The question who ought to rule . . . belongs in the realm of philosophical speculation; practical politics has to do with the simple fact that it is power alone that can rule.”

August Ludwig von Rochau’s famous pronouncement in 1853 marked a shift in liberal political thought. A radical democrat turned moderate liberal, Rochau sought to awaken the German bourgeoisie to the realities of state power after the failure of the revolution of 1848. The weakness of the constitutional movement in 1848, he argued, had been its reliance on right rather than might, on the irresistibility of moral idealism rather than on the politics of power.

It was irrational, Rochau wrote, to expect power to subject itself to law: “To rule means to exercise power, and only he who possesses power can exercise power.” He dismissed as unrealistic the assumption of German idealism that ideas triumph when their time has come. And yet he clung to the belief that the middle classes would eventually triumph. State power, he maintained, was conditioned by the “relationship of social forces,” the most important of which were “wealth, intelligence, and education.” Of these, wealth would ultimately be decisive. “The aristocratic tie to the land as a force in the state has fallen,” he wrote, because “landed property is more and more outweighed by the daily growing mass of movable capital.” In Rochau’s scheme of Realpolitik, then, it was not the moral force of liberal idealism that would clear the path to power but the growth of a new economic order that would compel Germany’s rulers to yield to the interests and values of the middle classes.

The “Structural Continuity Thesis”

Rochau’s thoughts on social relations in the 1850s describe the beginning of what has now come to be called the “structural continuity thesis.” The power
of capital to recast society and politics endowed the German business class with undeniable importance. The expansion of commodities, capital, and services in regional and international networks since the 1830s was changing Germany into a modern market economy. The owners of factories, banks, insurance companies, and railways determined the investments, innovations, distribution of resources, and division of labor. Although they were merely 1.2 percent of the population, the industrial and commercial bourgeoisie (bankers, brokers, manufacturers, merchants, company directors, and owners of coal mines and iron foundries) led the industrial revolution. These businessmen were, as Friedrich Engels wrote in 1847, the “most decisive faction of the German bourgeoisie.” Prosperity in industry, he wrote, produced in turn greater domestic and overseas trade, more railroads, and an expanded stock market. The business class and its needs, Engels believed, was the motor of social transformation. It “represents the needs of the entire bourgeoisie and all classes dependent on it.”

For both Rochau and Engels the new business elite was also the bearer of a new political order. It possessed the economic means to challenge the political dominance of the landed aristocracy and remodel the state to accommodate more fully the interests of commerce and industry and the emerging mass society. Contrary to their expectations, however, a decisive break with the past never came to pass. Unprecedented economic growth converged with the reassertion of Prussian conservative political power, producing a “historic compromise” in this “age of capital.” The decade of reaction in Prussia after 1848 frustrated many who had hoped to achieve decisive political reforms.

For many historians the sociopolitical attitudes of businessmen and their continuing links with the Prussian-German state explain how an aristocratic, landholding political elite retained power in Germany until 1918 in spite of the shrinking economic influence of agriculture. They argue that a structural continuity in the political economy of Germany explains the course of German history from 1848 to 1918. In 1848 the capitalist class abandoned liberal ideals, so the argument goes, and sought stability in the reaction of the 1850s; economic concessions neutralized political aspirations. When liberalism revived in the New Era (1858–62) and the Prussian parliament rejected a military reform bill, setting off a constitutional conflict over the legislature’s power of the purse (1862–66), the business class again deserted the liberal front. Following the military victory over Austria in 1866, businessmen formed the core of the new National Liberal Party, which made its peace with Bismarck’s “Bonapartism,” accepting a new amalgam of authoritarian government, national unity, laissez-faire, and finance capitalism. During the depression that followed the crash of 1873, Bismarck scrapped free trade (1878–79) and (so it has been
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said) "refounded the empire" with tariff laws protecting both iron and rye, thus securing the political alliance of Junkers and industrialists.

In the period after Bismarck, the structural continuity argument continues, the bloc-building, lobbyist politics (Sammlungspolitik) of the 1890s reduced the German parliament to a brokerage house of economic interests, which was also parlayed into a defensive front against the rise of the Social Democratic Party, by 1912 the largest political party in Germany. Businessmen, furthermore, advocated Weltpolitik: colonies would bring new markets and cheap raw materials; battleships would sustain the growth of the heavy industries; and the lure of foreign glory would paper over domestic political strife ("social imperialism"). The advocacy of territorial annexation by major economic interest groups after 1911 contributed to Germany's aggressive war aims in 1914. The structural legacies of the Wilhelminian empire, so the thesis concludes, weakened the democratic forces supporting the Weimar Republic and thus prepared the way for the rise of the Third Reich, the Second World War, and the Holocaust. In brief, the structural continuity thesis would explain the long discussed and much debated "special path" (Sonderweg) taken by German history during the fateful century after 1848, from the failed revolution to the founding of the Bonn republic.

Betrayal, Alliance, Symbiosis

To discuss the validity of this general thesis in its entirety would far exceed the normal limits of a single historical monograph. Instead, this study focuses on the early years, the four vital decades (1830-71) when the structure's foundation was putatively laid. But first it is necessary to consider a number of subsidiary issues (that is, subsidiary to the central problem outlined above) that have been raised by historians and social theorists concerning the events of these years.

