

The Muthesius Circle: Financial Journalism in the 1950s



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1 Introduction

The economic policy of the early Federal Republic of Germany is typically perceived to be shaped by ordoliberalism. However, ordoliberalism faced criticism not only from more leftist, socialist ideas but also from another movement that was oriented toward classical liberalism.

Köhler and Nientiedt discussed this dispute within liberalism using the example of anti-trust legislation in the 1950s (Köhler and Nientiedt 2017). Even for contemporaries, this dispute had reached alarming proportions. “After World War II, the contest of opinions in the liberal camp essentially came to a head in favor of so-called neoliberalism [ordoliberalism], which stands in stark contrast to historical liberalism [classical liberalism], especially with regard to the economic order. And this dispute over direction has taken on forms in West Germany that give rise to concern and fears that liberalism as such could suffer damage as a result.” A “fraternal quarrel” has been written wherein “historical liberalism [classical liberalism] stands against neoliberalism [ordoliberalism].” (Mötteli, C. 1955. *Der Liberalismus in Westdeutschland*. *Neue Zürcher Zeitung*, September 17. All direct quotations were originally in German and have been translated by the author.)

An important protagonist of the classical liberals was Volkmar Muthesius, who exerted great influence as a publicist in the early Federal Republic. As a publisher and editor, Muthesius had considerable journalistic opportunities to offer. In the controversy over the anti-trust law, he was made personally responsible for an “unqualifiable attack on the intellectual fathers of the social market economy and the Federal Republic of Germany.” (Mötteli, C. 1955. *Der Liberalismus in Westdeutschland*. *Neue Zürcher Zeitung*, September 17.)

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As a publisher, Muthesius cultivated an extensive network of authors as well as influential people in politics and business. Within it, a circle of people, whom he called “like-minded friends,” shared his positions and met regularly in Frankfurt. This network is hereafter referred to in as the “Muthesius Circle.” In addition to anti-trust legislation, this group met to discuss the structure of the monetary system, which was also subject of intense debate in the 1950s due to the Bundesbank law of 1957.

This study aims to shed light on the origins and historical influences of the Muthesius Circle on the monetary and banking discussions in the Weimar Republic and during the National Socialist era. The focus is not on the activities carried out by the circle in the 1950s. For this purpose, Alfred Lansburgh and his magazine *Die Bank* is considered as the role model for Muthesius’ *Zeitschrift für das gesamte Kreditwesen*. Then, this study examines the committee of enquire on banking of 1934, in which bank representatives and journalists successfully opposed the National Socialists’ far-reaching plans to nationalize the banks. In the course of the protests, a network of bank representatives was webbed. The attitude of this group toward National Socialism is then discussed, followed by the formation of the Muthesius Circle in the 1950s.

2 Volkmar Muthesius

Volkmar Muthesius was born in Weimar in 1900. After graduating from school, he studied law in Jena and earned his doctorate in 1924. After working as a bank clerk, Muthesius turned to economic journalism. At the beginning of the Great Depression, he worked for a few months at the *Deutscher Volkswirt* and then became the head of the economics and business department of the *Berliner Tageblatt*. From 1939 to 1944, Muthesius worked for *Deutsche Allgemeine Zeitung*. After the war, he founded the *Zeitschrift für das gesamte Kreditwesen* in 1948 and the *Monatsblätter für freiheitliche Wirtschaftspolitik* in 1955. Both were published by Fritz Knapp publishing house, of which he became co-owner and managing director. From 1961 to 1971, Muthesius was the president of *Bund der Steuerzahler* (German Taxpayers’ Association). He died in Kronberg in 1979 (Munzinger 1979; Frankfurter Personenlexikon 1994).

In his views, Muthesius closely followed Ludwig von Mises, with whom he conducted an almost servile exchange. In a letter dated December 16, 1954, Muthesius emphasized that, like Mises, he rejected any expansion of the public sector and called for “unconditional monetary stability” (Mises Collection at Grove City College Archives, Series 1, Box 22, Folder 10).

