

chapter one

A MAN FOR THE TWENTY-FIRST CENTURY

Appenzell über alles?

In the Swiss half-canton of Appenzell Innerrhoden, a tiny republic of dairy farms, creameries, small-sized industry, and rustic churches, each year's spring yields a sea of tiny mountain flowers along the steep roads and in the window boxes of farmhouses, on the tables of well-swept hostels and on the faded wooden altars to the Virgin and Saint Meinrad. The plants are sturdy, inured to thin air and bitter winters, and defiantly diverse in color and shape—one sharp and purple, another roundly red, and then a yellow starburst. You'll see no fields of identical blooms, like the vast sunflower farms that flank the autobahn in Bavaria, or the luxuriant purple iris stands of the Louisiana bayous. You'd be hard-pressed to gather a uniform bouquet from these Swiss gardens, made up of dozens of hardy species, growing together in genial competition as they have for millennia.

Just so, you'd make a poor showing if you tried to shop an ideology in Appenzell. History records no Appenzell-supremacist movements; no mass rallies of uniformed youths in identical haircuts shouting slogans beneath enormous banners proclaiming "*Appenzell über alles*"; no secretive terrorist movements for independence; no campaigns to preserve the "purity" of the local "*Kultur*." Nor is there room for Marx at these inns. The local farmers would rather drive their cows up nearly vertical fields than entail their hard-won property to state or superstate. The one bitter source of conflict in Appenzell's history has been religion, which sparked the devastating Thirty Years' War in neighboring German states. It did not shatter Appenzell; after some serious quarrels over creed, the Protestant and Catholic halves of the canton agreed simply to split. At some places where an agreement could not be reached, the canton lines were drawn (and up to the nineteenth century incessantly redrawn) according to the faith of each family home. When a Catholic obtained a house that had once belonged to Protestants, that little piece of Appenzell Innerrhoden was transferred to Ausserrhoden, and contrariwise if a Protestant gained a formerly Catholic home. The faiths, like species of Alpine flowers, still thrive as cordial, rivalrous neighbors.

Their coexistence is not guaranteed by abstract human rights formulas or transnational institutions—indeed, the wars of religion fought in Switzerland were largely

provoked by interfering outside forces with international agendas (such as the Holy Roman Empire, Louis XIV's France, and Metternich's Austria). The finely balanced tolerance and diversity in Appenzell—in Switzerland—does not descend from above, but grows organically from the facts on the ground, from the local institutions that arose to resolve conflict, in ordered liberty, among neighbors thrown together by history and geography.

Each spring, the outburst of mountain blooms greets another hardy perennial—the *Landsgemeinde*, or communal vote. In what is perhaps the most ancient form of democracy, each year the adult citizens of Appenzell Innerrhoden are invited to gather in the town square to vote by show of hands on new laws, taxes, and terms of office for their local government.

Not all appear, of course. But those who do exercise a privilege their ancestors gained in the thirteenth century (when most of Europe's country folk still labored as serfs): a "sovereign vote." No amendment to the constitution may be made in Switzerland without a referendum; any law may be annulled by popular vote; additions to the constitution typically start with popular initiatives, sparked by ordinary citizens' petitions and ratified by their vote. The federal government and many cantons must submit each proposed new tax to direct vote of the people. In a century where authority has been almost everywhere usurped at one time or another by ideological mass movements, managerial elites, and murderous factions, the quarrelsome but peaceful Swiss have stuck like a bone in the throat of theorists. Each trend that commentators have described as unstoppable has failed to sway these mountainfolk—or their citified cousins in Zürich and Bern. Nationalism, socialism, national socialism, welfare-statism—each has left its high-water mark at the borders of the stubborn, diverse, democratic Swiss.

How fitting it is, then, that Switzerland was the adopted home of Wilhelm Röpke, a German economist and social critic who stood against the tides of his age, profession, and nation. Exiled by Hitler's regime, Röpke spent his career defending tolerance and liberty, and along the way helped lay the groundwork for the postwar German economic miracle.

With the Swiss, Röpke found refuge from Nazi persecution; even more, he saw in their society a model of responsive democracy, personal freedom, and broad prosperity—three goods which eluded most of Europe throughout the twentieth century. By examining Röpke's life, work, and vast postwar influence in Europe, I hope to throw some light on the intimate relationship that binds free markets, social order, and the search for the common good.