To orthodox Marxist historians, the behavior of the German capitalists after 1848 was an act of betrayal (Verrat). The German bourgeois failed to carry out the role assigned them by dialectical materialism. They failed to overcome the aristocratic-monarchical order and replace it with a bourgeois republic in a united Germany—the necessary prelude to the final victory of industrial capitalism over feudal agrarianism. That victory would in turn have prepared the way for the inevitable triumph of the proletariat in the climactic class struggle with the bourgeoisie. Even worse, the bourgeoisie came to terms and even cooperated with the old order, unnaturally extending its life into the twentieth century.
In his study of railway construction in Prussia before 1848 Dietrich Eichholtz shows how the "Prussian way" veered from the path Marx had charted. The "necessary" class antagonism between the nobility and bourgeois capitalists, he argues, did not develop to the point of clearing away the remnants of feudal society. Using the railroad industry in its early phase (1830–48), he shows how the bourgeoisie established an "unholy alliance" with the Junkers. He calls the bourgeoisie's use of the Prussian absolutistic state to facilitate the construction of railroads the "method of material corruption." The capitalists, for example, relied on the state for legal decrees to expedite land appropriation and to overcome the difficulties of accumulating capital, government subsidies, loans, and the subscription of stock. "From the beginning the Prussian way was a compromise between the bourgeoisie and the old ruling classes by which both Junker and capitalist profited." Such a relationship between capital and feudalism encouraged "antirevolutionary tendencies . . . among the Prussian bourgeoisie . . . whose pitiful behavior can be characterized by cowardice, betrayal of the mass movement to the old ruling powers, and miserable servility." Karl Obermann, Ernst Engelberg, and Roland Zeise echoed Eichholtz's position.

Most scholars have dismissed the bourgeoisie's "historical mission" and its betrayal as teleological and unhistorical. In the 1960s a new generation of historians sought to use social scientific methods to explain the historical roots of the Nazi dictatorship. In so doing they strove to avoid both the Marxist blueprint for social development and the historicist-idealist tradition that accepted Bismarck's empire as a uniquely German social formation. Their principal analytical tool was modernization theory, a sociological model that posits democracy as the normative form of government for urbanized, industrialized mass societies. England's gradualism, France's revolution, and the industrialized democracy of the United States were held up as examples against which the deficiencies of Germany's political tradition could be examined.

In this context alliance became a key term—a codeword—to describe the relationship between capitalists and Prussia's ruling elite during the 1848 revolution and the subsequent reaction that marked for the middle classes the beginning of a servile, antidemocratic tradition. Faced with a two-front battle against democrats in the street and the ruling aristocratic elites, liberal politicians—many of them businessmen—chose to side with the latter, entering into a junior partnership that guaranteed order and stability but sacrificed a political voice. The term alliance, however, is not completely an ex post facto construct. In 1847 the historian Heinrich von Sybel prescribed an "open, thorough, and practical alliance" among capitalists, the intelligentsia, and the state to prevent the rise of "dangerous communistic tendencies" brought about by the "great contrast between capitalists and the unpropertied."
Postwar historians, however, use the term alliance less for a specific event or agreement than as a general description of the political milieu of the 1850s. First used by Heinrich Heffter in 1950, the word reappeared in Friedrich Zunkel's work on Rhenish and Westphalian entrepreneurs between 1834 and 1878. Published in 1962, Zunkel's lapidary prose, wealth of primary sources, and clear, forceful thesis made the book enormously influential, and it still remains the authoritative study on Prussian entrepreneurs. "It was perhaps the brilliance of this work," noted Hartmut Kaelble in 1985, that discouraged "subsequent social-historical works on the political history of the [entrepreneurial] bourgeoisie." Zunkel sought to explain the origins of the cartel of economic interests that arose between the landed nobility and the high bourgeoisie in the Kaiserreich. He was the first of Germany's postwar historians to employ social historical methods—attention to social origins, occupations of sons, marriage patterns, and social networks—to clarify the political stance of entrepreneurial groups in the Rhineland and Westphalia. He argued that in the 1830s and 1840s a confident, self-conscious entrepreneurial class arose that provided leadership in the revolution of 1848. While noting some uniquely German characteristics in the prerevolutionary era—rapid industrialization, late development of the bourgeois class—Zunkel clearly views the 1848 revolution and its political fallout as a significant watershed in German political life. Fearing both the democratic demands of radical artisans and the threat of extensive damage to property, the Rhenish leadership became increasingly moderate, advocating a constitutional monarchy, limited suffrage, and, eventually, a "break with the revolution." For the sake of order and economic stability, the bourgeoisie gave up its "political emancipation," "retreated" from politics, fortified a "feudal society," and hindered development toward a "humanistic, democratic social order." In the 1850s and 1860s the development of the bourgeoisie degenerated, Zunkel suggested, into an "alliance of governing classes" in which the entrepreneurial class retained the "second social power." The alliance of the 1850s and 1860s is presented as a dualism: the once political businessmen of the Rhineland were "diverted" to economics by an "authoritarian monarchy," thus accepting the administrative dominance of the state and the political leadership of the feudal nobility. The combination of economic prosperity and the abandonment of bourgeois values led in turn to a "feudalization of the bourgeoisie": the increasing imitation of aristocratic styles of living and bourgeois conformity to a "half-feudal Prussian society." The building of lavish villas, the cultivation of noble contacts, and the desire for aristocratic titles exemplify the feudalized behavior of entrepreneurs. In short, these developments amounted to stagnation; the "bourgeoisie, which at mid-century
dreamed of ruling in the future, no longer possessed the vitality and influence to assert itself against the East-Elbian nobility." For Zunkel the price of bourgeois integration into the Prussian-German state was dear.

In this perspective the pivotal era of the German Sonderweg was 1848–66, when leaders of the German bourgeoisie swapped their claim to political leadership for the privilege of making money. In so doing, commercial and industrial leaders gradually estranged themselves from any kind of emancipatory social-political movement, thus laying the groundwork for a weak democratic tradition in Germany. When the ascension of Prince-Regent Wilhelm to the Prussian throne in 1858 revived public forums on liberal politics—the New Era—and brought about the founding of the liberal Progressive Party in 1861, entrepreneurs ceased to identify themselves with the liberal parliamentary movement. Satisfied with the economic concessions granted by the state, the business class denied the political movement the economic clout it needed to succeed. Hence, the alliance thesis dovetails with that of a German tendency toward “revolution from above”: the ability of conservative elites throughout early modern and modern German history to introduce just enough reform to preempt social and political change from below. In the context of the 1850s, writes Hans-Ulrich Wehler, the “continuation of the ‘revolution from above’ after 1849 proceeded with economic-political reforms and concessions as compensation for political repression and lack of emancipation.”

