Werner von Siemens’s Conception of Himself as a Businessman

Siemens as a Family Business

Werner von Siemens’s family orientation was one of his most striking characteristics as a businessman. Numerous self-portrayals substantiate not only that his preference was to plan and conduct his business operations with members of the family, but also that concern for his family’s well-being was the primary motivating force in his business career. Werner von Siemens initially used the term family to refer to his brothers and sisters; in later years, family referred above all to his children. Werner relied less on other relatives, such as his cousins Louis and Georg or his more distant relatives, the nephews Georg and Alexander. He regarded them rather as an “ultimate reserve in case of an emergency.”

The need to take care of his family was the decisive factor in Werner’s decision to become a businessman. Werner von Siemens himself declared his family as the guideline for his business activities in a letter written to his brother Carl at Christmas 1887: “As a matter of fact, you have always put much more emphasis on the real goods in life than I, who have
chased after far too many phantoms and ideas. . . I think that in business the object of making money is only in second place; it is for me rather an empire which I have founded and which I want to leave to my descendants undiminished, so they can continue being active in it.\textsuperscript{92} The employment of members of the family, moreover, opened up the chance to put competent and loyal coworkers into remote and important positions abroad. Yet in the course of time and in the face of the growing emancipation of the brothers, more and more problems popped up that could only with great difficulty be patched over by brotherly love.

Following Halske's withdrawal from the enterprise, it was, apart from some minor portions of the capital, totally in the hands of the brothers. Werner thought the time was ripe to implement his idea of an extensive "comprehensive business," and he anchored this idea in contracts. Without an explicit formal statement, he claimed for the parent firm in Berlin and for himself, as the senior manager and head of the family, the top position. But with the planning of the Indo-European telegraph line and with the laying of the first submarine cables, the London branch had expanded to equal the parent firm in Berlin with respect to importance, volume of business, and profits. His brother Wilhelm, a naturalized Englishman by that time, had also developed into an established figure in technology and was no longer willing to take second place to his older brother.

According to his brother Carl, Wilhelm had increasingly developed into a "very irksome associate."\textsuperscript{93} Along with this, there were two reasons for quarrels. First of all, London was no longer willing to accept without question instructions from the Berlin parent firm. Moreover, Löffler, who held power of attorney, believed that the prices of Berlin's products were too high. Löffler directed the London firm to engage other suppliers or to request special terms, which Berlin was not willing to grant.

Wilhelm did not care much about these business problems, yet he backed Löffler and in his correspondence with Berlin often displayed an undertone of annoyance. According to the
testimony of Carl Siemens, the vanities of the two “Dr. W. Siemens” worsened the atmosphere. Occasionally they were mistaken for each other in the press, and inventions of one brother were sometimes credited to the other.⁴

For himself, Werner claimed—probably with justification—that he always treated his brothers in a very conciliatory fashion. In the contracts about the comprehensive enterprise, Carl and Wilhelm were allocated high proportions of the profits, even though Werner by far held most of the capital. In addition, the telegraph business mainly exploited Werner’s patents. Wilhelm and Carl were granted a share in the factory producing the alcohol meters and received proportional shares of the return paid on the capital and of the dividends distributed from that part of the business. The factory in Charlottenburg, which was to be run by their cousin Louis Siemens, promised to be very profitable owing to the great demand from Russia. This financial padding enabled Wilhelm and Carl to pursue their usually unprofitable pet projects. For a time, with his brother Friedrich, Wilhelm constructed steel furnaces and ran a steel plant in Landore, England, which, while being technically interesting, only incurred losses. Carl had started other unsuccessful enterprises in Russia, including a sawmill and a glass factory.

In return for his financial generosity, Werner expected the brothers to accept his idea of a comprehensive enterprise to be run under his management from Berlin. With Carl’s help, who had less difficulty acknowledging his elder brother, this basic concept of running a business was formally maintained up to 1880. The reorganization undertaken in 1880 had several causes: Carl’s return to Russia, Wilhelm’s progressive withdrawal from the common business, and finally Werner’s desire to integrate his sons into the enterprise.

