

Alfred Schutz and the Imperial Capital Vienna

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1. His boyhood

Alfred Schutz was born in March 13. 1899 in Vienna.¹ His mother, Johanna Schutz(maiden name: Fiala) had been born in November 19. 1873 in Czechoslovakia today. His father, whose name also was Alfred, had been born in February 10. 1873. But he had been died in January 19. 1899 just before the birth of his son Alfred. After several years Johanna remarried his younger brother Otto. Otto was a banker.² He had brought up Alfred as his own son. Johanna also had not let him know about his father until he was about to go to the front of the World War I at the age of seventeen. After he had gone to the elementary school at Corneliusgasse 6 in the 6th ward of Vienna, he went to the high school(Esterházygymnasium) also in the 6th ward from 1909 until March 1917. His transcripts extant show us that he had been a very high-achieving pupil during his school days. For example, on the transcript of his last school year from 1915 to 1916 the following grades are put down: Religion-Excellent, German-Excellent, Latin-Very good, Greece-Very good, Geography-Excellent, Mathematics-Excellent, Natural History-Excellent, Physics/Chemistry-Excellent, Philosophy-Excellent.³ They say that he loved music, specially that of Bach, Beethoven, Morzart and Johann Strauss and he himself played the piano very well. They say, moreover, that he loved the classical German literature, specially that of Goethe, although we could not concretely understand such the circumstances from his transcripts. But it is true that he had acquired some highly polished culture.⁴

Incidentally, on all of his transcripts from elementary school to high school his religion is recorded as “mosaisch”. From this fact and his highly enriched education we can suppose now that he came from a typical jewish middle-class family in Vienna at the beginning of the 20th century.

We could not talk about everything in Vienna in the transition period from the 19th century to the 20th century in which Alfred was born.⁵ But, if we will comprehend a philosophy and sociology which he had developed later, we must know a few of historical circumstances.

The Liberals in Austria were different from those in the Western European countries like England or France. They had very slowly come to power barely after the March Revolution. But they had been driven from it already at the end of the century. They themselves had been indeed the torchbearers of social reform as liberalistic capitalists in the period of the boom in the last half of the 1860s. Many of them had been typically represented as the bankers, who had in those days founded a lot of famous banks many of which are existing in Vienna still now. Later in the 1920's Schutz had engaged in some business of such the banks. But since the financial panic in 1973 they had quickly lost his power.⁶ Furthermore the peculiarities of slow and delayed modernization and multiracial nation had made the newly-born Austrian Liberalism degenerate.

After the defeat of the Prussian-Austrian War the Empire had been maintained as the Austrian-Hungary Dual Monarchy. This means a compromise between Austrian Germans and Hungarians for maintaining the unity of the Central Europe still more. But even with the compromise they could not have already ignored any more demand of autonomy of Czechs dwelling in the Dual Monarchy at the end of the century. It had been also slowly but certainly become impossible for them to continue to ignore any demands of their autonomy, separation and independence as well as the same kind of demands from the other Slavics.

In spite of such the troublesome contradictions inside the Empire, its imperial capital Vienna had reached the peak of its development. At the end of that century the modern and big remodeling and improvement of Vienna, with which the bourgeois had firstly begun after the March Revolution, had already almost finished.⁷ But the mayor who had reigned over the capital in the last period of its completion was ironically one of the most important flag-bearer of anti-liberalism. His name is Karl Lueger.⁸

His basic idea comes from anti-Capitalism and Catholicism. He had gained support from the petty bourgeois and the farmers. The former of them were represented by the old and traditional merchants and craftmen in urban areas. But they had been heavily defeated like the latter through the process of rapid industrialization in urban areas. Both of them were typical two classes which had been groaned under the Great Depression which had lasted nearly for twenty years since the financial panic in 1873. It is Lueger's logic and rhetoric that the causes of their ruin could be found out in the Capitalism. Such a peculiar way of thinking had been connected with the old-fashioned Catholicism, which had always been an ideology of the old ruling class, and it had brought about a political position of the Christian Socialism. Lueger as typical demagogue, who had known the complaints of masses very well, had left a possibility to tend to identify his anti-Capitalism with the Anti-Semitism, because many of the leading capitalists in Vienna were Jewish.⁹

Lueger had later turned to advocate strongly the ideology of Christian Socialisms, but he had at first stood as a candidate of the liberalistic stream for the Council of Vienna. Georg von Schönerer, who had rallied radically German Nationals at the end of the century, also had at first been elected as a member of left wing of the liberals to the Parliament in 1873. Indeed he could not so rally opinion of masses as Lueger did, but he founded a certain stable political base for the Great German Nationals.

