• There was also no free trade between states with numerous trade barriers, various weights and measures and poor communications between states
• Most skilled workers in the towns belonged to guilds who blocked economic progress to ensure their maintained influence
• The aristocracy owned most of the land and held all the key posts in the various courts, armies and administrations.

Napoleon’s Impact on Germany

In 1789 many Germans approved of the developments taking place in France with the fall of the ancien régime. However, when Louis XVI was executed and thousands more followed him to the guillotine in the Reign of Terror – support was widely lost for the revolution. By 1793 many German rulers were anxious to stop the spread of revolutionary ideas although some German radicals welcomed French military successes against Austria and Prussia in the ongoing war.

Napoleonic settlement

The hotchpotch of German states lacked the ability and unity to resist the military ambitions of Napoleon and he defeated Austria and Prussia in 1806. Napoleon about restructuring Germany:
• France annexed the territory on the left bank of the Rhine in 1803
• The total number of states was reduced to 39. Baden increased four fold and Bavaria now included 80 previously autonomous political entities
• In 1806 Bavaria, Württemberg, Baden and 13 other states formed the Confederation of the Rhine
• In 1807 Prussia lost all its land west of the Elbe and its Polish land became the Duchy of Warsaw
• In 1806 the Holy Roman Empire was formally dissolved

When Austria hoped to overthrow the French, they were crushed at the Battle of Wagram in 1809 and Austria sought to appease Napoleon when he married the Austrian emperor’s daughter.

Development of German Nationalism

French domination soon contributed to a sense of common cause and an emerging German nationalism. French rule alienated many Germans. Most were affected by sharply rising prices and heavy taxes. The German economy subordinated to French needs. Germans also loathed military conscription – for instance the Confederation of the Rhine was forced to provide 119,000 soldiers to Napoleon. Germans also took inspiration from the Spanish and Portuguese who rose in revolt against the French.

From the late 18th century a number of German intellectuals, stressing the importance of a common language and common cultural traditions, had supported national unity. German philosophers: Herder, Fichte and Hegel developed the view
between Austria and Prussia. However, at this stage, they were content to exist side by side in what Austrian Foreign Minister Metternich called ‘peaceful dualism.’

Austria’s territorial gains came in Italy, not Germany. Austria secured Lombardy and Venetia. Meanwhile Prussia gained considerable territory within Germany. They gained parts of Saxony, the Rhineland, Westphalia and Pomerania. Prussia’s population was more than doubled to 10 million. Whilst there was a level of resentment between the Catholic Rhinelanders and the Protestant Prussians, the Congress of Vienna greatly strengthened Prussia’s role within Germany.

Metternich was Austria’s chief minister at the time. He aimed to maintain Austria’s traditional authority over the German states and was not concerned with German political unity, and his negotiations at Vienna ensured that Germany would become a loose confederation of states under Austrian control.

The German Confederation

In 1815 the German Confederation was established, comprising 39 states, was established by the Congress of Vienna. Its declared aim was to maintain ‘the external and internal security and the independence and integrity of the individual states.’ It thus sought to maintain the status quo by a system of mutual assistance in times of danger. The Confederation was not concerned with promoting a united Germany. In fact, its aim was exactly the opposite, for none of the rulers of the separate states wished to see their independence limited by the establishment of a strong central German government.

The boundaries of the Confederation were modeled on those of the Holy Roman Empire rather than on ones that would encourage the development of a German nation-state. Areas peopled by Poles, Czechs, Danes and French were included and provinces with largely German-speaking populations were excluded. So states such as Luxembourg, Hanover and Holstein which were ruled by foreign monarchs were within the Confederation but some German speaking part of Austria and Prussia were not.

The Confederation had only one executive body, the Bundestag which was made up of representatives from the different states who were not elected. It was presided over by the Austrian representative but given that the passing of any measure depended on the agreement of every state, little was passed. Whilst the Confederation was essentially no different to the Holy Roman Empire it did at least provide a framework within which German states coexisted.
In 1833 armed students attacked the Bundestag’s main gatehouse and this led to over 200 Prussian students being arrested. Membership of a student association was now considered high treason and many German radicals fled abroad. Some writers remained underground and established a ‘Young Germany’ movement dedicated to establishing a united Germany.

**Economic Developments (1815-48)**

**The Prussian Customs Union**

After 1815 the 39 German states managed their own economies. Innumerable customs barriers and internal tariffs restricted trade. Even within single states there were large numbers of tolls and variations in currency.

In 1818 Rhineland manufacturers complained to the Prussian king about the problem of internal customs duties and about competition from unrestricted foreign imports on which no duty was charged. As a result, in the same year, the Prussian Tariff Reform Law brought into being the Prussian Customs Union which removed many internal barriers.

