Edgar Salin and his Concept of
‘Anschauliche Theorie’ (‘Intuitive Theory’)
During the Interwar Period

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I

The economist Edgar Salin (1892-1974) was a brilliant homme de lettres, who used his exceptional political perspicacity, his knowledge of facts and of economic history to advise governments and industry, to educate generations of students, who became influential in their turn, and to influence public opinion. He was one of the founders of the List society in 1925 and helped to recreate it in 1954, he founded the successful international journal Kyklos and a flourishing economic research institute (“Prognos”). He was a Jew, of German origin, who had the luck to be offered a chair in economics in the University of Basel in Switzerland in 1927 which he kept for all his life (he had the insight not to accept a good offer from the government of Prussia in 1928). He was actively involved with Swiss economic and political affairs, especially during the war, and with German and European affairs afterwards — he was an ardent supporter of European integration —, and he visited Israel often, overseeing various research projects there (Bombach and Frey, 1975; Föllmi 2002).

Salin’s deepest commitment was to humanism, to German and ancient literature and philosophy, and to the German poet Stefan George in particular; they were friends during seven years at the time when Salin was a student and young teacher at the University of Heidelberg, and during the first world war. At the same time, Salin was a student of Alfred Weber, an admirer of Max Weber and served as an assistant of the economist and economic historian Eberhard Goethein. He was thus exposed to contradictory cultural and intellectual influences. For Stefan George and the circle of friends around him were opposed to the prevailing trends of modernity and cultivated a community of friends dedicated to art and to the Good Life, while the brothers Weber saw the disenchantment by rationalisation, the growth of industrial civilisation and a democratisation associated with cultural levelling as inevitable trends, which were not to be rejected and which political action only was able to modify — Alfred Weber, for instance, favoured an agrarian policy which would somewhat counterbalance the problematic of industrial mass society (A. Weber 1960; 1979). The idea of progress had become problematic (Nörr, Schefold and Tenbruck 1994) — it reappeared forcefully around 1960 (Acham, Nörr and Schefold 1998).

Edgar Salin reacted to these conflicting influences and interests by working in several different fields (Salin 1963): He was not only
the practical economist but also a cultural historian, an interpreter of Nietzsche and Burckhardt (Salin 1959), the author of an important book about Stefan George (Salin 1954) and a translator of several dialogues of Plato. He came closest to a synthesis as a historian of economic thought (Salin 1923; 1967). He had a unique gift of expressing the key concepts of past economists in the context of the political and cultural ideas to which they were related, and he created a programme of “intuitive” theorising which was to combine analytical and historical methods (Schefold 1992a). Salin was not a systematic thinker nor very much interested in methodology. He preferred the vision to the model and saw history as fateful development when others spoke of growth as a causal process. My ultimate aim in this paper is to introduce to his ‘intuitive theory’; I believe to serve this goal best by starting from the relationship with Max Weber and not from a formal definition of the programme.

II

There were several encounters between Max Weber and Stefan George at Heidelberg; Marianne Weber has written about them in the perspective of her husband (Mar. Weber 1989, 463–72), and Friedrich Wolters, the author of an important but somewhat ideological book on George and the movement around his Blätter für die Kunst gave a different account (Wolters 1930, 470–77). Weber himself mentions George as a charismatic figure in his sociology of religion. He had a sincerely felt admiration for his poetry but was unable to accept George’s attitude as a prophet which he seemed increasingly to adopt later in his life; Weber thought that George thus reduced his poetic ability. Wolters, full of admiration for Weber’s integrity of character and for the extent of his knowledge, portrayed him as an ascetic man, deprived of the fullness of his powers because of the poverty of the culture which had surrounded him in the barren environment of his youth. The professionalisation of scientific activity which Weber postulated was regarded by Wolters as a loss for the humanities which should overcome the limits of theoretical and editorial work and which should have a share in cultural creation. Weber regarded progress as inevitable; George, something of an early environmentalist, thought that the advances of machinery, the growth of the masses, the accumulation of wealth ruined natural beauty and suffocated higher human values. A similar, though less important antagonism existed between George and Alfred Weber.

Salin, of unreserved veneration for George, admired Max Weber’s personality. He had not met him as a student in Heidelberg, since Max Weber would not receive the students of his brother Alfred, but they first met in Rome in 1913. Salin thought that Max Weber, unlike his brother, lacked the gifts of the Muses, that he was an imposing personality, an analytical mind who, confronted with the Roman treasures of art, would not so much see and feel but always explain. Apparently, the great economist and sociologist banged the table when someone spoke of the spirit of gothic art: gothic art, he exclaimed, had nothing to do with any specific spirit, the gothic arch was a technique to construct a vault. Salin could only shake his head and fell silent (Salin 1954, 109).