Altogether Werner had six children. His first wife, Mathilde, had borne four children: two sons, Arnold (b. 1853) and Wilhelm (b. 1855), and two daughters, Anna (b. 1858) and Käthe (b. 1861). He had another daughter, Hertha (b. 1870), and a son, Carl Friedrich (b. 1872), with his second
wife, Antonie Siemens, the daughter of a distant relative, whom he married four years after Mathilde's death. Werner was eager to have his sons succeed him and was very pleased when the two eldest sons, Arnold and Wilhelm, joined the firm. He wanted them to participate early as partners, sharing the responsibility as well as the profits. In this respect his situation was different from that of his brothers: Wilhelm did not have any children, and Carl's son, Werner, was not much interested in business or technology and also was of poor health. The new partnership agreement, dated December 28, 1880, consequently spelled out only the general willingness of the partners to agree in principle with the entry of Werner's sons, Carl's son, and "a person of Wilhelm's confidence" into the business at a later stage, if they should so desire. In the event, Werner's first two sons were integrated into the firm as partners: Arnold on January 1, 1882, and Wilhelm on April 25, 1884.

The agreement also sealed the separation of the London firm from the Berlin parent firm. The common administration of capital remained the only link between the public company Siemens Brothers & Co. Ltd. in London and the parent enterprise in Berlin. While Werner, as the chairman of the association of shareholders, had some general supervisory authority, the London management had to be granted extended authority in the conduct of business, not least because of the great distance between the two firms. The firm in London was managed by Ludwig Löffler, who, after Wilhelm's death in 1883, was largely unsupervised by any member of the family. Wilhelm picked as his successor his distant nephew Alexander Siemens, who was loyal toward Berlin and to his uncle Werner von Siemens but was not in a position or willing to assert himself against Löffler as the managing director.

The first subject of dispute was the calculation of the internal prices for products supplied from Berlin to London. Löffler had always felt these prices were too high, and he had reproached Berlin officials while the comprehensive enterprise still existed. Much more serious, however, than those irksome quarrels was the second subject of dispute: the rivalry between
the Berlin and London firms over the world market after the dissolution of the comprehensive enterprise. This long-term dispute between Werner von Siemens and Ludwig Löffler came to be called the “Löffler crisis.” Although the conflict of interests had been brewing since the 1860s, it had always been resolved more or less amicably among the Siemens brothers; but in 1883 the conflict broke out openly. The partnership agreement of 1880 stipulated that the two firms would not compete with each other on the world market. Löffler interpreted this term to mean that the total overseas market was to be within the sphere of interest of his London enterprise, basing his claim on a special passage in the articles of incorporation of the family stock corporation. (There is no record of such a passage.) The parent enterprise in Berlin, however, wanted to restrict Siemens Brothers Ltd. to Britain and the British colonies. It would have been disastrous for Siemens & Halske in Berlin to have to refer all overseas customers to the London firm. London charged prices far above those of Berlin, and allowing London the entire overseas market would probably have caused potential customers to switch to rival firms.  

In an embittered tone, Werner von Siemens commented on this attempt to limit the activities of the Berlin parent firm in a letter to his brother Carl: “I would prefer to withdraw right now as one of the executive managers of the Berlin business than to sign a contract that would condemn the parent firm, the very essence of my activities, to future infirmity by tying off its vital arteries. The motherly love that Berlin has always extended toward its children must, if necessary, have its limits.”

The solution to this problem was made more difficult by Löffler, who, while not being a member of the family, was nevertheless a shareholder in Siemens Brothers Ltd. Although he had initially held only a few shares, by the end of 1886—thanks to clever purchases from other officials—he had enlarged his holding to a blocking minority of more than 25% of the total number of outstanding shares. In this way he was able to prevent his own dismissal. Löffler’s strong minority stake also gave him some leverage in trying to persuade Werner von Siemens to accede to his demands. Siemens & Halske reacted
by filing a lawsuit against Lößfler. Siemens Brothers retorted by filing a countersuit, based on “continuous, unlawful competition on the world market” (“fortgesetzte, unrechtmäßige Konkurrenz auf dem Weltmarkt”).

Werner and Carl could have used their power as majority stockholders in Siemens Brothers Ltd. to have the lawsuit withdrawn, but they decided not to do so because of the English legal system. Instead, they settled the dispute with Lößfler out of court. Lößfler agreed to sell all his shares to Werner von Siemens. Based on the contract, he was to sell 600 shares immediately to Werner at £85 a share, and 625 additional shares no later than January 1891 at the same price. Lößfler was entitled to receive dividends until the date of the actual sale. He was to sell the remaining 28 shares to Alexander Siemens.