While there have been excellent reflections on Röpke in broader studies, no book-length examination of his thought has yet appeared in English. I hope the present volume,

a modest attempt to fill that gap, will serve to introduce the general reader to the very great pleasure of reading Röpke.

Architect of a Miracle

Born in 1899 in Schwarmstedt, Germany, Wilhelm Röpke would become one of the most distinguished economists of his age. Acknowledged as a worthy peer by such eminents as Ludwig von Mises and Friedrich A. Hayek, Röpke was a key intellectual architect of postwar prosperity in Europe. Ludwig Erhard, economic director in postwar West Germany (and later chancellor of the Federal Republic),¹ unabashedly credited Röpke as the most formative single influence on his policies.²

In the ruined Germany of 1948, when expert opinion, the largest German political parties, most of the Allied Occupation officials, and even a majority of Germans called for socialism and the planned economy, Ludwig Erhard rejected the popular wisdom. His administration halted a disastrous postwar inflation and stagnation by issuing in 1948 a new, sound currency—the deutsche mark—and abolishing at one stroke the wage and price controls which had survived the fall of the Third Reich. This launched the West German polity as a federal, free-market democracy. It sparked a rebirth of that shattered nation which astonished the world—and inspired similar reforms in Italy, France, and other countries.

Erhard's economic reforms are now widely acknowledged as masterstrokes—more important to German prosperity than the aid received through the Marshall Plan. In these decisions, Erhard followed the principles that Röpke had explained in major theoretical works and reinforced in a flurry of articles from the late 1920s through the postwar crisis.³ In the darkest hours of Hitler's war, Erhard worked as an obscure advisor to a cigarette company and schooled himself in market economics by reading Röpke's works. These books, banned by the Gestapo, had to be smuggled in from Switzerland. Speaking in 1967 at a memorial service for Röpke, Erhard summed up what he had gained from his friend and mentor:

Wilhelm Röpke exhausted himself offering—to those trapped in socialist-collectivist thought, to those unable to escape such thought, to all those involved in the constitution or glorification of the totalitarian state, to those who have comfortably excused themselves from responsibility and pangs of conscience—words of transformation, offering them once more firm ground under their feet and an inner faith in the value and blessings of freedom, justice and morality.⁴

And Ludwig von Mises, the grand theoretician of Austrian economics, wrote this at Röpke's death:

For most of what is reasonable and beneficial in present-day Germany's monetary and commercial policy, credit is to be attributed to Röpke's influence. He—and the late Walter Eucken—are rightly thought of as the intellectual authors of Germany's economic resurrection.... [A] fearless man who was never afraid to profess what he considered to be true and right, in the midst of moral and intellectual decay, he was an inflexible harbinger of the return to reason, honesty and sound political practice.⁵

A Renaissance Man

Wilhelm Röpke made it his life's work to help construct and defend the free society, to diagnose the ills of capitalism and suggest concrete solutions. Like a stern country doctor—his father's profession—Röpke was never shy about criticizing the abuses of the body politic which endangered its health and rendered it defenseless against infections from far Right and Left. Röpke was blunt, even caustic, when he wrote about the abuses that had encrusted two centuries of capitalist practice, culminating in the crisis of the Great Depression. He sharply criticized the probusiness parties of Weimar Germany that supposedly stood for economic freedom but relied on the state to impose protectionism and shore up monopolies. These groups, more than anyone else, had given credibility to the Marxist charge that market economics were merely an ideology, a rhetorical construct that served the class interests of the bourgeoisie, which violated its principles the moment they proved inconvenient.

Röpke found common ground both with socialists and libertarians in exposing the inconsistencies of contemporary capitalism. He shared with socialists their outrage at hypocrisy, intellectual subterfuge, and social injustice; along with libertarians he held a deep respect for the wealth-creating free market. But he departed from both in his analysis of where the West had gone astray and what measures must be taken to restore Europe to health. Unlike most free-market advocates, Röpke seconded complaints made by counterrevolutionary thinkers on the Right. He too was appalled at the brutality and suddenness with which old lifestyles and mores had been uprooted through the political and economic revolutions that swept Europe after 1789. Röpke infused his detailed analyses of modernity with a sensitive respect for the values of tradition and religious faith and their critical importance in building social and economic order.