The alliance thesis, so forcefully presented by Zunkel, pervades the major social histories on entrepreneurs, liberalism, and nineteenth-century political movements. It is to be found, for example, in the works of Jürgen Kocka, Helmut Böhme, Richard Tilly, Heinrich August Winkler, Hans-Ulrich Wehler, Wolfgang Mommsen, Wolfgang Klee, Wolfram Siemann, and others.

Böhme, in particular, uses the alliance thesis to place the role of the “domesticated” bourgeoisie in a larger context. His Deutschlands Weg zur Großmacht (1966) sought to show that the struggle between Prussia and Austria for political hegemony in Central Europe from 1848 to 1866 was primarily rooted in economics. Such an approach eclipses the importance of Bismarck’s statesmanship in the 1860s. Writing economic history as diplomatic history, Böhme argued that Prussia’s success in frustrating Vienna’s attempts to enter the German Customs Union in 1853 and 1865 was more decisive in its effects than Prussia’s military victory of 1866. Prussia’s “marriage” to the western industrialized states through the Franco-Prussian customs treaty in 1862 prevented the Habsburg monarchy from attaining the economic leverage needed to realize its large-German (grosseutsch) design, an “empire of seventy millions” that would have stretched from the North Sea to the Adriatic.

Underlying Böhme’s argument is the assumption that free trade had a unifying effect on diverse political interests in Prussia. The allure of free trade
produced a "new political coalition" between "traders, bankers, and [light] industrialists and the conservative feudal agrarian leadership of Prussia." With this "community of interests, not only did the liberal-democratic aims of 1848 fail but also the plans of Austria." Free trade, Böhme asserted, was the necessary concession that produced a "division of labor." With the noble landholding classes abstaining "from modern industrial economic processes... [balanced by] the far-reaching abstinence of entrepreneurs from the political arena, the old and new elites laid the basis for the special position and the special development of Germany." For Böhme the politically supine Prussian bourgeoisie was an essential component to the Prussian state's drive for political hegemony in Central Europe after 1848.

Under close examination the idea of a political alliance among German elites based on free trade does not stand up. A consensus on free trade existed neither in the business community in the 1850s nor between the National Liberal and Free Conservative political parties in the 1860s. It is clear that the "concession" of free trade did not pacify businessmen, who had other demands. In the 1850s, the same commercial circles, as we shall see in chapters 4 and 5, sharply opposed the government on banking policy and entered into law suits against the government over control of private railroad companies. The use of "alliance" and "new political coalition" glosses over the complexity of domestic politics and the numerous difficulties between business and the state in an expanding economy. The idea of a division of labor between Junkers and entrepreneurs overlooks the Silesian landlords who invested in coal mines, iron foundries, and railroad companies, as well as widespread speculation by Junker landlords in industrial securities. The clean division of economic and political spheres is an unconvincing interpretative scheme for the 1850s—particularly for the entrepreneurial outlook, which usually linked political and economic matters.

The chief shortcoming of Böhme's work, then, is the overemphasis on high politics and state political economy, and an undiscerning attention to the politics of doing business in specific sectors, regions, and business circles. On this point Theodore S. Hamerow's important two-volume study is more astute, giving color and definition to the expanding public voices of bourgeois economic and public life. His studies underscore the import of the postrevolutionary period for the empire's social and political foundations, but his commanding overview is concerned more with the breakthrough of laissez-faire industrialism, bourgeois public opinion, and the growing commercial hegemony of Prussia than with showing specifically how postrevolutionary economic politics affected the evolving relationship between businessmen and Prussian state officials. Neither Böhme nor Hamerow shows us the politics of the boardroom: how businessmen, representatives of large-scale capital-
ism, contested state policy to establish the right to make money.\textsuperscript{36} Handbooks and synthetic narratives further reflect this shortcoming.\textsuperscript{37}

In the 1970s West German neo-Marxist historians Lothar Machtan, Dietrich Milles, and Michael Gugel opposed the notion of alliance, advocating instead the idea of symbiosis. Gugel, for instance, portrayed Prussia in the 1850s and 1860s as a postrevolutionary, acquisitive, consumer-oriented society that consequently developed a liberalism more reform-oriented than emancipatory. The Progressive Party, Gugel asserted, was not interested in recasting the foundations of the Prussian state by franchise extension, a cabinet responsible to parliament, or a more democratic constitution.\textsuperscript{38} Rather, the Progressives sought a greater “embourgeoisement of the power structure” by reorganizing the state for greater efficiency.\textsuperscript{39} During the 1850s the concepts of civil law, justice, and the constitutional state, once brimming with radical significance, were emptied of their content by middle-class parties.\textsuperscript{40}

The bourgeoisie in the 1850s, asserted Gugel, drew a sharper distinction between society and state. They increasingly viewed the state as an institution through which disputed interests could be arbitrated and resolved; it was “an excellent instrument for the advancement of economic and social interests.”\textsuperscript{41} After the decreed constitution of 1850 secured the socioeconomic foundation of Prussia, a depoliticized “bourgeois-capitalistic” society unfolded. Gugel deflated the importance of the constitutional conflict, in which a liberal opposition attempted to rein in the authoritarian Prussian executive through greater parliamentary control. The conditions for a liberalization of the constitution and the Prussian political system, Gugel argued, never existed.\textsuperscript{42}

Machtan and Milles offered their study, \textit{Klassensymbiose von Junkertum und Bourgeoisie} (1980), as a corrective to the left-liberal modernization theory, which “replaced the nostalgia for the holy world of the authoritarian state” with a “nostalgia for the holy world of the modern constitutional state.” They argued that by reconciling capitalistic social development with the \textit{telos} of liberal social democracy, West German modernization theory was putting a square peg in a round hole.\textsuperscript{43} Central to their critique is the dismissal of the term alliance. The word presupposes a “voluntary subjective act” rather than a “capitalistically determined, historical-concrete unity of ruling classes.”\textsuperscript{44} They replaced “alliance” with “symbiosis of classes,” a term that in their view more accurately reflects the relationship of the capitalist class to the pre-industrial order.