This prolonged quarrel with London had grave consequences. While the electrical industry experienced a worldwide boom and rival firms rapidly expanded with the help of the newly created banking network, the further advancement of Siemens & Halske on the world market was considerably delayed. Since the London firm was primarily responsible for the cable business, Siemens quickly fell behind rival firms as new markets for electric power technology opened. Until Werner von Siemens’s withdrawal from active business, the overseas markets remained unexploited by Siemens & Halske.

The Lößfler crisis was not an isolated case, although it had the most negative consequences. There were also difficulties with cousin Louis Siemens, who was a partner in the Charlottenburg factory. As a result, the brothers were eager to terminate their agreement with him even before the contract expired in 1885.

Although having the legal status of a public company or including more members in the corporation would have offered possibilities for a considerable expansion of the equity capital, Werner von Siemens stuck to the “family principle” (Familienprinzip). Nevertheless, he thought it best to guard his own interests. Following the bad experience with London, Werner even preferred to have the formal right to end the collaboration with his brother Carl, with whom he had always been on
good terms. In the last partnership agreement, intended to specify the organizational structure of the enterprise after his withdrawal, Werner was concerned above all with securing unlimited authority for his sons in Berlin. In a letter he pleaded for Carl’s understanding:

So it will be Berlin, which I have always imagined to be the hereditary seat for my sons. You cannot imagine how happy I am to have two sons who are competent and who are called to continue the business after our deaths, and a third son seems to be developing well in the same direction. At all events, I wish to leave them the business under conditions that ensure a secure continuation. There are two prerequisites to be met. First, all inheritance rights per proxy must be excluded from management and capital regulations, and second, there must not be any interested people who might be able to request liquidation. For this reason I have supported a paragraph authorizing each of us, after the expiration of the partnership agreement, to request to take over the business he is conducting solely on his own account and to compensate the other partners by paying them the book value of their portion of the business.9

At the same time, however, he reassured his brother that neither he himself nor his sons would plan to exclude Carl from the top management of the Berlin firm in the future. Indeed, Arnold and Wilhelm asked their uncle to come to Berlin as senior executive immediately after Werner von Siemens’s death.

This patriarchal attitude with respect to legal details concerning the operation of the firm and its staff policy is astonishing in a man who called himself a liberal. His strong sense of the family kept the businessman, who in other respects was so farsighted, from initiating important reforms and contributed to the “stoppable rise of AEG” (“aufhaltsamen Aufstieg der AEG”).10 Quarrels such as the Löffler crisis prevented the firm from keeping up with the worldwide expansion of German electrical technology, which it otherwise could easily have done. Because of the business policies it adopted, Siemens fell behind its competitors. Werner’s sons, however, were able to catch up after they took over management of the firm.
In his later years Werner von Siemens was very reluctant to give up his dominant position in the firm. The limited partnership agreement dated December 27, 1889, spelling out his withdrawal as a partner and his rejoining the firm as limited partner on January 1, 1890, conceded him numerous rights. He secured himself the right to be consulted on essential decisions, such as the purchase and sale of real estate and companies, the founding of new branches, the conclusion of business deals exceeding a value of 100,000 marks, and the hiring or dismissal of top managers. In addition, he continued to be authorized to take part in business meetings and to have unlimited access to all files and correspondence. His was to be, at best, a semiretirement. As a visible sign of his integration in the firm, Werner kept his office and could still use the services of
Siemens employees for his private accounting and correspondence. These rights were expressly limited to Werner himself and did not apply to his heirs. His sons Arnold and Wilhelm, the top managers of the firm, rose to full power only after his death.

The Company’s Social Policy

Werner von Siemens was paternalistic in his relationships with his employees as well. He tried hard to fill the key positions of his enterprise with persons dependably loyal to him because of family ties or close friendship. Of course, he did have to work with employees or workmen with whom he had no personal relationship. Influenced by the shortage of skilled workmen, particularly in times of full order books, Werner early on pondered the question of how to motivate and bind his employees to the firm. He also felt morally obligated not only to pay employees their wages but also to let them have a share in the profits, which in his view all employees had earned. He wrote to his brother Carl: “The money earned would burn like a red-hot iron in my hand if I did not give the faithful employees their expected share. It would also be imprudent of us if they ended up with no reward for success at moments of great new endeavors.”

