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Once upon a time, before Hitler, Stalin, FDR, Juan Peron, and even even before Mussolini and Lenin came on the world scene, there lived a man named Dr. Karl Lueger (1844–1910), who was protector of the common man, a proponent of social justice, and the mayor of Vienna from 1897 to 1910. Not simply just a mayor, Lueger was a symbolic figure—a prototype of the twentieth-century populist politician who passionately fought for the “little people” and mastered the arts of making propaganda, courting nationalism, and promoting the public welfare. Before I came to Vienna in September 2011—for a conference on European identity no less—I knew nothing about this multifaceted character.

As a matter of fact, my introduction to the famous mayor happened merely by chance. Despite a busy conference schedule, I decided to take advantage of my stay in Vienna to visit the famous Café Prückel, the very same café where Ludwig von Mises (1881–1973), one of a few avatars of economic liberty in the early 1900s, liked to meet his friends and associates to discuss, while drinking coffee, economics and politics—brewing what later became known as the Austrian school of economics. As every knowledgeable traveler and coffee lover knows, Vienna is famous for its

Andrei Znamenski is an associate professor of history at the University of Memphis.
cafés. In fact, it is said that through Vienna the tradition of coffee drinking at special parlors had penetrated Europe from the Ottoman Empire in the 1600s and later spread to the rest of Europe. In particular, what pleasantly surprises one about these Vienna coffee places—the blood veins of the cultural and political life of the city in the modern era—is an abundance of newspapers available in various European languages for free perusal by customers. I wonder if this long-time tradition also originated from the Ottoman people.

I knew that the café I was looking for was located somewhere on Dr. Karl Lueger Plaza. When I initially got off the Metro and spent about an hour cruising around the plaza and looking for the place, I did not think too much about the monument that dominates the area—an impressive statue depicting Dr. Lueger surrounded by Viennese toilers and shopkeepers. Finally, I found Prückel on the
corner of the plaza and Ringstrasse, Vienna’s famous historical boulevard. It turns out the café—which is hidden in the shadow of the sculpture devoted to the great mayor—was listed under a different address in my guidebook.

I paid tribute to Mises and his circle by staying at the café for a while, sipping overpriced coffee and picturing how he and his colleagues gathered there to talk individual liberty and free enterprise, rare commodities at the beginning of the twentieth century—the era of rising militant collectivism and the big state. It was getting dark, and soon I found myself outside the café, facing the statue of Dr. Lueger. A young Japanese tourist was jumping here and there around the monument, taking pictures of the mayor from different angles. Finally, he had his smiling girlfriend step in front of the sculpture and took one more snapshot. After standing there for a moment watching this scene, in my heavy Slavic accent I asked him: “Do you know who zis man is?” The young visitor turned toward me, glanced up at the statue, shook his head, and answered, “Me do not know dis man.” Out of curiosity, I questioned him further, “Why are you making pictures of it in zis case?” The young tourist looked back up at the statue of Dr. Lueger and with absolute assurance replied, “Because dis man look impressive.”

He was right. The monument, completed by artist Josef Mullner in 1926, indeed looks impressive. Lueger is depicted standing at the top of the sculpture, holding the folds of his jacket as if ready for action. The face of the stern mayor gazes proudly into the bright future, and his entire figure looms over two no less magnificent figures of laborers, one holding a shovel and another a hammer. The workers’ naked torsos are bursting with muscles. At the bottom of the composition, smaller figures of workers and farmers—also displaying similar muscular torsos—are caught in the process of toiling. In the back of the monument, there is another composition: a group of Viennese citizens (workers and shopkeepers) warmly welcomes their beloved mayor. The first man in the row of these grateful citizens slightly bends his back and shakes the mayor’s hand, as if thanking the politician for his caring attitude (Figure 1).

As I studied the monument, I noticed that there was something chillingly familiar about the whole sculptured composition. Somewhere in my youth, in other cities and towns much farther to the east, I had seen the same muscular figures of workers chiseled in stone and marble, surrounding another fatherly figure, one who in 1917 embarked on a great collectivist experiment of engineering public good by empowering the poor at the expense of the rich. Incidentally, this man, better known to us by his nickname “Lenin,” also liked to frequent Vienna’s cafes in the 1910s, as did Leon Trotsky, another Marxist revolutionary and Lenin’s right-hand man who executed the famous 1917 Bolshevik Revolution (Morton [1989] 2001).

