

A Life for Freedom and Human Dignity— Wilhelm Röpke (1899-1966)

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ON FEBRUARY 28 the life of a distinguished economist of international reknown ended in Geneva. Wilhelm Röpke burnt his candle unstintingly up to his last days in a scholar's service to the causes of freedom, justice, and human dignity in the modern society. His estate of 10 books and more than 600 articles, essays, brochures, and addresses leaves no doubt that the light of his clairvoyant mind will continue to shine and that his judgment on moral issues in the pursuit of happiness will continue to radiate his remarkable warmth of understanding in many a coming decade.

Leading statesmen as well as prominent scholars from many countries have paid their tribute to this uniquely gifted advisor, critic, and political observer, among them Chancellor Ludwig Erhard. Moreover, in several countries on both sides of the Atlantic men known for their sense of

proportion in critically evaluating achievements are convinced not only of Wilhelm Röpke's success in influencing and reorienting the social thought of his contemporaries on the European continent, but they are convinced that his significance to Western society will increase.

While Wilhelm Röpke was a cultured man with a command of classical as well as modern languages, and a meticulous searcher for the truth, he also had the temperament of a fearless fighter, and he was a professor with the courage to profess what his conscience dictated as pertinent and true. Considering the position of university professors as one of *homines per se*, that is incompatible with corporate action as pressure groups, he would have abhorred the idea of getting the endorsement of a labor union of academic teachers. Whatever painful consequences resulted from his swimming against the

tides of totalitarianism he took as his own personal risk.

The career of William Röpke has all the evidences of the turbulent and violent history which provided its setting. Born in 1899, the son of a country doctor in the small town of Schwarmstedt in lower Saxony, he was a descendant of burgher families from the Duchies of Bremen and Verden which had produced scholars and Protestant ministers, lawyers and public administrators. He was educated in the city of Stade, with its history and culture going back to medieval times, and he graduated from the city Gymnasium in 1917. After one year's service in the German army in Northern France he studied law and political science at the Universities of Göttingen, Tübingen, and Marburg. At the latter he received his doctoral degree with a dissertation on the productivity of labor in the potassium mining industry in Hannover. Röpke, endowed not only with a sharp, analytical mind but with a unique ability to formulate his thoughts clearly and convincingly in language that any educated adult can understand, immediately became known as an economist of caliber. In 1922 he became a member of the Reich Commission on Reparations.

In 1923 Professor Röpke married Miss Eva Finke, the mother of their two sons and a daughter, who not only made their home their common castle but stood by her husband unflinchingly in exile, becoming, particularly in later years, his partner and alter ego in his wide-ranging literary activity.

The University of Jena, in 1924, awarded Wilhelm Röpke a chair as full professor—he was the youngest man in Germany with a professorship. During his years at the university he published a number of articles and books on problems of business cycles and economic crises which placed him in the front row of

European economists. In 1926/27 he served as visiting professor with a Rockefeller Foundation fellowship at universities in the United States. Upon returning he joined the faculty of the University of Graz in Austria until he became professor at his alma mater in Marburg in 1929, when his book on *The Theory of Capital Formation* appeared. After the crash on the New York Stock Exchange and the progressive deterioration of the business situation in Europe, particularly in Germany, he published two more volumes, one in 1931 on *The World Economy and Foreign Trade Policy* and the next year one on *Crises and Business Cycles*. Aside from these volumes he published a constant flow of articles and served as a member of the Reich Commission of Inquiry into the problems of unemployment. Economists with whom he had the most in common in charting a sensible course of disaster-preventing policies were the late Hans Gestrich, Walter Lautenbach, Alexander Rüstow, and Erich Welter. These men formed a prominent core of a much larger group of scholars which tackled the problems of the deteriorating world of trade and recommended means of overcoming the stifling results of deflation through monetary and fiscal measures. Röpke proposed a highway construction project as one way of sparking business expansion. Unfortunately, Chancellor Brüning's cabinet did not adopt any part of this program, which might have prevented the rise of Hitler.

With progressive contraction of employment, the depression in Germany led to a state of civil war and the Nazi rise to power. It was at this point that the remarkable personal qualities of this outspoken believer in freedom, government by law and justice brought him into trouble.

When in February 1933 Wilhelm Röpke spoke at the grave of his revered teacher

and later his colleague at Marburg, Professor Walter Troeltsch, he lauded the deceased philosopher of religion, whose hobby had been gardening, as the type of dedicated gardener who mercilessly destroys the weeds but cultivates the plants with care. "As such," said Röpke, "he did not fit into our present time, which is on the verge of destroying the garden of culture and reconverting it to the primitive jungle." The day on which Röpke gave his talk was the day of the Reichstag fire. Röpke's address at the burial was promptly reported to the Gestapo and he was given leave of absence from Marburg University. Adamantly refusing any compromise with the Hitler regime, Röpke went into exile. He accepted the invitation of Kemal Pasha to the University of Istanbul, where he taught and wrote from 1933 through 1937 until William Rappard and Paul Mantoux invited him to the Graduate Institute of International Studies at Geneva, where he was its leading scholar.

In 1936, despite the disastrous drift of policies under Hitler, a series of brochures began to appear in Germany which laid the foundations for the neo-liberal school of economics. The series, entitled *Ordnung der Wirtschaft*, meaning the system of order in the economy, began with essays each of roughly 100 printed pages by Franz Böhm, Friedrich Lutz, and Walter Eucken.

