

LEARNING EMPIRE

The First World War marked the end point of a process of German globalization that began in the 1870s, well before Germany acquired a colonial empire or extensive overseas commercial interests. Structured around the figures of five influential economists who shaped the German political landscape, *Learning Empire* explores how their overseas experiences shaped public perceptions of the world and Germany's place in it. These men helped to define a German liberal imperialism that came to influence the "World Policy" (*Weltpolitik*) of Kaiser Wilhelm, Chancellor Bülow, and Admiral Tirpitz. They devised naval propaganda, reshaped Reichstag politics, were involved in colonial and financial reforms, and helped define the debate over war aims in the First World War. Looking closely at German worldwide entanglements, *Learning Empire* recasts how we interpret German imperialism, the origins of the First World War, and the rise of Nazism, inviting reflection on the challenges of globalization in the current century.

ERIK GRIMMER-SOLEM is Professor in the Departments of History and German Studies at Wesleyan University. He is the author of numerous works including *The Rise of Historical Economics and Social Reform in Germany* (2003). He was a University of Chicago Harper Fellow and has received awards from the Fritz Thyssen Foundation and the Leverhulme Trust as well as two distinguished teaching prizes from Wesleyan University. His research on the Wehrmacht's involvement in the Holocaust was discussed in the newsweekly *Der Spiegel* and debated in German parliament in 2014.

Cambridge University Press
978-1-108-48382-7 — Learning Empire
Erik Grimmer-Solem
Frontmatter
[More Information](#)

LEARNING EMPIRE

Globalization and the German Quest for
World Status, 1875–1919

ERIK GRIMMER-SOLEM

Wesleyan University



CAMBRIDGE
UNIVERSITY PRESS

Cambridge University Press
978-1-108-48382-7 — Learning Empire
Erik Grimmer-Solem
Frontmatter
[More Information](#)

CAMBRIDGE
UNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom
One Liberty Plaza, 20th Floor, New York, NY 10006, USA
477 Williamstown Road, Port Melbourne, VIC 3207, Australia
314–21, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre, New Delhi – 110025, India
79 Anson Road, #06–04/06, Singapore 079906

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning, and research at the highest international levels of excellence.

www.cambridge.org

Information on this title: www.cambridge.org/9781108483827

DOI: 10.1017/9781108593908

© Erik Grimmer-Solem 2019

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

First published 2019

Printed in the United Kingdom by TJ International Ltd. Padstow Cornwall

A catalogue record for this publication is available from the British Library.

Library of Congress Cataloging-in-Publication Data

Names: Grimmer-Solem, Erik, author.

Title: Learning empire : globalization and the German quest for world status, 1875–1919 / Erik Grimmer-Solem.

Description: Cambridge, United Kingdom ; New York, NY : Cambridge University Press, 2019. | Includes bibliographical references and index.

Identifiers: LCCN 2019011889 | ISBN 9781108483827 (hardback : alk. paper) | ISBN 9781108705158 (pbk. : alk. paper)

Subjects: LCSH: Germany–Foreign relations–1871–1918. | Germany–Politics and government–1871–1918. | Germany–Colonies–History. | Imperialism–History–19th century. | Imperialism–History–20th century.

Classification: LCC DD221.5 .G73 2019 | DDC 327.43009/034–dc23

LC record available at <https://lcn.loc.gov/2019011889>

ISBN 978-1-108-48382-7 Hardback

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party internet websites referred to in this publication and does not guarantee that any content on such websites is, or will remain, accurate or appropriate.

