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ARTICLES

Thoughts on Althusius and on the Development of Liberalism in Germany

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This article examines the trajectory of classical liberal thought in Germany, highlighting both its early intellectual foundations and its nineteenth-century flowering. Building on the insights of Austrian scholars such as Ralph Raico, Murray Rothbard, and Ludwig von Mises, it situates German liberalism within a longer lineage than is often acknowledged. The underappreciated Johannes Althusius and Samuel von Pufendorf articulated federalist and natural law principles that anticipated later liberal commitments to limited government, voluntary association, and the rule of law. Althusius's covenantal federalism, revived by Otto von Gierke in the nineteenth century, provided a vision of political order rooted in layered associations rather than centralized sovereignty. Pufendorf, meanwhile, broke with scholastic traditions to ground natural law in human sociability, stressing rulers' accountability and citizens' rights. By linking these early modern theorists with the later liberal activism of John Prince-Smith and Eugen Richter, the article illuminates a continuous—if embattled—tradition of German liberal thought. Germany's development was not reducible to a *Sonderweg* culminating in authoritarianism; rather, there existed a rich liberal alternative, one that was ultimately defeated but not erased. Recovering this lineage not only enriches understanding of German intellectual history but also underscores the enduring relevance of liberty's often-forgotten champions.

The intellectual and political history of Germany presents something of a paradox. Though Germany produced towering figures in philosophy, law, and economics who contributed decisively to the tradition of liberty, the nation's political development culminated in authoritarianism, militarism, and ultimately National Socialism. Historians of the *Sonderweg* have long debated whether Germany's "special path" made such an outcome inevitable.

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Yet such accounts risk overlooking a vibrant, though ultimately defeated, tradition of classical liberalism that took root in the German lands from the early modern period through the nineteenth century. This article traces that trajectory, which begins with the early modern theorists of constitutional pluralism Johannes Althusius and Samuel von Pufendorf, moves through the rediscovery of Althusius by Otto von Gierke, and culminates in the liberal activism of John Prince-Smith and Eugen Richter. Drawing on previous work on this subject by Ralph Raico and Ludwig von Mises, it seeks to mark out the antecedents to classical liberalism in Germany, highlight its intellectual richness, and provide some commentary on the reasons for the political fragility of German liberalism.

Althusius and the Federal Principle

Arguably the earliest thinker who had both a clearly discernable philosophy in line with many, if not all, the later tenets of classical liberalism and influence on the later classical liberals was Johannes Althusius (1563–1638). A German Calvinist jurist writing in the midst of Europe's confessional conflicts, he offered in his 1603 *Politica methodice digesta* (*Politics Methodically Set Forth*) a systematic defense of federalism and communal autonomy. Rejecting both absolute monarchy and atomistic individualism, Althusius argued that human beings were naturally sociable and that political life emerged through a series of associations ranging from family and guild to city and province. Sovereignty, in his view, was not unitary but shared, arising from the covenantal agreements of these associations. As he wrote, "The supreme magistrate exercises as much authority (jus) as has been explicitly conceded to him by the associated members or bodies of the realm. And what has not been given to him must be considered to have been left under the control of the people or universal association. Such is the nature of the contractual mandate" (Althusius [1614] 1995, 124). In grounding politics in consent and association, Althusius prefigured later liberal emphases on voluntary institutions and limited government.[1] Unlike Jean Bodin's centralized

1 Althusius, like his fellow Germans Pufendorf, Christian Thomasius, and others, was clearly influenced by the evolved corporate structures of the Holy Roman Empire of the German Nation. The Holy Roman Empire was characterized by a complex system of political organization, with authority decentralized among various territorial entities, cities, and corporate bodies (such as guilds, universities, and religious institutions). This decentralized and federalist structure provided fertile ground for the development of theories emphasizing the importance of intermediary institutions and local autonomy, which are central themes in the works of all these thinkers. The corporate structures of the Holy Roman Empire played a significant role in shaping early modern political thought in Germany and beyond, providing models for governance that emphasized the participation of different social groups in political decision-making and the preservation of local customs and privileges. As such, they served as a source of inspiration for political theorists seeking to articulate alternative visions of political organization and authority, informed by principles of subsidiarity and popular sovereignty. By drawing on the evolved corporate structures of the Holy Roman Empire, thinkers like Althusius and Pufendorf sought to develop theories of political association that accommodated the diverse interests and identities within society while maintaining a degree of unity and cohesion.