The Prussian Customs Union sought to remove as many internal trade barriers as possible as to widen the market for home produced goods at cheaper prices. Motz, the Prussian finance minister, believed that this could lead to political unity and he also wanted to be able to transport goods from one side of Prussia’s empire to the other without having to pay multiple fees. In 1821 Anhalt joined the Prussian Customs Union to be followed by much of north and central Germany.

**Other customs unions**

By 1830, there were two other important customs unions. One was between Bavaria and Württemberg; the other was known as the Middle German Commercial Union and included Hanover, Brunswick and Saxony. The Middle Union attempted to resist Prussia’s exerted economic dominance by building roads around those states that made up the Prussian Customs Union. However, this was combatted by Motz who encouraged the building of roads between Bavaria and Prussia and extended Prussian trade along the Rhine through a customs agreement with the Dutch.

**The Zollverein**

In 1831 Hesse-Cassel, a member of the Middle Union, joined the Prussian Customs Union. The Middle Union soon collapsed and in 1834 it became known as the Zollverein as the southern states of Bavaria and Württemberg joined. The Zollverein now covered 18 states and 23 million people. In 1836, when Baden and Frankfurt joined, it included 25 states and 26 million people. By 1844 only Hanover, Oldenburg, Mecklenburg, the Hanseatic towns and Austria were not members. In the next few
In 1866 the tide in south Germany turned in the favour of unity with political parties established hoping to achieve unity. In 1867 the 4 southern states were elected into the Zollparlament elected to discuss the policy of the Zollverein.

However, by 1867 many local loyalties had returned with southern Catholics suspicious of Prussia. The minister for Baden described the North German Confederation as a “union of a dog with its fleas.” In 1868 the southern states elected a majority of delegated (49 vs 35) to the Zollparlament that opposed unification.

Factors helping German unification

There were a number of factors helping Bismarck in unifying Germany:

- The relative strength of the Prussian army
- Prussian economic success: in 1865 it possessed 15,000 steam engines whilst the Austrians had 3400. It produced more coal and steel than France and Austria.
- Economic unity and the Zollverein, however, many states supported Austria politically to counterbalance economic subordination to Prussia.
- German nationalism with the German National Association being formed in 1859, stimulated by the success of Italian nationalism. It believed that as Piedmont had led the cause for Italian unification – Prussia should do the same for German nationalism. However, at its peak the association only had 25,000 members although these did include any influential liberals in close links with a range of other organisations. However, newspapers tended to support the idea of national unity and so there was no massive sentiment for a Prussian dominated Germany.
- The weakness of Austria who faced growing minority nationalism and its economy was primarily agricultural.
- Prussia was still recognized internationally as a second rate power which meant it could expand without attracting hostility.

Prussia and France (1866-71)

Franco-Prussian relations (1866-70)

The international situation was good for Bismarck in 1866 with Britain welcoming Prussia as a counterweight to France and Russia and Russia still in bad relations with Austria. However, France saw Prussia as a threat with French politician Thiers saying in 1869: “it was France, not Austria who was defeated at Sadowa.”

In 1866 after the Austro-Prussian War, Napoleon III offered to mediate but Bismarck declined claiming that Prussian expansion would be limited to north Germany, and that the south German states would remain independent. The division of Germany was thus presented to Napoleon as a reward for his neutrality. Napoleon was still concerned with the situation in Germany as Prussia now owned 2/3rds of Germany
German disunity

The new Reich was far from united:

• Each state had its own traditions. Each also had powers over education, justice agriculture, religious matters and local government.
• Over 60% of the population were Protestant but Catholicism still prospered in Alsace-Lorraine, southwest Germany and in Poland.
• 10% of the population were non-German minorities
• There were economic and social divides: between rich and poor, and between industrialising north and west and the predominantly rural south and east.

After 1871 German nationalism became more conservative. The German nation was now identified with the new Reich, any criticism of it was denounced as unpatriotic. A distinct national identity developed which transcended that of the member states although arguably non-Prussians became more Prussian whilst Prussians became more German.

Economic development

The results of the war against France stimulated the German economy. Alsace-Lorraine, contained Europe’s largest amounts of iron ore. The payments from the French helped the German economy boom which was assisted by German banks who helped the development of railways and new industries such as electricity and chemicals. Between 1871 and 1890 coal production soared, steel production increased by some 700% and the railway network doubled. Growing industry swelled the numbers of German working class and the urban population grew from 5% in 1871 to 20% by 1900. The population also grew from 41 million in 1870 to 49 million in 1890 and iron ore production grew by 2.9 million tonnes to 8.0 million tonnes.