Many of Muthesius’s books involve the subject of money and inflation. In his memoirs in 1973, Muthesius describes himself as an “eyewitness of three inflations,” referring to 1923, 1948, and the 1970s. At the same time, Muthesius always advocated sound and free money (e.g., in Muthesius 1973). In an unpublished text

titled “Woran scheiterte Hitler?” (What made Hitler fail?), Volkmar Muthesius wrote in 1946:

The inflationary effects, however, goes much further, because it gradually became impossible to gain anything at all for money, as far as it was not a matter of rationed goods included in the card system in some form. (...) a “second money” saved the original from excessive discrediting. In Germany, rationing – as the system of stamps, cards, points, coupons, among other – was by no means limited to a few essential goods, but was extended further and further, so that the circle of goods and services that can be obtained for mere money became ever narrower. A really valid assessment of the purchasing power that money possesses is really only possible if money is “free”. (Hessisches Wirtschaftsarchiv).

In his role as editor, Muthesius at times felt compelled to take a mediating position between the classical liberals and the ordoliberals. In a letter from Muthesius to Mises on the subject of capital market policy, dated January 2, 1954, he wrote: “I would like to take [Ludwig] Erhard’s side on this; he sees the nonsense very well, but has not been able to prevent it thus far. Of course, I completely agree with you when you say that West Germany cannot actually be called a liberal country for a long time yet” (Mises Collection at Grove City College Archives, Series 1, Box 22, Folder 10).

3 The Ideal of a Financial Journalist: Alfred Lansburgh and *Die Bank*

The dominant liberal attitude in financial journalism emerged in the later years of the German Empire, shaped by the widespread economic liberalism of the time with a positive attitude toward the prevailing gold standard (this development is described in detail by Radu, 2017). During this period, two formative journals were founded and long dominated the discussion of money and finance in Germany. From 1901 to 1943, the *Centralverband des deutschen Bank-und Bankiergewerbes* (Central Association of German Banks and Bankers) published the journal *Bank-Archiv*, which discussed all contemporary issues concerning banks and money. The journal also featured a wide range of authors from academia, politics, and banking practice (Herr 2020).

By contrast, the journal *Die Bank*, founded in 1908 by editor Alfred Lansburgh (1872–1937), repeatedly sought controversy with pointed positions. The hyperinflation of 1923 was of particular importance for the further development of the journal and the reputation of Lansburgh as editor.

Alfred Lansburgh was born of Jewish heritage in London in 1872. His family moved from London to Berlin, and his father died in 1875. Lansburgh later became an employee of *Berliner Handels-Gesellschaft (BHG)*, headed by Carl Fürstenberg at the time. During this time, he read numerous economic texts in his spare time and educated himself autodidactically outside universities. He carried out this in connection with the *Verein der Bankbeamten* (Association of Bank Officials) in Berlin,

founded in 1890, which established a well-stocked library and held various lectures, particularly on economic policy (Greitens 2022a).

As the imperial era was generally highly liberal in economic terms, Lansburgh adopted an overarching paradigm of classical liberalism, which was dominant in financial journalism and within the banking community. He often referred to the classical economics of the eighteenth and nineteenth centuries. For example, in his texts at *Die Bank*, Lansburgh frequently referred to David Ricardo (23 times), Adam Smith (11 times), and Jean Baptist Say (7 times). Unfortunately, determining which concrete economic texts he read is not quite possible.

The neoclassical ideas that have become dominant since the 1870s were rather foreign to Lansburgh, who said, “The theory of marginal utility, with which one has tried supporting the wavering building from Jevons to Wieser and Böhm-Bawerk, turns economic science into a psychological–philosophical analysis, with which not a single economic problem can be clearly recognized, let alone practically solved” (Lansburgh 1922, 417).

Equilibrium is achieved through the “four correctives: ‘interest rate,’ ‘price,’ ‘wage,’ and ‘gold movement’” (Lansburgh 1937). First, interest has the function of ensuring balance between savings and investment because “who produces must consume; otherwise, the economy will be in disorder. The economic instrument, by which to avoid this danger of stagnation in the economy, is referred to as the *interest rate*” (Lansburgh 1923, 62). Based on this view, banks are financial intermediaries: “Savings’ are, thus, transformed into ‘loans’ or ‘capital investments’” (Lansburgh 1933a, 127). As such, Lansburgh did not distinguish between money and capital. If one complained about the lack of means of payment, for Lansburgh, this indicated “in reality, a lack of capital” (Lansburgh 1909, 1129). In this context, an active monetary policy can only do harm: “Do we now need a second elastic element in addition to elastic prices, elastic money? (...) The price can be hindered in its function as a key to the division between goods and purchasing power, and between supply and demand” (Lansburgh 1917, 716).