CONTENTS

<i>List of Illustrations</i>	viii
<i>Acknowledgments</i>	x
<i>List of Abbreviations</i>	xiii

Introduction 1**PART I Absent-Minded Empire, 1875–1897** 27

1 Frontier Empire: The United States	29
Gustav Schmoller and the University Germanosphere	29
Labor Frontiers – Henry Farnam and American Trade Unionism	38
From Strasbourg to Minnesota – Max Sering in North America	43
Contiguous Colonies	56
Hermann Schumacher and Ernst von Halle in Chicago	60
The American Challenge	66
2 Island Empire: Japan	79
Prussians in Edo	79
The Meiji Six Society and “German Studies”	82
From Strasbourg to Tokyo – Karl Rathgen in Japan	87
Political Economy at Tokyo University	90
The Association School and the Reform of Japanese Law	98
“Yellow Peril”	107
3 World Economy: China and Venezuela	119
Naval Arms, Neutrality, and the Erosion of Security	119
From Berlin to Peking – Hermann Schumacher in China	128
Karl Rathgen, Imperial Preference, and the Threat of “Panamerica”	141
The Venezuela and Transvaal Crises	146
From Hamburg to Caracas – Ernst von Halle in Venezuela	151
Germany at the Crossroads	159

	PART II Empire Imagined, 1897–1907	163
4	World Policy	165
	Naval Dreams	165
	From <i>Weltwirtschaft</i> to <i>Weltpolitik</i>	169
	Alfred Tirpitz	177
	Bernhard von Bülow	185
	Bülow's <i>Weltpolitik</i>	192
	The Fleet Professors	197
5	The High Seas Fleet and Power Politics	213
	The Spanish-American War and the Samoa Question	213
	The Second Navy Bill and the Free Union for Naval Lectures	220
	Gustav Schmoller: Germany's Economic Future	223
	Max Sering: The Trade Policy of the Great States	227
	Ernst von Halle: The German Shipping Industry	233
	Hermann Schumacher: Germany's Interests in China	236
	Germany as Hammer or Anvil	242
6	National Efficiency and the New Mercantilism	250
	The "Yangtze Accord" and Anglo-German Estrangement	250
	National Efficiency	258
	Blue Riband	262
	The Bülow Tariff and the New Mercantilism	266
	The Politics of Anglo-German Trade	280
	The New Fleet Politics	285
7	Formal and Informal Empire	290
	<i>Weltpolitik</i> and the German Colonies – Karl Helfferich	290
	The Baghdad Railway	298
	The Retreat of "Germandom" in Japan	302
	The Second Venezuela Crisis	310
	Inventing the "German Menace"	316
	The Russo-Japanese War	319
	Full Steam to Bankruptcy	329
8	Empire in Crisis	340
	The Colonial Crisis	340
	The "Hottentot Elections"	344
	The Colonial-Political Action Committee	349
	The <i>Colonial-Political Guide</i> and <i>The Railways of Africa</i>	355

CONTENTS

vii

	The Baghdad Railway and the Young Turks – Karl Helfferich in Constantinople	361
	The Kaiser’s Professor – Hermann Schumacher in New York	368
	The American Empire	374
	PART III Empire Lost, 1908–1919	389
9	Colonial Dreams	391
	Bernhard Dernburg’s Colonial Reforms	391
	Karl Rathgen and the Hamburg Colonial Institute	397
	Tropical Fever – Hermann Schumacher in Southeast Asia	407
	Morocco and Espirito Santo	416
	King Leopold’s Ghost in Dixie – Karl Rathgen in the American South	420
	Inner Colonization	426
	Max Sering and Hermann Schumacher in Russia	431
	Karl Helfferich and the Balkan Shatterbelt	438
10	World Policy Contained	446
	Fleet Enthusiasm	446
	Deterrent Illusions	451
	Financial Reform and the Limits of Professorial Politics	464
	The Baghdad Railway and Mesopotamian Oil	482
	“World Policy and No War!”	489
11	From World Policy to World War	494
	The Last Roosevelt Professor	494
	July Crisis	496
	The End of <i>Weltwirtschaft</i>	509
	The U-Boat Professors	519
12	War Aims, Peace Resolutions, and Defeat	541
	<i>Weltpolitik</i> by Other Means	541
	“New Germany”	558
	The Jewish Question	568
	The Friends of the Fatherland	578
	Elusive Peace	591
	<i>Epilogue</i>	600
	<i>Selected Bibliography</i>	604
	<i>Index</i>	624