The symbiosis refers to a “fundamental consensus” between Junkers, a noble class of capitalist farmers, and the bourgeoisie, a class granted optimal conditions to industrialize by the state.\textsuperscript{45} The relationship had little to do with the conscious actions of either group but was “simply decreed to them by the ambivalent development of German capitalism.”\textsuperscript{46} Mixing organic and me-
chanical metaphors, Machtan and Milles stated: “Naturally the real-historical functional mechanism of this class symbiosis crystallized only very slowly and, for the time being, unconsciously behind the backs of the productive agents involved.” In this respect, politics were merely epiphenomenal actions to protect material interests. Echoing Gugel, the authors argued that the constitutional conflict was nothing more than an effort by the middle classes to legitimize an already established social position and to attain further economic concessions. In what was hardly an emancipatory movement, the oppositional tendencies of the commercial and industrial bourgeoisie could be dismissed as “pragmatic opportunism.”

This neo-Marxist view assigns no emancipatory role to the business class after 1849. It characterizes the Prussian experience from 1850 to 1870 as a peculiar form of bourgeois dominance, in which the needs of the class were met without overthrowing the state.

These neo-Marxist interpretations redress the misreading of the bourgeoisie as a subordinated, feudalized middle class but offer only half-truths as alternatives. Certainly the ability of both new and old elites to amalgamate their interests in an undemocratic state is the crux of the matter. But whether the postrevolutionary socioeconomic base (which “objectively conditions” the Junker-bourgeois “form of rule” [Herrschaftsform]) was organized as effortlessly as Gugel and others suggest is questionable. Their arguments evade the numerous concrete points of conflict between conservative and bourgeois interests during the first industrial revolution. Equally evasive is Milles and Machtan’s use of the biological term symbiosis, the process by which two separate organisms live together with a mutually beneficial association. It is ironic that these two historians harshly criticize bourgeois historical writing yet show a historicist penchant for the organic metaphor of symbiosis. Such a metaphor conveys a frictionless process. A metaphor of social process must also account for opposition, exclusion, and competition. Symbiosis evokes the “invisible hand” of capitalism silently transforming German society without showing the antagonistic processes inherent in a capitalist economy. There are no agents in Milles and Machtan’s story. We are less apt to consider the politics of the 1850s as a cozy symbiotic process if we look beyond abstractions regarding the “ambivalent development of capitalism” toward the people and parties who represented the varied and vying interests of agriculture, trade, transportation, handicrafts, and light and heavy industry.

Material Interests versus Liberal Idealism

Implicit in all three versions of the Sonderweg construct is the idealization of pre-1848 liberalism. Eichholtz, Zunkel, Böhme, and Gugel all take the posi-
tion that a clearly defined democratic-liberal idea existed before the revolution and was abandoned during it. The political interpretations of the 1850s are colored by the assumption that before 1848 the German bourgeoisie espoused a universalist political ideal calling for a free, rational, constitutional form of government. Afterward the universal humanism gave way to class-specific interests, inviting opportunism and compromise. These assertions are based on the assumption that 1848 was a great political watershed.

To be sure, some German liberals abandoned the universalist political role of the bourgeoisie as a result of 1848. But the political views of Prussia's liberal cadres were almost always class-specific—before and after 1848. No ideology of natural-law philosophy or democratic principles led urban notables, merchant-patricians, and economically ascendant businessmen to advocate a constitution in the 1830s and 1840s. Urban leaders never believed in a political role for the unpropertied classes and never challenged the legitimacy of the Prussian monarchy. Rather, this social group believed in the need to end arbitrary government and establish a *Rechtsstaat* (rule by law) to protect property, person, and marketplace. In so doing they presumed to speak for the masses.

Practical issues such as adjusting the tax base, introducing better property laws, banning entail and hunting rights, promoting customs treaties, debating the merits of free trade, and abolishing the patrimonial court system occupied the political agenda of Prussian businessmen in the pre-1848 era. They were moderate economic liberals who believed that politics should accommodate the two principal spheres of civil society: commerce and industry. Joseph Dumont, newspaper owner, railway director, and urban notable, revealed the character of entrepreneurial politics in 1833 by advocating "sensible freedom—not because of any theory but because lawful freedom alone ensures the comforts of life, free activity, industriousness, and freedom of occupation." Ideologies he disdained: "exclusive theories from all sides are much too rigid."

Recent research has rendered a more accurate political portrait of the pre-March Prussian entrepreneur.

This bias among businessmen toward practicality was equally prevalent during the revolution of 1848. Although idealistic political issues are usually the main focus of historical accounts of 1848, the material-economic issues are hard to avoid. The unification of Germany under Prussia was for Prussian liberals as much an economic goal as a political ideal; it corresponded to David Hansemann's subsequent plan to unify the German states with a federal *Zollverein* (Customs Union) parliament. The protracted debates on voting and constitutions must not be permitted to obscure the significance of the many economic associations and advocacy groups that blossomed in 1848. They promoted a wide spectrum of interests and integrated the question of
free trade, national tariffs, and protective legislation for crafts into the central forum in Frankfurt.\textsuperscript{55}

The practicality of economic liberals contrasted greatly with the idealistic posture of the lawyers, professors, civil servants, and other representatives of \textit{Bildungsbürgertum} (the professional middle classes). Wilhelm Oechselhäuser, a businessman from Dessau who worked in Silesia, complained in 1848 about the “enormous phrasemaking” of “illusionists” in Frankfurt who argued over the basic rights of Germans. He demanded that the parliament and the people finally concern themselves with sensible things, such as economic questions.\textsuperscript{56} Gustav Mevissen, the Cologne entrepreneur, expressed similar sentiments when he wrote in October 1848, “The volubility of the professors is indefatigable, and I very much fear that German unity will perish because of German thoroughness.”\textsuperscript{57} It is perhaps not surprising that in March 1848 one of Hansemann’s first deeds as minister was to supply credit to Rhenish banks and transform the leading Cologne bank, the A. Schaaffhausen’sche Bankverein, into a joint-stock enterprise.

