners only when we are more closely and more suitable united with our countrymen than previously; it loses some of its charm when used as it is now in connection with the confederate diet.⁹⁵

Bismarck was clearly gearing up for war. Even in the face of fighting the great military force of France, Bismarck was openly confident. “During the entire period of my visit in Germany, I never advised anything else but reliance upon our own strength and, in event of war, upon that evoked by us from the German nation.”⁹⁶ This confidence was a huge step for Germany, which had historically always been subordinate the France and England.

Bismarck was not alone in thinking great change was on the horizon,

“Woe to the unfortunate devotee of principle who thinks of the past, who is so naïve and so unrealistic to assert that right is still right and wrong still wrong, that success can create power, but never right!”⁹⁷

This quote from Wilhelm Liebknecht in 1866 shows the changing sentiments of the new age. This quote is a response to those conservatives who, despite the ever-

⁹³ Pflanze, *Bismarck*, I, 136.

⁹⁴ Pflanze, *Bismarck*, I, 136.

⁹⁵ Pflanze, *Bismarck*, I, 137.

⁹⁶ Pflanze, *Bismarck*, I, 145.

⁹⁷ Pflanze, *Bismarck*, I, 236.

growing successes of social democracy, denied that it was the right way to govern. A personal friend of both Marx and Engels, and a veteran of French Revolutionary street fighting, Liebknecht started several liberal Marxist based parties including the Sozialdemokratischen Partei Deutschlands (SPD), the key party in the SPD/CDU coalition, which elected current German Chancellor Angela Merkel.⁹⁸ Liebknecht and Bismarck were men of very different opinions and political views, but as intensely political men they both knew they stood at the doorstep of an era of great change and that this great change had to be created by men like themselves. What Liebknecht said about social democracy, can also be said about Bismarck's military conquests. He did not just take power, but also thought he was in the right to do so. He did not care if the other Royal European families thought it was "right," or "proper," of him. Both men knew that the old rules of European politics would not apply for much longer and they were both excited to see them go.

Fittingly, the best example of this change is the first war that Bismarck instigated, the Schleswig-Holstein War of 1864. It is a good example because there was another unsuccessful Schleswig-Holstein War in 1848, a year in which traditional power proved dominant. In fact, the 1848 conflict is the event that proved the weakness of the liberal Frankfurt Parliament, effectively denying revolutionary Paulskirche any power. Bismarck's bold success in 1864 showed that though the old system did not work, his new *Realpolitik* did.

Schleswig and Holstein were two different duchies between Germany and Denmark, settled by both Danish and German speakers. Traditionally, the duchies of

⁹⁸ "Wilhelm Liebknecht 1826-1900." LeMO Biografie - wilhelm-liebknecht..
<<https://www.dhm.de/lemo/biografie/wilhelm-liebknecht>>.

Schleswig and Holstein were inseparable, however, while Holstein belonged to the German Confederation, Schleswig did not. Though possessions of the Danish crown, Denmark was met with revolts in the duchies when it attempted the official incorporation of Schleswig into Denmark. Threatened with the split of Schleswig-Holstein between Germany and Denmark, the German speakers rebelled. Enthused by liberal German nationalism, the Frankfurter Parliament convinced Prussia to militarily support the rebellion. Facing wider European disapproval and fully aware of the quagmire of politics surrounding Schleswig-Holstein, Prussia did engage, but quickly withdrew. Facing similar political pressure, the King of Denmark was strong-armed, with the Treaty of 1851, into promising not to incorporate Schleswig and to consult the dukedoms about any future constitutional ideas concerning either duchy.⁹⁹ The result: Prussia looked politically weak, Paulskirche was effectively removed from the political scene, and the Danes are insulted. Though Austria eventually got its way, the entire conflict only added to the confusion of the infamously complicated Schleswig-Holstein conflict, a fact that came back to haunt the Austrians in 1864. In short, 1848 showed the ineffectiveness of any single party involved in Schleswig-Holstein and showed the inability of all parties to constructively work together.

Bismarck seized a chance to definitively end the conflict in 1863 when the King of Denmark died, leaving no heir. Danish law permitted succession through the female line however; German Salic law did not allow this in the German Holstein duchy. Additionally, Denmark created a new constitution, which further threatened

⁹⁹ Pflanze, *Bismarck*, I, 237.

the German position in the duchies. Bismarck leveraged this conflict until Austria was convinced to annex Schleswig into the German Confederation with military force. On February 1, 1864 38,000 Prussian and 23,000 Austrian soldiers crossed into Schleswig-Holstein, later joined by 20,000 Prussian reinforcements.¹⁰⁰ After an unsuccessful Prussian flanking maneuver with only 36,000 troops the Danes forces felt threatened enough to retreat from the border to the famous “Danevirke” fortifications further in country. Surrounded on three sides by water, the fortification became vulnerable to flanking in the freeze of the February winter. Fearing encirclement, the Danes made a running retreat from Danevirke on February 5, eventually ending up at the fortification of Dybbøl. After taking heavy losses under intense artillery fire the Danes were defeated on the 18th of April and were complete removed from Schleswig by the end of June.¹⁰¹ The Prussian tide was now unstoppable and delved into Denmark against original plan and to the discomfort of Austria. By the 30th of October Denmark the definitive loss and officially gave up the territories in exchange for peace. Prussia received Schleswig, while Austria received Holstein with the Gastein Convention of 14 August 1865, to which Denmark lost about a quarter of its population.¹⁰² In this first of three conflicts, Bismarck holds the least power at the end of the war. He is unable to stop the Prussian military from invading Denmark proper. Perhaps he did not mind the invasion or he simply did not have the power to have any say. Both are probably true, but more important is that Bismarck learned from the Galstein Treaty. What is

¹⁰⁰ Evans, “The Wars of German Unification.”

¹⁰¹ Evans, “The Wars of German Unification.”

¹⁰² Evans, “The Wars of German Unification.”

clear is that Bismarck learned the value of post-war negotiations. He realized that by building treaties with planned obsolescence he gave himself incredible leverage. He realized that more political doors could be coaxed open during negotiation than could be forced open with further violence. By purposefully designing the Galstein Treaty to fail he opened the opportunity to control both duchies, without widespread international shock or outcry. He learned that failed negotiations were for more acceptable than sudden declarations of war. This could be why he was so adamant about controlling the end of the following two wars, he was looking for further politico-military opportunity as well as future border stability.

Despite approval of the Schleswig War, Prussian liberals quickly became discomfited as Bismarck began antagonizing Austria about the governance of Holstein and Schleswig. Bismarck had certainly had many motives in mind. The most innocent, and defensible, argument from Bismarck was that the governance of a far north territory, Holstein, by a far south power, Austria, created another detailed complication in the already geographically convoluted politics of the German states. As Prussia was all too aware, governing enclaves is an inefficient business. Certainly, Bismarck also saw both an opportunity to receive territory and to weaken the Austrians.¹⁰³ Thus, for Bismarck the rewards were huge if he could take control of Holstein. He had already gained political calmness on his northern border, however, he looked to gain additional territory and ports, additional population, additional regional power through governance of Holstein and Schleswig, additional German power by directly challenging Germany's former

¹⁰³ Evans, "The Wars of German Unification."

leader, the Hapsburgs, and additional global power by challenging the world power of Austria-Hungary.