Thus Werner instituted a system of profit sharing as the most promising way to reward key officials, who bore a great deal of responsibility. The circle of such “participants in the profits” (Tantiemisten) always stayed very small, but minor officials also received bonuses. Not only did Werner von Siemens feel obligated to share some of the profits with the workforce, he also recognized that the company itself would benefit if the goals of employees and those of management coincided. As he noted to Carl:

I have always found it most wasteful if those who participate in the management of the firm do not also participate in the results. If a single silly mistake can be avoided by such an
investment, the benefit for the enterprise may far exceed the amount paid out as a bonus! In the face of large business operations and complex deals impossible to monitor all the time and manage personally in every detail, we have to pass on a major part of the profit to our deputies. This is a basic rule for effectively conducting big business operations! Ever since all masters in the shops in Berlin have gotten an annual award, proportional to the profit each individual shop earned, quite a new spirit has entered our enterprise; we produce more, at lower cost and of better quality, and cannot cope with the amount of work.16

From an early stage in the history of the Berlin workshop, Werner von Siemens looked after his staff well, a policy that assured continuity in the workforce and avoided a shortage of skilled workers. After 1855 he rewarded employees at Christmas according to individual performance and the profits of the business. Moreover, Werner von Siemens endeavored to establish a good personal relationship with his workmen. Until sometime after 1870, each year he invited all master craftsmen and officials to his house on Ascension Day for personal talks in order to learn more about their needs and problems. Over time, however, the enormous growth of the enterprise and the transition from craftsman-dominated manufacturing to “factory-style” production made such personal contacts increasingly difficult to maintain. The employees had to be motivated in a different way. This was done by introducing piecework wages, which quickly enabled the workers to earn much higher wages than before. At the same time, Werner was farsighted enough to recognize the greater stress the workers experienced doing piecework and reacted by reducing the working hours. After 1872 the workers at Siemens & Halske had to work only nine hours a day (fifty-four hours per week). Despite the considerable rise in actual wages, the firm reaped some benefits also: the cost of the products dropped after the introduction of the piecework system. Nevertheless, the older members of the workforce, oriented toward craftsmanship, accepted the piecework system reluctantly.

The introduction of a pension fund in 1872 on the occasion
of the firm’s twenty-fifth anniversary represented an outstanding step forward in social policy. This fund was devised to provide retirement benefits for the workers and to bind younger employees to the firm, especially important since after the 1870s, with the introduction of the free choice of work and the right of assembly, the mobility of workers had increased considerably throughout the economy. The fund, which was started with 50,000 thalers donated by the three Siemens brothers and 10,000 thalers by Halske, served to increase the loyalty of the majority of the employees—those who were not paid bonuses and for whom management did not consider profit sharing to be appropriate. Werner von Siemens had considered establishing such a fund as early as 1868 for all branches of the enterprise and wrote to his brother Carl: “At any rate we have also to establish a pension fund for the Tbilisi business [copper mine and smelting plant]. I think we should establish a big one for all branches, to which the different business operations and the people themselves pay contributions. Please give this some serious thought. By the way, Halske and I have always considered the reserve fund as a means of binding the people to our firm, not only those who receive awards.”17 The donation of 60,000 thalers provided the foundation for the pension fund for cases of old age or disability. Moreover, Siemens pledged to pay an annual contribution for each worker and official to the fund’s financial administration, elected by the participants. After uninterrupted employment of thirty years, workers were entitled to draw a pension amounting to two-thirds of their wages. The fund also provided support for widows and orphans. The claims were forfeited only if the employee resigned. If workers had to be dismissed because of a lack of orders, they received a certificate entitling them to reemployment as soon as the order situation improved.

The pension system was popular. Many workers kept on working, even when they drew pensions after thirty years of service, and regarded the pension as an additional source of income and a reassuring safety net. The attachment of the workers to the enterprise was greatly increased by this fund, all the more so as they did not have to contribute to it themselves, in
Charter trust deed for the pension fund, October 21, 1872
contrast to the national old-age and disability insurance system, which became obligatory in 1889. Since the firm's pension fund was an internal arrangement of the enterprise, it was unaffected by the national pension scheme.