The political Catholicism on the one hand and the German Nationalism on the other hand, both of them had always an anti-Liberal aspect and at the same time an anti-Semitic one. But such the anti-Semitic tendency by both movements had antagonistically rallied the people against them. It is in the same period in Vienna that Theodor Herzl wrote *The Jewish State*¹⁰ and declared the Zionism. He had been a correspondent at Paris for a liberal newspaper in Vienna the *Neue Freie Presse* for a long time. He also had been a member of

the Liberals at first like Lueger or Schönerer.¹¹

Interestingly the Social Democratic Party also have the same origin as the above-mentioned three political streams. Victor Adler, who had been the leader of this party until his death at the end of the World War I, had rallied some labor movements in Austria and had organized and unified them into a party in 1889. But he also at first had taken part in a liberal political movement with Schönerer. In 1899, when Schutz was born, a lot of very heated controversies on the Revisionism had begun politically and academically in Germany. Influenced by various discussions in Germany, the original position of the Social Democratic Party in Austria, what they call the Austro-Marxism, had been figured gradually.¹²

From such a political history we can understand that, in 1899 when Schutz was born in Vienna, the Liberalism in Austria, which had been produced at the dawn of the delayed Capitalism, had already changed itself and dissolved into the four political fragmentary groups which had confronted vehemently each other.¹³ This dissolution of Liberalism and the confrontations between various ideologies had characterized the political climate of Vienna in the next century.

2. The War and his Homecoming

The assassination of the Crown Prince of Austria in June 1914 in Sarajevo caused the World War. According to the enlistment records of those days¹⁴, on March 7, 1917 Schutz enlisted on oath as a volunteer. There are recorded more information "Occupation: (Piano-)Student: Stature 174, Language: German, French, English" and so on. According to the pension records after the World War II, he had been assigned to the 10th Artillery Regiment and was discharged as Chief Warrant Officer(Fähnrich) because of the end of War.¹⁵ This regiment had been sent to the Italian frontscene where were a lot of fierce battles. Schutz also had been stayed there for one and a half years¹⁶ and returned back to Vienna in November 1918 by the last returnee train from the Italian front.¹⁷

In 1940's Schutz in New York describes his experience of those days as "Homecomer".¹⁸

»Even then, the home to which he returns is by no means the home he left or the home which he recalled and longed for during his absence. And, for the same reason, the homecomer is not the same man who left. He is neither the same for himself nor for those who await his return«.¹⁹

His return from the extreme situation made him an experience that he was not what he had been and he could not return to himself in the past any longer, even though he could return to his room in his parents house at Esterházygasse 20 in which he had went to high school, he had played piano and he had read Goethe. The Austria in 1918 when he returned home has a special meaning. It means the total collapse of the Habsbourg's Empire which had reigned over the Central Europe for a long time. It is not too much to say that it means the loss of the old European way of life. This collapse and loss which Alfred Schutz as a homecomer experienced directly was at the same time the very beginning of

many attempts of the regeneration and reorganization and of a new disorder of severe conflicts among them.

Wenn Schutz returned back to home, the Revolution had already begun. On November 12, the provisional National Congress which had been composed of the members of Congress from the German-speaking regions decided on the form of nation and government of the German-Austria(Deutsch-Österreich) . The last Emperor Karl of the Habsbourg's Monarchy abdicated the throne and the Republic of Austria was formed. The collapse of this Monarchy which had reigned the Central Europe for long was about to influence very strongly on not only the political system but also all problems there.

Vienna, the Imperial capital of the Austria-Hungary which had had a population of 50 Millions people had become only the capital of the Austrian Republic which had just that of 7 Millions people. The administrative function as Imperial capital was much too big for the capital of the small and newborn Republic. The new Republic needed not a large number of government officials any more. The independence of Czechoslovakia meant the lost of the industrial area in the Sudetenland. The separation of Hungary meant the lost of the food-producing district. Moreover, the war expenditure made the national finance totally fail.²⁰ The General Election System for the men and women equally over 20 years old had been carried out and the Social Democrats had taken the leadership at the first time. But even its leader Otto Bauer himself had deseigned a socialistic reconstruction of Austria under the assumption of the annexation to Germany.²¹

3. Vienna University

Schutz started to study from the winter-semester of 1918 at the law department of the University of Vienna. Schutz had returned back from the front and had completed registration on November 20. But the semester had already begun in October.²² In those days man must have studied at least for four years so as to get a degree. But he had finished his study only for two and a half years until the sommersemester of 1921 by the special exemption procedure for the returnee and had received a doctor's degree in law under Hans Kelsen.²³ After that Schutz had enrolled in and been studying moreover in the department of political science in the winter semester of 1921 and the sommer semester of 1922.²⁴