Goals in sight, Bismarck began getting on the political ducks in a row. Interestingly, his greatest political obstacle came from the peak of Prussian administration, King Wilhelm I. Respectful of fellow royalty and fearful of Austria's former glory, Wilhelm had to be convinced of the truth, that Austria had become militarily and economically outmatched by Prussia. Bismarck also enlisted the help of the recently unified Italians, who were still fighting to expel the Hapsburgs from northern Italy, to help split the Austria's military forces. Bismarck also secured neutrality from the French who were happy to slight the Hapsburg. Lastly, Bismarck contacted the Russians, who, disapproving of Austria's position during the Crimean war and owing a favor to Prussia for helping quell a Polish revolt, agreed to back the Prussians. Britain, as always, had little interest in continental affairs.¹⁰⁴ Thus, before the war had even begun, Bismarck secured safety on his western, northern, and eastern borders and had guaranteed a war on two opposite fronts for Austria. Bismarck was securing military gains through political means, an impressive feat of Clausewitz's theory that war must remain subordinate to politics.

In addition to allied and geographic advantage, the Prussia had three technological advantages. The first was organization; the Prussian Conscription Reform of 1862 both increased the size and organized the conscription process. The second was railways; the design of Prussia's newly extensive rail system had been influenced by the military and made transporting troops to key strategic positions

¹⁰⁴ Evans, "The Wars of German Unification."

easy and augmented the speed of conscription. The third was the needle rifle; highly effective in the Schleswig War, the needle gun was breach loading, which allowed soldiers to reload more quickly and without standing up from behind cover.

Interestingly, the Austrians had the artillery advantage; both in numbers and technology, as Austria's artillery was breach loading while Prussia's was not.¹⁰⁵

Politics and technology primed, Bismarck simply needed an acceptable political reason to spark the powder keg. His opportunity came when Austrian attempted to have the German confederation mediate the conflict, which Bismarck was encouraging, about the governance of Schleswig and Holstein. Bismarck found this to be a violation of the Gastein Convention, an agreement between only Prussia and Austria, in which the third party of the German Confederation had no place.

According to Bismarck this violation effectively voided the Gastein Convention and Prussia promptly invaded Holstein. In response, Austria, supported by the middle German States, convinced the German Confederation to raise arms against the Prussian, at which point Bismarck declared the German Confederation abolished.¹⁰⁶

Again, Bismarck extended war as a means of politics. Incredibly, Bismarck had secured the ends, the destruction of non-unifiers found in Austria, the small middle German States, and in the German confederation; and had secured the means, a controlled war in which Prussia had superior allied and military power. Bismarck's politico-military strategy in the run up to the Austro-Prussian War can only be matched by men such as Julius Caesar and the evil, but undeniably brilliant, Adolf Hitler. However, while Caesar was assassinated by his compatriots and, thankfully,

¹⁰⁵ Evans, "The Wars of German Unification."

¹⁰⁶ Evans, "The Wars of German Unification."

Hitler's brilliance transformed into self destructive insanity; Bismarck died with his dreams intact, only having to endure bitterness towards Kaiser Wilhelm the II, who ultimately died an exile. In hindsight, it seems Bismarck will always have the last laugh.

Fittingly, conservative Austria, still bitter of its loss of the territory in 1740, assembled its troops to retake the Prussian province of Silesia. Prussian forces under Helmuth von Moltke traveled to Silesia, fighting small skirmishes against the Austrians and Saxons along the way. Finally the two forces met near Koniggratz and Sadova on July 3, 1866. The setting was evenly balanced, even though the sides were not evenly matched in any single criteria. When the battle began Prussia had roughly half as many troops as Austria (250,000 v. 124,000).¹⁰⁷ The Austrians would have had greater numbers, but, as Bismarck had hoped, the Italians had tied up 75,000 Austrian troops in the Battle of Castoza in Northern Italy. A battle, which the Italians lost, but interestingly, was also the one that won them the war. In addition, the Prussian's had 100,000 soldiers making swift time towards the battle on trains, who arrived part way through to turn the tide. As mentioned above, the two forces were roughly equal in armament, again by different criteria. The Prussians had side arm superiority with the needle gun, but the Austrians clearly had the advantage in numbers and effectiveness of artillery.¹⁰⁸

Early in the Battle Prussian managed to take the town of Sedova, but then become pinned by intense Austrian artillery fire. The Austrians then faced the decision of how to take control of Sedova. They could have used their extensive

¹⁰⁷ Evans, "The Wars of German Unification."

¹⁰⁸ Evans, "The Wars of German Unification."

cavalry, but feared losses due to the wooded battlefield, which disadvantaged horses. Instead, the Austrians opted for a solely infantry advance. The Austrians quickly fell victim to the superior needle gun and the tide definitively turned when the missing Prussian army arrived later in the day. As the fresh Prussian force pushed in from the right flank the Austrians retreated. Killed, captured, injured, and missing totaled 40,000 Austrians, compared to only 9,000 Prussians. Austria was definitively defeated.¹⁰⁹ In traditional European fashion, King Wilhelm and the Prussian generals wanted to push to Vienna and completely topple the Austrians, but Bismarck disagreed. Bismarck's Clausewitzesque argument was threefold: first, capturing Vienna would anger the Austrians and created long term resistance; second, Prussia did not have the strength to invade Austria's south German allies, whom Bismarck, amongst many, hoped to incorporate into a unified Germany; last, the objectives of the war had been achieved: Austria was removed from Germany, Prussia linked to its enclave with the capture of Hanover, and Prussia captured the financial and political hub of Frankfurt. Convinced, Wilhelm solidified peace three weeks later with the Prague Armistice.¹¹⁰

German nationalism was on the rise, especially in Prussia. Having removed Austria, Bismarck knew that domestic power amongst the German speaking states had greatly shifted. Thus, Bismarck shifted his focus to domestic issues. Fittingly, the evolution of power at Koeniggratz was matched, on the same day, in the Prussian parliament. An election took place, in which the progressive lost control of parliament. Bismarck could have taken the opportunity to pass authoritarian

¹⁰⁹ Evans, "The Wars of German Unification."

¹¹⁰ Evans, "The Wars of German Unification."

restrictions on the constitution and take control of taxing power, but did not.

Bismarck knew that a free middle class was key to modern society and that creating internal strife amongst so many foreign wars would cause disaster.¹¹¹ Instead, Bismarck expanded Prussia's political powers amongst the German States by creating the North German Confederation which is discussed in section 6.

After the war, Austria, realizing it was overstretched, surrendered territory to the Italians and though the Empire stayed together, domestic politics began to fragment. Interestingly, as the age old Hapsburg dynasty began to fall apart, only France seemed to mind. Not because Napoleon III valued the Austrians, but instead because France feared the rising tide of Prussian power. Napoleon was losing political power. A new French parliament had been elected and the constitution of 1870 was taking effect, thus the people, and their ever-increasing sense of nationalism, began to sway Napoleon. Feeling threatened, the new government copied Bismarck and initiated military reforms to enlarge and modernize the army. However, France failed to secure allies in the Bismarckian fashion. The Italians were disenchanted with the French due to their defense of the Pope and the Hungarians were discouraged the Austrians from joining the French.¹¹² As Bismarck saw, and would exploit in the imminent war, France was larger and more powerful but, unorganized and poorly led.

Bismarck had five reasons for wanting to engage in war with France. The seminal reason was that Bismarck and Wilhelm feared Napoleon's voiced want to diminish German power. Germany, they knew, was still in the position to possibly

¹¹¹ Evans, "The Wars of German Unification."