In his social policy Werner von Siemens, for rational reasons, suppressed his otherwise strong patriarchal inclinations. The desire to interfere in the private affairs of his workers in the "attitude of a benevolent country squire"—which can be seen in the case of Alfred Krupp, for example—cannot be attributed to Werner von Siemens. Anxious to avoid having such a neopatriarchal grip on his labor force, he abstained from building company-owned housing, despite the difficult housing conditions in Berlin. As early as 1883, plans for building such housing had been discussed at Siemens & Halske, but they were never approved.18

The attitude adopted by Werner von Siemens was characterized by his conviction that social conflicts had to be solved on the basis of mutual concessions, since all persons working in a company were dependent on one another. When negotiating with his workers, time and again his healthy egoism enabled him, on the one hand, to find ways and means to meet their legitimate claims and, on the other hand, to refuse to agree to anything that, in his opinion, could harm the firm and thus also the gainful employment of the workers.

In his memoirs Werner von Siemens stated his motivation for providing such social benefits to his workers: "At an early period of my life I had already recognized that a satisfactory development of the continually growing firm was achievable only if a happy cooperation of all employees based on their own initiative for the advancement of their interests could be secured. In order to reach this aim, I thought it necessary to have all members of the firm participate in the profits according to their individual performance."19 The recognition that his employees' satisfaction with their work coincided directly with his own fundamental interest combined harmoniously with his philanthropic and caring disposition. There was another side of the coin, however: Werner von Siemens expected his employees to be absolutely loyal and to strictly maintain in-
dustrial peace. If there were any conflicts, they were to be solved exclusively internally and without the participation of outsiders. Violations of the hierarchical structure of the firm were severely punished, up to dismissal—a style of management characterized as “liberal patriarchalism” (liberaler Patriarchalismus) by Jürgen Kocka, a term that at first glance appears contradictory but means something like benevolent patriarchalism. Unlike in the United States and Great Britain, in Germany large manufacturers such as Siemens did not face well-organized labor unions. Not until 1918, just after the end of World War I, did German law accept unions.

On the managerial level Werner von Siemens continued to favor close informal contacts instead of strict contractual regulations. As the enterprise grew, he particularly regretted losing contact with middle management. The top management, of course, remained in the hand of the family and close friends.

Werner von Siemens’s Political Position

As the bulk of his time was taken up by his activities as a businessman, scientist, and inventor, Werner von Siemens was unable to dedicate himself to politics for extended periods. He was politically active only during short spans of his life, concentrating on specific issues that attracted his interest. He never perceived himself as a politician or a lobbyist.

Most likely Werner von Siemens’s political attitude was strongly influenced by his liberal parents, with later modifications resulting from his contacts with the Prussian state. As we have seen, there were numerous indications during his military service of his basic liberal attitude, the most significant of which being his enthusiastic welcome of the revolution of 1848. However, as Werner was dependent on the Prussian state and later on the particularly reactionary Russia as customers, in regard for his business interests he kept his distance from revolutionaries. Considering that Werner von
Siemens was investigated several times for political reasons before his entry into Russia, this attitude becomes all the more understandable.

Werner von Siemens began his actual political activity in the 1860s, although his firm was still growing and thus facing financial and organizational problems. In 1860 he joined the National Union (Nationalverein). Following the model of the Italian Societa Nazionale, liberals and democrats had joined in this party in order to support the idea of a unified Germany. The more Prussia turned toward a nonconstitutional policy following the beginning of the so-called new era under King Wilhelm I, the more difficult the position of the National Union became.

Werner von Siemens adopted a position distinctly in opposition to the Prussian government when in 1861 he established contacts with representatives of the Prussian Landtag (state parliament) interested in founding a new liberal party primarily in opposition to the Prussian military reform initiated by Albrecht Graf von Roon, the secretary of the army. In his memoirs Werner von Siemens claimed credit for having had a decisive influence on the naming of this new party. The representative Hermann Schulze-Delitzsch is said to have proposed calling the party the German party (Deutsche Partei). Werner, however, suggested the Progressive party (Fortschrittspartei). As a compromise, it was decided to found the German Progressive party (Deutsche Fortschrittspartei).

The German Progressive party was highly successful in the parliamentary elections of December 1861; with 109 representatives, it constituted the strongest faction in the Landtag. Together with the left-of-center representatives, the party was in a position to block the passage of the government’s plans for a reform of the army. The king reacted by dismissing the liberal ministers and dissolving the chamber in March 1862.