Max Weber appeared a little later at a private meeting where discussions were held. “Salin had given the introductory speech and spoken about the procedures and the meaning
of writing history, starting from a then famous work of ancient history which erred in its modernisation of antiquity. The Goth- eins were present, Alfred Weber, Gundolf and most of the friends at Heidelberg, Jaspers and a number of other listeners. But nothing else appeared relevant or important, once Max Weber got up and developed his understanding of history as a science in a sharp and effective speech — this later became his celebrated essay “Wissenschaft als Beruf” (Weber 1988). The speech lasted for almost two hours — it was close to midnight — Salin could not really respond. The end therefore was a short duel. Salin asked the famous guest what he thought about the Roman history by Mommsen, given his conception of science. Weber, upon this, very loud: “That is no science!” Salin replicated: “Then I don’t know how your science could serve what is alive and why it should be of interest for us ...” (Salin 1954, 110–11, my translation).

The methodological issue here seems to me to have been this (for a more extensive account see Schefold 2004 b) : Weber was a Neo-Kantian who regarded concepts (ideal types) as constructs to explain social phenomena; they were not descriptions but, like the models of Austrian economic theory (which M. Weber also regarded as ideal types) instruments to capture an aspect of reality with its specific logic of functioning. Kant himself had pointed out that cognition is conditioned by our means of perception, e.g. our intuition of space when we try to understand the laws of motion of physical objects in space. This space (for Kant the Euclidean space) is given to us prior to any concrete physical experience. The objective character of our cognition of bodies as parts of the physical world therefore is grounded on the objective mathematical space used to recon- struct the location of those bodies. A similar reasoning applies to our apprehension of time, hence the possibility of objective description of motion in mechanics. Kant knew only Euclidean space and believed that only Newtonian mechanics were possible (Weizsäcker 1971). Modern physicists know that also non-euclidean spaces exist, hence they can only show that Newtonian and non-newtonian (relativistic) physics are possible, where Kant had believed that Newtonian physics were not only possible but necessary, in the sense that no other mechan- ical world could exist. But the objectivity remains: what the curvature of space means can be described independently of subjective perceptions prior to the physical experience. In fact, Gauss speculated about a non-euclidean geometry of the actual world and Einstein formulated general relativity theory before first attempts were made to measure the curvature in the Universe in recent years. The objectivity of the description rests on the fact that the conceptual instrument used for the description, a mathematical theory, exists and is given prior to the physical experience so that the conceptual description and the object can be compared in the act of experience.

I interpret Weber’s construction of ideal types as a similar endeavour. It was clear to him that e.g. capitalism could take many forms, to be understood by means of ideal types. Thus, he spoke of a political capitalism, a term which he applied to Roman Antiquity in particular: There was a market, there were wage earners, there were slaves, but there was also the peculiar institution of patronage: powerful citizens would free some of their slaves, equip them with some capital, and the freed slaves would remain loyal to their former masters on whom they
depended as their customers and to whom they supplied artisan goods. This economic dependence was complemented by political links (Schefold 1992b). Ideal types did not necessarily have to be realistic. Weber gave the example of a simple commodity producing society in which the primitive accumulation of capital for a transition towards capitalism resulted from the saving of rents (while the traditional European landlord did not accumulate).

It is therefore clear that ideal types were not thought to be images of reality — they were always to some extent contrafactual constructions, and they could be used to approximate reality only because they were many and manifold. Objectivity was achieved at the expense of immediate realism.

The academics around Stefan George revolted against this methodology by pointing out that the concepts used to form the ideal type were always (to different degrees) coloured by subjective perceptions (they were not formulated in mathematical terms, I should add by way of explanation). Weber thought that the academic should profess judgements of value only as citizen, not as a scholar, and the scholar should only analyse the relationships between value judgements: their logical order, their historical significance. The opponents of Weber doubted the possibility of such a separation, as is well known. The followers of George went deeper: They followed Dilthey (Laak 2004) in seeing a continuity between life and thinking. Reality changes for us as we undergo different experiences and the meanings we associate with our concepts change in the process. There are therefore stages of cognition: from the awareness of simple facts we may ascend to an understanding and to the description of a complex cultured reality; it is given to the poet to represent the fullness of life in a perfect and beautiful form. But even the middle stage requires peculiar gifts: to understand the souls of people living in different historical epochs, trying to master other languages and the changing meanings of words, then to express this understanding in the ordinary words at our disposal by enriching their significance through the evocation of a context in which they are presented. The meaning of the concepts then is not given prior to cognition but transformed in a process of (self-)education and formation. This stage of cognition finally requires to assemble the fruits of the endeavour in e.g. a historical work of significance which is not only a collection of facts but the portrait of an era and its ‘spirit.’ This is, I believe, what Salin meant when he asked Max Weber what he thought of Theodor Mommsen: a work of history with important theoretical ideas but crowned with the Nobel prize for literature.