¹¹² Evans, "The Wars of German Unification."

become a subordinate European client state. The next three reasons concerned timing; Bismarck wanted military support from the south German states whose sympathetic pro-unification governments seemed to be losing power, the Hungarians seemed to be losing influence on the Austrians, and the French military reforms had not fully developed yet. The fifth, and final, reason was that Bismarck knew from Schleswig and Konniggratz that Prussia was in peak fighting condition.¹¹³ Again Bismarck was following a Clausewitz style of thought. By considering the political position of the entirety of Europe Bismarck realized that the best political option was the engage in a decisive, restricted war to announce and secure the sovereignty of the German nation.

Cleverly, Bismarck exploited the traditional flaws in the Europe political scene to launch the German Revolution. With the abdication of Queen Isabella of Spain, the throne was offered to German Prince Leopold Hohenzollern. Enraged by this German encroachment in France's sphere of influence, Napoleon accused Bismarck and indirectly related King Wilhelm Hohenzollern of plotting against France. Bismarck and Wilhelm thoroughly denied the claims and the other European states disapproved of Napoleon's demand that Prussia withdraw Leopold's bid and promise to never claim the Spanish throne in the future. Though Wilhelm did eventually officially withdraw, documents were found post WWII proving that Bismarck had instructed Wilhelm to encourage Leopold's father to have Leopold pursue the Spanish throne.¹¹⁴

¹¹³ Evans, "The Wars of German Unification."

¹¹⁴ Evans, "The Wars of German Unification."

Despite Wilhelm's withdrawal, France still wanted a guarantee that no future claims would be made to the Spanish throne. Wilhelm, a stern military man, became so annoyed with the Spanish ambassador, who was acting as the mouthpiece of the French, that he had a noncommissioned officer inform the ambassador that no such agreement would ever be made. This event, which to modern eyes may seem little more than a petty slight, was taken so personally by Napoleon that he declared war.¹¹⁵ Napoleon III, poked and prodded by Bismarck, had started what would become the bloodiest European conflict since the defeat of Napoleon Bonaparte and second only to the American Civil War as bloodiest in the 19th century.¹¹⁶

As both forces mobilized, it quickly became apparent that the Germans had a significant advantage. The German states quickly gathered a force of one million men, half of which were immediately armed and sent to the French front by rail. The French mobilization went slowly and chaotically, producing only 250,000 poorly supplied soldiers.¹¹⁷ Interestingly the French did have one supply advantage that had always gone to the Prussians in the past two wars, superior side arms. The Prussian Needle Gun was prone to spitting flame from its breach after limited use. This made the rifle dangerous to shoot from the shoulder, meaning many soldiers began firing from the hip. The French Chassepot rifle was also breach loading but was fitted with a far better seal between the barrel and the cartridge; making the rifle more easily aimed, safer, and more reliable. Impressed, the Germans captured

¹¹⁵ Evans, "The Wars of German Unification."

¹¹⁶ Evans, "The Wars of German Unification."

¹¹⁷ Evans, "The Wars of German Unification."

and utilized large number of the Chassepot Rifle during the war.¹¹⁸ Instead, the Prussians seemed to have focused on lessons learned during the Austro-Prussian War and armed themselves with the new Krupps artillery gun; breach loading, the Krupps could shoot further and faster than the French arsenal of brass cannon.¹¹⁹ The Germans also held the advantage in administration. As shown during the mobilization, France was unorganized, a fact augmented by Napoleon III's ever worsening illness. Last, the German forces held superior moral. As proven during the war, even far outnumbered Prussian regiments fought with such fervor that they came out victorious.¹²⁰

The Germans quickly advanced to besiege the fortress of Metz. The rest of the conflict occurred in and around Metz. The first was the battle of Mars-la-tour, here a French force of 150,000 hoped to relieve Metz from its siege with a large flanking maneuver; however, the French were spotted by a Prussian force of only 30,000. In George S. Patton fashion, the inferior force leapt onto the offensive. Incredibly, despite heavily losses the Prussian delayed the French, winning the battle despite 5-1 odds. Three days later the largest battle took place, Gravelotte. Here, 112,000 French battled 188,000 mixed Germans. Battling against well-fortified French, the Germans took greater losses, but won the battles objective, to split the French armies.¹²¹ French Marshall Bazaine and his men were not pinned down in the fortress of Metz. French Marshall MacMahon attempted, again, to

¹¹⁸ "The Dreyse Needle Gun - The Zundnadelgewehr." Sportsmans Vintage Press. <
<http://sportsmansvintagepress.com/read-free/mauser-rifles-pistols-table-of-contents/nicolas-dreyse-needle-gun/>>.

¹¹⁹ Evans, "The Wars of German Unification."

¹²⁰ Evans, "The Wars of German Unification."

¹²¹ Gordon Alexander Craig, *Germany, 1866-1945* (New York: Oxford University Press, 1978), 28.

relieve Metz, but was horribly and decisively beaten at Sedan. In Sedan, the Krupp Gun came into its element, shelling the pinned French with devastating effect.¹²² Eventually, 100,000 French surrendered at Sedan, including Napoleon III and, two months later, were joined by 180,000 capitulators from Metz. The final tally comes to 140,000 French dead and an equal number wounded; compared to only, 45,000 German dead and 70,000 wounded.¹²³

The war was effectively decided, but the fighting did not end. Fueled by nationalism the French republicans deposed Napoleon and took control of Paris, raising a force of 500,000 men. The French met great success by attacking the spread out Germans from small pockets of resistance. However, eventually they grew bold, were drawn into the field, and were decidedly crushed by the better trained, equipped, and organized Germans.¹²⁴

Now the political war began for Bismarck, he faced political opposition in Germany and political chaos in Paris. At home Bismarck played political tug of war with Moltke. Moltke was tired of Bismarck intervening in his attempts to supremely dominate countries. Bismarck, aware that such a complete victory would result in future conflict, became excluded from military reports and meetings. At first Bismarck paid little attention to this denial, however as the war drew to a close, Bismarck grew increasingly concerned about peace. Soon, Bismarck convinced Wilhelm to issue two royal decrees. The first stipulated the Moltke have no correspondence with the French without consulting Bismarck. The second, no

¹²² Craig, *Germany*, 28.

¹²³ Evans, "The Wars of German Unification."

¹²⁴ Craig, *Germany*, 28.

military action should be taken with the comment of Bismarck. Soon, Bismarck had soul control of the negotiations. Prussia's winnings: the province of Alsace and Lorraine and German military presence in France until the payment of a five billion franc war indemnity.¹²⁵

Section 10: Political Change during the Wars of Unification

Following the Austro-Prussian war, months of development produced the North German Constitution in July 1867.¹²⁶ Made up of 22 separate states, the Confederation interacted far more as a single state than any past German organizations had.¹²⁷ The universal male suffrage parliament was given real powers, though it was heavily checked by Prussian dominance. The position of President of the Confederation was filled by the King of Prussia, King Wilhelm. The President controlled the joint confederate army and could summon or dissolve the Reichstag.¹²⁸ The second highest office, Federal Chancellor, needed to undersign all documents before they became constitutional. The German Emperor chose the Federal Chancellor, Wilhelm chose Bismarck. Interestingly, upon signing an imperial order the Federal Chancellor assumed "responsibility" for it.¹²⁹ Vague at best, this check and balance does give an interesting line of blame and shows how confident Bismarck was.

The bicameral parliament did share the important power of being able to approve or veto laws. Also, the lower house (*Reichstag*) had control of the purse and

¹²⁵ Craig, *Germany*, 28.

¹²⁶ Craig, *Europe*, 219.

