Hauke Janssen’s *Nationalökonome und Nationalsozialismus: Die deutsche Volkswirtschaftslehre in den dressiger Jahren*¹

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This book is the second version of *Nationalökonome und Nationalsozialismus: Die deutsche Volkswirtschaftslehre in den dressiger Jahren* published originally in 1988. The author tells us that the first edition received many reviews² and that he has revised and enlarged it based on the comments of and debates with critics of the first edition. This book is still a breakthrough in the field of the history of economic thought, and the fame of the first edition was much deserved, as there have not been any other similar contributions. The book is an attempt to understand the place of economics in the system of the totalitarianism and ideology of German Nazis, about which the literature is limited to the areas of philosophy or of social thought. The second edition, the construction of which is the same as the first, consists of three main chapters and an appendix including a helpful biographic plus bibliographic list. The first main chapter (chapter 2) overviews German economic theory in the 1920s, especially the latter half of the decade, with the interpretation that there were several trends after the domination of the German Historical School, after the attempt to form a bridge between politics and theory had failed. The second main chapter (chapter 3) describes the process of Gleichschaltung or ‘Germanization’ of universities, professional journals, and associations related to economic theory in 1933. Finally, the third main chapter (chapter 4), the portion of the book making the greatest contribution, analyzes the emergence and development of the new German economics after 1933, with the assumption that it stemmed from roots of social policy on the one hand and of monetary and business-cycle theory on the other. It attempts to explore the distance between the new German economics and Keynesianism. There are a few precedent works on these issues,³ but this book is outstanding in its comprehensiveness.

Here I would like to discuss only two points, being confronted with the limitations of space. The first point concerns the key statement of ‘Gemeinnutz geht vor Eigen-nutz’ or ‘public benefit (welfare) goes before self-interest,’ which the author interprets in connection to social policy and Nationalsozialismus. It is well known that the members of Verein für Sozialpolitik or the Association for Social Policy in the 19th Century were just the same as those of the German Historical School, who pioneered a third way between the liberals and the Marxists, mak-
ing efforts to establish rules for social welfare according to the above statement. Hence the Association's historical and romantic perspective for society was seen as traditional and inevitable for German theory. It is not so self-evident, however, whether the Verein survived during the interwar period of Nazism or whether the way of thinking of 'public benefit (welfare) goes before self-interest' was and is compatible with a totalitarian society in general. The author examines many economists' works, but quite remarkable are the cases of Werner Sombart and of Othmar Spann. In the case of Sombart, he came to show the incompatibility of Verein with NS as a result of his commitment to the process of Gleichschaltung around 1932 to 1933. In this connection, the author describes that a different organization was more active than Verein at that time, but the reason for this is not made sufficiently clear. Obviously, NS tried to solve social problems not with regard to a national, but rather a racial dimension, in contrast to Verein, even though the direction of both might have looked similar. Still, it was also necessary for NS that the people be organized in some way, but not the same way, as they would be in corporatism, in order for the slogan 'Gemein- nutz geht vor Eigennutz' to remain effective. This point becomes still clearer when we turn to the case of Spann. Spann's idea of Ständestaat, or a kind of corporatism, prevailed considerably in the twenties and thirties, but was finally discarded by NS because the place of the state in his thought was, as the author tells us, contradictory to NS. Here there is room for further investigation such as a comparison, for example, with the Italian system of corporatism at that time or with the concept of administered mass organization. Further, it would lead to a question as to what degree the economy of NS was a wartime economy in the sense of a total mobilization of labor and of Betriebsgemeinschaft or a business community.

The second point is the difference in context between German-based and Anglo-Saxon-based perspectives, especially in our understanding of neoclassical or 'liberal' theoretical economics. The author explains the neoclassicalism of the twenties as neo-Ricardianism, which would cause dispute itself, and relies considerably on works of Schumpeter (Das Wesen und der Hauptinhalt der theoretischen Nationalökonomie, for example) in explaining the direction of general equilibrium theory. Readers who are accustomed to an Anglo-Saxon-based history of economic theory like us, Japanese readers, would feel somehow uncomfortable with his analysis. This uncomfortable feeling becomes intensified in the main chapter 4 regarding the new German economics after 1933 due to the discussion of whether and how the economy and the direction of economics should be controlled by political requirements. In a German context, the author considers a smoothly functioning society to be a remedy against the great depression as well as the unsettled burden of the lost war. The author examines the details of monetary and business-cycle theory in Germany (and German-speaking Austria included) in this context, as the foundation of the new theory. Establishment of institutes of business-cycle research and the increase in the statistical method, for example, are explained in this context and within the flow of the German economy, quite different from the explanation of international tendencies, as with the concept of League-of-Nations economists in the interwar period. Of course, the issue is tied also
to the grand problem of this book, the new economics and Keynesianism in Germany. The author concludes that there was considerable distance between the two, but the question as to how far the distance was between the NS-controlled economy and Keynesian or the New Deal economic policy requires more analysis. The problematic statement of Keynes that the new theory would be easier to apply to totalitarian than to laisser-faire states, mentioned in the book, should be examined in this connection. In addition, a comparison of Keynes and Keynesian economics with German (Ordo-) and Austrian economics of liberalism is also necessary.

Incidentally, the work originally was the author’s dissertation, and the author, Dr. Janssen, does not work at any university but at the publisher of Spiegel as the head of documentations, participating also in academic, scientific activities. This stance of those who are engaged in the media is rather new to us, Japanese readers, but it surely shows the profundness of German media and its status as a lively stimulus to academics. I have heard that Dr. Janssen is now preparing a further work on the commitment of Russian social scientists to German economic journals during the interwar period. We can look forward to soon reading his next work.

Notes
3) For example, Backhaus 1985.
5) The concept of administered mass organization (AMO) is proposed by Kasza, G.J., in Kasza, 1995.
8) He made a presentation on German economics in the 1930s at the conference of the European Society of the History of Economic Thought (ESHET) in Darmstadt in 1999, from which I was absent, unfortunately.

References
Nakayama, C. 1999. The economic thought of Othmar Spann in the inter-war Austria, a paper presented in Japanese at the 63rd Conference of Japanese Society for the History of Economic Thought. (Kumamoto, on the 7th of Nov.)