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Eugen Wendler

# Friedrich List (1789-1846)

A Visionary Economist with Social  
Responsibility

 Springer

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*I would like to dedicate this work to my most loyal supporters, my dear wife Christl and Mr. Karl Heinz Danzer, for the years of moral and financial support that they gave me.*



## Foreword by Horst Köhler, Former President of the Federal Republic of Germany

This book invites its readers to rediscover Friedrich List in the twenty-first century. The book itself is an important part of this rediscovery. Professor Wendler lets Friedrich List speak to us, he places List's journalistic and political work in its historical as well as contemporary context and acquaints us with List's personal life and personality. The readers get to know Friedrich List as a man who was so talented and well versed in so many fields and yet whose life seemed to have been ill-omened.

Friedrich List was one of the great statures of the German *Vormärz*, a pioneer also in the history of the USA, a democratic avant-garde of the European spring of 1848 and a prophet and enunciator of the technological and economical "transition of the world" in the nineteenth century. We have all become heirs of these developments, the good as well as the bad. List rightly deserves his place in the history of economic theory and political economy. Furthermore, he contributed to establishing a progressive as well as competent journalism.

Friedrich List's name will always be associated with the history of the railway in Germany and Europe and with the effort to peaceably unify Germany. He clearly saw the revolutionary change of the means of transport and production in his age and wanted to combine the opportunities he recognized with social progress by using the economic boom to finance a social welfare state that would support the old, sick and weak members of society. He developed a theory of economic resources that prospected deeper than other theories of his time, and which were therefore often disputed by the left and right, by communists as well as conservative beneficiaries of the status quo. List, on the other hand, thought in



terms of institutions and regulations that would today please all supporters of an ordoliberal social market economy. List's political and economic predictions were surprisingly exact: He foresaw the coming American age and the independence of British colonies. He was a critic of colonialism and urged the states of Europe to unite and work together peacefully for their common economic and political welfare. Nevertheless, he was German through and through, as much a patriot as he was a democrat and constitutionalist at a time when many German princes and kings would have preferred to forget the constitutions they had promised the people during the wars of liberation. After all, List lived in the age of the Carlsbad decrees when the authorities believed that the only way of dealing with democrats was to bring on the soldiers.

Friedrich List was persecuted and prosecuted. He was sentenced to prison not because he wanted a revolution, but because he dared to say what the majority of the population only thought. His adversaries were formidable—the Württemberg, Prussian and British governments observed him, thwarted his plans, sabotaged his work and refused him employment and a decent livelihood. In this way they tried to belittle his influence.

To some extent, List, too, was responsible for his lack of success. As helpful and open as he was, he lacked the diplomacy and tactfulness that was necessary, especially in his dealings with authorities. Thus, he often lacked the good fortune that would have served him well. Indeed, his lack of luck seemed to perpetuate itself, not only in his lifetime, but also in that of some of his children.

Eugen Wendler presents a panorama of the exceptional life with its many facets and relationships, including anecdotes such as the time when Friedrich List and Franz Liszt erroneously opened each other's mail, with the result that Franz Liszt, for the first time in his life, was confronted with inquiries into economic topics while Friedrich List, surely also for the first time, was overwhelmed by love letters from ladies who adored his music.

There is a lot to be discovered in Professor Wendler's book. The reader will often ask: "What would have happened if...?" If the Prussian government had followed List's advice and bought the poor Schlesian weavers the patent for better looms, or if the industrialists had offered their workers shares in their factories as List recommended.

Eugen Wendler unfolds the biography of a great theorist, who, at the same time was an ingenious practitioner, conceived of innumerable technical innovations and their potential for increasing the welfare of society. Friedrich List was always willing to offer his service and advice, yet only rarely did he receive recognition or reward.

Eugen Wendler tells us that the Chinese have discovered Friedrich List and have become avid readers of his economic theory. In Germany, many streets have been named after him. Sixty years ago Theodor Heuss, who, like Gustav Stresemann, admired List, wrote: "When Germans hear the name List, they get a bad



conscience.”<sup>1</sup> We Germans are past that today. We still have List, but we have forgotten him. Eugen Wendler’s book offers the opportunity to rediscover him or reacquaint ourselves with him and to recognize List’s relevance today, for example in overcoming the poverty of developing countries or in offering our young people prospects for their future.