¹²⁷ Evans, "The Wars of German Unification."

¹²⁸ Evans, "The Wars of German Unification."

¹²⁹ Katherine A. Lerman, "Bismarckian Germany and the structure of the German Empire" In *German History since 1800*, edited by Mary Fulbrook, by London, (Arnold; 1997), 150.

the higher house (*Bundesrat*) had to approve amendments.¹³⁰ Bismarck checked these powers in strangely progressive ways. He manipulated the lower house by allowing universal male suffrage, hoping to bypass the liberal upper and middle classes in favor of the larger, more conservative lower classes.¹³¹ The upper house was made up of appointed officials from every member state, but Prussia, with 17 of the 43 seats, was easily the strongest party.¹³² Despite all of these seemingly oppressive conditions, the North German Confederation was very liberal for its time. Especially, in the opinion of the south German states.¹³³

Then, on January 18, 1871, all of a sudden Germany was unified. In the Hall of Mirrors in the Palace of Versailles Bismarck declared that the North German Confederation officially extended to the southern German States; there was no resistance, the German Empire was created. King Wilhelm now became the German Emperor. A title specifically phrased differently from “Emperor of Germany”.¹³⁴ Wilhelm did not own or rule over Germany, he represented it. One could argue that German Emperor Wilhelm I is the first official symbol of what being “German” meant. Yet, it is not Wilhelm, but Otto von Bismarck who is the looming German figure in this time period. As Bismarck is so often quoted, “[p]eople cannot create or divert the stream of time.”¹³⁵ Bismarck understood that Europe was liberalizing. Young in his life he understood that regardless of his feelings on the matter, the masses were slowly rising and their opinion becoming evermore important.

¹³⁰ Craig, *Europe*, 219.

¹³¹ Evans, “The Wars of German Unification.”

¹³² Craig, *Europe*, 219.

¹³³ Evans, “The Wars of German Unification.”

¹³⁴ Craig, *Germany*, 28.

¹³⁵ Pflanze, *Bismarck*, I, 3.

Perhaps, he learned this lesson when he unsuccessfully attempted to rally the peasants in name of the King in 1848. Perhaps, the other thing he learned from 1848 was that control could be brought to chaotic public opinion. Just as Camphausen and Hansemann had made concessions, but in a structure manner that limited internal strife in 1848. Incredibly, Bismarck managed to unify the German states and almost none were fought into joining the Empire. In fairness, it must be mentioned that a hand full of smaller states, Hanover and Frankfurt most notable among them, were forcibly annexed by Prussia for backing Austria in 1866. However, these smaller skirmishes were small and few, certainly nothing on the scale of domestic differences in America.

Chapter III: Economic, Political, and Cultural Legacy

The following chapter focuses on the legacy of the achievements of 1815-1871. The analysis is broken into three sections: economics, politics, and culture.

Section 1: Post-Unification Economic Development

Following a short boom and bust between 1871-1876 Germany experienced extensive growth, eventually dominating two industries, chemical and electrochemical. However, before these industries could be developed, Germany was retested on a subject it had previously passed, economic crises.

In 1869 the Suez Canal opened, augmenting the general economic growth that Europe was experiencing. In 1871, the British *The Times* announced its “undisturbed satisfaction” with the British economy and Britain’s “extending and

multiplying [of] its world-wide ramifications.”¹³⁶ The North German Confederation, experiencing similar growth, passed the Company Law of 1870, removing the requirement of state approval to found new joint stock companies. The effects were immediate. Between 1869-1872 120 new credit banks were established in what became Germany. Growth was most stunning in Prussia. Between mid-1870 and mid-1873 1,000 new companies were founded. Alone in 1872, 21 construction companies, 49 banks, and 12 railways were founded in Prussian.¹³⁷ This time period saw the creation of many extremely successful companies, such as Deutsche Bank but many were also risky business ventures. Interestingly, though the Germans criticized the Americans in 1857, the opposite was true in 1873.

Bankers, large and small, have had no scruple against burdening the public with shares in all sorts of enterprises, selling the same at par and at a premium, when the intrinsic value was never more than 50 or 60 per cent....those German bankers, who, from a desire to make large gains, were influenced to wink at the flimsy nature of many of the securities which they assisted to float in the market.¹³⁸

Even Hansemann and his *Diskontogesellschaft* participated in this speculation boom.¹³⁹ In Henderson’s words, “[g]ambling on the stock exchange and the property market became a national pastime.”¹⁴⁰ Heinrich von Treitschke gave an even more negatively toned, first hand, view “during the speculation mania, it really seemed as if the limits of human folly had been immeasurably extended.”¹⁴¹ Germany was suffering from amnesia; it had forgotten the prudence that had saved it in 1857.

Luckily, this forgetfulness was not all encompassing, as proven by the Treitschke

¹³⁶ Henderson, *The rise of German industrial*, 161.

¹³⁷ Henderson, *The rise of German industrial*, 161.

¹³⁸ Henderson, *The rise of German industrial*, 164.

¹³⁹ Henderson, *The rise of German industrial*, 165.

¹⁴⁰ Henderson, *The rise of German industrial*, 164.

¹⁴¹ Henderson, *The rise of German industrial*, 164.

quote above, not all politicians and businessmen were fooled by the guise of economic boom.

Frederic Engels was one of the first to document the impending danger. In September 1869 Engels accused one of Germany's greatest entrepreneurs Dr. Strousberg: "[h]is guiding principle is to swindle investors, while acting fairly towards his suppliers and other industrialists."¹⁴² Engels was referring to Strousberg's practice of receiving many small investments from several investors as opposed to receiving backing from large financial institutions. Strousberg, who controlled large amounts of railways and other industrial facilities, suffered huge loss with the initiation of the Franco-Prussian War. When Otto Glagau exposed Strousberg in *Die Gartenlaube* in 1874, the façade collapse. Strousberg, no longer able to financially support his railroad ventures in Russia, landed in Moscow Debtors prison and died impoverished.¹⁴³

Prima facia the reason for these risky business practices seems to be the removal of state authority with the 1870 Company Law. Given freedom, capitalist have a bad habit of pursuing high risk, high reward business. However, the problem was far more pervasive as proven by Eduard Laskar and his stunning 1873 exposé. On February 7 Laskar gave a three-hour speech to the lower house of the German parliament exposing the economic corruption in the German government. He named several officials and accused them of purposefully turning a blind eye to non-regulation business practices. The speech, popularized by a pamphlet, inspired a royal commission to investigate. In the following 56 sessions the commission

¹⁴² Henderson, *The rise of German industrial*, 169.

¹⁴³ Henderson, *The rise of German industrial*, 169.

investigated 26 railway companies and discovered numerous violations. The result was the complete dismissal of one official and the reassignment of another.¹⁴⁴ This investigation and the previous exposés show how risky business practices had become acceptable in both the public and private sector.

The above incidents should not be taken all together negatively. First, the Germans understood what good business practices were; meaning the Germans were not hindered by the normal hurdle facing developing industries: lack of scientific knowledge, technical expertise or industrial facilities. Instead, many Germans suffered from capitalistic greediness. As Engels, Glagau, and Laskar show, there were many Germans in positions of power that perfectly understood the mechanics of an industrialized economy. This fact is further proven by the survival of stable companies such as Siemens and Deutsche Bank, which survived the economic crises. Second, Germany was hit by bust at an extremely exposed time and managed to recover in only 4 years. The collapse hit during a trifecta of economic vulnerability. Leading up to 1873, Germany was receiving a war indemnity from France, which was paid off 2 years early and of which very little was put into state savings. Instead, the state opted for extensive spending on both employee bonuses and government subsidies. The result was a flood of money, both directly and indirectly, into the German economy. This was augmented by the second weakness, the botched currency exchange following unification. As Germany switched from thalers to marks both remained in circulation, causing a huge amount of circulating

¹⁴⁴ Henderson, *The rise of German industrial*, 167.

cash¹⁴⁵. The resulting tenacious optimism directly caused widespread precarious investments. The subsequent inflation then collapsed in 1873.