Because of his intellectual openness, Röpke's work eludes easy categorization and repays careful reading and rereading by students of history, economics, and culture, regardless of where their intellectual sympathies may lie. Röpke was a master of many languages and vernaculars; well-versed in technical economics, romantic poetry, classical literature, and the history of science, he has aptly been called a Renaissance man.⁶ While

signs of this learning bejewel his books—including lengthy Latin and French quotes given in the old style, untranslated—they never seem pretentious. His broad, humane erudition—which Röpke reveals incidentally, while simply trying to make a point—may well have saved him from the intellectual extremes to which so many of his fellow social reformers fell prey. It also partly explains the breadth of his influence among educated Europeans like Ludwig Erhard.

One of the first writers exiled by the Nazis for his ideas, Röpke subsequently worked in Turkey and Switzerland, writing books that helped preserve the spark of free thought in Germany and throughout occupied Europe. After the war, Röpke was one of the founding thinkers of the newly created Christian Democratic movement, the strongest European voice for resistance to the next totalitarian menace, the expansionist Soviet Union. While remaining a strong advocate of the free market, Röpke was also a keen critic of its abuses and an advocate for minimalist, effective intervention by the state to preserve vital social goods neglected by markets. Indeed, it was Röpke who first coined the (later much-abused) term “the Third Way” to denote a market-friendly, socially responsible economic policy—one aimed at encouraging the widespread ownership of property, capital, real estate, and small businesses throughout the population.

Appalled by all forms of monopoly, Röpke considered the economic power of colossal corporations almost as dangerous as the political might of collectivist governments. Always a cosmopolitan, Röpke favored untrammled free trade, regional liberties, and respect for traditional peoples and ways of life. (For instance, he was an outspoken advocate of allowing Japan to retain her monarchy after the Second World War.) Ever a foe of nationalism, Röpke pointed to the eighteenth century as the zenith of European civilization—before ideas were branded by their country of origin and yoked to the service of intolerant nation-states.

On the other hand, suspicious as any Swiss peasant of imperial governments, Röpke opposed attempts to abolish borders and concentrate power in the hands of transnational bureaucracies. Just as the market economy had been built by small businessmen, farmers, inventors, and entrepreneurs—at the expense of monopolists, mercantilist kings, and rationalist *philosophes*—so Röpke saw international order and liberty as arising from free regions federated within nation-states, whose relations must be governed by written or unwritten standards of international law and enforced by a balance of power.

In light of the tragic failure of the post-Versailles commissions appointed to protect ethnic minorities in Europe, Röpke saw extra-governmental institutions (such as churches and civic and social organizations, often maintained by local elites) as the best defenders of human dignity against oppression by intolerant majorities. In this as in many other

questions, he was inspired by the example near at hand—the healthy diversity and peculiarity of Switzerland, whose liberties had grown not from international guarantees or utopian schemes, but from concrete institutions, alliances of convenience, and ancient privileges fiercely guarded by peasant militias over centuries.

Instead of a multinational currency administered by a central authority (like today's Euro), Röpke favored a worldwide gold standard that offered a single touchstone of value for many currencies—and wrested the critical power over the money supply from the hands of politicians and financial elites, leaving it to move spontaneously with the billions of daily decisions made by free men and women in free markets.

Röpke was a successful popularizer, making clear the workings of the market economy in writings aimed at the educated layman. His works went through many editions, and were swiftly translated into French, English, Hungarian, even Japanese. American editions of his major works have remained in print for decades, and several neglected titles have been or soon will be reprinted in English. Unlike some other free-market advocates, Röpke understood that economics had been irreversibly politicized; there was no going back to the old, nineteenth-century view that had placed the function of a nation's productive capacities entirely beyond the reach of popular sovereignty. The growth of mass democracy, the mobilization of millions of men of every social class during the First World War, rising nationalist sentiment and class mistrust—all these currents had joined to overwhelm the levee behind which classical liberals had hoped to protect economic life from the turbulence of politics. No longer would it be enough to convince the economics professors, the King's ministers, and the responsible classes of the virtues of a free market.