ILLUSTRATIONS

Figures

- 1.1 Gustav Schmoller ca. 1872. Bildarchiv des Mathematischen Forschungsinstituts Oberwolfach, CC BY-SA 2.0 DE. 34
- 1.2 Henry Walcott Farnam ca. 1900. Courtesy of Henry Walcott Farnam III. 42
- 1.3 Max Sering in 1890. Photograph by Bildagentur-online / UIG via Getty Images. 58
- 2.1 Karl Rathgen, Kudanzaka, Japan, May 1890. Fotosammlung des Geographischen Institutes der Humboldt-Universität zu Berlin. 88
- 3.1 Hermann Schumacher ca. 1900. Edwin R. A. Seligman, “Dr. Schumacher and the Kaiser Wilhelm Lectureship,” *American Monthly Review of Reviews* XXXIV, no. 5 (1906): 548. 131
- 3.2 Ernst von Halle ca. 1905. © Universitätsbibliothek der Humboldt-Universität zu Berlin, Porträtsammlung: Ernst von Halle. 157
- 4.1 Alfred Tirpitz ca. 1895. Bettmann / Getty Images. 179
- 4.2 Bernhard von Bülow ca. 1895. Bundesarchiv Bildarchiv. 189
- 5.1 “The New World Order: A View into the Twentieth Century, by Bellamy-Jingo,” *Kladderdatsch*, August 14, 1898 (Zweites Beiblatt). Digitale Bibliothek der Universität Heidelberg, CC-BY-SA-3.0. 219
- 7.1 Karl Helfferich in 1898. Source: Karl Lumm, *Karl Helfferich als Währungspolitiker und Gelehrter* (Leipzig: C. L. Hirschfeld, 1926), frontispiece. 292
- 7.2 “The German Fleet Dragon,” *Der wahre Jacob*, June 26, 1906. Digitale Bibliothek der Universität Heidelberg, CC-BY-SA-3.0. 332
- 8.1 Bernhard Dernburg ca. 1915. Photograph by Paul Thompson / FPG / Getty Images. 347
- 10.1 “Fleet Increases,” *Der wahre Jacob*, April 28, 1908, 5788. Digitale Bibliothek der Universität Heidelberg, CC-BY-SA-3.0. 474
- 11.1 Henry Walcott Farnam ca. 1910. Yale University, Harvey Cushing/John Hay Whitney Medical Library 496
- 11.2 Max Sering in 1910. Bildarchiv preußischer Kulturbesitz/Wilhelm Fechner, Art Resource, NY. 521
- 11.3 Karl Helfferich in 1915. Photograph by Ernst Sandau / Ullstein Bild via Getty Images. 526

ILLUSTRATIONS

ix

- 12.1 Karl Rathgen ca. 1920. Bildarchiv preußischer Kulturbesitz, Art Resource, NY. 543
- 12.2 Hermann Schumacher ca. 1910. Photograph by Nicola Perscheid / Ullstein Bild via Getty Images. 557
- 12.3 Gustav Schmoller ca. 1915. Photograph by Nicola Perscheid / Ullstein Bild via Getty Images. 576

Maps

- 1.1 Max Sering's journey through the United States and Canada, Feb. 23–Sept. 26, 1883. 48
- 1.2 Ernst von Halle's travels through the United States, ca. March 1893–ca. March 1894. 73
- 1.3 Ernst von Halle's journey through the American South, Sept. 3–Dec. 23, 1894. 77
- 2.1 Karl Rathgen's journey to Korea, China, and southern Japan, July 3–Sept. 9, 1886. 95
- 2.2 Karl Rathgen's journey to Formosa and China, May 25–Aug. 25, 1890. 112
- 2.3 Karl Rathgen's journey from Yokohama to Hamburg via the United States, Sept. 3–Oct. 23, 1890. 114
- 3.1 Hermann Schumacher's journey to China, Korea, and Japan, Jan.–Aug. 1897. 133
- 3.2 Ernst von Halle's journey to the United States, Caribbean, and Venezuela, Jan. 8–March 14, 1896. 156
- 8.1 Hermann Schumacher's journey through the United States and to Cuba, Jan.–April 1907. 377
- 9.1 Hermann Schumacher's journey to Malaya, Java, and Sumatra, Jan.–ca. May 1911. 410
- 9.2 Karl Rathgen's journey to the American South, Caribbean, Panama, and Honduras, Feb. 5–April 28, 1914. 425
- 9.3 Hermann Schumacher and Max Sering's journey to the Russian Empire, May–June 1912. 433