On May 8th 1873 the Austrian economy collapsed, soon 300 companies failed in Austria alone. On October 28, 1873 the crises officially spread to Germany with the collapse of the Quistrop Bank. 27 other banks reacted quickly by suspending payments, 14 never reactivated.¹⁴⁶

So, why does this economic crises stick out from 1848 and 1857? The 1873 crises was not defined by political upheaval like 1848 or caused by agricultural fluctuations, such as in both 1848 and 1857. Germany had successfully stabilized these problems. The new issue presented in 1873 was: self-caused economic crises. The 1873 crises was the first followed by a spike in suicides and mass fleeing of corrupt cashiers, an indication of the widespread deceitfulness of many Germans. 1873 was not a test of the German politico-economic skill; instead, it tested Germany's character, its *Volkgeist*. After 1873 Germany refused to become a gilded economy such as the United States, it decided to be defined by diligence, creativity, and innovation. Instead of competing in a laissez faire economy, German companies formed cartels. These amalgamations of Germany companies eliminated overlaps in research and development.¹⁴⁷ Each company had a specialized field of research. Thus, innovation efficiency was maximized across entire German industries; the only competition came from abroad. Between 1876 and the early 1900s the diligence of large German companies grew Germany from a fledgling industry to the

¹⁴⁵ Henderson, *The rise of German industrial*, 162.

¹⁴⁶ Henderson, *The rise of German industrial*, 170.

¹⁴⁷ Henderson, *The rise of German industrial*, 178.

leading industrial power in the leading scientific fields. Thereby defining “Made In Germany” as an emblem of excellent quality.

The industries that proved Germany not only equal, but also better were Chemicals and Electro-Mechanical. By 1913 Germany was producing $\frac{3}{4}$ of the world’s color dyes with an export worth of roughly 195 Million marks. British political economist Dr. John Bowring in 1840 explained that “chemical research in its various branches is further advanced than with us.”¹⁴⁸ The Electro-Mechanical Industry was even larger, controlled $\frac{1}{2}$ the world industry with an export worth of 220 Million marks by 1913. British Economic Historian J.H. Clapham proclaimed that, “beyond question the creation of this industry was the greatest single achievement of modern Germany.... Her success was rewarded by a foreign trade in electrical appliances which no other nation could approach.”¹⁴⁹

Germany’s chemical industry was made successful by two factors. The first was luck, Germany possessed extensive materials needed for the chemicals industry. This included: rock salt, potassium salts, iron pyrites, and coal tar. The second, was institutions willing to invest in facilities. At first these facilities were in universities, then chemicals firms established their own research laboratories. The earliest German successes actually occurred in Britain, as German chemical jobs were in short supply in the mid-1800s. Wilhelm Hofmann discovered how to usefully distill coal tar into benzene. Hofmann’s student, William Perkin, then produced the first dye, tyrian purple in 1856. Hofmann discovered several more dyes, and then returned to Germany in 1865, just as the dye industry began to boom,

¹⁴⁸ Henderson, *The rise of German industrial*, 186.

¹⁴⁹ Henderson, *The rise of German industrial*, 189.

pharmaceuticals were developing, and Rudolph Frank discovered potassium salt fertilizers. Finally, Carl Duisburg brought the German chemicals industry into the 20th century. Duisburg had great skill in the lab, most notably extensively researching pharmaceuticals, and great insight outside the lab, in 1903 he suggested the chemical companies form cartels to increase research and development efficiency. Duisburg only met limited success, but what was 108 German chemical firms in 1896, became a single cartel by 1935.¹⁵⁰

The German Electro-mechanical industry was far more competitive than the chemicals industry, however, by 1914 the AEG/Siemens-Schuckert cartel controls the industry. The first German electrical firm was Siemens & Halske, founded in 1847. Werner Siemens eventually came to dominate the German telegraph industry by producing most telegraphic equipment and wires, and by controlling a trans-Atlantic wire and maintaining the Russian telegraph system. Siemens also invented the dynamo; however, heavy electrical industry proved not to be his forte. Emil Rathenau founded in 1883 what came to be known as the *Allgemeine Elektrizitäts-Gesellschaft* or AEG. Rathenau specialized in heavy electrical industry including electrical wiring, lighting, and power generation. As Siemens expanded into light bulbs in 1882, they soon came into conflict with this new fledgling company.¹⁵¹ Rathenau proved a worthy opponent, producing such fierce competition that banks stepped in in 1900, ultimately organizing the AEG/Siemens-Schuckert cartel.¹⁵²

¹⁵⁰ Henderson, *The rise of German industrial*, 189.

¹⁵¹ Henderson, *The rise of German industrial*, 190.

¹⁵² Henderson, *The rise of German industrial*, 198.

It seems the Germans applied the same concept to private business as public business. Just as the German states started separately and slowly came together to increase economic efficiency, the German chemical and electrical companies drew together to increasing productivity and reduce inefficient research overlaps. This strategy allowed Germany to remain incredibly competitive with much larger powers. Germany competed with the United States despite its extensive forest and mineral reserve advantage. Germany also began to surpass Britain, despite its extensive empire and significant industrial head start.

Section 2: Post-Unification Political Development

Following unification, it seems Bismarck's glory days were over. In fact, between 1871-1890 domestic and foreign politics proved to be an ever-growing divider. It seems that in his old age Bismarck began to favor conservative idealism over the utilitarian perspective he had used during the three wars of unification. Bismarck had undergone a great transformation after 1848, but it seems one cannot teach an old dog new tricks. Bismarck was unable to adapt to the Social Democratic nature that was developing in German psyche by 1871. Hitler, too, struggled with this socialist German characteristic, which, following the First World War developed into full-fledged communism. Though less popular after the German cold war split, the socialist sentiment lived on to created the already mentioned successful SPD/CDU coalition that is represented by current German Chancellor Angela Merkel.

The period of war from 1864-1871 was highly successful, but had drained the nationalistic fervor out of the German public. This fatigue was intensified by the economic downturn of 1873. Knowing that further armed conflict would have

incredibly negative economic implication, Bismarck turned his focused to the stabilization of Germany's internal systems and international position. Bismarck introduced a new Tariff Law and created the Dual Alliance with Austria in 1879. Bismarck hoped that the Tariff Law would encourage domestic growth in both the industrial and agricultural sectors. He also sought to capitalize on this growth by stabilizing the tense Austrian-Russian relationship with the Dual alliance, which allowed Bismarck to mediate the conflict. However, Bismarck proved to be the only politician skilled enough to hold off the Russian-Austrian conflict, and, ironically, the alliance dragged Germany into WWI.¹⁵³

Bismarck also believed he could continuously mediate the conflict between the democratic constitutionalists and the conservatives, thus holding the unstable system, and the Emperor's power, in place. This was an unfeasible plan. Even as Bismarck tried to hold the democrats in check, he also built up industry. Since industrial development produced the blue-collar worker, and the worker was most likely to hold socialist sentiments, Bismarck was working against himself.¹⁵⁴ He was attempting to suppress the socialist philosophy, while also supporting proletariat industry: the breeding ground of socialism. His goal was simply unfeasible.