For the new elections, Werner von Siemens was persuaded by his friends in the party to be a candidate for the constituency of Lennep-Solingen. The triumph of the German Progressive party, which won 230 out of a total of 352 seats, also procured a seat for Werner von Siemens in the Landtag, allow-
ing him to follow an opposition course in the "question about the army." At the peak of the fight over the proposals concerning the budget and enlarging of the army, he wrote to his wife on June 10, 1863: "I am determined not to put up with anything at all, come hell or high water. If Prussia remains as it is for a long time, I am not inclined to pay it the honor of my presence much longer."^{21}

Werner von Siemens's stance was characteristic of the changing attitude of so many German liberals. Bismarck's military successes made him uneasy, and particularly the victory in the Austro-Prussian War of 1866 caused a change in his mood, which is evident in a letter to his brother Wilhelm dating from September 1866: "I am deeply convinced now of Bismarck's being moved by the Holy Spirit of a grand national mission, to be resolved not to create a half-sized Germany only, but a whole nation. This is the reason why I have detached myself from most of my former political friends and have campaigned and voted for the vote of confidence in his foreign policy, since he stated that he would consider the approval of the state loan. This should, however, now mark the end of my political career, at least for the time being. I will hold myself accountable to my voters and at the same time resign from my mandate."^{22} For this reason Werner supported the reconciliation between parliament and the government. A bill of indemnity, which granted the government retroactive approval for the expenditures between 1862 and 1865 which had not been approved by the parliament, ultimately rendered this reconciliation possible.

The German Progressive party experienced a crisis after the Battle of Sadowa (Königgrätz). In the elections in July 1866 the party suffered a heavy defeat. In autumn a group split away and formed the nucleus for the National Liberal party. This party successfully sought to be on good terms with Bismarck in the future North German Reichstag. Werner von Siemens did not run as a candidate for the future Landtag or Reichstag.

Werner was not the only liberal making his peace with Bismarck after 1866. Great parts of the German middle class
acted similarly and withdrew from politics, placing all their hopes on Bismarck. In retrospect, Werner von Siemens regretted his decision, recognizing that the ruling landowners had consolidated their political position under Bismarck.

Werner von Siemens withdrew from politics in 1866, not only because of the crisis in the Prussian liberal movement but also because of an argument with his constituency. Disagreements arose with the factory owners there about their duty to identify German products as “made in Germany” and also about protective tariffs. Werner von Siemens strongly supported the marking of German products as German instead of providing them with English seals, as was common at that time. In doing so he also saw an important contribution toward developing pride among German factory owners. Nor did he want to get roped in as a lobbyist for protective tariffs, because he estimated their effects to be mostly negative:

An effective protective tariff system, which for industry secures consumption in its own country, can only operate effectively if this country, as, for example, the United States of America, contains all climates and produces all the raw materials required for its industry. Such a country can lock itself against any import, while simultaneously, however, reducing its own export capability. It must be regarded as a stroke of luck for Europe that America, because of her prohibitive protective tariff system, has impeded the dangerous, rapid development of her industry and reduced her export capabilities.23

Such profound differences of opinion with the factory owners of his constituency, who were clamoring for the introduction of protective tariffs, facilitated Werner von Siemens’s decision to resign from his mandate as a representative in the Prussian Landtag. Looking back, this former supporter of the opposition who had changed sides to become a national-liberal follower of Bismarck had some trouble explaining and justifying his earlier attitude. In his memoirs Werner also had difficulty in putting his disapproval of the increase in the Prussian military budget into a favorable light. Indeed, his opposition in the 1860s had for a long time forfeited him King (later
Kaiser) Wilhelm I's favor. On an official occasion Wilhelm is said to have disclaimed in a gruff tone any knowledge about a Lieutenant Siemens. Accordingly, not until the liberal-minded emperor Friedrich III had succeeded Wilhelm I was Werner von Siemens raised to hereditary nobility, in 1888.

Werner von Siemens did not completely withdraw from politics after he abandoned his second candidacy and converted from an opposition supporter to a man mostly favoring Bismarck's politics. Sometimes he was called upon to lend his expertise to help solve special problems. Werner also continued to be involved in public policies that were of special interest to him. In particular, the reorganization of patent legislation was close to his heart, and he devoted much energy to it after the Franco-Prussian War of 1870–71. Prussia granted patents at the discretion of civil servants for a period of three years at most. In general, patents had to be applied for in each individual member state of the German Tariff Union (Deutscher Zollverein). Consequently, inventors tried to market their inventions in England, France, or the United States first—that is, in countries where their rights to a patent were substantially more comprehensively protected.