During the same years, somewhere in the slums of Vienna, a young voracious reader born as Adolf Schicklgruber tried to earn his living by selling
postcards that he painted himself. An angry man who failed to be admitted into the local art school, he blamed others for his misfortunes. The youth naturally cheered Dr. Lueger, who liked to point out that the true enemies of the common people of Vienna were the well-to-do ones as well as newcomers of different brands. With passion and “admiration for this unusual man” (Hitler [1925–26] 1971, 121), Schicklgruber digested the words of wisdom spoken by the Vienna mayor and watched with fascination how this politician played on popular sentiments (Hamann 2011, 274–76). This youth, who is more familiar to us by his famous name “Adolf Hitler,” would later weave the tactical and strategic lessons he learned from Dr. Lueger into the infamous doctrine of National Socialism—a short-lived experiment of engineering a good life and prosperity for one nation and ethnic group at the expense of other nations and ethnic groups.

Having discovered the enormous power of collective will, Dr. Lueger successfully blended into his propaganda work “three bigs”: nationalism, religion, and socialism. From early on, he billed himself as an advocate of the “little people.” Raised by a widowed mother, Lueger managed to get a law degree and quickly made a name for himself as a protector of the common folk against “big shots.” As mayor, he enjoyed the tremendous support of Vienna’s workers, shopkeepers, and underclass elements (Hamann 2011, 280). These predominantly German-speaking Catholics felt that they were cheated by the rich and displaced by the influx of Slavic, Hungarian, and especially Jewish migrants to the city. The latter usually sided with another group of collectivists—Social Democrats, who challenged Lueger’s Christian socialism with their class-based Marxist socialism. The contest between these two groups of collectivists for the minds of the masses was epitomized in a personal tug of war between Dr. Lueger and Victor Adler, a Jewish Marxist and leader of the Austrian Social Democrats (Wistrich 1983, 260).

Culturally and ethnically, many in the large Jewish community of Vienna did not fit into Lueger’s movement, which was heavily loaded with “soil-based” Catholicism and Germanic tradition. Thus, they instinctively gravitated toward the cosmopolitan message of Marxism (the famous Marxian motto being “workers have no fatherland”), which perfectly resonated with the people residing in diasporas. In fact, in the Austro–Hungarian politicoeconomic landscape, the terms Jews and socialism almost became synonyms. Friedrich von Hayek remembered how in early-twentieth-century Vienna his acquaintances sincerely wondered why Mises, being of Jewish origin, was somehow not a socialist (Schulak 2011).

In all fairness, Dr. Lueger was not a consistent anti-Semite—the only thing that upset Hitler about his favorite mayor. Worried about the growing Jewish domination in Vienna’s economic and political life and convinced that Vienna should preserve its foundational core, German tradition, the mayor was nevertheless ambivalent about gambling exclusively on anti-Jewish sentiments. In fact, not only did he have several Jewish friends, but he also cynically admitted that anti-Semitism was only a slogan used to bait the masses and that he personally respected
and appreciated many Jews. Once he even exclaimed, “I determine who’s a Jew” (qtd. in Hamann 2011, 290).

In a truly socialist manner, he explained to his electorate that the root of the “problem” was not the Jewish people themselves, but rather their “liberal way of life” (read free enterprise)—the system that, in his view, the Jews were able to ride better than anybody else. “Eliminate the poison” of economic freedom, the mayor stressed, and the “Jewish problem” would be gone on its own. He also added that his sentiments against the Jews were directed not against their poor segments, but against their rich brethren (Frank 2004). This sounded almost like a literal rendition of the famous Karl Marx’s article “On the Jewish Question” (1844), in which the young founder of communism, who grappled with his own Jewishness, similarly argued that it was “evil” capitalism that sustained and nourished such “bad” habits of his tribe as commerce and usury.

Five consecutive times Dr. Lueger was democratically elected to his position as mayor. Powerful emperor Franz Joseph did not like this popular politician who recklessly played with the fire of populism, thus threatening Franz Joseph’s multi-ethnic empire. Yet even he could not do anything to remove the mayor. Twice the emperor tried to depose Lueger, and both times he lost, probably without even realizing that he was fighting a losing battle—a phenomenon of the coming modern age when politicians were stopping to talk to people and learning to tune their ears to the sentiments of the masses and to speak the language of the street. The emperor was surely not aware that in this new era the movers and shakers of history were not kings and queens, but the collective will of the masses embodied in the charismatic figure of a strong leader who was viewed as one of the people (Hamann 2011, 284).