To add insult to injury, the very man Bismarck was trying to hold in power, Wilhelm II, sided with the liberals and ousted the "Iron Chancellor." The writer Theodor Fontane described the reason for Bismarck's fall:

Bismarck is the greatest scorner of principle who has ever existed and a 'principle' finally brought him down, the same principle that he carried written on his banner all his life and in accordance with which he *never* acted.

¹⁵³ Craig, *Germany*, 102.

¹⁵⁴ Craig, *Germany*, 143.

The power of the Hohenzollern monarch... was stronger than his genius and his falsehoods.¹⁵⁵

In short, Bismarck gained his power by leveraging the power of the Hohenzollern family, when the new Hohenzollern, Wilhelm II, took the throne he also took away Bismarck's power. Thus, the power that had built Bismarck up also broke him down. Bismarck often leveraged the power of the Hohenzollern monarch: sometimes he used the Kaiser's power to force action, other times he avoided responsibility and disguised it as loyalty. One quick example is when Bismarck rejected the Lasker resolution in 1884. He gave a speech giving the reason, which was really the method, by which he rejected the resolution, "As Chancellor I can, of course do nothing without the Emperor's approval, and I could not be expected to ask his permission to present such a resolution to the Reichstag."¹⁵⁶ This sort of constitutional interpretation eventually undid Bismarck's power.¹⁵⁷ Wilhelm I did as Bismarck told behind closed doors. So, when Bismarck acknowledged Wilhelm I's constitutional power, Bismarck was actually just forcing the topic to be handled behind closed doors. Wilhelm II purposefully took these public statements at face value even though he knew them to be guises. Thus, he was able to use Bismarck's own words against him and took control from Bismarck.

Bismarck did not realize that as Germany democratized the public view became ever more important, but Wilhelm II did and began to reverse the flow of Bismarck's power. Wilhelm used the power given him in public to gain influence behind closed doors. Wilhelm began to work directly with the public, so Bismarck

¹⁵⁵ Craig, *Germany*, 171.

¹⁵⁶ Craig, *Germany*, 171.

¹⁵⁷ Craig, *Germany*, 171.

could not use political tricks behind closed doors to interfere. The two men came to loggerheads in May 1889, when Wilhelm II agreed to see a delegation of striking miners. Angry with the meeting, Bismarck sent Wilhelm II a letter reminding him of the political strategy that had unified the country:

I look for in a ... monarch who is determined not only to co-operate industriously in the business of governing the country but who in critical times would rather fall with sword in hand on the steps of his throne fighting for his right, than surrender. No German soldier would abandon such a ruler, and the old motto of 1848 is still true: 'Gegen Demokraten helfen nur Soldaten.'¹⁵⁸

Bismarck's use of the 1848 saying "Only soldiers help against [social-]democrats," shows just how poorly Bismarck predicted the sweeping political changes that were to occur not only in Germany, but across the globe in the late 19th and early 20th century.

Two final events created such a wide rift between the Kaiser and the Chancellor that Wilhelm felt he had no choice but to remove Bismarck. For a ruler who proved incompetent in the future, Wilhelm II acted properly and decisively in the dismissal of Bismarck, unfortunately it was a lose-lose situation. In October 1889 the conflict between the Chancellor and Kaiser escalated when Bismarck introduced a new (anti-)Socialist Law. Wilhelm and his supporters, better described as influencers, took issue with one provision that allowed for the expulsion of suspected revolutionaries from their homes. Bismarck refused to remove the clause and the law failed. Bismarck's complete unwillingness to compromise greatly worried the Kaiser, who grew ever more wary of Bismarck.¹⁵⁹ The event that finally

¹⁵⁸ Craig, *Germany*, 172.

¹⁵⁹ Craig, *Germany*, 173.

toppled the legendary politician was the parliamentary election of February 20, 1890. In the election, concerning just under 400 seats, the Social Democrats received 35 seats, but it was the loss of seats by Bismarck's three party coalition that caused the most damage, 85 seats lost.¹⁶⁰

Bismarck now attempted to put into motion the ridiculous plans he had thought up while the conflict between him and Wilhelm II was brewing. He hoped to rebuild the country from the ground up:

It can very well happen that I will have to destroy what I made. People forget that the same thing can happen to the existing federation that happened to the Frankfurt Bundestag in 1866; the princes can withdraw from it and form a new one with the Reichstag.¹⁶¹

The ludicrous part comes with the violent extremes Bismarck was willing to go to:

You can dissolve three or four times, but in the end you have to smash the crockery. These questions – like that of Social Democracy and that of the relationship between Parliament and the separate states – will not be solved without a blood-bath, just as the question of German unity was not.¹⁶²

After the 1890 election, Bismarck went about activating old constitutional orders to control communication between the Kaiser and the parliamentary members and began talking with former rivals. Seeing the impending trouble, Wilhelm sent the Chief of Military to strongly suggest that Bismarck resign, four days later Bismarck took the hint.¹⁶³

In his final years of Chancellor Bismarck began to go against many of the factors that his paper outlines as the reasons for Germany's success. Bismarck was unwilling to compromise as the German politicians had during the organization of

¹⁶⁰ Craig, *Germany*, 175.

¹⁶¹ Craig, *Germany*, 174.

¹⁶² Craig, *Germany*, 175.

¹⁶³ Craig, *Germany*, 178.

the trade unions. Bismarck did not come to terms with the changing political atmosphere as he had in 1848-1851. However, most importantly, Bismarck hugely underestimated the power of the ties being produced between the German kingdoms by economics and culture. Bismarck's plans to breakdown and rebuild the German state would never work, because: as the democratic strength of the people had grown during Bismarck's reign; the people, rather than the governing upper classes, created the culture that defined Germany (explained in section 3). In 1890 Bismarck hoped to break up Germany back into its kingdoms, then rebuild. What he did not realize was that the cultural and economic delineation between the German Kingdoms, by 1890, no longer existed. One could no more break Germany into her kingdoms than one could England or France.

Section 3: Post-Unification Cultural Development

Following the unification in 1871 Germany continued to seek a national identity. While the Germans took pride in their romantic cultural successes in music, philosophy, and literature; they also took up new hobbies. The following section will briefly discuss the development of the two most important national pastimes, kabarett and soccer. Interestingly, neither of these pastimes originated in Germany, both are English. However, both became thoroughly adopted by the Germans, who molded these activities to create something distinctly German. Kabarett became the space for the advancement of the more traditional arts, such as theater, song, and humor. It focused on small theatrical and musical performances and, as the years passed, increasingly political satire. Kabarett often became the mouthpiece of the people, especially when kabarett performers discovered that improvised skits were

very difficult to censor. Soccer, on the other hand, served as a mass organizer rather than a mouthpiece. It created a forum where the German population could symbolize and express itself both at a regional and national level. New to Germany during the turn of the 20th century, by 1950 both hobbies had served, and continued to serve, as the cultural tool that helped the German people forgive itself for its grievous political missteps.

These two national pastimes worked so efficiently at unifying German culture because they physically congregated people. In the beginning of the 19th century most Germans lived agricultural lives, separated from each other by acres of farmland. Like the medieval trade leagues, the countryside physically stopped that people from being able to engage with one another. Industry pulled the population from the countryside to the city. From here soccer and kabarett pulled all the different economic classes into one room or stadium.