The Liberal Tradition

Röpke began his academic career with very definite views about the tradition in European intellectual history with which he identified. Like many who rejected fascism and statist socialism, Röpke considered himself a good liberal. Sadly, this term had become so broad even by the 1930s that when used without qualification it conveyed very little. Indeed, "liberal" is currently used to describe thinkers as disparate as Montesquieu, Rousseau, Lord Acton, Herbert Spencer, Francis Fukuyama, Christopher Lasch, and John Rawls.⁷

Röpke employed the word "liberal" in a very different, and considerably more specific, sense. In the Continental parlance of his day, "liberalism" could be taken in at least two ways: (1) as referring to the general movement away from feudal institutions and toward greater social mobility and personal freedom; (2) as pointing to the particular

form which that movement took in the nineteenth century—specifically, the advocacy of laissez-faire capitalism, a radically individualist view of the social order, and a government whose role was to serve as a “night-watchman,” deputized to defend property rights and national borders and to do little else.⁸

Röpke, even as a young scholar, embraced “liberalism” in the first sense and rejected it in the second. Because of the profound confusion which had been caused in the minds of Europeans—to the detriment of true liberalism, he would point out—by this dual meaning, Röpke became ambivalent about the very word. While he began his career with a wholehearted embrace of the liberal tradition, he would soon feel the need to modify the term, to qualify his loyalties and to make clear that he did not identify with the caricatured form which liberalism had attained historically. Hence, Röpke and his allies came to adopt terms such as “neoliberal,” “social market,”⁹ “humane economy,” and “Third Way,” to describe their programs.

Röpke knew that if true liberalism—including its economic component, the free market—was going to survive after the First World War, or be restored where it had collapsed, it would only be where its partisans could win over the voter. Therefore, Röpke reasoned, economists would have to make the case, over and over again, that prosperity and justice, freedom and progress, would be best served by the preservation of individual economic freedom, within the limits of social order and the common good.

This social and economic synthesis Röpke called his “Third Way” between collectivism and historical capitalism. In using this term Röpke did not mean a welfare state or mixed economy, but rather a free-market system which did not rely solely upon economics as the source of order. In that reliance lay the great mistake of nineteenth-century apologists for capitalism (such as Herbert Spencer), as Röpke would argue over the course of his career; in fact, only a solid social structure predicated upon individual virtue, cohesive families, and local communities could counterbalance the frequently disruptive side effects of the dynamic, highly efficient market system. A decay in those fundamental building blocks of social order must lead to atomization, alienation, and ever-increasing demands for state control over the economy.

Röpke’s critique of modernity mirrored in some respects that of Catholic thinkers like G. K. Chesterton, Hilaire Belloc, and Pope Pius XI.¹⁰ (This makes for a curious irony, since Röpke was the scion of a long line of Lutheran pastors, and chose to make his home in the Protestant capital, Geneva.) Röpke sought to allow the maximum economic freedom and self-determination for each citizen. He also saw that the boundaries of this autonomy must exclude actions that weaken the social order and undermine the civic foundations of the market system. His thought left room for state interventions in the

economy, provided that they did not radically distort the incentives that drove private enterprise. No ideologue, Röpke recognized that prudence and politics must sometimes dictate the behavior of statesmen in economic matters. So rather than offering a “purist” position to satisfy theorists and activists, Röpke laid down principles such as those given above, and then in his voluminous works provided criteria by which his readers could judge each case of possible intervention on its own merits. However, Röpke rejected as “incompatible” with a free market every kind of intervention which “by paralysing the price mechanism...creates a situation which immediately calls for further and even greater intervention, transferring the regulating function so far carried out by the market to a government agency.” As an example, Röpke discusses a particular case of price controls:

If the government introduces rent ceilings, the divergence between supply and demand in the housing market grows ever greater as rents remain below the level which is necessary to promote construction and lessen demand. Consequently, the state is forced to go further and ration housing, as at the same time building activity collapses under these conditions, it must finally take over housing construction under its own management. In addition, this tends to lead to a “freezing” of the housing situation—everyone clinging to the home which he was lucky enough to get hold of, without making any adjustments if his family should decrease—and to a progressive diminution of mobility. This should teach us that the price mechanism is an essential part of the mechanism of our whole economic system and that one cannot do away with it without in the end being forced down a path leading to pure collectivism. (scot, 161)

Röpke did more than explain the benefits of a market economy to the general public. More importantly, he suggested ways in which modern life in a market economy could be made more congenial to man, more natural, less inimical to his family and cultural life. His constant touchstone for political and social reform was not abstraction or ideology but experience, the historical experience of real countries—such as Switzerland and the United States before the advent of the welfare state—that have enjoyed growth in freedom and prosperity. As Röpke never tired of pointing out, these goals are usually attained through evolution rather than revolution, through the slow exertions of thousands of yeomen at hundreds of Swiss or New England town meetings, rather than through the oratory of a demagogue or the wrath of a Jacobin mob.