When Dr. Lueger was elected mayor for the first time, he promised the working masses there would be a “new deal,” and he lived up to his promise by initiating a wide range of public reforms and welfare measures. With an iron fist, Lueger dispatched his watchdogs to all corners of Vienna to check up on and ensure that Viennese merchants and businessmen had set “right prices” for their merchandise and services. He had electric power stations built, which brought light to the dark city. In addition to a new large hospital, he had one hundred new schools erected, and he ordered that in-kind relief, including free lunches, be provided to the poor children of Vienna. The mayor’s crowning achievement was creating more than one hundred thousand temporary and permanent public jobs that would employ people at the city’s expense. A large army of bureaucrats emerged to administer this burgeoning “municipality socialism”; under Lueger, the number of such bureaucrats increased fivefold.

Under his guidance, the city’s entire infrastructure was eventually removed from private hands and transferred to the municipality: gasworks, power stations, street cars, waterworks, the slaughterhouse, and even the brewery. As part of this socialization scheme, Lueger set up special municipal banks to combat private
“Jewish” banks. Decades later, commending his beloved Vienna’s mayor for building this “municipal socialism,” Hitler wrote, “Everything we have today in terms of municipal autonomy goes back to him [Lueger]. He turned those businesses that were private elsewhere into municipal enterprises, which is why he could make the city of Vienna more beautiful and larger without raising taxes even by one cent” (qtd. in Hamann 2011, 279). To finance all these ambitious public ventures, instead of raising taxes, the mayor pioneered the use of a device that is so painfully familiar to current politicians: long-term domestic and foreign debt. By the time Lueger was gone, inflation “took care” of some of this debt. The rest of it had to be paid back to foreign banks in gold, which devastated the weak economy of the young Austrian republic that inherited this “glorious legacy” after 1918 (Hamann 2011, 278). At the turn of the twentieth century, however, these troubles were an unseen future, and the protector of the “little people” was shining.

When Lueger did not get his way or he simply needed to extract more money from private businesses for his projects, he turned himself into a community organizer, mobilizing masses for direct action: rallies, demonstrations, and boycotts against the rich, the rich Jews, the Slavic migrants, depending on the situation. He frequently led these public protests personally. Word about the brave mayor, who sided with the common man of Vienna, spread all over, and soon the entire lower half of Austria followed his gospel of social justice. Understanding the deadly power of democratic voting that he was able to harness, Lueger became one of the major driving forces behind the introduction of universal suffrage in the Austro-Hungarian Empire in 1905.

During the age ushered in by people such as Dr. Lueger, the voice of the majority (a class, a race, a nation, or a religion) became the law of the land; minority groups had to wait until the 1960s and 1970s to be empowered through quotas and set-asides. In this popular group-think mindset, the individual was never even counted as a unit of political and economic life. All political and economic debates and decisions, both on the right and on the left, were framed in the language of large and (since the 1960s) small collective aggregates. In contrast to the definition of the twentieth century in general as “the age of extremes” (by the noted Marxist historian Eric Hobsbawm [1996]), it seems the most appropriate label for the age discussed here (at least until 1945) would be “the era of militant collectivism and statism.”

In hindsight, it was probably an unavoidable evil in an age during which large segments of the enfranchised populace woke up for active political life. Full of envy, various groups of the “damned of the earth” nourished resentment of the well-to-do and even the middle class and demanded redistribution of wealth, linking their hopes of betterment to the power of central government. In the meantime, as a way to safeguard their interests, business leaders were busy getting into bed with that same government, trying to secure corporate welfare and entitlements. Moreover, both the former and latter together were enthusiastic about making their countries and ethnic
groups into nations, protecting them against foreign economic competition, mobilizing movements of “us” against “them,” and eventually paving the road to World War I. Dr. Lueger and the like were the first to sniff the political air and play on all these sentiments, riding the lowest feelings of the crowd and mobilizing people by choosing collective targets represented by various “alien” class, ethnic, and racial groups.