ACKNOWLEDGMENTS

This book has been more than a decade in the making, and I have accumulated debts to many people and institutions along the way.

Wesleyan University offered numerous project grants and generous sabbaticals that allowed extended research in archives and libraries. I also received travel grants to attend conferences at which drafts of some of the chapters were presented. I am much indebted for this invaluable institutional support.

Many archivists and librarians assisted me in gaining access to many of the sources that are the foundation of this book. I am especially grateful to Frau Schleicher and Herr Baumgarten at the Bundesarchiv Koblenz for their accommodation in allowing me to use the uncatalogued and normally inaccessible Nachlass Helfferich and for their help in making duplicates from the Nachlass Sering. I am also deeply grateful to the Heisenberg family for their permission to use Hermann Schumacher's unpublished memoir. Frau Kohl in the Historical Archives of the Germanisches Nationalmuseum in Nuremberg was most helpful in allowing unencumbered access to this manuscript in the Nachlass Schumacher. I am especially grateful to Nils Goldschmidt for facilitating full access to this material. The staff of the Politisches Archiv der Ausärtigen Amts and Geheimes Staatsarchiv preußischer Kulturbesitz in Berlin as well as the Bundesarchiv Freiburg and Lichterfelde offered much valued assistance and expertise over numerous visits that span many years and always did so with consummate professionalism. Many other librarians and curators have been helpful in locating and making available materials to me. These include Kimberly Reynolds, Curator of Manuscripts at the Boston Public Library, and the archivists at the Hessisches Staatsarchiv in Wiesbaden and Warburg Institute in London. I also thank Henry W. Farnam III for his kindness in making available a photograph of his grandfather for use in this book.

A special expression of gratitude is due Dr. Barthold Witte of Bad Godesberg, who through his kindness and generosity allowed access to the private correspondence of his great grandfather Karl Rathgen. I also benefited enormously from his wealth of knowledge of Rathgen's liberal milieu in Germany as well as his work in founding the Hamburg Colonial Institute,

now the University of Hamburg. I am very grateful to Professor Emeritus Dr. Christian Scheer of the University of Hamburg for introducing me to Dr. Witte.

Robert Nelson and Greg Zieren offered many valuable tips on archival and other research as well as stimulating conversations that helped this project along. I am also much indebted to Bärbel Holtz and Rainer Paetau through whose initiative I was able to participate in a Berlin-Brandenburg Academy of Sciences project in 2008–9 on the Prussian cultural state that offered the opportunity to present my initial findings on Japan and who gave much useful critical and stimulating feedback. An invitation to a conference organized by Sophus Reinert and Robert Fredona at Harvard Business School in 2013 gave me another venue to present my findings that proved enormously fruitful in helping to synthesize my ideas about the relationship between economic thought, empire, and policy. My thanks go out to them for that very valuable experience.

Many other colleagues in North America, Japan, and Europe have been incredibly helpful over the years. A special thank-you especially to Courtney Fullilove, Hoi-eun Kim, Alfred Reckendrees, Christian Spang, Ying Jia Tan, and Kazuhiro Tekii for the valuable feedback on earlier drafts of various chapters of the book. Jim Retallack gave very helpful advice on the book proposal, while Geoff Eley and Hartmut Pogge von Strandmann were kind enough to read through the completed manuscript, making helpful suggestions for revision before publication. All have my deepest gratitude. Any remaining omissions or errors are mine alone. I thank my commissioning editor at Cambridge University Press, Liz Friend-Smith, for her faith in this project and advocacy for the book.