Time for List? I trust the book will find its readers.

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<sup>1</sup>Herman Heimpel/Theodor Heuss/Benno Reifenberg (publisher), *Die großen Deutschen*, vol. 3, Berlin 1956: Friedrich List, 1789–1846, von Theodor Heuss, pp. 201–213, cit. P. 201.



## Foreword by Barbara Bosch, Mayor of the City of Reutlingen

In the year 1959, Friedrich Bülow, sociologist and economist, referred to Friedrich List as “an economist who fought for German unity.” Thirty years later, in his foreword to the catalogue of the exhibit “Friedrich List and his time,” Dr. Manfred Oechsle, Mayor of Reutlingen, urged the citizens of the German Democratic Republic to “open the barriers.” List would have surely approved of these prophetic words. National unity and welfare have, in the meantime, become so commonplace that we take them for granted. Indeed, after meandering through the dreadful trials and tribulations of the last century, Germany has become an anchor of stability and progress in Europe.



It is therefore interesting to see that the issues that preoccupied Friedrich List are still relevant today. The challenges of today: a globalized economy, the depletion of natural resources, and the widening gap between developed and developing nations, to only name a few, are not really different than the challenges of the early nineteenth century. Today as then, we discuss the role of the state in regulating the economy, the importance of education in the development of a society’s productive resources, and the need for adequate infrastructure and innovation. List devoted his life and work to these questions.

Professor Eugen Wendler has devoted the last 40 years to research on List’s life and work. It is because of this research that we are able to appreciate what List accomplished for Germany and Europe and the relevance of his work still today. By founding the Friedrich List Institute for Historical and Current Studies of Economics at the University of Reutlingen, Eugen Wendler has institutionalized the preoccupation with List in Reutlingen, thereby ensuring that List’s hometown will always recall the dedication of their ingenious and misunderstood son.

One-hundred-and-fifty years ago, when the List monument was inaugurated in front of the train station in Reutlingen, at which occasion his daughter presented List's literary remains to the town, Reutlingen became the home of List commemoration and research. The commemorative years 1989, marking List's 200th birth year, and 1996, marking his 150th anniversary of his death, offered the citizenry of Reutlingen the opportunity to appreciate the merit of this liberal politician, publicist, railway pioneer and economist.

For this reason, the City of Reutlingen is happy to have supported Dr. Wendler's publication of this biography of its most prominent son. Reutlingen will celebrate the 225th birthday of Friedrich List in 2014. It is most fortunate that we have this comprehensive study of his life and work and would like to express our sincere gratitude to Eugen Wendler with the wish that his book enjoys the attention of many interested readers.

# Preface

The year 2014 marks the 225th birthday of the ingenious and misunderstood economist and railroad pioneer Friedrich List. We would do well to honor and celebrate his visionary ingenuity. This biography has been written for this occasion. It is based on more than 40 years of intensive research, during which I have followed every lead that offered even the slightest insight into his extraordinary life. The results of my research have appeared in several books and articles dealing with List's life (1789–1846) and work.

Due to the upcoming 225th anniversary of List's birth, I have compiled the most important facts and anecdotes and included new information. Thus, this biography is the capstone of my own research on List and of my academic work.

Furthermore, this book is meant to be preview of the festivities of 2017 when the Faculty of Economics of the University of Tübingen, the oldest faculty of economics in Germany, will celebrate its 200th anniversary and, in doing so, will honor the work of its most important pioneers, Friedrich List.

I was born in Reutlingen and was professor for international marketing, market psychology, and communication from 1972 until 2004 at the University of Reutlingen. For this reason it has always been important for me to shed light on the life and historical merit of our "genius loci." Therefore I founded the "Friedrich List Institute for Historical and Current Studies of Economics" (FLI) in 1992 and was its acting director until 2012. I was given the State Award for Homeland Research in Baden-Württemberg as well as the *Bundesverdienstkreuz* and the Medal of Merit of the city of Reutlingen for my research on List. I handed over the FLI to my successor Prof. Stephan Seiter in the summer of 2012.