Whether one interprets the pursuit of material interests as opportunistic\textsuperscript{58} or as an indication of political maturity,\textsuperscript{59} we must nonetheless recognize this rudimentary element in the political outlook of businessmen. It is unhistorical to impugn these liberal-minded businessmen as turncoats and cowards in 1848 when they consistently held plutocratic, commercially based political views. In 1845 Rhenish liberals reformed the electoral procedure for the provincial diet; its three-tiered voting system based on degrees of wealth became the model for that introduced by Prussia in 1849. Men such as Dumont, Hansemann, and Camphausen believed not in equal citizenship but in active and passive voting rights. Criteria for enfranchisement was based on wealth, property, and influence. It is not surprising, then, that Hansemann believed the constitution of 5 December 1848, which granted universal manhood suffrage, went too far, encouraging “destructive democratic and anti-government principles.” The subsequent “relief, if not satisfaction,” as Rudolf Gneist commented, with which the “propertied classes welcomed the Three Class System” was not betrayal but consistency.\textsuperscript{60}

The betrayal and alliance theses lose much of their force if it is assumed that businessmen (before and after 1848) always presumed to work with the monarchy to achieve reform. Hansemann’s pamphlet of 1833, \textit{Preussen und Frankreich}, criticized the state of Prussia by praising France’s constitution and enlightened legislation. But Hansemann presented his call for a constitution as advice to the Prussian monarchy and not as opposition; he admonished the king to include the wealthy bourgeoisie in the ruling elite in order to ward off a more radical democratic movement. In 1840 he characterized the Prussian
monarchy as a "useful and conservative" protection "against the lower more
dangerous democratic elements." Similarly, it was Ludolf Camphausen, the
railroad entrepreneur from Cologne, who in May 1848 called back the prince-
regent from exile in England and never abandoned his hope of unifying
Germany under the Prussian monarchy. To pursue the small-German (klein-
deutsch) program, he convened the Prussian National Assembly on 22 May
1848. It opened four days after the National Assembly in Frankfurt, whose
unifying efforts it undercut. To know the limited reform program of these
businessmen in the prerevolutionary or Vormärz era is to recognize that their
political attitudes in the 1850s were a continuum from the 1830s, not a conse-
quence of failure in 1848. For this reason, this study begins in 1830 to under-
score the strong strands of continuity in entrepreneurial politics.

In doing so, this study confirms the thesis of Jeffry Diefendorf's distin-
guished work on Rhenish businessmen's politics between 1789 and 1834. His research on entrepreneurial behavior under French occupation and early
Prussian governance reveals the utterly pragmatist political style of Rhenish
businessmen, who sought to weave the needs of business institutions and busi-
ness politics into the fabric of state life. Although Diefendorf's study ends in
the 1830s with the onset of industrialization, his argument that "the old, pre-
revolutionary political process which had benefited them and had provided
them with their political education" deserves emphasis. The following chap-
ters will confirm the validity of this claim, while also showing the continued
flexibility of businessmen in adapting to (and exploiting) the new political
conditions after 1830.

As the next chapters will show at greater length, the business class in
the 1840s and 1850s sought no radical change in Prussia's social and political
order. Before and after 1848, it did not seek to expel aristocrats from the seats
of power. More accurately, the business elite demanded to be incorporated
into the ruling class, "those privileged people who, without exercising actual
political functions, influence those who govern . . . because of the economic
and financial power they possess." Not only are the rigid class distinctions
anachronistic for this period, but the independent role of the Prussian state
is also distorted. Marxist theory asserts that the state is the instrument of the
ruling class (Junkerstaat) and thus dismisses the problem. The alliance thesis,
relying more on Max Weber and Western sociology, recognizes the state as a
potential third party but evades the problem with the shibboleth of a "feudal
absolutistic state"—inferring a mirror conformity of the state to the politi-
cal needs of the conservative aristocracy. The symbiosis theory considers the
state to have been the stage where the interests of Junkers and capitalists met
and negotiated their competing claims, assigning to the state the role of me-
diator, not player.
The government of Minister-President Otto von Manteuffel (1850-58) and the bureaucracy that served it, however, sought to steer a course between the romantic conservative philosophy of the Prussian aristocracy (expressed best by the Gerlach brothers and the political philosophers Karl Ludwig von Haller and Friedrich Julius Stahl) and the demands of the liberal opposition in parliament. Manteuffel’s neoabsolutism sought to reassert the primacy of the Prussian state over all particular estates and classes, and this policy pleased neither noble conservatives nor middle-class liberals. Moreover, one cannot assume a monolithic policy or philosophy when referring to the state. Ministers and high-ranking regional bureaucrats, for example, could not agree on basic economic policy, displaying inconsistencies and contradictions that reveal a divided, uncertain government.

In rendering a more accurate construction of the political dialogue between old and new elites, we must assume a multivocal Prussian state in the throes of remaking itself. Eric D. Brose’s study on how the Prussian state lurched into the era of industrialization moves beyond conventional paradigms, throwing new light on the fragile consensus-building procedures that operated in the factionalized, multiparty state apparatus. His research underscores the influence of new social forces that eroded the caste mentality of government elites (Beamtenstaat), obviating any absolute distinctions between state and society after the 1840s. Equally important is David E. Barclay’s political biography of Friedrich Wilhelm IV, in which his interpretation of the Prussian state in the 1850s as a complex amalgam of countervailing forces opens up new conceptual space for future research. Barclay, for example, demolishes the prevalent view that the Camarilla, the king’s ultra-conservative shadow cabinet, exercised wide-ranging powers in the period 1850–58. He presents instead a more persuasive interpretation of Friedrich Wilhelm, whose intricate balancing of opposing interests enabled a wider range of political, economic, and social forces to exert influence in the reconstitution of the Prussian state after 1848. Grounded in solid archival materials, these studies give tangible meaning and historical specificity to the important but overly abstract term state building.