Toward this end, in addition to his federalist principles Althusius advanced in his *Politica* a theory of popular sovereignty rooted in the consent of the governed. He contended that political authority ultimately derives from the consent of individuals who voluntarily enter into social contracts to establish and maintain political communities (Althusius [1614] 1995, 92–104). This emphasis on popular sovereignty anticipates later liberal theories of government based on the consent of the governed. One notable example is found in the works of John Locke, particularly his influential *Two Treatises of Government*. In this work, Locke ([1689] 1988) argued that political authority arises from the consent of the governed, who voluntarily enter into a social contract to establish a government that protects their natural rights to life, liberty, and property. Locke's concept of popular sovereignty and the social contract served as a foundational principle for liberal political

sovereignty, his system made space for pluralism, subsidiarity, and constitutional resistance. Althusius's influence, however, remained more subterranean than direct in Germany until the nineteenth century, when Otto von Gierke (1841–1921) revived his thought in *Das deutsche Genossenschaftsrecht* (The German law of associations) (Gierke 1868–1913). Gierke emphasized the organic, associational character of Althusius's federalism, portraying him as a foundational figure in a German tradition of group rights. As Gierke (1868–1913, 1, 42) argued, "The state itself is but one association among others, and not the annihilation of them" (translation mine). This recovery of Althusius's thought linked early modern federalist thought to the later liberal movements that sought to preserve local autonomy against Bismarckian centralization.

Pufendorf and the Natural Law Tradition

If among the early modern Germans Althusius laid the intellectual groundwork for federalism, Samuel von Pufendorf (1632–94) elaborated the modern natural law foundations of liberty. Serving as court historian in Sweden and later in Brandenburg-Prussia, Pufendorf was deeply concerned with establishing civil peace in an era scarred by religious war. His 1672 *De jure naturae et gentium* (On the law of nature and of nations) and its 1673 popular abridgment *De officio hominis et civis iuxta legem naturalem* (*On the Duty of Man and Citizen according to Natural Law*) articulated a law of nature grounded not in scholastic theology but in human sociability. For Pufendorf (Pufendorf [1673] 1991, 18), man was "animal socialis," obliged by nature to live peacefully with others. From this premise, Pufendorf derived duties of respect for property, contracts, and conscience—anticipating liberal principles later echoed in John Locke and Montesquieu. Crucially, and in line with his contemporary Locke, he emphasized that rulers were bound by natural law and that citizens retained rights of resistance when governments violated fundamental norms. "Among those many, which join together in order to this End, it is absolutely requisite that there be a perfect Consent and Agreement concerning the Use of such Means as are most conducive to the End aforesaid," he wrote (132).

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thought and had a significant impact on the development of democratic theory and constitutional government, particularly in the United States. Contrary to Jean-Jacques Rousseau's theory of popular sovereignty, then—which posited that the general will, representing the collective interests of the entire community, is sovereign and indivisible; prioritizes the community over individual rights; and suggests a more centralized form of governance—Althusius and Locke's more voluntarist view of political association emphasized decentralized authority and local autonomy, with a commitment to limiting the power of government and preserving individual liberty.

In this way, then, Althusius's *Politica* holds significance within the wider world of Western political thought, serving as a broad bridge between the medieval and the Enlightenment political theoreticians, particularly of the eighteenth century. Building upon medieval notions of corporate association and natural law, Althusius introduced innovative ideas that anticipated modern liberal theories of government, including Locke's social contract, federalism, and subsidiarity. Furthermore, in the specific case of the evolution of classical liberalism in Germany, Althusius's emphasis on decentralized governance, popular sovereignty, and the contractual basis of political authority resonated with later liberal theorists, including the above-mentioned Otto von Gierke, who further developed and refined Althusian principles in the context of German legal and political scholarship.

While Pufendorf's immediate impact was felt more in Sweden and the Netherlands, his works became standard university texts across Protestant Europe, including the German lands. By the eighteenth century, his fusion of natural law with moderate state authority helped prepare the soil for German liberal jurisprudence. Murray Rothbard (1996, 16–17) recognized Pufendorf as part of the lineage of thinkers who broke decisively with medieval corporatism and absolutism. Yet as Ralph Raico (2012, 305–9) observed, German liberals often lacked the institutional vehicles to translate such doctrines into effective political reform—a problem that would haunt the movement throughout the nineteenth century and beyond.

John Prince-Smith and German Free Trade Liberalism

By the nineteenth century, the liberal tradition in Germany found a new champion in John Prince-Smith (1809–74), an English expatriate who became the intellectual father of German free trade. Arriving in Prussia in the 1830s, Prince-Smith brought with him the lessons of Manchester liberalism, particularly the conviction that free commerce was the surest path to peace and prosperity. In opposition to the protectionist Prussian Zollverein, he argued that tariffs enriched bureaucrats and the favored classes at the expense of the consumer (Raico 1988). Raico's classic essay "John Prince Smith and the German Free-Trade Movement" highlights how Prince-Smith and his followers organized the Kongress deutscher Volkswirte (Congress of German Economists), spreading liberal economic doctrines across the confederation (345). As Prince-Smith argued, the state's sole task is "the production of security," and interference in economic exchange leads only to privilege and oppression (Raico 1988, 346). Yet, as Raico emphasized, German liberalism was always shadowed by the dominance of bureaucracy and militarism. Unlike in Britain, where free traders eventually captured Parliament, Prince-Smith's followers remained a beleaguered minority within a political culture that valorized the state. Mises (2010, 18–23) remarked that in Germany "intellectuals welcomed Western ideas of freedom and the rights of man with enthusiasm," that they tried to justify them from the point of view of their philosophy, such as Schiller's, yet did not succeed in freeing themselves from the traditional servility of the subjects of princes or from the militarism of these states, writing, "German liberalism was unable to cope with the armies of Austria and Prussia." This was patently true enough, and Prince-Smith thus stands as a testament both to the vibrancy of German liberal thought and to its political marginalization during the critical period of German unification.