An extensive reply to Weber (though inadequate in George’s eyes) was given by Erich von Kahler, who turned the “Wissenschaft als Beruf” (“Science as a Profession”) into “Der Beruf der Wissenschaft” (“The Profession of Science”) (Kahler 1920). Arthur Salz, a colleague of Salin at Heidelberg (Fried 2004), answered von Kahler (Salz 1921) in turn, trying to mediate between Weber and George. He feared that uncontrolled following of what one might call George’s hermeneutic approach would lead to journalistic decay of academic standards (E. Landmann 1960), but he failed to provide standards which would be sufficiently wide to permit the inclusion of a ‘living’ science as vision according to George and sufficiently narrow to preclude a boundless subjectivism.

Radiant accounts of what George’s influence meant for the realisation of an alterna-
utive programme of research in the humanities are given in a collection of essays, published by the Heidelberg Academy, and edited by H. J. Zimmermann (1985). It ramified into several disciplines, and an important example of what came of it is provided by the historian Kantorowicz; his book on the emperor Friedrich II. was not only a literary success but continues to be important (Fried 1997). The proceedings of the conference to be published in Böschenstein et al. (2004), held at a greater distance, will present fewer recollections and a more thorough and sober assessment.

Salin felt closer to Alfred Weber, although the latter was, unlike his brother Max, certainly not a follower of George either. Alfred Weber was Salin's teacher as a theorist — and not many German economists were able theorists in those days at all. However, he was effective as a teacher according to Salin because of his understanding of the development of capitalism as a force which was in critical conflict with cultural tradition. Alfred Weber was aware of the fragility of the institutions created by Bismarck and of the growing dangers as the first world war drew nearer. He could be called a reformist, if the young followers of George were to be considered as radicals. Alfred Weber was very active in maintaining discussions to which he invited interesting guests as speakers and participants. Edgar Salin also was famous for the discussion groups which he created in the University of Basel and for the seminars which he held even long after his retirement. When he was lying on his deathbed, he let it be known to the government of the city of Basel that he had promised Alfred Weber to teach socio-economics — a blend of theory and history and politics — for all his life, and that he had remained faithful.

III

The decisive question now is: What achievements resulted in Salin's work form these contrasting influences? He saw economics as part of the humanities where the influences of Stefan George and Max Weber met. It may seem strange to regard economics as part of the humanities today, at a time, when its prestige is high because of the achievements of formalised theory. The truth is in-between: As is well known, economics grew out of the heritage of the philosophy of antiquity and scholastic theology, economics also was influenced by the legal tradition and historical thought. Analogies taken from medicine, from mechanics and from diverse (not only Darwinian) evolutionary theories have been used. Economics therefore historically is related to disciplines of all the traditional Faculties. The tasks of the economist, too, have been seen in different contexts. The arts of household management and of the administration of the State are concerned with a practice, according to the Socratic philosophers, which is directed towards the Good Life; the fullness of life is achieved only through a participation in the affairs of the city and is subordinated to higher goals of philosophical reflection. The economic thought of antiquity (if the word is permitted) therefore was embedded in a discourse which, to the extent that it is still led in the places of higher learning — today the universities —, belongs to the humanities. But the main task of the modern economist is efficient administration, and techniques derived from the natural sciences are part of the instruments needed.

If economists pride themselves with their affinities to the natural sciences and repudi-
ate their roots in the humanities, they are sometimes perhaps only motivated by the desire to increase their prestige. A substantial link is possible, however, because capitalist accumulation began to be seen as an autonomous process in the mercantilist period and subsequently was to be freed from state influences and remainders of religious interference in the classical era, according to the liberal ideal. Neoclassical general equilibrium theory represents the economy as a self-regulating system, i.e. as a mechanism. It may be seen as embedded in society and its culture, but these do not need to be subjected to a hermeneutic understanding since preferences are regarded as given — in this, the neoclassical conception differs from that of Adam Smith. The economist who considers his model thus seems close to the scientist who observes the functioning of the experiment. The object of the economist is not nature, but the economist stands in a relation to the combined actions of man as if they were determined by laws of nature. Antiquity, by contrast, regarded the economy as a mean, the use of which could not be understood without understanding the true goals of action which are beyond the sphere of inquiry of the modern economist. The autonomy of the economic sphere was such in Marx (as far as the capitalist and preceding modes of production were concerned) that culture resulted, in its essential traits, as entirely determined by economic forces which, in turn, depended on the level of technical development. The consumer is sovereign in principle in modern theory. However, the extent to which his preferences are socially determined or result from a reflection on some modern form of the Good Life need not be asked.