Lansburgh later became a close interlocutor with the President of the Reichsbank, Hans Luther (Borchardt and Schötz 1991, 55). Lansburgh called him “Hercules-Luther” and wrote only positively about him (e.g., Lansburgh 1933c, 426). As Lansburgh championed the Luther and Reich Chancellor Heinrich Brüning. His son later speculated on his father’s self-reproaches because his “orthodox economic ideas, in the spirit of the Manchester School” may have involuntarily contributed to National Socialism’s success in the crisis (Lansburgh 1990, p. 92).

With his plea for a restrictive monetary policy, Lansburgh opposed the expansionist plans of the National Socialists and continued to rather bluntly criticize them. He called the plans of the National Socialists, such as Gottfried Feder, “over-zealousness” of people with “little expertise” and stated that the economy must be protected from such “rash zealots” (Lansburgh 1933b, p. 1696). He opined that the goals of the National Socialists were only applicable in a simple “small-state or regional system of estates” and thus presupposes “primitiveness” and “small-scale mediocrity” (Lansburgh 1933b). The alternative contemporary ideas of monetary

theory, such as those of Georg Friedrich Knapp, were more susceptible to instrumentalization by the National Socialists.

Given the *Schriftleitergesetz* of October 4, 1933, according to which a chief editor had to be “aryan” (§6), Lansburgh could not remain editor of the *Die Bank*. The “aryanization” took place under the mediation and supervision of the *Centralverband des Deutschen Bank-und Bankiergewerbe* and Otto Christian Fischer. With the issue of June 20, 1934, Ludwig Mellinger became the managing director of the Bank publishing house and the main editor of *Die Bank*. Mellinger had been a staff member of *Der Bank* since 1930. In 1935, Lansburgh was banned from writing, and 2 years later, he committed suicide (Lansburgh 1990, 127).

Die Bank has a direct line of continuity to Muthesius’s concern for “sound money” in the 1950s. Muthesius repeatedly quoted Lansburgh, saying “Bad money is just about the greatest misfortune that can befall a people” (Muthesius 1958, 11), or “Bad money is the greatest misfortune that can befall a people” (Muthesius 1973, 34). The sentence comes from the last lines of the first volume of Lansburgh’s *Wesen des Geldes* (Essence of Money): “The ruin of its currency is probably the greatest misfortune that can befall a nation. Even a lost war does not bring such serious immediate damage as the ruin of its monetary system.” Or “Bad money is, I repeat, pretty much the greatest misfortune that can befall a nation. The outcome of the World War, which was highly unfortunate for Germany, certainly represents a catastrophe such as a nation experiences only once every few hundred years. And yet I do not know which is more disastrous for Germany at the moment, the tragedy of war or the comedy of money” (Lansburgh 1923, 83).

4 The Committee of Enquire on Banking of 1933/1934

The banking crisis of 1931 questioned the existing banking system, calling for a political examination of the events. With the National Socialists coming to power in January 1933, the extent to which the anti-capitalist Nazi ideology may be implemented was debated.

The representatives of the left wing of the NSDAP demanded a radical renunciation from economic liberalism and a breakup and nationalization of banks. In particular, Gottfried Feder, a founding member of the NSDAP, urged the most rapid and comprehensive restructuring possible. As the party’s “chief ideologue” in economic policy, Feder called for the “breaking of the interest slavery” and the fight against “rapacious, Jewish finance capital” (Köhler 2008, 60f; Wixforth 2014, 284).

However, the new government was concerned with stabilizing the economy. As such, radical system changes at the banks may have brought additional unrest (Köhler 2008, 64). Nevertheless, in response to political pressure, a banking enquire was set up. At the meeting of the Reichsbank Board of Directors on April 7, 1933, company President Schacht announced that the necessary reforms in the field of banking must be tackled. Schacht coordinated the course of action with Adolf Hitler and received the approval of the Reich Ministers of Finance and of Economics. The

committee of enquire was officially appointed not by the Reichsbank but by the Reich government, thus giving the committee the greatest possible legitimacy and authority, and was thus not parliamentary compared with the previous bank enquiry committees of 1908 and 1926. A press release from the Reich government on June 30, 1933, served as the official kickoff (Müller 2003, 114; Kopper 2006, 233f).