But while these distinguished jurists and economists began to pioneer, each in his special range of problems, a new anti-totalitarian economic order, Röpke published, in 1937 with Springer in Vienna, his small book *Die Lehre von der Wirtschaft*, which has become a classic and comprehensive treatise on economic theory. It is as inspiring and stimulating today in its tenth edition as it was almost a generation ago. To give the humanistic flavor so typical of the writings of Wilhelm Röpke a

random sample may be quoted that deals with the prerequisites or conditions for an advancing division of labor:

The great risks which lie in a mutual interdependence of individuals in the long run can be borne only if a strict order of law and an unwritten but generally accepted code of minimum ethical norms gives all members of the society with its division of labor the feeling of mutual confidence and an atmosphere of security. Economic history teaches on every page that the intensity of the economic process always expands and contracts in proportion to the degree to which these prerequisites are fulfilled. This intensification of the division of labor is usually also limited in its geographical expansion by the range within which they are fulfilled, i.e. the boundaries within which monetary and legal security exist. . . .(p. 46)

In the years up to and during World War II Röpke's ideas about the essential foundations for the restoration of a good society gained such influence among leading European civic leaders that he was able to contribute directly to the actual making of history.

When the battle of Stalingrad was raging in 1942 the first volume of Röpke's great trilogy appeared, *The Social Crisis of our Time*. The second volume, *Civitas Humana: The Social Framework of the Free Market* followed in 1944. It presented not only a critical analysis of the foundations of state, society, and the economy but a policy of reconstruction and economic reform. It was the time when F. A. von Hayek published his famous book *The Road to Serfdom*. By 1945 *International Order and Economic Interpretation* was published as the third volume of the trilogy, and in 1950 a book of variations on the theme of the three preceding ones appeared under the title *Measure and Center*.

If there exists today a coherent, logical economic philosophy and if this practi-

cable alternative to the totalitarian economics of coercion is compatible with the freedom of responsible individuals and human dignity—it is largely the result of the work of the neo-liberal school of economics of which Wilhelm Röpke was one of the founding fathers. No country has so far obtained as much benefit from his thinking as did the Federal Republic of Germany. The fact that its first Minister of Economic Affairs and present Chancellor, Ludwig Erhard, took—as he has often stated—such stock in Röpke's philosophy, and often his advice, was a stroke of good luck for all concerned.

Chancellor Ludwig Erhard has said this about the trilogy:

The name Wilhelm Röpke awakens in me memories of the most tragic phase of German history, that period in which in Germany no star seemed to give light any longer and when the immutable, highest values of any human association—truth, justice and ethics—were trampled underfoot. In my despondency and under ghastly environmental conditions I obtained (by way of the known illegal detours) copies of *The Social Crisis of our Time*, *Civitas Humana*, and *International Order*, the contents of which I absorbed into myself as the desert does fertile water. In them a political economist not only spoke of insights gained in his own research area, but in a time determined by brute violence, it seemed to me, had the historical assignment to shake from its somnolence the tired conscience of the individual, the nation and their governments, and to give new life to the value and the blessing of freedom.

In July 1950, shortly before the Korean War, the then Chancellor Konrad Adenauer asked Wilhelm Röpke to write a report with his recommendations concerning the soundness of the economic policy of the Federal Republic of Germany. In this

document Röpke wrote that he had not only surveyed the enormous success of the policy of Ludwig Erhard which abolished the planned economy that had existed since the currency reform but he strongly recommended not jeopardizing the recovery by a relapse into the coercion of the planned economy, as certain advisers from the United States suggested. The Röpke report had an extraordinary effect and did a great deal to discourage any new experiments with totalitarian economic devices.

The remarkable prosperity of the German economy during the fifties and sixties would have been impossible without the "Working Party for the Socially Responsible Market Economy," of which Wilhelm Röpke was a founding member. However, the economic boom of the last three years had brought to the fore new problems of a different nature than those of overcoming recessions of stagnation.

Röpke's last address given before that group a year ago may reflect the nature of his constant warning of the internal dangers which beset the free society.

There appears in appalling nakedness what is ultimately decisive, namely the fact that the Free World is threatened from within, specifically by the increasing dissolution of all that is genuine, human, befitting man, natural and transcendental; threatened by talking to shreds the values and convictions which are immovable and beyond debate, threatened by the corrosive intellectual-moral acids which are being poured over us in the rising flood of the intellectual-ethical deterioration, the loss of standards. . . This is the jeopardy which lies in the torturing embarrassment produced in us by the question: What, in the context of the destiny of man, is the real ultimate meaning of "economic growth," "dynamism," "development," "the great soci-

ety," and finally freedom itself. The Free World is internally menaced by the self-enslavement of man, who arrogates to himself the position of the world's master. This he does with gruesome irony exactly in the moment when in our part of the Free World man as a specific individual is being ever more degraded to a miserable functional element of an apparatus steered by a few, or a production-consumption, opinion-making, and entertainment machine. He shrinks to a mere quantum in some equation of our glorious managers of the planned economy and the so-called Welfare State.

The address ended as follows:

Indeed, there remains nothing else for

us than to choose between the alternatives: either we perish in the same way as most civilizations have perished, namely by suicide due to the joint effect of stupidity, lies and cowardice—or, if we do not want that to happen then we must be brave, honest, and prudent.

The words prove that up to the last days of his life Wilhelm Röpke possessed in his soul the vital power of moral indignation and that he did not hesitate to express it. One of the secrets of his influence lay in his sense of the truly demonic capacities of man and his diabolic tendency to degenerate in the possession of power, dominion, and wealth.