Salin was a conservative liberal, but when he spoke of the autonomy of capitalist development, he clearly meant that it was, regrettably, subordinated to utilitarian and profit motives. The autonomy of the process was a cause for concern, but it did not justify an analysis exclusively in terms of formal analysis, according to the model of the natural sciences. On the contrary, the point was to understand how European society historically had been subjected to the autonomous forces, and the transition and what the result meant had to be explained in terms of the methods of the humanities. In fact, Salin’s position was a denunciation of capitalism similar to the Aristotelian denunciation of chrematistics, and sometimes Salin seemed, like Schumpeter, very much influenced by Marx. He often professed that the Webers had taught him to read *Das Kapital*. The conclusion, regarding cultural development, fitted in with George’s pessimism.

With a disdain typical of the time, he wrote in 1932 of a struggle between nations of peddlers who quarrelled about feeding places: “An abominable fact: what should serve, dominates, the mean becomes the end, the part pretends to be the whole.” (Salin 1932, 187, my translation). He tried to synthesise the combined effects of atomic energy and automation in the process of industrial concentration, when he wrote in 1956, still in the same vein: “Now the elements of creation have been found and conquered by humanity — by a weak generation which disposes only of a strong intelligence but which is neither guided by faith nor by a feeling for responsibility. Technique as an instrument thus has been transformed in technique as a sceptre or — in a whip for slaves.” (Salin 1957, 133).

Salin showed some contempt for formalistic model-building, but he had more respect for Keynes and Schumpeter. In Keynes he
saw primarily the man of practical action as an economic advisor, a gifted writer, the honest critic of the Peace of Versailles, while he could not really make head or tail of the *General Theory*. He admired Schumpeter for his historical vision and for his sociology of the entrepreneur, which Salin also used, never failing to point out that the capitalism of the entrepreneur of the 19th century was one thing, and managerial capitalism of the 20th century a different animal.

The interaction of rational agents in the sense of neoclassical theory, by contrast, resulted only in an analysis of equilibria, the optimality of which could be scrutinised. Salin criticised such model building during all his life as partial knowledge — not devoid of truth, but erroneous because of the generalisations usually based on it. This is why he distinguished between “rational” and “intuitive” theory. The latter, seen as more general, was to encompass the former. We may define it provisionally by stating that it was to make use of sociological and psychological insights, especially regarding the process of investment (in so far, there was a theoretical affinity between Keynes and Salin, after all), and it was to deepen the analysis of the business cycle (Spiethoff 1955). We return to it in section IV. Salin also wished to improve the understanding of modern economic culture by contrasting it with its historical predecessors.

Nevertheless, Salin was not unacquainted with the later forms of “rational” theory, when he started teaching at Heidelberg. Oral tradition has it that the students called him *Herr Grenznutzen* (“Mr. Marginal Utility”). But his teacher, Alfred Weber, already stood in that tradition of a combination of rational and intuitive theory which Salin later was to trace back to von Thünen — indeed, Alfred Weber himself was most famous among professional economists for his work which expanded on Thünen: the theory of industrial location. Salin wrote his dissertation with him on the economic development of Alaska, in consequence of the gold finds (Salin 1914). He admired Weber for his artistic sensitivity, as a sharp mind and a passionate man who showed his political integrity when the Nazis rose to power (see also Salin’s short biography of Alfred Weber in Salin 1963, pp. 58-74).