At the suggestion of the Reichsbank, the committee of enquire on banking was formed at the Reichsbank, to obtain recourse to the Reichsbank's Economics and Statistics Department. The majority of the 15 members were representatives of the Reich authorities and academia who advocated private-sector structures. Representatives of the banking associations were deliberately omitted, although they participated as experts. From the left wing of the NSDAP, only Gottfried Feder – who by then was State Secretary in the Reich Ministry of Economics – was included in the committee, which left him largely isolated. However, excluded from the discussion were prominent Jewish experts, such as Max Warburg (M.M. Warburg & Co.) or Georg Solmssen (Deutsche Bank), who were the most important representatives of the banks before 1933 (Köhler 2008, 66f).

The committee began its work at a constituent meeting on September 6, 1933 (Müller 2003, 115). As early as the second meeting on November 14, 1933, several principles, which had been laid down by Schacht and accepted without objection by the other members, were adopted. Thus, the demand for nationalization of the banks was practically off the table by this meeting (Müller 2003, 122f).

The questioning of experts began on November 21, 1933. A total of 26 written papers were made available shortly before the start of the enquire, together with statistics compiled by the Economics and Statistics Department of the Reichsbank. In a total of 28 sessions, 123 experts were heard, and the enquire ended on December 20, 1933. Press representatives were given guidelines for positive reporting (Müller 2003, 125; Kopper 2006, 236f; Mellinger 1934a, p. 1777).

Three main topics emerged. First, the presence of the state in the banking sector was questioned, linked to the question of the future role of the municipal savings banks. Second, the separation of credit and securities business, meaning commercial and investment banking, was discussed. The third set of issues concerned the structure of private banks, which involved concentration and the question of whether the big banks must be broken up and replaced by regional institutions (Köhler 2008, 67; James 2001, 61).

The first drafts of banking legislation were already being written in parallel with the negotiations of the committee of enquire. Nevertheless, almost a year passed between the conclusion of the committee in December 1933 and the adoption of the "Banking Act" (Kreditwesengesetz, KWG) on December 5, 1934. For the first time, the KWG provided a uniform legal framework for banking. For example, a licensing requirement was created for the operation and the establishment of branches, thus restricting the freedom of business in the banking industry. This license was accompanied by legal protection of the terms "bank" and "banker." The repeatedly criticized misuse of the professional title by credit brokers, pawnbrokers, or real estate and insurance brokers was prohibited (Köhler 2008, 71ff).

The supervisory authority for banks and savings banks was the newly created office for the banking industry. Attached to the Reichsbank and under the direction of the Reichsbank President, the office consisted of representatives of the Reich Ministries of Economics, Finance, Interior, and Agriculture. In return, so to speak, for the preservation of the German universal banking system, Schacht demanded that the banks be willing to submit to increased state supervision (Köhler 2008, 69ff). Thus, the big winner of the banking enquiry was the Reichsbank, which was able to steer the banking system with the new competences (Barkai 1988, 199).

The question of breaking up the large banks in favor of regional ones was intensively discussed in the committee of enquiry. At the center of discussion was the proposal by Kurt von Schröder, a Cologne banker who established contact between Hitler and Franz von Papen in January 1933 to form a joint government.

At the meeting of the committee on November 28, 1933, Schröder called for decentralization, at least of the Dresdner Bank and Commerzbank, which had been majority state-owned since the crisis. He saw in this the possibility of achieving a better and state-controlled supply of credit. Schröder presented the anti-bank attitudes of the party base and the power interests of regional and local party leaders (breaking up may lead to “Gau-banks”) (Köhler 2008, 67f; Müller 2003, 163). Bank concentration was a *disorganization of the economic policy leadership of the liberal state* (James 2001, 69).

Von Schröder was unsuccessful in convincing the other experts or the committee (Müller 2003, p. 163; Köhler 2008, p. 68). Even Karl Rasche, invited as a representative of Westfalenbank and who advocated regionalization, said, “It’s impossible to make eggs out of an omelet again.” Instead of breaking up the large banks, Rasche called for building regional structures more slowly (James 2001, 70; James assumed that Rasche was rewarded for this positive attitude with a board position at Dresdner Bank.). Schacht clarified at the end of the committee of enquiry that while he welcomed the strengthening regional banks, direct government intervention in their favor was out of question (Köhler 2008, 70).

In the fight against the plans to nationalize and break up the banks, the representatives of private banks in and around the committee of enquiry gained high reputation among the banking community. This applied first of all to Christian Otto Fischer, leader of *Reichsgruppe* Banken and who was therefore at the center of the dispute.