As early as 1863 Werner von Siemens composed an expert opinion on the protection of patents for the Berlin Chamber of Commerce, in whose Council of Elders he had been active since 1855. In order to accelerate action on this matter he organized the Society for the Protection of Patents, which he chaired, and persuaded some lawyers to join the association. This society prepared a draft for a law specifying the following regulations: each invention filed should first be examined to determine the originality of the basic idea, and descriptions of the invention should be prepared for display in places accessible to the public. Patents granted should be published in full; protection of a patent should extend over a period of fifteen years, with fees, rising incrementally every year, levied for this protection. A patent court should be created and empowered to void previously granted patents. In his memoirs Werner von Siemens emphasized that the proposal was by no means contradictory to his convictions on free trade, as the protection for
a patent would inherently be tied to the immediate and complete description and publication of the invention. The government of the Reich did not react immediately on the patent society’s proposal. In a petition to the chancellor of the Reich (Reichskanzler, a position similar to that of a prime minister), Werner von Siemens pointed out the poor reputation of German products abroad, which were regarded as cheap and of low quality, and stressed that improved protection of patents might remedy matters. In a reaction to this petition, the unified German state passed a new patent law in 1876, which was a slightly modified version of the draft submitted earlier by the Society for the Protection of Patents.

With the passing of the new patent law, Werner von Siemens had for the first time successfully influenced politics as a lobbyist. To a great extent he continued to take part in this area, becoming a member of the Patent Office of the Reich following the passing of the National Patent Law (Reichspatentgesetz) of 1876. In connection with this position, to his great amusement he was given the title of privy councillor (Geheimer Regierungsrat). In his memoirs Werner gave this title a poor rating, contrasting it with his pride in the scientific distinctions and honors granted to him during his life. Among these honors were the authorization to present lectures to the French Academy of Sciences, bestowed in 1850; an honorable doctorate from the philosophical faculty of the University of Berlin in 1860; and admission into the Royal Academy of Sciences in Berlin in 1874.

Consonant with his scientific interests, Werner exerted his political influence to promote the education of a new generation of engineers. This was one of his principal concerns. In 1879 he had participated in the foundation of the Electrotechnical Society (Elektrotechnischer Verein), under the leadership of Heinrich von Stephan, the postmaster general of the German Reich. The society had two main goals. It sought to establish a system for the definition of units for such electrical properties as voltage, current, and resistance; and it promoted the establishment of chairs for professors in electrical engineering at the technical universities.
Diploma for the honorary doctorate awarded to Werner von Siemens in 1860

Moreover, Werner von Siemens also supported the foundation of an institute devoted solely to research and not intended for teaching. He was ready to engage himself in such a project not only as a politician promoting science but also as a sponsor. For this purpose he had intended to put into his will an endowment for the promotion of scientific research, but he decided to offer the government before his death a site for the erection of such an institute of the Reich (Reichsanstalt). The Reich would then assume the cost of the building and the expenses for the support of the institute. Accordingly, in 1885 an agreement was concluded with the government, and the Physikalisch-Technische Reichsanstalt was founded in the district of Charlottenburg in Berlin on a site donated by Siemens.

As a man engaged in politics, Werner von Siemens showed himself to be totally “a product of his time.” At first he was
very enthusiastic about the revolution of 1848, yet kept a distance from the “deep red party” (“blutrote Partei”) and soon dissociated himself from revolutionary ideas. During the liberal atmosphere of the new era and during the Prussian constitutional conflict, he became involved and had his most active political period. Following Bismarck’s successes in the military field and in foreign policy, and after the foundation of the Reich in 1871, he changed into a supporter of the government and was only occasionally critical in private. The political influence he exercised as a successful industrialist was directed totally toward the solution of factual problems in which he had a personal interest. His comments in his memoirs on the future role of Europe have lost none of their relevance, even a century after his death: “If Europe wants to maintain its dominant position in the world or at least stay equal to America, it must prepare itself in time for this struggle. This is only possible by removing all of the inner-European customs barriers, which limit the market, make production more expensive, and diminish competitiveness on the world market.”24