Interestingly, kabarett developed in the opposite class direction as soccer. While kabarett worked its way up the class structure, soccer moved downwards from the upper and middle classes. This shows the extensiveness of the culture being produced in Germany. It came from all corners and invited all groups to participate. Children and adults, Bavarians and Prussians, liberals and conservatives all went to the kabarett and stadiums to share in their new found hobbies.

Kabarett finds its roots in the song and dance variety show genre coined as vaudeville in the U.S., but was originally from Britain.¹⁶⁴ Kabarett was the

¹⁶⁴ Jelavich, *Berlin Cabaret*, 20.

“Kleinkunst” or “Small Art” subset of the vaudeville style and was not a single kind of performance, but a family of arts.

[Kabarett] provided a "variety" of unconnected and "specialized" entertainments, primarily songs, acrobatic stunts, and animal acts, but also skits, magic tricks, tableaux, and even popular opera arias.¹⁶⁵

Size is a key component of Kabarett, often performed by only a handful of entertainers; the venue is always intimate, allowing for extensive interaction between the audience and the entertainers.

Some, with male waiters, were considered decent establishments to which one could take the whole family. Far less reputable were establishments where waitresses served beverages to a male clientele, while soubrettes performed risque songs. Often several women would appear on stage at once, and each would sing a suggestive song. Afterward they might wander among the audience and selling "naughty" postcards, encourage the men to order more drinks, or even make assignations for later.¹⁶⁶

This quote is really meant to show the range of style in kabarett. However, this quote also shows the ability of the entertainers to go off stage and interact with the relatively small audience. The latter, risqué style of Kabarett, benefitted the most from the physical interaction with audience, but is relatively uninteresting to this paper. For, regardless of the country, bawdy acts, if legal, remain popular and show little hints at unique culture. Still, German's seemed to have enjoyed this personal interaction in all forms of kabarett. Soon, the old styles of art, which did not react to the audience, began to become unpopular even amongst the middle and upper classes:

Indeed, this was precisely what worried German observers by the turn of the century: vaudeville was becoming so popular that it was driving

¹⁶⁵ Jelavich, Peter, *Berlin Cabaret*, (Cambridge, Mass.: Harvard University Press, 1993), 20.

¹⁶⁶ Jelavich, *Berlin Cabaret*, 21.

conventional dramatic theaters out of business.... [But, b]y the 1880s it had become apparent that broad sectors of the middle class, which had initially looked down upon vaudeville, were being won over to its popular theatricality.[...]The fact that vaudeville halls have increasingly supplanted and diminished the interest in theater has caused a stir for quite some time in all circles which still take an interest in the fate and the future of art in Germany. Perhaps this has never been so apparent as this winter in Berlin, where attendance at the performances of theaters dwindles day by day and has become limited almost exclusively to inferior farces, while the vaudeville halls can boast of sold-out houses nearly every evening.¹⁶⁷

This quote should not be seen as a sign of the complete destruction of old culture, but instead shows the augmentation of old, romantic culture. Clearly, new forms of art were being popularized, but this does not mean a complete interest in the traditional arts was lost. One example is classical music. Otto Julius Bierbaum, one of the founders of the kabarett movement, wrote in 1900 that,

The contemporary citydweller has vaudeville nerves; he seldom has the capacity of following great dramatic continuities, of tuning his senses to the same tone for three hours. He desires diversity-Variete."¹⁶⁸

So, Richard Wagner's multi-hour "Gesamtkunstwerken," such as The Nibelungen Ring, were out. But this does not mean classical music was dead. Instead, it shifted from the Romanticism to Expressionism. A perfect example is kabarattist Otto Erich Hartleben's translation of *Pierrot lunaire*, a name more popularly associated today with Arnold Schoenberg.¹⁶⁹ Schoenberg is one of the key figures in contemporary classical music. His musical interpretation of *Pierrot lunaire*, a 35-minute collection consisting of 21 shorts songs, is one of his crowning works. *Pierrot lunaire* is one of the earliest and most famous musical pieces to use *Sprechstimme*, a voice technique that remains in speech, but intonates as in song voice. *Sprechstimme*, along with

¹⁶⁷ Jelavich, *Berlin Cabaret*, 22-23.

¹⁶⁸ Jelavich, *Berlin Cabaret*, 24.

¹⁶⁹ Jelavich, *Berlin Cabaret*, 25.

Schoenberg's other creation of 12-tone form, became one of the hallmarks of Expressionism.¹⁷⁰ Expressionism, a defining German cultural movement, shows how the traditional arts were still greatly adding to the cultural growth of Germany.

Despite the revolutionary changes composers like Schoenberg were making, their works are still distinctly classical music. A fact proven by Schoenberg being categorized as in the Second Viennese School, along with his students Alban Berg and Anton Webern. This gives Schoenberg a direct connection to the First Viennese School, which consisted of the classical music legends of Haydn, Mozart, and Beethoven.¹⁷¹ A keen observer would also notice that Vienna is in fact in Austria, the country Bismarck expressly banned from Germany. Interestingly, the cultural connection between Austria and Germany never quite separated as their political and economic ties did. Schoenberg, Mozart and Beethoven all lived in Austria, but we often refer to them as German. In the arts "German" often means in the German style. The German style began before the German Unification of 1871 with artists such as Mozart and Beethoven. Consequently, many areas outside of Germany's political borders still helped create German culture. Two other factors eased this sharing of culture: the German language and travel. Artist often spent most of their lives away from their birth cities; for example, Beethoven was born in Bonn, Germany. The result is that to this day there is a distinct cultural connection between the German speaking states of Germany, Austria, and Switzerland.

¹⁷⁰ Wright, Craig M. "Early-Twentieth-Century Modernism," (In *Listening to Music*. 7th ed. Clark Baxter, 2014), 344.

¹⁷¹ Wright, "Early-Twentieth-Century Modernism," 343.

Vaudeville also made a transformation. Around the turn of the 20th century Germany developed kabarett into an art form completely distinct from vaudeville. Germany's first Kabarett, as opposed to vaudeville hall, was open by Ernst von Wolzogen in January 1901. Named "Überbrett!" it was quickly closed again in 1902.¹⁷² For, "[l]ike so many of its successors, this first cabaret proved to be a dynamic but short-lived venture, whose fortune was shaped by a continual negotiation among performers, the public, critics, and competitors."¹⁷³ Kabarett had an interesting democratic character. Like representatives and their constituents, kabarett had to be sensitive to the sentiments of the "performers, the public, critics, and competitors." If the public disliked what a kabarett said, seats did not sell and the kabarett went out of business. This made kabarett a perfect democratic medium for the public to express itself. What the majority liked stayed, quite a change from how the minority upper classes defined culture in the 19th century. Max Reinhardt quickly followed Wolzogen and introduced the public to kabarett political satire, a key trait that it retains today. With the creation of Wolzogen's more traditional vaudeville style kabarett and Reinhardt's groundbreaking satirical style kabarett, the movement exploded in popularity.¹⁷⁴ Over the remainder of the 20th century kabarett developed into a key outlet for the German population, both during and after the wars. The effects of the wars on kabarett were that they added tones of sarcasm, satire, and gallows humor, but

¹⁷² Jelavich, *Berlin Cabaret*, 39.

¹⁷³ Jelavich, *Berlin Cabaret*, 36.

¹⁷⁴ Jelavich, *Berlin Cabaret*, 62.

kabarett also managed hold onto the happiness provided by singing, poetry, and good-natured silliness.

