

# The Ouster of Bismarck and The Start of World War I

by Jeffrey Steinberg

June 8—To be true to history, it must be said that the forced resignation of Otto von Bismarck (1815-1898) as Chancellor of Germany on March 20, 1890 marks the true starting date of what came to be known as World War I. For nearly 30 years, Bismarck had conducted the most profound diplomacy in modern European history, engineering the creation of a unified German state, forging an alliance with the United States, and conducting a foreign policy of war-avoidance on the European continent, while holding England and France in check, to prevent their intervention in North America on behalf of the Confederacy.

One of the most underrated features of Bismarck's rise and success was his deep collaboration, dating from his university days at Göttingen and Berlin, with a group of American diplomats and political economists, who saw, in the creation of a unified German nation-state, the spreading of the American republican principles and the American System of Political Economy into continental Europe, after the failure of the French Revolution and the ensuing Napoleonic Wars and the disastrous Congress of Vienna. Among the crowning accomplishments of that Congress was the prevention of the emergence of a unified Germany, maintaining, instead, a collection of 36 separate principalities, aligned with the Austro-Hungarian Empire.



Otto von Bismarck in 1880.

## The American System

Before there was Otto von Bismarck, there was Friedrich List (1789-1846). As the result of political intrigues in his native Württemberg, List migrated to the United States in 1824, where he remained for the next eight years, eventually obtaining American citizenship. List settled in Reading, Pa., founded a German-English-language newspaper, and became a strong advocate of railroad construction and other vital infrastructure programs. In 1827, List wrote his first major work, *Outlines on American Political Economy*.

List had studied the reports to Congress of America's first Secretary of the Treasury, Alexander Hamilton, and became a powerful advocate of Hamil-

tonian economics, developing the concept of "capital of mind" throughout his writings. By this, he meant the power of human creativity to invent and engage in the advancement of society as a whole. This concept required the organization of nation-states, which he also described as the "confederation of productive forces."

In 1832, List returned to Europe, as the American Consul in Hamburg, and later in Leipzig. Back in Europe, List wrote his two other major works, *The Natural System of Political Economy* (1837), and *The National System of Political Economy* (1841). In Leipzig, he took a leading role in promoting the integration of a



The German Post Office's stamp commemorating the "father of the German Railways," the German-American economist Friedrich List.

German railroad system. In 1846, he wrote a proposal, published in the *Eisenbahn Journal*, titled "The Railway Line from Ostende to Bombay," which, in reality, was the seed idea for his later plans for a Eurasian rail system linking continental Western Europe to China. He wrote:

People should realize that the distance from Ostende [Belgium] to Bombay [India] could be covered in 10 days. A steamship will need 40 days, a clipper will take 100 to 120 days. So people should realize the great economic advantage of going to such a Eurasian railway line.

Not surprisingly, during this period, List came under vicious attack from the London *Economist* and the London *Times*, already two flagship publications of the British Empire. The *Economist* described List as a great agitator" whose system "is a cry for protective duties, this naked selfishness ... built on lies and sophisms, denying the experience of centuries.

Shortly before his untimely death in 1846, List visited London, where he met with Prince Albert, the Royal Consort and husband of Queen Victoria; Viscount Palmerston; and Sir Robert Peel. He presented them with a memorandum, "Politics of the Future," which was one of the most prescient assessments of the global strategic situation of the period. He wrote:

The days are numbered in which Britain will be able to preserve its global economic and trade

supremacy. Already now, the United States of America are passing Britain in economic and trade power. The productive forces of the U.S. are growing geometrically, the British are growing only arithmetically. The time of British supremacy on the sea, and in world trade, is coming to an end, and Britain has only two choices. Number one, a war against the United States, leading to the dismemberment of the United States; or secondly, a radical change in Britain's economic policy, turning away from free trade, and accepting protectionism as the natural way for other nations to develop economically, and understanding that protectionism does not contain the volume of trade, as protectionism allows internal economic development; in spite of protectionism, the volume of trade will grow. Britain can only have a future, if it realizes the significance of the two new revolutionary means of communication, number one, railway, and number two, the telegraph, the electric telegraph. A key aspect for Britain, given its vast reservoir of capital, would be not only to accept but to support the project of a European-Asiatic Railway line, comparable to what the United States is presently committed to, the project of a railway connection between the Atlantic Coast and the Pacific Coast, as well as the coast of the Gulf of Mexico.

List returned from that six-week visit to England a physical and psychological wreck, and he was dead three months later, ostensibly by suicide.

### Bismarck and the Unification of Germany

The great Russian diplomat and physical economist Count Sergei Witte has been cited as stating that Otto von Bismarck had a copy of List's *National System of Political Economy* on his bed table throughout his time in office.