However, Ludwig Mellinger, also part of the group around Fischer that headed *Die Bank* from 1934 on, also supported the banking community. Mellinger welcomed the report of the committee of enquiry, which was forwarded to the “Fuehrer and Reich Chancellor” (Mellinger 1934a, p. 1777). He is particularly pleased that the nationalization or “splitting of the universal banks into credit and securities banks” was prevented (Mellinger 1934a, 1785) and expects an increase in bank profitability as a result of the concession requirement.

Mellinger sees the KWG as the introduction of the Führer principle in banking (Mellinger 1934e, p. 1821). The new supervisory office presented high possibilities that they “amount to a complete steering of credit” (Mellinger 1934e, p. 1821; Mellinger 1934e, p. 1813). Mellinger views this law positively, calling the results

“suitable” (Mellinger 1934e, p. 1821, 1822), and attributes a central role to Fischer in the banking enquiry and in preventing the nationalization of the banks (Mellinger 1934c, 1219f, 1223; Hofmann 1980, 89; James 2001, 62).

However, the private banks may owe this law primarily to Hjalmar Schacht, who skillfully arranged the composition of the banking enquiry, thwarted Gottfried Feder early on, and practically buried the issue of nationalization in the second session before Fischer could even appear as an expert to the (James 2001, 65; Kopper 2006, 234f, 238).

5 Christian Otto Fischer and the *Hauptgruppe Banken*

Otto Christian Fischer had been a member of the board of directors of Reichs-Kredit-Gesellschaft (RKG) from 1925 to 1938. Together with Friedrich Reinhart and August von Finck, Fischer was one of the first representatives of the banking industry who publicly supported the NSDAP even before 1933 and agreed with its anti-Semitic rhetoric. He was rewarded by becoming the most important banking official in the *Third Reich*. In 1933, Fischer became chairman of the *Centralverband des deutschen Bank-und Bankiergewerbes*, which was transformed into the *Hauptgruppe Banken* in 1934 (see James 1995, 391, 2001, 57, 277; Wixforth 2014, 290).

Fischer saw himself as a link between traditional banking and National Socialism (James 2001, 277). He wanted to subordinate the banks to the “claim to totality of the National Socialist state” (Fischer 1934, 10; also Fischer 1934, 64); “The proclamation of the leader and performance principle is the declaration of war against a state of affairs which owes its origin to the stuffy atmosphere of Marxist methods of government, and the elimination of which is an absolute necessity, especially in the field of banking” (Fischer 1934, 42). The introduction of the Führer principle by the *Hauptgruppe* was intended to prevent “excessive competition” that can harm the overall interests. Nevertheless, an alleged ideological restraint of Fischer towards the National Socialists was later claimed by his colleagues in the RKG (James 2001, 5). Walter Hofmann wrote an obituary for Fischer in 1949 in the *Zeitschrift für das gesamte Kreditwesen*, absolving him of all possible involvement and rather transfigured him into a resister (Hofmann 1949, 463f).

The concrete competencies of the *Hauptgruppe Banken* were limited and laid in the bureaucratic-administrative supervision of banking. Local competition disputes could be resolved (Salden 2019, 351f), but otherwise, *Hauptgruppe Banken* was primarily an “information agency” for its members (Wixforth 2014, 285).

On October 11, 1935, Fischer founded the *Deutsches Institut für Bankwissenschaft und Bankwesen* (German Institute for the Science and Practice of Banking), which became an important instrument of his activities as head of the *Hauptgruppe Banken*. In his speech at the founding ceremony, he stated the Institute’s goals: to serve “scientific research into problems of banking and credit” (Fischer 1935, 3). In this way, Fischer intended to fight against the consequences of the committee of

enquire on banking of 1933, which had led to a state of agitation and resentment against banks (Fischer 1935, 4). Employees were not allowed to act as emissaries of their banks but were to subordinate themselves to the purpose of the institute (Fischer 1935, 6f).

Along with the Institute, a *Volkswirtschaftlicher Beirat des Deutschen Instituts für Bankwissenschaft und Bankwesen* (Economic Advisory Board) was founded (Fischer 1935, 7). For this, Bernhard Benning, head of the Economics Department at Reichs-Kredit-Gesellschaft, hosted the weekly luncheons in the RKG's casino from 1936 onward. This Advisory Board brought together the heads of the economics departments of Berlin's major banks and, as guests, the editors of *Bank-Archiv* and *Die Bank* (Benning 1960, 16; Muthesius 1962, 15).