At that time, all political and ideological routes—no matter how different they were—led to some form of collectivism and statism: fascism, New Dealism, National Socialism, and communism. Movements and parties of various political colors passionately contemplated either how to phase out domestic “aliens” and secure perks and privileges for indigenous folk only or how better to expropriate or tax the rich and distribute their wealth. In this sense, all “great politicians” of that time—Lenin, Trotsky, Mussolini, Hitler, FDR—were, metaphorically speaking, the children of Dr. Lueger.

In the political landscape of that age, there was simply no room for individual liberty and free enterprise. An individual was just a cog in the state machine that was being driven by enlightened masters who appealed to class, national, racial, and religious sentiments. Those few who met at Café Prückel and clustered around Mises were surely considered marginal and out-of-place folk, whose talk sounded strangely bizarre or esoteric to the majority of their contemporaries both on the left and on the right. Indeed, how could one talk about such outdated petty “nonsense” as individual liberty and such “chaotic mess” as free enterprise when the world was on the way to engineering a better type of society, learning to think and plan big in terms of classes, nations, races, and corporations?

Such early-twentieth-century populists as Dr. Lueger (his closest contemporary American analogy is the flamboyant Theodore Roosevelt) laid the foundation for collectivist and statist projects, which eventually mutated into the three major ideological trends of the century: socialism/communism, National Socialism/fascism, and welfare-warfare state/Keynesianism.

National Socialism/fascism—with its narrowly and selfishly defined message of socialism for one nation—was militarily crushed during World War II, and as an alternative project of social development it was quickly phased out. However, its “evil twin,” communism/socialism, was able to linger on for decades until the late 1980s, when it collapsed on its own simply because it could not sustain itself economically anymore. The reasons it lasted more than seventy years were not only that it came out of World War II on the victorious side (and therefore received less bad press than the Nazis), but also that it was carrying a message of universal liberation and economic equality that had a much wider appeal than National Socialism.

In fact, like a star before it burns out, communism/socialism briefly flared up again in the 1950s and 1960s by putting on humanistic garb and briefly flourishing in such forms as “socialism with a human face,” “socialist humanism,” “advanced socialism,” “Marxism–humanism,” and so forth. Along with attempts by the so-called Frankfurt school to marry Freud to Marx and the “discovery” of an early
“humanistic” Marx, those trends signaled a gradual drift away from determinism and grand collective aggregates of classical Marxism toward the individual human being. This shift eventually led to postmodernism with its cult of the unique and the individual as well as its rejection of determinism and all kinds of grand theories.\(^1\)

In a perverse manner, the movement that led to postmodernism manifested the intellectual bankruptcy of the traditional Left, which was fixated on statist and collectivist solutions.

Simultaneously with communism/socialism, another utopia was lingering on in the post–World War II years in the West. It even gained momentum in the 1960s, when such writers and policy makers as John K. Galbraith and Michael Harrington became inspired by temporary economic growth and concluded that it would last forever. Convinced that this growth, coupled with tremendous technological accomplishments, could perform miracles, they worked out a theory of the affluent society, trying to convince people that because the West had produced so much wealth, the state had to step in and begin to actively redistribute it among the needy and the less fortunate. In these circles, there was also much buzz about the economic bill of rights, which was to guarantee to everybody a permanent job, decent income, free education, and health care.

This third major politico-economic utopia of the twentieth century, which (after Murray Rothbard) one can call the “welfare–warfare state,” has its Marx-type apostolic figure: John Maynard Keynes. Having sprung up in the 1930s as an alternative to National Socialism and Soviet communism, this theory of the state has hinged on a conviction that a dialectical mixture of collectivism/statism and individualism was in fact good and productive. This miraculous ideological brew not only entered the mainstream, but it was also expected to provide the only blueprint for the future of humankind. Of course, at that time few asked whether such wonderful welfare perks (on top of lavish military spending) as Medicaid, Medicare, Social Security, and food stamps were sustainable or not. In fact, right after the collapse of communism in eastern Europe and the Soviet Union, Francis Fukuyama (1992), a political philosopher popular in the 1990s, cheered the West’s “victory” in the Cold War and, in a Hegelian manner, prophesized that we, humankind, had finally “arrived” at “the end of history”: the universal welfare state shall be forever and ever. Although battered and bruised, this welfare–warfare state is still alive and well with us to this day.