Eugen Richter and the Struggle against Authoritarianism

If Prince-Smith embodied the economic side of German liberalism, Eugen Richter (1838–1906) represented its political conscience. A journalist, parliamentarian, and tireless critic of German chancellor Otto von Bismarck, Richter devoted his career to defending constitutionalism, civil liberties, and

free markets. His 1891 *Pictures of the Socialistic Future*, a satirical dystopian novel, imagined a Germany transformed by socialism into a gray world of rationing and coercion. In tones prescient of later critiques of totalitarianism, Richter ([1891] 1893, 24) wrote: "The government provides for all, and therefore dictates all; it abolishes freedom, while promising security." Raico (2012), in his study of Richter, underscores his courage in resisting both Bismarck's Anti-Socialist Laws and his welfare-statist policies. In the Reichstag, Richter consistently opposed state socialism, colonial adventurism, and military expansion. For him, classical liberalism meant both free trade and civil liberty—an indivisible commitment. "Every new regiment means a new tax," he quipped, warning that militarism abroad would mean despotism at home ([1891] 1893, 88). Yet Richter's voice grew increasingly lonely. The National Liberals, once promising champions of liberal reform, compromised with Bismarck; the Social Democrats attracted the discontented masses; and conservative forces entrenched state power. As Mises (2010, 23) observed, the great tragedy of German liberalism was that "German liberalism had not yet fulfilled its task when it was defeated by etatism, nationalism, and socialism." Richter's defeat symbolized the eclipse of liberalism in Germany at the dawn of the twentieth century.

German Liberalism in Decline and Defeat

The eclipse of German liberalism was not merely political but cultural. By the fin de siècle, the intellectual mainstream increasingly embraced doctrines of nationalism, statism, and collectivism. Even the historical jurisprudence of Otto von Gierke (1868–1913, 3, 115), which had so fruitfully recovered Althusius's federalism, was often interpreted in corporatist rather than liberal directions. Instead of reinforcing associational liberty, many German thinkers used Gierke to justify the priority of the *Volksgemeinschaft* (national community) over the individual. This reversal illustrates the fragility of the liberal inheritance. Though Althusius, Pufendorf, Prince-Smith, and Richter had articulated visions of constitutional liberty, voluntary association, and free trade, their ideas lacked sufficient institutional anchoring. As Raico (2012) and Mises (2010, 22–23) both showed, German liberals were outflanked by forces of militarism and collectivism that proved more politically compelling, with the latter asserting that although most politically minded Germans initially adhered to liberalism, the movement "was unable to cope with the armies of Austria and Prussia" (23). He attributes this to the fact that the Prussian army drew heavily from "strata of society which were not yet awakened to political interests," who remained obedient to the Junker class and thus "were not capable of disobeying an order to fire upon the people" (23). The rise of the *Kaiserreich*, and later the catastrophe of National Socialism, can thus be read not as the inevitable unfolding of a *Sonderweg*, but as the tragic defeat of an alternative, liberal path. Still, the liberal tradition was not wholly extinguished. Through exiles like Mises, who carried the flame of liberalism to Vienna and then the United States, the

Germanic liberal heritage continued to inform the broader classical liberal and Austrian traditions. It was and remains, as Mises ([1956] 2006, 59) put it in *The Anti-capitalistic Mentality*, a universal struggle: "The aim of all struggles for liberty is to keep in bounds the armed defenders of peace, the governors and their constables. The political concept of the individual's freedom means freedom from arbitrary action on the part of the police power."

Conclusion

The history of classical liberalism in Germany demonstrates that ideas alone are insufficient without supportive institutions. From Althusius's covenantal federalism to Pufendorf's natural law, from Prince-Smith's free trade agitation to Richter's parliamentary battles, German liberals articulated powerful visions of a society rooted in liberty, law, and voluntary association. Yet their failure to secure enduring victories left Germany vulnerable to the allure of authoritarianism. In revisiting this history, one can see not inevitability but contingency: there was a liberal alternative, one tragically eclipsed but not forgotten. In recovering figures such as Althusius, Gierke, Pufendorf, Prince-Smith, and Richter, advocates of liberty will be further armed to speak to contemporary debates about the relationship between the individual, the community, and the state.

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