In many ways, it is exactly the absence of a rigorous context of business politics that mars the betrayal, alliance, and symbiosis theses of structural continuity. They place theoretical arguments ahead of empirical evidence. Although the political and economic attitudes of the capitalist class are the linchpin of this historical problem, the nuances and ambiguities within this social group have been surprisingly neglected. Böhme, Eichholtz, Engelberg, Obermann, Gugel, and Machtan and Milles all assume an unproblematic, docile business class. Hamerow admirably foregrounds the criticisms and tensions of economic politics circulating in the public sphere but does not focus
on specific spheres of conflict in government-business relations. Zunkel’s portrayal, too, is more differentiated and therefore convincing, but his analysis of bourgeois subjugation rests more on a sociological preoccupation with status and prestige in Prussian society than on an empirical analysis of how the postrevolutionary socioeconomic settlement was actually produced. We are given little idea how businessmen and other middle-class social groups interacted with the governmental bureaucracy at any level, whether local, regional, or ministerial. The question of how three elite groups—businessmen, state officials, and the nobility—confronted one another on such major questions as banking, customs and tariffs, transportation policy, joint-stock banks, and government supervision in this pivotal decade remains unanswered.

In the one case where work has been done on businessmen’s behavior, the results fail to confirm the conventional picture. Hartmut Kaelble’s study of Berlin entrepreneurs during the period of early industrialization (1830-70) sets aside overarching theories and investigates the social and political actions of businessmen in Berlin. Arguing from solid empirical research, Kaelble stated: “At least in the case of Berlin and its leading entrepreneurs the thesis cannot be confirmed that businessmen after 1848 . . . paid for their social ascendancy and economic decision-making freedom with political conformity.” He shows that the 1850s were actually a time when businessmen began to challenge the authority of the state bureaucracy and demanded a greater voice in the decision-making process. Using such associations as the chamber of commerce and the Berlin Trade Corporation (Die Berliner Korporation der Kaufmannschaft), businessmen saw to it that their interests were duly weighed by the government, which relented on many issues. “The thesis that businessmen retreated from politics after 1848,” Kaelble concluded, “is at least not valid for Berlin.” He noted, however, that Berlin’s business class did not challenge the basic autonomy of the bureaucracy. Businessmen contented themselves with winning small business-related gains in the government through quiet advisory channels and did not seek the larger gains of direct political power. Although Kaelble was careful to present his findings as unrepresentative of other entrepreneurial groups, his study suggests that further research could produce a better conception of entrepreneurial politics than the simplistic formulas of betrayal, alliance, and symbiosis.

**Bürgertum and the Business Class**

Perhaps the most salient feature of modern research on nineteenth-century Germany was its neglecting to explore agency in social spheres other than
the conservative establishment. Because paradigms centered on conservative elites pulling wires to direct the movements of a “supine bourgeoisie and a pusillanimous liberalism,” historians’ research emphasized the antidemocratic, feudalistic, preindustrial elements. In 1980, however, Geoff Eley and David Blackbourn launched a new research agenda with the publication of essays that challenged the theoretical and comparative premises upon which the Sonderweg, or special path, thesis rests.  

Eley sets himself the task of illuminating the conceptual flaws in modernization theory and its application to the Sonderweg thesis. He especially questions modernization theory’s assumption that the benchmark of a successful industrialized country is the presence of middle-class liberalism. The distinction between industrialism and liberalism, he argues, must be better sharpened: the former is a socioeconomic category, the latter a specific ideology. Conflating the two obfuscates the essential differences and further allows the German middle class, whose members were not “good liberals,” to be judged as a failure. Overall Eley charges German historical literature with terminological slippage with the terms bourgeoisie-liberalism-democracy: “The conceptual elision of ‘liberal’ into ‘bourgeois’ is further compounded by the still riskier equation of ‘liberalism’ and ‘democracy.’” If the terms can be pried apart, he argues, one could begin to recognize a German bourgeoisie, mature and assertive, which found liberalism ill-suited to its political aims. The tendency of the structural continuity thesis to fuse these terms indivisibly, Eley states, further enforces the inclination to measure events with “straightforward polarity” — either liberal victory or aristocratic authoritarianism. “The interests of the bourgeoisie may be pursued and secured by other than liberal means,” which leads Eley to place greater emphasis on the German bourgeoisie’s economic and juridical successes than on parliamentary liberalism. By stressing the ability of Bürgertum (middle-class groups) to develop and profit from industrial capitalism as well as to shape a law code that enabled bourgeois civil society to blossom in imperial Germany, Eley dismisses the “deficiencies” of Bürgertum. “Germany did, after all, experience a successful bourgeois revolution in the nineteenth century.”

Although Eley’s strictures gloss over valid elements of the Sonderweg thesis, his critical inquiry is salutary and welcome. Certainly his discussion about what groups actually implemented radical social revolutions in Western Europe and whether liberalism must be the prescribed ideology of the capitalist bourgeoisie was a clarion call to undertake more rigorous comparative history. More important, his pleas to jettison the hardened either-or formulations in judging bourgeois “success” after 1848 and to recognize the many middle-class social groups who became the principal beneficiaries of the reconstituted
postrevolutionary Prussian-German state is a theoretical breakthrough. Eley's essay exhorts historians to locate sites and processes of bourgeois agency in state and society.

Blackbourn, too, questions the efficacy of the *Sonderweg* methodology, which examines a social class on the basis of what it ought to be; the German title of his essay, "How it actually did not happen" ("Wie es eigentlich nicht gewesen"), expresses the ironic dig. Blackbourn proposes to examine what is there and keenly observes the cultural influence of the bourgeoisie. At issue for Blackbourn is whether the bourgeoisie had the power and means to stamp German society with bourgeois values. Scrutinizing civil law, public space, and public institutions (zoos, operas, parks, museums, etc.), Blackbourn sees in the more diffuse experience of civil society a smugly optimistic bourgeoisie, proud of its accomplishments. Against the "broader pattern of material, institutional, legal, and intellectual changes," Blackbourn speaks of a "silent revolution." 80 By employing an argument of cultural hegemony, he does not deny the strong aristocratic presence and antiliberal tendencies in German society. But Blackbourn asserts that Germany's antiliberal tendencies, when integrated into the greater framework of European social history, are comparable with other national traditions. Germany, he claims, merely "provided the heightened version of the norm." 81

Blackbourn's intent to modify perceptions of Germany's "peculiarities" is convincing, and his recognition of multiple identities in bourgeois life and his desire to examine civil society through a prism other than Berlin's court, government, and parliament is noteworthy. In recognizing that the bourgeois revolution may be closer to a gradual, fluid process of opportunities than the event-oriented "failure of 1848," both Blackbourn and Eley have cast new light on the study of bourgeois culture. 82

German historians have readily taken up the challenge of Blackbourn and Eley to rethink the middle-class role in German history. Numerous collections of essays reexamining the socioeconomic and political world of the nineteenth-century German bourgeoisie have emerged in the last ten years, and numerous other articles and monographs address this subject. 83 Although it is too early to surmise a consensus, it seems that an incremental revision of some *Sonderweg* assumptions is underway.