The Sovereign People

Indeed, if we wanted to sum up in a few words Röpke’s approach to the pursuit of freedom and prosperity, we could do no better than this: he preferred the Swiss social model to the French. As one of the almost 400,000 intellectual or ethnic refugees from Hitler’s Europe who were sheltered by that small, neutral country, Röpke came to see

Switzerland as the model to be emulated by liberals and democrats the world round—much as American founders John Adams and Benjamin Franklin pointed to “the Helvetic Republic” as the best model then available of limited government and political liberty. Instead of the grand, rhetorical figures of the French Revolution, the *philosophes* who prepared it, and the ideologues who led it into blood and ruin, Röpke urged the friends of liberty to consider the nameless or legendary burghers of the Swiss cantons who resisted the encroachments of vastly larger enemies for centuries, holding off kings of Burgundy and Habsburg emperors, and falling only once—to Napoleon.

During that catastrophe, a small band of Swiss radicals collaborated with the French emperor to attempt a stern centralization and rationalization of their country’s complex, variegated government. But after a few years of futile attempts to tame the Swiss localists, the French emperor himself enacted a new constitution that restored many aspects of the *status quo ante*. After Napoleon’s fall and the retreat of French troops, the Swiss managed to obtain at Vienna in 1815 guarantees of their permanent neutrality. The following years, especially those after 1830, saw a quarrelsome search for the right balance of power between the center and the members of the Swiss union that culminated in a secessionist civil war in 1848. After this relatively bloodless, thirty-day war, a new federal constitution was worked out—using as a model the American document. The result was a system that is still more successfully decentralized than any on earth.

Carlo Schmid, the president of the upper house of the Swiss Parliament (which is equivalent to the United States Senate), explains his country’s system—most of which endures unchanged since Röpke wrote—this way:

Sovereignty, according to the Swiss Constitution, resides in two places: with the individual canton, and with the Swiss people. This is not just a slogan; it is a practical reality. The vast majority of decisions affecting an individual’s life are taken at the cantonal level—or even at the local level, that of the town or “commune.” Each canton determines its own level of taxation, administers its own funds for health, construction, infrastructure, education and most police. The constitutional assumption is that the canton has competence to govern on any matter, unless the federal Parliament passes an article expressly promoting an issue to the federal level. Of course, any such decision must be ratified by both houses—the lower, which is proportionate to population, and the upper, in which each canton receives an equal voice, regardless of size. Then that result must be ratified by a national vote of the people—the other locus of sovereignty in Switzerland.¹¹

The Swiss cantons hold onto their central role in the Swiss system by the purse strings, Schmid points out; the largest part of any citizen’s taxes generally goes to his canton, the next part to his local government, with the smallest portion accruing to the

Swiss Confederation. Virtually every change in taxation must be submitted to a referendum of the citizens—whether at the federal, cantonal, or local level.¹²

The complex interaction of decentralized institutions and democratic voting fosters ideological compromise, gradual political change, and financial responsibility among administrators, Schmid asserts. “The nearer you are to a political decision, the more responsibility you take. Everyone knows what he’s paying his taxes for.” This fundamental observation about human nature lies at the heart of “subsidiarity,” the political principle of decentralism that governed Röpke’s thought.¹³

Because Schmid also serves as *Landamman* (governing chairman) of Appenzell Innerrhoden (pop. 15,000), he presides over one of the oldest democratic institutions in the world: the aforementioned *Landsgemeinde*,¹⁴ an assembly open to all the adult citizens from across Appenzell Innerrhoden, where public officials are elected, laws are passed, and taxes approved by a majority show of hands. Established in its present form in the late Middle Ages, the *Landsgemeinde* made a deep impression on Röpke, who had fled the centralizing, pseudo-democratic, illiberal policies of the Third Reich.

Because of logistics, only two half-cantons still preserve the *Landsgemeinde*. But its very existence—and the tradition of direct democracy by referenda in all the cantons—vividly reminds each politician that authority in Switzerland does not descend from above, as the monarchs of Europe used to assert. Rather, it rises from the people. Direct democracy is itself a standing rebuke to those politicians who would transfer key decisions about the lives of citizens to unelected, supranational bureaucracies.