In my opinion Friedrich List embodies the German concept of economics, in particular political economy as it is founded on politics, philosophy, and history. The Anglo-American approach that asserted itself after the 1960s in Germany is founded on classical and neo-classical ideas, on which the premise of "homo oeconomicus" and the economic liberalism of Adam Smith are based.

The Anglo-American approach is focused on the development of theoretical models that can be expressed as mathematic formulas. They tend to be so abstract

and complex that they have limited practical application and must therefore be banned to the ivory towers of science.

Such abstract and theoretical models contradict List's view of economics. He believed that economics was not to be a mystery that could only be understood by the "priest class," but rather should be accessible to anyone with a fair amount of education. For this reason he rejected all forms of "scholastic grandiloquence" and insisted upon "clear explanations" and "accommodating style." List strove to unite theory and practice and believed that economic theory must "illuminate" practice. German economics should not resemble a wagon pulled forwards by practitioners and backwards by theoreticians.

Friedrich List was convinced that he had managed to help close the gaping chasm between theory and practice. He referred to his economic thinking as a "natural system" because he believed he had discovered the errors of classical economic theory, had resolved its contradictions and reconciled the differences between theory and practice.

In this sense Friedrich List was a revelation for my own teaching and research at the University of Reutlingen. Moreover, I have always been greatly impressed by the tragic fate of such an honest and impartial visionary who answered only to his own conscience.

However, like List, I have mostly been a "lone warrior" since no German economists have shown interest in List's ideas, let alone share the appreciation and enthusiasm that I feel. In the former German Democratic Republic he was honored for his contribution to the first German long-distance railway, while his economic theory was shunned as "bourgeois capitalistic practice."

Michael Lind postulated a thesis that diametrically contradicts the above-mentioned lack of interest. His article entitled "Marx, Smith – or List?" appeared in 1998 in the American weekly magazine "The Nation." In visionary foresight, Lind postulated that while the nineteenth century was characterized by the debate between Smithians, Listians, and Marxists, the twentieth century by the dispute between Smithians and Marxists, the twenty-first century would witness an economic debate between Smithians and Listians, i.e. between those who preach laissez-faire capitalism and those who demand a social market economy, however we might define the term "social."

The euro crisis and the ensuing global disparities of wealth have led to a crisis in economic theory. The consequences of uninhibited profit maximization are becoming more and more apparent: the destruction of our environment, global warming, the waste of natural resources, corruption, lobbyism, child labor, horrendous public debt, and irresponsible fiscal policies in many nations of the world are becoming an untenable threat to all of us.

In the face of these troubling developments, Friedrich List's insights are of utmost importance. His motto "freedom through wealth" is more relevant than ever and will be appreciated by all of us. Anyone who takes this motto seriously will realize how imprisoned we are by greed, quarrels with friends and family, addiction and other dependencies. However, if we are satisfied with an appropriate and

modest amount of material wealth and instead pursue our talents, inclinations, and skills, we can experience true freedom that gives sense and direction to life.

It is a great joy and honor for me that former President of the Federal Republic of Germany, Prof. Dr. Horst Köhler, has written a foreword for this book. In doing so, he has not only provided a bridge to the Faculty of Economics at the University of Tübingen, but also pays tribute to our common and highly appreciated mentor Prof. Dr. Alfred Eugen Ott. Prof. Köhler and I absolved our doctoral defense together on July 7, 1977 on the 500th anniversary of the founding of the University of Tübingen. I am particularly thankful to Professor Ott for his support, without which my endeavor to focus my research on Friedrich List would have been impaired.

I would also like to thank the Mayor of Reutlingen, Mrs. Barbara Bosch, for her foreword to this book.

I would particularly like to thank Donna Blagg for her eloquent translation of my work. With great dedication she familiarized herself with the difficult subject matter of my research and translated the text with filigrane devotion. Our collaboration has been a godsend.

Furthermore, I greatly appreciate the financial support that Mr. Karl Heinz Danzer provided for the translation of my work.

Reutlingen, Germany  
May 2014

Eugen Wendler





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