Hartmut Kaelble and Wolfram Fischer have shown, for example, the relative uselessness of the *Sonderweg* idea when comparing processes of industrialization and social structures to other countries. Kaelble argued in 1983 that, in terms of per capita economic growth, occupational dislocation, growth in the secondary and tertiary sectors, structural economic changes (farming to industry, craft to mechanization), and such demographic factors as urbanization, the putative influence of "rapid industrialization" on Germany's *Sonder-
weg does not hold up. Wolfram Fischer has added other socioeconomic statistical data to this thesis. In view of the pervasiveness of "deference society" and the general influence of nobility in the bureaucracies, armies, and economies of England, France, Russia, and Spain, the inability of the German bourgeoisie to become the sole ruling class is no exception. Comparisons between French and German entrepreneurs also belie the commonly held assumption that German industrialists were both better trained academically and more authoritarian. The corollary between the Herr-im-Hause attitude of German business and the authoritarian state must be rethought. Certainly the careful social historical research of Dolores Augustine-Perez and Dirk Schumann convincingly dismisses the idea that either "feudalization" or "aristocraticization" has little, if any, explanatory power for German businessmen. New research using comparison and social-historical specificity will prune back many of the traits indulgently ascribed to "German character."

Such revisions affect the period of this study. The convenient use of the bourgeois "retreat" from politics after 1848, for example, has been rejected. In his synthesis of German history from 1800 to 1866, Thomas Nipperdey labeled the history of the liberal retreat a "legend": "it is inexact, essentially false—indeed nothing more than moralizing literary criticism." Beate-Carola Padtberg's study of Rhenish liberalism during the reactionary period of 1850-58 also sets aside the notion of "political apathy." In examining the chamber of commerce, the municipal council, and the Cologne newspaper Die Kölnische Zeitung, she effectively shows how a broad oppositional political movement (combining both bourgeois and aristocratic classes) grew out of the "rational and flexible" tactics of the city's economic elite to assert its materialist demands during the economic boom. Two recent German textbooks by Wolfram Siemann and Reinhard Rüup also strive to balance the repressive features with the "modern constitutional and democratic elements" of the Prussian state and a politically active bourgeoisie.

Yet paradigms die hard. The staying power of the alliance thesis is evinced in Hans-Ulrich Wehler's new study of German history from 1849 to 1914, which still characterizes the 1850s as an "unpolitical Eldorado" for businessmen. And Rudolf Boch's study of businessmen who first introduced accelerated industrial expansion into the Rhineland equally adheres to 1848 as the great caesura in nineteenth-century business politics. Although Boch documents the robust political agitation of businessmen in the 1840s, he nonetheless posits that Rhenish business elites after 1848 "ceased to exist as a politically competent class." In view of the contentious negotiations between business and government in the second half of the nineteenth century, this claim, and its concomitant assumption that the state acted as an unproblematical facilitator of business needs, is hardly accurate.
A recent study of early railroad building in Prussia and the United States in the 1830s and 1840s by the historian Colleen A. Dunlavy is also germane to this discussion. Dunlavy answered the call for rigorous comparative history whose broader perspective modifies claims about industrialization and political change formulated in national frameworks. Her innovative analysis of the United States and Prussia, for example, offers the paradox that the centralized authoritarian Prussian state (modeled as a “unitary-bureaucratic” state) intervened less in both construction and regulation than the federal U.S. government (a “federal-legislative state”), whose strong promotional and supervisory roles belied its liberal, laissez-faire reputation. Her crisp comparisons illuminate how contrasting political structures determined the different styles of technology and business practices of railroad companies and, conversely, how such large economic institutions affected the political world. But in examining differing styles of railroad technology, the degrees of state intervention and abstention, and the long-term roles of lobbies, legislatures and state ministries, Dunlavy’s questions are intended more for reshaping the fields of business history and history of technology than for advancing the political history of German businessmen. Her interpretation of the Prussian state elides the many factions in the court and bureaucracy, province and capital, that resisted unified policy and that, in critical ways, dilute the strength of the unitary-bureaucratic construct. Moreover, the statement that economic liberalism better characterized Prussian policies than it did U.S. policy distorts the intentions of Prussian neoabsolutism and glosses over the state’s paternalistic interventionist actions which businessmen sharply criticized in the Vormärz period.

The problem of the business class and its operational strategies with the government still remains an underexplored topic. Certainly the recent debates, discussed above, call for reassessing the formulation “alliance,” the code word of government-business relations, which essentially precludes bourgeois agency. It is too constrained a term to explore the curious admixture of conflict and cooperation that characterized the rapprochement between business circles and the government after 1848. Although such historians as James Sheehan, Otto Pflanze, and Martin Kitchen have recognized the fundamental flaw in interpreting government-business relations as an alliance, there is no study of businessmen in Prussia after 1848 to draw a more accurate, detailed picture. In 1972 Kaelble wrote, “The rules that allowed non-civil servants to participate in political decisions remains largely unresearched.” And Dieter Langewiesche could still report in 1988, “It has so far not yet been clarified to what degree representatives of the commercial and industrial bourgeoisie in the 1850s used their economic position to advocate their political interests to the state bureaucracy.”
Railroad Entrepreneurs and the Prussian-German State

What is most needed at this juncture in the debate concerning the German bourgeoisie is new primary research. In view of this, I present here a study of the business class in its relationship to the Prussian-German state during the period from 1830, the onset of industrialization and railroad construction, to the political reorganization of Germany that followed the wars of 1866 and 1870. In order to stake out more credible ground between the polar hypotheses of the putative alliance and the so-called bourgeois hegemony, I examine the relationship between Prussian entrepreneurs and their government in the critical area of railway construction and ownership during the period in which this industry was the leading sector of German industrialization.