The United States once had a strong tradition of localism—which is one reason why its Constitution appealed to the Swiss in 1848. The United States Constitution also contains a provision reserving power to states, localities, and the people—only allowing to the federal government such power as was specifically granted it by the states. Over the course of time, successive decisions by the United States Supreme Court and innumerable laws passed in their wake have turned the Ninth and Tenth Amendments into virtual dead letters. (The Rehnquist court has reversed some of these precedents, successfully reviving the term “states’ rights” as something other than a rallying cry for segregationists.)

The Swiss system avoids such an agglomeration of power, Schmid notes, in part because the constitutional jurisdiction of its own highest court is very limited. More than simply allowing ordinary Swiss to veto legislation supported by elites, that country’s unique democratic system alters the very process of lawmaking, as Jonathan Steinberg argues in his study, *Why Switzerland?*:

The referendum and initiative exercise an influence even if the voters never get to the polls at all. Every piece of legislation in a Cantonal or federal parliament undergoes subtle alterations because a referendum might be the consequence of a given clause.... The elaborate process which the civil service goes through before drafts of bills even get to parliament is also overshadowed by the moods of the “sovereign” [i.e., the people].¹⁵

Schmid argues that the two anchors of sovereignty in Switzerland—the canton, and the body of the people voting—reinforce each other synergistically, preventing the Confederation from either fragmenting into a passel of squabbling microstates or coalescing into a majoritarian mass democracy, ruled by plebiscite through manipulable public opinion. “When you see that you have the power to decide your own fate, as Swiss voters do, you’re very reluctant to see that taken away, promoted up to some bureaucrat in Bern or Brussels,” he says.

The complex, seemingly intractable and inefficient Swiss system has prevented the national government from attempting many of the ambitious social welfare policies and economic initiatives popular in neighboring Germany, France, Italy, and Austria; there simply is not enough tax revenue or sufficient authority. And in those low taxes lies the secret to postwar Swiss prosperity. Thanks to Switzerland’s “parochial” localism, Schmid explains, this country of just over seven million souls hosts “seven or eight of the largest multinational corporations in the world. They prosper here, and we prosper with them.” It is, Schmid says, echoing Röpke, no accident that the Swiss enjoy the highest standard of living, per capita, in the world; it is the concrete fruit of localism, liberalism, and direct democracy.

The tenacity with which the Swiss voter clings to his “sovereign” vote probably dooms to futility the plans of some Swiss to dissolve that sovereignty into the greater mass of the European Union, Schmid believes. Steinberg agrees:

Switzerland, as it now is, cannot accept...the command economy from Brussels or rule by higher civil servants, because the very essence of Swiss identity lies in self-determination from the bottom up. A top-down government confronts a bottom-up one and they are simply incompatible. The logic of the two approaches to government dictates that the Swiss either give up their national identity or stay out of the European Union.¹⁶

The German poet Schiller presented William Tell to Napoleon’s war-torn, tyrannized Europe as a model of resistance to injustice—in a play that Hitler would banish from the German stage. Similarly, Röpke cited the Swiss experience as a rebuff to the pretensions of world empires and ideologies.

The beginnings of Swiss democracy are marked by the cooperatives of the valleys and the communities of the Alpine peasants, and American democracy commences with the town meetings which eventually grew into the Union. (scot, 45)

Röpke saw in the Swiss market economy—with its vast numbers of small businesses, independent farmers, and craftsmen—an alternative model to the grim struggle for power between vast corporations and socialist (or fascist) states. At a time when only centralism, “mobilization,” and economic nationalism seemed capable of reversing the Great Depression, Röpke was sufficiently independent-minded to reject the terms of the debate and to restate the question himself: the enemy, as he saw it, was not the wrong ideology and the wrong kind of centralized control, but the very movement toward the concentration of money and power in the hands of the few—whether they be plutocrats or bureaucrats didn’t matter very much, in the end.

When World War II ended in their utter defeat and moral disgrace, few Germans could have dreamed that their children would enjoy the luxury of castigating their parents for crass materialism and greed.¹⁷ Fewer still would realize that the guiding spirit of their recovery was a man who looked not to the Imperial Prussian past, nor to the spectral socialist future, but rather across the Alps, to the cantons and communes of politically “backward” Switzerland. The Swiss model of decentralized political, economic, and social power—which Nazis and leftist socialists alike had denounced as “petit bourgeois”—was for Wilhelm Röpke a laboratory of liberty, a living rebuke to the contemporary theory and practice of collectivism.