What is certain, is that Bismarck became a devoted follower of List and the American System of Political Economy, backing List's plan for the creation of a German Customs Union as a crucial step towards national integration, and engineering a shift in Germany from free trade to protectionism in 1878-79.

All the while, Bismarck maintained a global view of

diplomacy, maneuvering to sever the German principalities from the Austro-Hungarian Empire, maintaining good Prussian diplomatic ties with Russia, and averting any provocations toward France or Britain that could lead to a European war, while he moved Germany, step by step, toward the goal of national integration.

Bismarck's exposure to the American System did not exclusively come from his studies of List. As a university student at Göttingen and Berlin, he became a close friend of John Lothrop Motley, and the Bismarck-Motley personal tie would last for decades, as Bismarck became the head of state of Prussia, and later of a unified Germany, and Motley became U.S. Ambassador to Britain and the Austro-Hungarian Empire.

Motley came from a revolutionary New England family, and he and other American republicans were part of a network of scholar/diplomats who studied in the great German universities and remained in Europe as leading American diplomats. Among the circle were both Motley and George Bancroft, who was U.S. Ambassador to Berlin from 1867-1874.

Motley was a frequent guest of Bismarck, as the Prussian leader moved toward liberating all of Germany from the grip of the Austro-Hungarians and French, who were both operating under the overall domination of Europe by Britain.

In June 1859, after several recent visits with Bismarck, Motley wrote to his mother:

If there were a young, vigorous, intellectual sovereign in Prussia at this moment, a man like Frederic the Great or Peter the Great, he would see that the time has arrived for Prussia to secure at last the object of its ambition, the imperial crown of Germany. If the House of Brandenburg which governs the powerful, wholly German and progressive Prussia, could become Emperors of Germany, to the utter annihilation of a fictitious, artificial sham, which [was] got up at the Congress of Vienna 50 years ago, and baptized the Empire of Austria, in which there are only about 7 million Germans, shaken up pell-mell in a great bag with 30 millions of Slavonians, Magyars, Italians, Croats, and Greeks, and Lord knows what hodge-podge, which has never had any vitality except in defiance of all laws, divine or human—if such a result could take place, then

there might be a real Germany, and a handsome solution to the present European question.

When Motley wrote this letter, he was well-informed of his friend Bismarck's Grand Plan for a unified Germany. At the time, Bismarck was Prussian Ambassador to Russia, and he would later serve in the same posting in Paris. In October 1862, Bismarck was appointed as Minister President of Prussia. He would remain in that post and the successive post of Chancellor of Germany for the next 28 years. During that time, he engineered three limited military operations, all aimed at achieving consolidation of a unified Germany. In 1863, he secured the independence of Schleswig and Holstein from Denmark. In the Summer of 1866, he allied with Sardinia in a brief war with Austria, which resulted in the German takeover of both states. In 1870, he engineered a similar brief war with France, which consolidated the southern German states of Bavaria, Württemberg, Baden, and Southern Hesse.

In the treaty that concluded the conflict with France, Germany also took control over Alsace and Lorraine. On Jan. 18, 1871, the Prussian-dominated North German Confederation was superseded by the establishment of a unified German state. Bismarck was named by King Wilhelm I as Reichskanzler.

Bismarck's military/diplomatic outlook was trans-Atlantic in scope. Even as he was consolidating the establishment of a unified German nation, he was providing vital assistance to President Lincoln against Britain and France, who were seeking every opportunity to enter the American Civil War in support of the Confederacy. Not only did his military actions pin down European rivals and block them from taking a more active role in the Civil War, he also encouraged German banks to purchase American war bonds, thus providing a crucial source of funding for Lincoln.

Motley wrote to Bismarck, reflecting on the trans-Atlantic situation:

I presume if the Great Powers of Europe are drawn into a war on the Schleswig-Holstein question, we shall not be any longer taunted with urging war.... France would like to fight Prussia, and get the Rhine provinces, but England could not stand that, nor Austria either, much as she hates Prussia.

Bismarck wrote back to Motley on May 23, 1864, asking his American friend to visit him, adding:

I promise that the Union flag shall wave over our house and conversation and the best old hock shall pour damnation over the rebels.

Having succeeded in unifying Germany, independent of the Austro-Hungarian Empire, Bismarck spent the next years transforming German policy to the American System. In this fight, he had key allies, most significantly, Wilhelm von Kardorff, a member of the Reichstag, who was a close ally of Bismarck's economic advisor and personal banker, Gerson von Bleichröder. Von Kardorff would found the Confederation of German Industry and serve as its first president in 1876. From that position, he strongly urged Bismarck to adopt protectionist policies.