Characteristically, Salin was looking for a star over a different roof when he wrote his Habilitationsschrift on “Plato and the Greek Utopia” (Salin 1921 a) which was concerned with the platonic understanding of the state. The adherents of the circle around Stefan George liked to compare themselves to Plato’s Academy, and sometimes George would refer to the network of groups of his friends as his “State.” Salin recounts the story of how, when he wrote his book, he found the hypothesis that it must have been the young Aristotle who collected the materials from which Plato derived his monumental late dialogue “The Laws.” But Salin could not prove it. George liked the idea and, following his characteristic self-assured intuition, advised Salin to take his assent in place of proof (Salin 1954, 44). For the circle cooperated in the same manner, the younger ones gathering materials, the older giving advice, etc. This work was followed up by Salin’s study of the Civitas Dei of St. Augustine. The Civitas Dei is not only Christian but also Platonic in its essential elements. Salin’s book discusses the new role of manual labour introduced by Christian thought (Salin 1926, 87). But otherwise the book is far removed from economics. As I have written extensively elsewhere (Schefold 2004 a), it purports to show
how “a spiritual realm transforms into an earthly-political reality” — a dialectical formula (Salin 1926, V). On the one hand, the spiritual community of Christ and his Apostles transforms in a struggle for survival under Roman domination into the Catholic Church and this fuses with the Empire. On the other, the simple, tangible reality of the primitive Christian Community in Jerusalem — economically an early co-operative, but quite unlike modern socialism — develops spiritual forms of expression and results in a disembodied Christian community. Both processes culminate in St. Augustine’s major work about the double (heavenly and earthly) nature of the Christian realm: Civitas Dei, whose name Salin adopted for his book. 3)

In between the works on Plato and on St. Augustine, there appeared a general survey of economic research in Germany in 1921 (Salin 1921 b) and, much more important, the first, short version of Salin’s history of economic thought (Salin 1923) which created a stir because it declared the work of Schmoller as outdated (Salin 1923). This book, despite its brevity, is dense and rich in its characterisations — I am struck by some of its truths whenever I reread parts of it. Here he says of Max Weber that he ranked a head taller than his predecessors, a puritan who was even more severe against himself than against others, a man of a hot temperament and a cool mind who, in his own life, encountered the decisive questions which determined the problematic position of science in his time. Relentlessly, he strove to construct the conceptual instruments which would force a vast material into a fine grid of legalistic casuistry. Using Rickert’s critique of cognition, he thought it improper to mix ethics, economics and politics. Using valuations himself all the time, he tried to separate value judgements from science, his positive achievement being that the ideal type was defined and the meaning of economic concepts and theories was clarified. But there was the drawback that a phantom of objectivity became dominant. The subject was cut out and the metaphysical ties which had remained present in the earlier conceptions of the economy and the state (but which had been weakened ever since the later middle ages) were eliminated and were replaced by autonomous rationality. — I apologise for an inadequate paraphrase, a translation being impossible (Salin 1923, 40-41).

If someone had objected that Salin here opened the gate to a flood of irrationality, he would probably have replied that his ethical universals were rooted in his humanism. He was a liberal of the old sort who believed in the value of traditional values: values that were not static but evolving in the right direction if influenced by gifted people. There was no safety net for his intellectual acrobatics, and the modern reader of Salin’s book about the problem of reparations (called the “German Tributes,” not the German contributions, and divided into “Speeches,” not into chapters, Salin 1930) can, in the light of later developments, not help being alarmed, although Salin could, as far as I can see, not be accused of ever having advocated totalitarian policies.

We are on safer ground when we return to Salin as a historian. He had criticised the older historical school in his history of economic thought of 1923 and had remarked that Knies, the methodologist of the older historical school, had not executed his programme and that Roscher lacked the force to combine history and theory. Of the third, Hildebrand, he said that he held the “divining-rod” in his hands when he developed his theory of stages,
based on the distinction between a natural economy, a money economy and a credit economy. Only a small step remained to be made in order to replace the “pure” theory by the historical theory or, as Salin would say later in his critique and appraisal of Sombart, to combine “rational” and “intuitive” theory.

IV

The distinction between rational and intuitive theories, already mentioned above, was perhaps Salin's most important single contribution, first introduced near the beginning of the inter-war period when his intellectual productivity and versatility began to get known. The notion of intuitive theory created a considerable controversy; Salin himself provided a bibliography of it (Salin 1963, 211-12). I now try to show how this distinction allows to grasp the essential of Salin's contributions which we have discussed, and how the analysis of these concepts can lead us from Salin's view of history and politics to his economic method, and from there back to the encounters with Max Weber and Stefan George.