This circle included Bernhard Benning (1902–1977, chief economist of Reichs-Kredit-Gesellschaft; after the war, Bundesbank board member), Karl Eugen Mössner (chief economist of Gemeinschaftsgruppe Deutscher Hypotheken-Banken; after the war, head of Hannover Messe), Kurt Hunscha (1902–1973; before and after the war, chief economist of Dresdner Bank), Walter Hofmann (1899–1961; closest collaborator of Otto Christian Fischer at Reichs-Kredit-Gesellschaft; after the war, board member of Frankfurter Bank), and Ludwig Mellinger (editor of *Die Bank*; after the war, head of supervisory board of Bayerische Vereinsbank). The circle maintained close friendships until the 1970s. In the 1960s, so-called *Freundesgaben* were published at anniversaries, especially by Muthesius's Fritz Knapp-Verlag, in which close friends contributed short congratulatory texts with memories of shared times (1955 for Fritz Knapp, 1960 for Ludwig Mellinger and Hermann Janssen, 1962 for Bernhard Benning, and 1968 for Karl Eugen Mössner).

One of the Advisory Board's main tasks was to combat the lack of banking statistics (Fischer 1935, p. 5). In addition, influencing public opinion was pursued. For this purpose, the magazine *Die Bank*, after "aryanization", was used in 1934. This magazine provided Fischer access to an internationally recognized organ whose contents he could now largely determine (Greitens 2021, 36).

Another goal was to promote training in the banking industry (Mantel 2009, 657). Starting in 1935, the column "Der Bankberuf, Beiträge zur Schulung und Fortbildung der Angestellten im Bankgewerbe" ("The Banking Profession, Contributions to the Training and Further Education of Employees in the Banking Industry") was introduced in *Die Bank*. This column included advertisements for the Reich training courses initiated by Fischer, reports of lecturers and participants report, introductory essays on practical banking topics, and prize competitions. The manuscripts of the lecture series of the *Deutschen Instituts für Bankwissenschaft und Bankwesen* were also published by Mellinger's Bank-Verlag. In 1941, the manuscript included a text by Fischer entitled "Der Kredit in staatsgelenkter Wirtschaft" (pp. 5–20). Even before that, the "Führerschulungen für das deutsche Bankwesen" ("Leadership Training for German Banking"), initiated by Fischer at the University of Frankfurt, had received positive attention (1934, 1139, 1401f).

Another meeting place was the *Deutsche Club* in Behrenstrasse in Berlin. Muthesius and Friedrich Pfeffer, the general manager of the Reichsgruppe Banken, also visited this place and came in contact with the bank economists. Afterward, this

group of banking representatives with liberal convictions wrote that they would have felt like in inner emigration and within “silent resistance” or having fallen in a “resigned fatalism” (Muthesius 1973, 69f).

6 “Like-Minded Friends” in Frankfurt: The Muthesius Circle

After the war, Walter Hofmann, together with Muthesius and Erich Achterberg, founded the *Zeitschrift für das gesamte Kreditwesen* at Fritz Knapp-Verlag in 1948 and deliberately placed it in the tradition of *Bank-Archiv* and *Bank*. A stability-oriented monetary policy, with explicit reference to Alfred Lansburgh, is named as one of the cornerstones of the journal (Muthesius 1955, 20, 1973, 117).

Erich Achterberg wrote that Mellinger distanced himself from the regime (Achterberg 1960, 11) and Bernhard Benning attested to his “incorruptible journalism” even between 1933 and 1945 (Benning 1960, 15). The Allies regarded Mellinger as an opponent because of his covert criticism of the monetary and financial policies of the Third Reich, even during the war (Kopper 1995, 104f and OMGUS, Investigations of the Financial Intelligence Group, SHAEF/G-5/FIN/25/2 of November 6th, 1944.). When Mellinger’s efforts to obtain a license from the occupying powers for a new journal nevertheless failed (Hofmann 1960, 27), he subsequently promoted the founding of the *Zeitschrift für das gesamte Kreditwesen* at Fritz Knapp-Verlag instead (Hofmann 1955, 16, 1960, 27).