In May 1879, Bismarck delivered a speech before the Reichstag, announcing a new economic direction for Germany:

Our previous open-door policies made us a dumping ground for the excess production of other countries. In my view, this drove prices in Germany through the floor. That prevented the growth of our industries and the development of our economic life. We must close this door, and erect a higher barrier. And what I propose now, is that we create the same market for German industry which previously, out of the goodness of our hearts, we allowed foreigners to exploit. If the danger of protectionism were as great as the advocates of free trade claim, then France would long ago have become impoverished, since it has adhered to this theory since the times of Colbert.

By July 1879, Bismarck had nationalized the railroads under the newly established Ministry for Public Affairs. He instituted the most advanced social welfare programs in the world, and made other revolutionary reforms based on the general welfare, which surpassed even those enacted in the United States.

### **Britain's War Against the Land-Bridge**

The dominant figure in Britain throughout the Victorian era, was the Queen's son Prince Edward



*Britain's King Edward VII in his coronation robes.*

Albert, later, King Edward VII. His hatred for Bismarck and Germany was profound, and he held Bismarck responsible for Lincoln's victory in the Civil War, among other crimes against the Empire. But so long as Kaiser Wilhelm I remained on the throne of the newly established German Empire, Britain was stymied.

Everything changed in March 1888, when Kaiser Wilhelm I died at the age of 91, and was replaced by his son Frederic, who was, however, already terminally ill, and would die in June. Frederic's oldest son, Wilhelm, succeeded to the throne as Wilhelm II.

Wilhelm II was jealous of Bismarck's power, and was an easy pawn for Edward Albert's manipulations (all of the major European monarchs were blood relatives of Queen Victoria). After a number of disputes, Wilhelm II demanded Bismarck's resignation on March 18, 1890.



Shortly before his death on July 28, 1898, Bismarck warned of a coming war in Europe, declaring:

If ever there was to be another war in Europe, it will come out of some damned silly thing in the Balkans.

He viewed the 29-year-old new Kaiser as an impetuous war-monger who would soon break Bismarck's carefully devised collaboration with Russia, by seeking confrontation. Bismarck was absolutely right.

Bismarck was, furthermore, well aware of the British intrigues to keep Germany out of the Russian-German-French anti-war alliance that had been promoted by both Witte and French Foreign Minister Gabriel Hanotaux, following Bismarck's ouster. The idea of such a tripartite anti-British alliance had been at the heart of Bismarck's own continental diplomacy, which aimed to assure Russia that there would be no German support for any Austro-Hungarian machinations against Russia. Without that German support, a fragile peace was maintained on the European continent, which not only lasted for decades, but allowed for the development of ambitious railroad projects,

from the Berlin-to-Baghdad Rail, to the Trans-Siberian Railroad.

Kaiser Wilhelm II, for all practical purposes, a dupe of Prince Edward Albert, was manipulated into keeping Germany out of the durable alliance with France and Russia that was in Germany's actual vital interest.

Edward Albert (later King Edward VII) devoted all of his efforts toward isolating and encircling Germany. To this end, he manipulated a series of "little wars" throughout Eurasia, from the Balkans to the Far East. Robert Blatchford wrote in the *Daily Mail* of Dec. 14, 1909:

...the king and his counselors have strained every nerve to establish ententes with Russia and with Italy; and have formed an entente with France, and as well with Japan. Why? To isolate Germany.

For a fleeting moment on the eve of the formal outbreak of World War I in August 1914, Kaiser Wilhelm II realized what Bismarck had warned of. The Kaiser wrote:

England, Russia, and France have agreed among themselves ... after laying the foundation of the *casus foederis* for us through Austria ... to take the Austro-Serbian conflict for an excuse for waging a war of extermination against us.... That is the real naked situation slowly and cleverly set going by Edward VII and ... finally brought to a conclusion by George V.... So the famous encirclement of Germany has finally become a fact, despite every effort of our politicians and diplomats to prevent it. The net has suddenly been thrown over our head, and England sneeringly reaps the most brilliant success of her persistently prosecuted purely anti-German world policy against which we have proved ourselves helpless, while she twists the noose of our political and economic destruction out of our fidelity to Austria, as we squirm isolated in the nest.

The firing of Bismarck, who anchored continental European peace and stability on a war-prevention alliance with Russia, and who had played a masterful strategic war against Britain on both sides of the Atlantic, was truly the first shot of a century of war.

## The Civil War And the American System

*America's  
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1860-1876*

By W. Allen Salisbury

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