In fact, examples of theories which one might call “intuitive” have existed for a long time as, in modern terms, theories of the transformation of economic systems. We recall Adam Smith's account of the evolution from feudalism to capitalism (Smith 1961, 437, 440). The cultural dimension and the elements of intuitive description are obvious in this account which is, nevertheless, based on strict logic and causality. Our judgement of the 'great proprietors' does not need to be as severe as that of Adam Smith who thought that the merchants had induced the landlords to give away their feudal authority by buying luxuries instead of maintaining their own soldiers. Luxury consumption was not a direct transition from feasts for their warriors to private enjoyment in exotic travels, but in between, their was an entire era of representation in local palaces and courts. It might have seemed frivolous to Smith, but Scotland not for nothing possesses marvelous Italian and French pictures of landscapes of the 17th and 18th century: in its National Gallery at Edinburgh they have since been collected from the castles of the surrounding impoverished nobility. The meaning of such observations has to be explained. Of course, nothing can prevent an economist from regarding the purchase of the 18th century painting as the expression of individual maximisation of utility. At a deeper level, we recognise that the nobleman does not think of his own utility only, but also of that of his guests whom he wishes to impress or to please. At another, deeper layer still, we understand that the increased magnificence of the nobility masks its social decline, but that it also is a proof of cultural refinement.

Modern theory has learned to interpret aspects of representation and luxury as external effects of consumption; the rational kernel of economic theory, at any rate its formalisation, is thus extended. The need to visualise the cultural embedding and the need for intuitive theory seems to be reduced. However, there remains the problem of the historical individuality of each transformation. We may further our theoretical understanding of the unique features of a given historical development by using a multiplicity of models, but, in the end, we are convinced only if the combination appeals to our intuition, and a masterly summary description which combines the theoretical and historical elements is what eventually pleases us. This, at any rate, is what Salin's intuitive theory stood for, and what has been said about trans-
formations of economies could also be said about his writings on policy (such as his writings on European unification).

So far, I have provided a simplified account. Salin gave a more precise meaning to the power of synthesis required for intuitive theory by referring to Edith Landmann’s theory of cognition (E. Landmann 1923) and her distinction between “Teilerkenntnis” (partial cognition) and Gesamterkenntnis (total cognition). Without mentioning the roots of Landmann’s philosophy in George and Goethe and without acknowledging Gundolf’s obvious influence in this matter, Salin used the distinction first in order to explain the peculiar character of Sombart’s (1987) ‘Modern Capitalism,’ a book which had been attacked as a history of the emergence of capitalism which contained too many factual mistakes (Brentano’s critique was the most trenchant). Salin argued that the book was not primarily historical, but theoretical, with many historical illustrations containing some errors of little relevance.

But theory of what kind? The term ‘capitalism’ meant a totality, hence it was a concept which neither resulted from a concentration of experience nor only from hypotheses combined according to some logic but it denoted an intuitive and, simultaneously, cognitive unity (my paraphrase of the definition in Salin’s ‘Hochkapitalismus,’ repr. in Salin 1963, 192). The meaning of the term ‘capitalism’ therefore is neither exhausted by the phenomena we can think of like certain entrepreneurs, industries or banks, nor by a reconstruction such as is provided by a well-defined ideal type. Max Weber would have approximated aspects of this totality by means of various ‘sociological’ ideal types, Eucken by means of his combination of models of market forms and credit systems. Both thus limited themselves to ‘partial’ cognition (cf. Salin 1967, 185).

Salin’s distinction is helpful because it is evocative, but it is not logically strict. He admits that there is an intuitive aspect to rational theory (every mathematician has his intuition). Salin therefore proposes to regard the intuitive theory as encompassing the rational one, precisely because the former refers to a total. But, except for metaphysical notions, each totality is contained in a larger one, and a part is a totality in itself. Salin thus is compelled to defend his conception in more concrete terms. ‘Rational’ theory then really is either the classical or the neo-classical theory of value, perhaps also a Keynesian model, which are all based on man as a rational being, and intuitive theory describes the consequences of other ‘irrational’ forms of motivation. Salin therefore praises Pareto for his neat separation of his rational theory of general equilibrium from his sociological theory of ‘alogical’ action (Salin 1967, 181; Scheffold 1992c).

The striving for completeness then is exemplified: List, Marx, Keynes combined intuitive and rational approaches; Smith did the same, although his interpreters saw him often as the rational theorist who then really emerged in his pupil Ricardo; and rational theorists also are Walras and the other early mathematical economists like Auspitz and Lieben. Rational is the ‘casuistry’ of modern model building. German economists like von Thünen and Hildebrand aimed at intuitive theories, but aiming is not enough: Schmoller’s wish to capture the totality was to be praised, but he failed and got lost in details (Salin 1967, 182).