The decades upon which this study is focused were also the critical years of the "take off" in which German industrialization reached the stage of "sustained growth." Although today the universal validity of the model developed on this theme by W. W. Rostow is, correctly, rejected, it still has significance for Germany. As Rainer Fremdling's quantitative studies on the railroad industry have shown, there is no reason to doubt his assumption that the leading sector of this acceleration in Germany was railroad construction (seconded by the enlargement and modernization of the armed forces in the 1860s). For that reason I have concentrated my researches on the railroad industry in searching for the actual, in contrast to the assumed, relationships between entrepreneurs eager to promote the interests of private enterprise and a conservative, authoritarian state accustomed for nearly two centuries to directing the country's economic growth. What was true of the railway magnates and financiers was also true of entrepreneurs engaged in other enterprises during the "take off" years, for the development of the joint-stock form of business enterprise multiplied the flow of investment capital and involved businessmen in many kinds of enterprises. The railroad business was a sphere of great importance for bankers, manufacturers, merchants, and industrialists; but it was also important for the landed estates in the eastern provinces, the state ministries of war, trade, and finance, and any town or region that sought access to national and international markets. "The location of railway lines," wrote Frank Tipton, "was always a political decision and always retained its power to create and destroy." For government-business relations, the railroad industry was a touchstone of economic and political conflict.

Before 1848 railroads were the domain of private entrepreneurs. After the revolution the Prussian government sought to buy out private railways and dominate the railroad business with a state-run system, threatening the existence of the twenty-seven private railroad companies operating in Prussia. Government takeovers and aggressive regulation of the remaining private
lines produced an adversarial relationship between the government and the directors, financiers, and investors of private railways. The relationship was further exacerbated by Trade Minister August von der Heydt, who used every lever of the state’s legal and financial powers to give the state the upper hand in railroad ownership. Heydt’s aggressive tactics jeopardized one of Europe’s largest investment sectors and antagonized Prussia’s leading entrepreneurs.101

Owing to close state supervision of railroads, we can monitor the changing relationship of government agencies to the business world with greater accuracy and depth. Previously unexploited sources give new insights on specific areas of conflict between the two groups, enabling us to portray the businessmen’s ambivalence to state presence in the economy as well as to accent their influence on government policy. The behavior of railroad businessmen informs us how capitalists modified the terms of dialogue in preexisting political institutions to attain a juste milieu for capitalist enterprises in the late 1850s. To understand this evolving settlement, the two sides of government-business relations must be equally weighted: the side of conflict, to affect and change policy; and the side of cooperation, which allowed capitalists to avail themselves of the financial and legal benefits of the state. Friedrich Dahlmann’s remark that the Prussian state possessed the “magic spear which heals as well as wounds” also characterizes the equivocal, ambivalent attitude of businessmen toward state bureaucracy in the period of early industrialization.102

The integration of the Prussian business class into Germany’s political order after 1848 was a complex process of conflict and cooperation that cannot be neatly described as an alliance or a capitulation to a preindustrial order. The business class exerted pressure at certain points in the government, bureaucracy, and economy in the effort to shape policy in accord with their interest. The amalgamation of new and old elites cannot merely be explained as the “defense of inherited ruling positions by preindustrial elites against the onslaught of new forces.”103 The resistance, antagonism, and protest from the business class in economic affairs played a key role in creating a new political establishment after 1848. In structural terms, the series of compromises, successes, and failures that the business class encountered in establishing its terms of dialogue with Prussia’s conservative order speaks more of a search for mutual accommodation than of victory or defeat, conquest or capitulation, alliance or symbiosis.

The railroad industry is, to be sure, just one facet of a larger business world. I believe, however, that collectively railroad businessmen represented Prussia’s capitalist class better than their counterparts in other sectors of the economy. The men who founded and directed railway companies were affiliated with a great number of other businesses and professions. Such founders and directors of the Rhenish Railway as Gustav Mevissen, Ludolf Camp-
hausen, David Hansemann, Friedrich Wilhelm König, and Joseph Dumont either owned or had extensive investments in coal mines, iron foundries, newspapers, insurance companies, banks, and wool, linen, and cotton mills. Friedrich Lewald, H. Henock, and Karl Milde, Silesian railroad entrepreneurs, were involved in newspapers, banking, and textiles. Heinrich von Wittgenstein, president of the Cologne-Minden Railway, was active in steamships and insurance companies and served as a district governor in the Prussian government. H. F. L. Augustin, director of the Berlin-Potsdam-Magdeburg Railway, was a former judge for a Prussian superior court. Friedrich Engels, father of the famous socialist, owned and ran cotton mills but sat on the board of the Berg-Mark Railway. The banker and silk entrepreneur Hermann von Beckerath also directed the Cologne-Crefeld line. The heterogeneity of their activities makes it difficult to cluster these entrepreneurs into interest groups, such as it is often done in the case of landowners and heavy industrialists. How these businessmen interacted with the government as a social and political force of the bourgeoisie is the primary concern of this study.

Hence this examination of the business class veers away from questions normally asked about businessmen. It does not, for example, seek to enhance the studies of Fritz Redlich and Toni Pierenkemper, who examined the social profiles and business conditions in Germany in order to define successful entrepreneurship and the nature of the entrepreneur. Nor is it a contribution to the macroeconomic studies on the impact of railroads on capitalism, economic growth, and the development of the first industrial revolution. It also does not directly address the developed debate on the role of the state in promoting economic growth. Rather, this study seeks to bridge the gap between German economic and political history, the former ignoring the political components of Germany’s economy, the latter paying too little attention to the microeconomic details that shaped political outlooks.