With the Fritz Knapp publishing house, Muthesius became the pivot of a financial journalistic network. This network was used intensively, such as by Albert L. Hahn, who had become a libertarian because of his experiences of the hyperinflation of 1923. In Frankfurt, Muthesius established a circle of “like-minded friends” who met regularly, including Walter Hofmann and Erich Achterberg (formerly of the *Frankfurter Zeitung*, now coeditor with Muthesius); Bernhard Benning; Franz Böhm (since 1946 at the University of Frankfurt); Heinrich Rittershausen (until he went to the University of Cologne in 1953); Otto Veit (editor until 1933, president of the Hessian State Central Bank 1947–1952, then University of Frankfurt); Hans Ilau (journalist and FDP member of parliament); and Erich Welter (*Frankfurter Zeitung* until 1943, founding editor of the *Frankfurt Allgemeine Zeitung*, University of Mainz from 1948) (Röpke Archive at the University of Cologne: letters from Muthesius to Röpke dated February 23, 1951, taken up several times such as on January 19, 1952, or October 11, 1952. Muthesius was also connected with Wilhelm Röpke, Walter Eucken, and Franz Böhm via the Mont Pèlerin Society). In a letter to Mises, Muthesius mentions this circle: “In any case, my friends here and I – they are only a few friends – are not giving up the fight against any form of interventionism” (Letter from Muthesius to Mises, June 8, 1955, In: Mises Collection at Grove City College Archives, Series 1, Box 22, Folder10).

The efforts of this group to influence the orientation of the *Bank deutscher Länder* and the nascent *Bundesbank* (see also Mee 2019, 110f, 128f, 141, 207; Bank 2013, 195f, 201, 238) is also evident in the cooperation with Adolf Weber, a liberal opponent of the ordoliberal school in Freiburg (Greitens 2022b), and his *Münchener Volkswirtschaftlichen Arbeitsgemeinschaft*, from which the IFO Institute grew (e.g., Muthesius 1950). Adolf Weber is also associated with the circle as the doctoral supervisor of several members, Bernhard Benning and Ludwig Mellinger. Muthesius entered into a cooperation with the *Bank deutscher Länder* since 1948 to promote the bank's stance to the public in the *Zeitschrift für das gesamte Kreditwesen* (Mee 2019, 110f, 128, 180, 204f, 304).

Despite all the criticism of ordoliberalism, Alexander Rüstow and Wilhelm Röpke asked Muthesius if he wished to succeed Eucken at the University of Freiburg. Muthesius declined because he found the role as a publicist to be more influential (Röpke Archive at the University of Cologne: Letter from Muthesius to Rüstow, copy to Röpke, dated November 1, 1952, and letter from Röpke to Muthesius, dated November 5, 1952).

With increasing age, the interest of the members shifted toward historical retrospection, such as the establishment in 1962 of the *Archiv für bankgeschichtliche Forschung* (from 1969, Institut für bankhistorische Forschung; today, Institut für Bank- und Finanzgeschichte), by Erich Achterberg or through personally influenced writings, such as on the *Reichs-Kredit-Gesellschaft* by Hofmann (Hofmann 1980), which is also an expression of a positive interpretation of one's own role during the period 1933–1945. This role is associated with mutual confirmations of having acted properly during the period of National Socialism. This is a consistent element in the “Freundesgaben,” such as of Otto Christian Fischer that they likewise held in high esteem.

7 Conclusion

The economic policy of the early Federal Republic is considered to have been shaped by ordoliberalism. However, other liberal groups hold influential positions and exercised journalistic power. There were fraternal quarrels between those groups, especially during the 1950s.

The Muthesius Circle was an influential group around the journalist and editor Volkmar Muthesius, who pushed ideas of classical liberalism into the economic discussions of the early Bundesrepublik. He and his like-minded friends radically rejected any state intervention in banking and unconditional monetary stability.

The circle merged from several origins. One is an adherence to stable money as in the gold standard and a type of financial journalism, which was shaped by Alfred Lansburgh. During the committee of enquire on banking of 1933–1934, these representatives of the banking and financial journalists moved together to fight against plans to nationalize the banks. The central figure was the leader of the *Hauptgruppe Banken*, Otto Christian Fischer, who was kept in high esteem in this group even after the war.

Muthesius reunited with his like-minded friends in Frankfurt after the war. Their relationship to ordoliberalism was characterized by both cooperation and conflict. The “fratricidal infights of liberals” broke out over the anti-trust law, while less heated disputes arose over monetary issues.

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