Soccer found its way to Germany in 1874 through Dr. Konrad Koch, a language teacher in the town of Braunschwiege. Koch recognized the benefits of physical activity for his students and began organizing school games as part of the physical education curriculum.¹⁷⁵ At the time most schools simply practiced “German Gymnastics,” a method of education that focused on aerobics and gymnastic events.¹⁷⁶ With the help of a colleague Koch managed to buy an English football, which Koch then gave the students; who, lacking rules, simply threw the ball between them. Soon, Koch developed the first German soccer rules and set up a soccer field, successfully establishing the first German student soccer team.¹⁷⁷ Soccer quickly spread from the students, who greatly preferred soccer to old-fashioned gymnastics, to the wider middle class. Middleclass men enjoyed playing soccer on their free Sundays. Unfortunately, the working class often did not have the free time or money to play soccer.¹⁷⁸

Just as soccer came as a relief for the students, German soldiers found comfort in the sport during World War I. In the tense, quite periods on the front the soldiers learned how to play soccer to calm their nerves. Incredibly, during the

¹⁷⁵Konrad Koch: Eine Erfolgsgeschichte.

<<http://www.braunschweig.de/leben/stadtportraet/geschichte/konradkoch/143010100000149645.html>>.

¹⁷⁶ Pyta, Wolfram. “German football: a cultural history.” In *German Football History, Culture, Society*, edited by Alan Tomlinson and Christopher Young, (New York: Routledge; 2006), 18.

¹⁷⁷Konrad Koch: Eine Erfolgsgeschichte.

<<http://www.braunschweig.de/leben/stadtportraet/geschichte/konradkoch/143010100000149645.html>>.

¹⁷⁸ Pyta, “German football: a cultural history,” In *German Football History*, by Tomlinson and Young, 18.

impromptu Christmas Truce of WWI, soccer even helped to sustain a temporary truce between enemy forces.¹⁷⁹ When the soldiers returned home after the war in 1918 they brought soccer with them and established soccer clubs across Germany. This popularity seems to indicate a change in body culture. The German soldiers witness the extremes of destructive power, and its effects on the human body, during WWI. These experiences changed the perspective of physical contact for much of the population. Soccer was an outlet for this newfound physical competitiveness, a stark contrast to the more high-class, and noncontact, sports of tennis, golf, or gymnastics. In addition, it gave soldiers a place to exercise the skills in tactics and organization they had learned in the war.¹⁸⁰

After becoming widely popular, soccer took on a greater cultural meaning. In his essay “German Football: A cultural History,” Wolfram Pyta outlines two constructive cultural benefits of soccer. The first:

Football is a cultural phenomenon which is open to interpretation and in which diverse patterns of meaning have been recognized (Knoch 2002: 119–20). With football as the raw material, socializations of varying denseness and durability could be formed that were subject to cultural change.¹⁸¹

The second, that soccer provides a place to create symbolism. As explained above, soccer (football) teams create socializations of “varying denseness,” meaning they creates loyalties at town, regional, nation, and international levels. They also create “varying...durability,” meaning a soccer team may last an afternoon, a year, or many years. The varying of “denseness” was key to collecting all the classes into one

¹⁷⁹ Naina, Bajekal, "Silent Night: The Story of the World War I Christmas Truce of 1914." Time. December 24, 2014. <http://time.com/3643889/christmas-truce-1914/>.

¹⁸⁰ Pyta, “German football: a cultural history,” In *German Football History*, by Tomlinson and Young, 18.

¹⁸¹ Pyta, “German football: a cultural history,” In *German Football History*, by Tomlinson and Young, 18.

physical place, as the classes often lived apart.¹⁸² The “durability,” or lack thereof, meant that new teams, and so new relationships, were constantly forming between the classes. The second benefit, symbolism, comes from the fact that teams require names and mascots. Each time a new team was created it required a new name and symbol. This is important because,

Symbols play a decisive role in constructing communities. They enrich the interpretation of behavior patterns with a degree of aesthetic condensation that facilitates the communication of shared cultural contents. Symbols act as perceivable expressions of those cultural dispositions that circulate in communities. The development of a long lasting collective identity is not possible without the use of symbols, which form shared meanings and values and provide it with vital visibility (Giesen 1999: 17–18).¹⁸³

Simply put, soccer provided a forum to build community ties with ones classmates, ones neighbors, ones fellow state citizens, and ones fellow national citizens.

Additionally, it provided the medium to express these new relationships in symbolism; and created a place, stadiums, where this sense of belonging became tangible.¹⁸⁴ To this day German soccer games can become near religious experiences. There is something indescribably powerful about singing, crying, and cheering with tens of thousands of fellow fans.

It is difficult to describe the weight of symbolism in German soccer. A hypothetical example provides some context. A citizen of the city of Köln (Cologne) may have gone to a local soccer game and sang the nostalgic opening song about “Kölle,” Köln’s medieval name. Thus, symbolizing his heritage with song, However,

¹⁸² This “place” could range from a backyard to a stadium.

¹⁸³ Pyta, “German football: a cultural history,” In *German Football History*, by Tomlinson and Young, 17.

¹⁸⁴ Pyta, “German football: a cultural history,” In *German Football History*, by Tomlinson and Young, 21.

this same fan may have also have gone to 2006 World Cup and held up a German flag with a Bayern-Munich fan. 2006 was revolutionary, because the German fans, for the first time since the fall of the Nazi regime, did not feel self-conscious about showing national pride by waving German flags. Thusly, the Köln fan has remembered the history of his city with his neighbors, but has also turned a historic national cultural page, together with a rival Bayern-Munich fan. Thus, this hypothetical soccer fan built local, historical culture and produced national, new culture, all through the medium of soccer.

Soccer is a cultural tool in many countries across the globe, but it has a unique form in Germany. Again, the sentiments are difficult to describe, but soccer has become a powerful outlet for the intense remorse, guilt, and shame that many Germans still feel about the events of 1938-1945. The flying of flags in 2006 is a good example of this, but perhaps the epitome of these feelings were expressed in 1954 with what became known as the Miracle of Bern. In the final of the 1954 World Cup Germany won a 3-2, David and Goliath, victory over the Hungarians. The moment when the ball hit the back of the net for the third goal is forever remembered in Germany with a yell of gleeful disbelief from a radio commentator: "TOR! TOR! TOR! TOR!", "Goal! Goal! Goal! Goal!".¹⁸⁵ It was a symbol that Germany was not a destroyed country, that Germany was to rise again, but this though peaceful means such as soccer. A different famous commentator even recently

¹⁸⁵ Pyta, "German football: a cultural history," In *German Football History*, by Tomlinson and Young, 12.

argued that the Federal Republic of Germany was not founded in 1949, but in 1954.¹⁸⁶

¹⁸⁶ Pyta, "German football: a cultural history," In *German Football History*, by Tomlinson and Young, 12.

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Images

Fig. 1 Ancestry.com, *The Unification of Germany, 1815-1871 II*,
http://www.lib.utexas.edu/maps/historical/shepherd/north_german_fed_1866_1871.jpg

Fig. 2 Euroatlas, *Europe 1500*,
<http://www.euratlas.net/history/europe/1500/1500.jpg>

Fig. 3 Janet Ballengee Estep, *Map of Germany from 1834 showing Wuerttemberg, Alsace, and Palatinate. The Rhine River was a major avenue of transportation which ran from the Palatinate to Rotterdam in The Netherlands*, <http://3.bp.blogspot.com/-exSYuPMRrnc/UBh41fyfgI/AAAAAAAAAhk/1hyawQ-k2mo/s400/germany1834.gif>