Bismarck’s Domestic Policy

The liberal era 1871-79

Although Bismarck was not a liberal he was forced to work with the National Liberals who were the strongest party at the time. Many of them applauded Bismarck for his unifying of Germany and the 125 National Liberals aided the passing of the following legislation:

• A national system of currency was introduced
• A Reichsbank was created
• All internal tariffs were abolished
• There was much standardisation of the legal system

The National Liberals and Bismarck united against the Catholic Church. Nevertheless, relations were at times uneasy and Bismarck did not agree with their hopes for an extension of parliamentary government.
The army budget in 1867 was agreed to not be altered and should remain out of Reichstag control until 1872 which was later extended to 1874. 80% of all federal spending was on military and when the Reichstag tried to challenge this expenditure they were accused of trying to undermine German military strength and Bismarck threatened to call new elections.

**Kulturkampf**

Much of the 1870s was dominated by Bismarck’s clashes with the Catholic Church: the *Kulturkampf*. The reasons for this were:

- 2/3rds of Germany was Protestant.
- Pope Pius IX’s controversial ‘Syllabus of Errors’ which condemned every liberal principal.
- National Liberals were worried about the interference of the Catholics and so wanted to resist the movement towards backwardness.

Bismarck, a sincere Protestant viewed the Catholic minority with suspicion. His main domestic policy was to unify and consolidate the Reich. Suspicious of those who opposed its creation, he mistrusted the minorities such as the French and Poles.

The Catholic Zentrum became the second largest party in the Reichstag in 1871 with 58 seats. It was a very education based party. Bismarck saw the Zentrum Party’s success in 1871 as a grave danger to the empire’s unity. He thought Centre politicians would encourage civil disobedience among Catholics wherever policies conflicted with the power of the church.

Some 5000 Catholics known as ‘Old Catholics’ broke with the Catholic Church after refusing to accept the decree on papal infallibility and Bismarck used this as an opportunity to attack the Catholics and he condemned the church’s actions in a series of newspaper articles in 1872 which marked the starting of the *Kulturkampf*. This was centred on Prussia and directed against the Catholics of the Rhineland and Poland, its effects were felt throughout the Reich. In 1872 Catholic schools were brought under the supervision of the state and in 1872, Reichstag forbade the Jesuit order, whose members had always supported papal authority. In May 1873 the Prussian minister of religion and education, Adalbert Falk, introduced the May Laws which aimed to bring Catholics under state control:

- All candidates for the priesthood how had to attend secular university
- All religious appointments became subject to state approval
- In 1874 obligatory civil marriage was introduced

In 1875, the *Kulturkampf* reached its climax:

- Laws empowered Prussia to suspend subsidies to the Church in parishes where the clergy resisted new legislation
- All religious orders, except nursing orders, were dissolved
A crisis in Bulgaria in 1885-6 shattered the Three Emperors' Alliance, due for renewal in 1887. Austro-Russian relations broke down and Germany refused to get involved. This was followed by France’s new war minister Boulanger in 1886 talking of recovering Alsace-Lorraine. A prospect of a Franco-Russian alliance seemed likely and this fear led to a renewal of the Triple Alliance with Italy in 1887.

In 1887 this was followed by the Reinsurance Treaty in which Russia and Germany agreed mutual neutrality if one of them engaged in a war with a third party. The provision would not apply to a war against Austria or France. The treaty did not contravene the Dual Alliance due to a masterpiece of diplomatic juggling by Bismarck which helped prevent against the Franco-Russian treaty he feared. However, relations with Russia did not improve as Bismarck refused Russia’s attempt to secure loans from the Berlin market to finance industrialisation.

Bismarck and colonies

In 1881 Bismarck declared that “so long as I am chancellor we shall pursue no colonial policy.” He did this to ensure relations with Britain. However, this sentiment changed following the growth of Germany’s empire. Bismarck changed his attitude on this issue due to:

- Enthusiastic pressure groups sprang up agitating for colonies on economic grounds and as a sign of national greatness. The German Colonial Union was founded in 1882 with support from major industrialists and it greatly increased public interest in colonial matters.
- Bismarck hoped that colonies might benefit the German economy by providing new markets and raw materials.
- Bismarck wished to rebuild relations with France and saw supporting their colonial interests as an opportunity to do this. He used this as an opportunity to rally patriotic support prior to the 1884 election.

At the 1884-5 Berlin Conference, Germany acquired a million square miles of land in Togoland, the Cameroons, islands in the Pacific, German East Africa and German South-West Africa. However, this interest in colonies was gone by 1887 with Franco-Russian relations deteriorating. Germany did not wish to alienate Britain. Thus he made substantial concessions to Britain when East Africa was partitioned in 1889. A German official observed that a “good understanding with England means much more to Bismarck than the whole of East Africa.”