The deliberate vagueness of Salin’s evocation of an intuitive theory shows in the translations proposed for the original Ger-
man term “anschauliche Theorie.” He proposes “théorie rationnelle” vs. “théorie essentielle” for the French, and Fritz Redlich proposed “rational theory” vs. “theory of economic Gestalt” in the USA (Salin 1967, 184). The latter term leads back to the philosophical tradition which originated with Goethe and which Salin clearly meant, although he only hints at it in his expositions in Salin (1963) and Salin (1967). How can capitalism, this fluid phenomenon, denounced by Marx as resulting from exploitation, praised by Schumpeter with the ambiguous term of creative destruction, interpreted in terms of a multiplicity of ideal types and models by modern sociologists and economists, be a “Gestalt”? Did not Salin deplore the ‘autonomy’ of capitalism in the 1930’s, as we saw above? Capitalism also is secularisation, rationalisation for Salin in Weber’s tradition, sometimes it is chrematistics in the Aristotelian sense (Salin 1963, 209). Yet both systematic accounts of ‘intuitive theory’ by Salin in the essay on “Hochkapitalismus” in Salin (1963) and Salin (1967) culminate in quotations from Goethe, therefore in the claim to visualise the ‘Gestalt’ of capitalism.

Gundolf, the literary historian, mentor for Salin to George and his circle at Heidelberg, had represented Goethe and his work as a ‘Gestalt’ in his monumental opus of the same name (Gundolf 1917). Goethe is portrayed in his full unity of life and work, the greatest human among the Germans who himself set out to visualise the unity of nature and art. His first Italian journey led him to see both these realms like a Greek, to whom man is the measure of all. Hence Goethe’s interest in the genesis of the forms in nature which induced him to study geology in order to visualise the genesis of a landscape, to study anatomy in order to visualise the formation of the human body and its artistic representation and hence also his morphological studies of plants (Gundolf 1917, 376-78). The same forces of development were at work in nature and art, like the tendency for development to spread into ‘polar forms,’ to magnify and to enhance. A Darwinian evolutionist would here speak of properties generated by mutation and selection to which an observer attached a meaning. Gundolf who, contrary to Goethe, could know Darwinism, might have replied that the form had these meanings to a living, participating observer. Gundolf regarded the separation of life and thought as the curse of modernity in the tradition of Dilthey, as we saw above (Laak 2004). Goethe therefore insisted that the human eye, the changes of its perception, indeed its education were essential for the understanding of the theory of colours, but the public would not admit this; it would interpret this attitude as a subjective turn permitted to the poet but not to someone desiring to be recognised as a member of the scientific community (Gundolf 1917, 414).

This, I presume, was Salin’s dilemma. If he had insisted too openly on the Goethean spirit, let alone Georgian spirit in which he developed his intuitive theory, he would have encountered the same objection. Since he moderated his position by emphasising the contrast between the intuitive theory as a historical approach and the rational as a formal approach, he came close to identifying his method as one designed to describe economic systems and transformations in the way later pursued in the new subdiscipline concerned with the comparison of economic systems: a relatively innocent approach which we have also used to introduce the subject. Moreover, capitalism was not a human creation admired and taken as a
model like a classical work of art, but (for Salin) an 'autonomous' power: it could result in progress which was dubious, in colonial conquest which was violent, but also in an economic order producing prosperity and allowing selfrealisation. Salin criticised Schmoller for his failure to provide the complete, intuitive (and rational) theory of capitalism. But with his ambiguities, necessitated by his perception of reality, Salin was even further from the goal of representing capitalism as a “Gestalt,” and his successful portraits of economic forms were like sketches of interesting details compared to the ideal of a monumental painting of ‘capitalism’ as a whole.

And the ambiguities even crept in at the methodological level. I have endeavoured to isolate the Kantian element in Max Weber’s theory of cognition in section III above and to contrast it with the alternative proposal from George’s side. One might have expected that Salin would choose between these positions, but he provided no clear demarcation although he did not hesitate to express his sympathies in the appropriate places: his unconditional veneration for the Poet in the book on their encounters and his mixed appreciation of Max Weber in his history of economic thought. His methodological Appendix in Salin (1967) describes the complementary roles of history and theory in economic and social thought in a way Max Weber would have approved of; however, the end of the Appendix is a profession of belief in Goethe’s approach to the cognition of nature. Salin’s solution to this ambiguity presumably would have followed the pattern proposed for the relation between intuitive and rational theory: The theory of capitalism in its full ‘Goethean’ form would encompass Weberian sociology like intuitive theory encompassed rational theory. But, considering the heat and complexity of the debate between Weber and his opponents, it is understandable that Salin hesitated to express this formally elegant but simplistic solution.