\(^1\) Despite this almost Hayekian approach, many postmodern writers and scholars were conditioned by a traditional anticapitalist bias, desperately searching for new (ethnic, racial, and gender) groups to play the role of collective saviors from capitalism and to act as substitutes for the proletariat that, in their eyes, had become desperately “corrupt.” Moreover, defying their own theoretical approach, they never extended their methodological individualism to economic and social policies, instead advocating run-away welfare spending and governmental regulation of economy.
It is tempting to think that after the twentieth-century economic, cultural, and political holocaust produced by government social engineering in domestic and foreign policy and especially after the grand economic debacle of 2008 and the huge money waste called “the war on terror,” those who still preach state regulation of the market, public and corporate welfare, and nation building abroad will be marginalized in the near future. Surely, with communism being gone and with the first cracks visible in the welfare-warfare state in the West, there are signs that ideas of individual liberty are gradually gaining visible support. Nevertheless, in a situation when generations of people have been hooked on the most powerful “drugs” such as government jobs, government dole, and war games, it is clear that the march toward freedom, if it continues, will not be easy. It appears that most people still feel comfortable existing in the web of what I want to call the “JFK fallacy,” which offers us only two options: thinking either about “what you can do for your country” or about “what your country can do for you.” Without changing this mindset, we shall never overcome.

Despite recent successes of the grassroots movement against big government and entitlements, it looks as if the entire pyramid scheme of the welfare-warfare state is not going to collapse under growing attacks. For example, it is instructive to remember the ironic situation that many elderly participants of the Tea Party movement, while crusading against the expansion of big government and in defense of the Constitution, were driven to action by a fear that their Medicare benefits would be somehow curtailed by the government. Hence, one could see bizarre posters in the hands of some Tea Party participants, saying such things as “Keep Your Government Hands off My Medicare” or “Keep Government out of My Medicare, You Damn Socialists!” (Zernike, 2010, 4 and “RWNJ: Conservative Views from Cincinnati”)

Moreover, many “sons and daughters” of liberty are quite happy with the warfare part of the welfare state. A statement that the Veterans Administration is one of the largest pockets of socialism within the United States might strike their ears as preposterous. They hardly question financial waste within the military-industrial complex. In fact, many of them treat this complex as a sacred cow, which strongly resembles the reverential attitude held by the Left and liberals toward public welfare.

The situation overseas does not look better. In France, in response to a previous government’s modest attempt to raise the retirement age to save the country from potential bankruptcy, the enraged population went berserk and elected a socialist president with a mandate to protect unsustainable entitlements no matter what. In oft-spoken-of Greece, where this entitlement mentality became part of the social and economic fabric, the population sabotages economic recovery, ejecting many liberals and conservatives from the Parliament, replacing them with Communist, socialist, and neo-Nazi candidates, and moving the country fast-forward to the abyss. In the United Kingdom, where, according to opinion polls, the majority of people (74 percent) at least realized the fatality of Keynesian prescriptions
(Kellner 2012), the conservative government is for various reasons reticent to capitalize on this public support in order to go far enough.

As Gary North reminds us in his recent essay “Dancing on the Grave of Keynesianism” (2012), the most probable scenario is that the welfare–warfare state in the West, like its mad distant and radical relative Soviet communism, will simply be crushed under its own weight. It is to be hoped that we the people will survive under its rubble. Until then, for at least a couple of generations to come, we, just like Mises, might have to live our lives and sip our coffee in the shadow of Dr. Lueger, a socialist chiseled in stone who still stands firm and steadfast in the heart of Europe.

Postscript

When I was finishing this essay, Vienna’s city government, controlled by Social Democrats and Greens, decided to remove Karl Lueger’s name from a section of Ring Avenue that faces Dr. Karl Lueger Plaza. This small section called Dr. Karl Lueger Ring will be renamed Universitätsring (University Ring). Commenting on this decision, Green Party official Alexander Van der Bellen described Lueger as a “great communal politician” whose image was unfortunately tinged with “his expressions of anti-Semitism” (“Karl Lueger Ring Name Change” 2012). The city officials nevertheless stressed that statues and other reminders of Lueger’s tenure will remain intact. A curious reader might also be interested to learn that four years ago in one of the city’s parks Vienna’s government erected a brand-new bust devoted to the famous Argentine Marxist revolutionary Che Guevara.

References