Bismarck’s Fall

By the late 1880s Bismarck’s position seemed in jeopardy. Emperor William I was in his eighties. If William died, Crown Prince Frederick, a man of liberal views, would ascend the throne. It seemed likely that Frederick would dismiss Bismarck and appoint a liberal chancellor.
While William I lived, Bismarck’s hold on power was never in question. William largely let Bismarck have his own way and even remarked that “it was not easy to be the emperor under such a chancellor.” When William died in 1888 he was succeeded by Frederick who died just 3 months later of cancer. Frederick’s 29 year old son Wilhelm II took over and he was a convinced German nationalist who believed he ruled by divine right of God. Whilst Wilhelm had a good relationship with Bismarck, the huge age gap between them complicated their relationship as well as Wilhelm’s own desire to rule as well as to reign. He even said to his cronies: “I’ll let the old boy [Bismarck] potter along for another six months, then I’ll rule myself.”

Wilhelm and Bismarck were soon at odds:

- Wilhelm questioned the need to maintain links with Russia
- The two also clashed on social policy with Wilhelm wanting to win over the working class by a modest extension of the welfare system, including an end to child labour. Bismarck, however, favoured in 1889 the Anti-Socialist Law permanent. The Reichstag rejected the bill entirely in 1890 which was symbolic of his crumbling power.

In February 1890, with new Reichstag elections underway, Wilhelm issued a proclamation promising new social legislation. The absence of Bismarck’s countersignature from his proclamation caused a sensation. The election was a disaster for Bismarck as his Conservative and National Liberals lost 85 seats whilst the Radicals gained 46 seats and the Socialists, 24. In an attempt to regain his power, Bismarck proposed a large increase in the size of the army and new extremely repressive anti-socialist law. If this was refused, Bismarck planned a meeting of German princes to drastically curtail the Reichstag’s powers. Wilhelm refused to support this plan and relations between the two deteriorated further.

Bismarck dismissed

In March 1890 Wilhelm and Bismarck quarrelled about the right of ministers to advise the monarch. Bismarck had revived an old order first issued in 1852, which forbade ministers to approach the Prussian king except through the minister-president. Bismarck interpreted this to mean all ministers must obtain permission to discuss any government matters with the emperor. Wilhelm demanded that this order be withdrawn and argued with Bismarck who threw an inkpot at him and then showed him a letter from Tsar Alexander III which was disparaging of his talents. Wilhelm left Bismarck with an ultimatum: resign or be dismissed. Three days later Bismarck resigned. He died in 1898.
eroded provincial isolation and helped by 1914 to bring about a strong sense of German identity. The great issues of the day were German, not state, issues.

Prussia was easily the **Reich’s** largest state. Its state parliament, the **Landtag** gave disproportional political weight to the rich maintained conservative influence. German chancellors, with the exception of Caprivi were also prime ministers of Prussia. This dualism meant that, while as imperial chancellors they had often to pursue a liberal policy, as Prussian prime ministers they had to respond to a conservative majority.

**The army**

Bismarck had fought hard to keep the military under political control. His successors, however, found it hard to stand up to the military chiefs, who frequently had Wilhelm’s support. Count Schlieffen was in charge of the army and most civilians did not question his expertise. By 1914, the German army was much less dominated by the Prussian aristocracy than under Bismarck. Most officers were now from the middle class. Nevertheless, in 1913 over half the officers of rank of colonel and above were aristocrats. Officers were selected not by competitive examination, by regimental commanders who tended to pick men of like mind and background. The army therefore remained a right-wing body and its special status of the army was a major stumbling block to a modernisation of the political system.

**Structuralist view**

The structuralist school of historiography, led by Wehler, believed that Wilhelm II lacked the strength of character to determine a coherent and coordinated policy. Given the power vacuum, Wehler believed that it was Prussia’s traditional elites – the **Junkers** as well as army officers and leading civil servicemen who exerted a dominant influence over central affairs. They were able to maintain their power over the perceived threat of mass democracy. Germany’s decision to undertake * Weltpolitik * ‘social imperialism’ was an attempt to maintain the popularity of the kaiser.

However, this view is seen to exaggerate the role of the Prussian elites. Many of the German middle classes also feared full democracy and this did not mean they took their views from the elites. Also **Junker** influence was declining in this period. Germany was also quite democratic with the German press having a lot of freedom to criticise the kaiser and the **Reichstag** had an impressive legislative record and a central place in the popular imagination.

**The German Economy**

Between 1870 and 1913, Britain’s productive capacity doubled. Germany’s increased eight-fold. By 1914, Germany had become Europe’s industrial superpower.

- German steel production increased nearly nine-fold in this period and was double Britain’s by 1914.