What has remained? Sombart wrote, in a mood of resignation, that work in the historical sciences was not to be envied because it led merely to an increase of knowledge (Sombart 1987, XXII). Salin thought that Sombart had remained misunderstood (Salin 1963, 41-46, 314-44). The reason is clear: The Verstehende Nationalökonomie, the economics whose purpose was to understand the relationship between ethical and cultural forces and economic forces, as in M. Weber’s “Protestant Ethic” (M. Weber 1992), could lead to a periodisation of history, to the comprehension of the differences between existing economic systems. It had engendered a considerable literature on the so-called “economic styles” (Schefold 1994; 1995). But this knowledge seemed not to be of instrumental value for shaping the future. Sombart’s later attempt to advise the National Socialists in 1934 (Sombart 1934) remained isolated and, luckily for him, the party officials rejected him and his proposals with deprecating remarks. They had understood that intuitive theory would not help them in their striving for power.

Salin wanted to deepen his methodology and undertook to explain his conceptual apparatus in appendices to subsequent editions of his history of economic thought. He there touched the universalism of Othmar Spann and referred to Edith Landmann, as we have seen. Landmann had proposed to extend the theory of understanding from the humanities to the natural sciences, following
Goethe’s interpretation of the latter, the victory of Newton’s physics notwithstanding. She professed that significant insights are open only to exceptional personalities and are not necessarily generally reproducible. This may be so, and the conventional answer is that such insights cannot be part of science, but Salin would sometimes adopt the attitude of one who knew — and he would thus antagonise his public.

But then, times and again, he truly was brilliant and captured his audiences with his eminent erudition, his wit, and with the originality of his perceptions. What has been said above about his history of economic thought could be repeated with regard to his more scattered writings on the economics of antiquity. He was well informed about international research in ancient economic history and he made original contributions on the interpretation of texts himself.

The object of this paper is to portray Salin in his Heidelberg years, as influenced by contrasting personalities. There is therefore no room to discuss his extensive later work like the Keynesian employment programme which he devised for the city of Basel during the great slump, his lecture series on Nietzsche and Burckhardt which he held in the same year and which eventually was published, and republished, as a book (Salin 1959), and his work for the List-Gesellschaft after the war — work to which we alluded in the beginning. The interdisciplinary character of his approach remained a distinguishing feature of his contributions (see e.g. Zimmermann 1957), and he therefore came to be seen as more and more original at a time when, in the late fifties, the number of scholars with a similar outlook and erudition declined, hence some melancholy in his Festschrift (Beckerath et al. 1962). There were debates in the Verein für Socialpolitik at which his methods were discussed and where he left a lasting impression on all the participants, but he was not able to alter the trend towards what appeared as a straightforward modernisation of economics (Schefold 1998).

I came to know him in 1971-73, and I was his last assistant in the List-Gesellschaft. I had been much interested in literature and poetry at school and in my early student years — and I had read George —, but I had then graduated in mathematics and obtained a Ph.D. in economics, after studies in Cambridge. There was the influence of 1968. Salin opened the way for me to see economics in a historical dimension, and he thus gave depth to discussions about economic policy (my task was to organise a conference on the reform of the world monetary system and on European integration, Schefold 1972). But the times were not congenial. When I showed my thesis on the theory of joint production to him (Schefold 1971) — a piece of mathematical economics — he calmly told me to take it home again. He once suggested that we read poetry together, but then we missed the opportunity to realise the plan. Our discussions therefore remained essentially confined to the perspectives opened up by the themes of the conference, but his exceptional view of economics was so much rooted in his personality that it always shone through. That he had retained George’s criticism of modern culture and of the exploitation of nature, that he continued to see the process of rationalisation as an impoverishment, while German industry generously financed his conferences, had to appear cynical to me, since I was young. Like the liberal man of antiquity, he was courteous, he was human, he gave freely of his ideas, his time, his money, he enjoyed
the pleasures of the table and the beauties of Italy, but there was no salvation.

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Notes

1) This paper is rooted in my German researches on Salin, the youngest historical school and the circle around the poet Stefan George (see Schefold 1992 a; 1994 ; 2004 a ; 2004 b). A shorter version was presented at the Haifa Conference of ISSEI, 1998, and part of the material is also used in Schefold (2002).


3) Salin wrote the Civitas Dei in the hope of thereby pleasing Stefan George and of being readmitted to the closer circle around the poet. The personal element in this story (which was saddening for Salin and even for his family) cannot be told here. But it must be said that Salin’s research was at least partly motivated by the analogy he saw between the birth of Christianity and the spread of George’s ideas and his circle, each inaugurating a new era.

4) Not the details but the perspective of my own work in the history of ancient economic thought was influenced by him. Part of this has been translated, with additions and omissions (Schefold 1997).

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