It has been a privilege to work with so many gifted students of history at Wesleyan whose thesis projects touched on aspects of this book and who have often been an important direct and indirect source of inspiration, especially Ari Edmundson, Jared Fineberg, Elena Green, Jack Guenther, Stephen Lazer, Carolyn Lipp, Gillian Mahoney, Anna Mageras, John McNeil, Max Shafer-Landau, Mihai Olteanu, Anneliese Rapp, Maddy Smith-Huemer, and Heather Stanton. Colin T. Casey was a fastidious research assistant when this book project first took vague form in academic year 2004–5. Lucie Benz was a very helpful intern in the fall of 2012, while Jack Guenther assisted me splendidly as a research assistant during the final stage of this project in academic year 2017–18. For their assistance in making maps using geospatial software, my thanks go out to Azher Jaweed, Elizaveta Kravchenko, Melissa Mischell, and Sam Raby.

While researching in Berlin, Boston, Freiburg, Hamburg, Koblenz, and London over the years, many friends have offered their kind hospitality for which I am very grateful. These include Friederike Becker, Roman and Dagmar Benz, Christoph Burkhard and Stefanie Ostendorf, Kishwer and

Robert Falkner, Jana Ferguson, Fouad Hashem, Michaela Hinnenthal, Robert Nitsch and Frauke Zipp, Nicolas Weidtman, and Joachim Zweynert.

My wife Miwa and daughter Emma have suffered a spouse and father frequently away researching, busy reading and writing, or distracted with thought while this book was coming together. For the enduring patience and love you have shown me, I dedicate this book to you.

ABBREVIATIONS

BArch K	Bundesarchiv Koblenz
BArch L	Bundesarchiv Lichterfelde
BArch M	Bundesarchiv Militärarchiv, Freiburg
BdI	Bund der Industriellen
BPL	Boston Public Library
CDI	Centralverband deutscher Industrieller
GNN HA	Historisches Archiv, Germanisches Nationalmuseum, Nuremberg
<i>GPEK</i>	<i>Große Politik der Europäischen Kabinette</i>
GStA PK	Geheimes Staatsarchiv preußischer Kulturbesitz, Berlin
HAPAG	Hamburg-Amerikanische Paketfahrt-Aktien-Gesellschaft
HHStA	Hessisches Hauptstaatsarchiv, Wiesbaden
HUB UA	Humboldt-Universität zu Berlin, Universitätsarchiv
<i>JbbfNS</i>	<i>Jahrbücher für Nationalökonomie und Statistik</i>
<i>JbfGVV</i>	<i>Jahrbuch für Gesetzgebung, Verwaltung und Volkswirtschaft im Deutschen Reich</i> (after 1913 <i>SJ</i>)
<i>MOAG</i>	<i>Mitteilungen der Ostasiatischen Gesellschaft</i>
NDL	Norddeutscher Lloyd
Nl.	Nachlass (papers)
OAG	Ostasiatische Gesellschaft (Deutsche Gesellschaft für Natur- und Völkerkunde Ostasiens)
OHL	Oberste Heeresleitung (Supreme Army Command)
PA AA	Politisches Archiv des Auswärtigen Amtes, Berlin
PNFBW	Privatnachlass Familie Barthold C. Witte, Bonn-Bad Godesberg
RMA	Reichsmarineamt (Imperial Navy Office)
SBB	Staatsbibliothek Berlin
SdVfS	Schriften des Vereins für Socialpolitik
<i>SJ</i>	<i>Schmollers Jahrbuch</i> (before 1913 <i>JbfGVV</i>)
SPD	Sozialdemokratische Partei Deutschlands (Social Democratic Party)
SUB	Staats- und Universitätsbibliothek Hamburg

StaHH	Staatsarchiv Hamburg
StenBerVR	<i>Stenographische Berichte über die Verhandlungen des Deutschen Reichstages</i>
WIA	Warburg Institute Archives, London
YUL MA	Yale University Library, Manuscripts and Archives