During his four years at the University of Vienna, Schutz had met a number of persons who had since then had tremendous and lifelong intellectual impacts on him. In those days a lot of famous social scientists had given lectures at the law department. We can ascertain that Schutz had learned in such a good environment. If we pay attention to such an intellectual atmosphere, we can get the above table I.²⁵

From this table, we must know that there were mainly three or four political streams in those days. The first one was Socialistic, which was represented by Carl Grünberg and Max Adler. The second one was Christian Socialistic, which

was radicalized as a social philosophy of Christian status system most typically by Othmar Spann. It was these two very strong ideologies which had been represented by the two big parties of the Social Democratic Party and the Christian Socials Party respectively under the First Republic System of Austria. This ideological antagonism had been in existence since the end of the previous century. On the one hand the social philosophical and pure theoretical core of the so-called Austrian Marxism was constructed mainly by Max Adler at the beginning of the century. On the other hand the social philosophy of Spann had transcended the old Christian Socialism to lead to an ideological movement of Home Defence Force (*Heimwehr*). And moreover, it had been finally radicalized up to the Austrian Fascism.

Against these two streams, Kelsen and Mises regarded themselves as the legitimate successors to the old Liberalism in the 1960s. The former had drafted the Constitution of the Austrian Republic and he had been one of the official appointed lifelong judges in the Supreme Court for the violation of the Constitution (Verfassungsgericht) in the 1920s. The latter had been already one of the world-famous economists in those days. As mentioned later, he had often got involved as the chief-economist of the Vienna Chamber of Commerce in the economic policies of the new Republic from the defeat through the 1920s till the Great Depression and had always advocated the Liberalism.²⁶ Against the state of vigorous confrontation between two centralistic parties both of them would support and revive the old Liberalism in the 1860s. Schutz had some possibilities to study under a tremendous number of thinkers; nevertheless, he had learned particularly under these two social scientists and he had been greatly influenced by them. He got the doctorate under Kelsen and he had taken part in Mises' private seminar constantly. Their student Schutz had come to make life-long friends with them.

Schutz had attended Felix Kaufmann's lecture on "pure jurisprudence" in the summer-semester of 1922. Kaufmann also was a member of Mises' private seminar. He had taught a theoretical relationship between Kelsen's pure jurisprudence and its construction founded by Husserl's phenomenology.²⁷ We assume that Schutz should have acquired some knowledge of phenomenology in 1922 at the latest.

Incidentally, in Vienna Schutz could not have any academic careers than most of his friends could. After his acquisition of doctorate, he engaged in the practical business affairs of the bank industry. But he continued to study very eagerly. He had doubled successfully as a bank manager and as a scholar until he took a post of professor at the New School for Social Research.²⁸ It may be not so uncommon that like Mises man had engaged in the economic analysis as a practical business at the Chamber of the Commerce and at the same time he had had a seminar on economics at a university. But Schutz's instance of the combination of a man of practical bank business and a highly abstract researcher in action theory or phenomenology is very special. Kaufmann also worked for his living in an petroleum trade company, because he was only a

private lecturer at the University Vienna without salary. Most friends of Schutz in the Mises' private seminar and the circle of spirit(Geistkreis)²⁹ had been working their living in various practical business affairs, while doing researches in theoretical and abstract fields.

If we will know such a circumstance, we have to consider the balance between supply and demand of social scientists in Austrian universities. Indeed, we might point out some reasons why Schutz, Kaufmann and Mises could not get their full-time posts at the University of Vienna. Instantly, because most of Mises' students could be Jewish, or because especially Mises could be a leader of the Liberalism that had been only a old-fashioned idea in the German-speaking countries, and he had criticized very persistently and equally the three main political streams in the First Republic, namely the Christian Socials, the Social Democratists and the Great German Populists. Moreover, because he might be one of the most important teacher of Schutz, Kaufmann and others. However, we have to make allowance for another circumstance.³⁰ Because we can point that Hans Kelsen became an ordinaly professor at the University of Vienna in 1919 in spite of his Jewish extraction.³¹ We could not easily suppose that the gate to their academic career should have been shut down only for a few reasons why they were of Jewish extraction and they had been always the followers or adherents of Liberalism and so on.

Christian Fleck points out the remarkable facts from his reaserch for the market of social scientists in Austria.³² That is, in those days there were no posts for the young and able social scientists. The collapse of the Austrian-Hungarian Empire influenced on seriously the academic market. In the Austrian-Hungarian Empire there were three universities in the German-speaking area, namely, the University of Vienna, Graz and Innsbruck. However, in the non-German-speaking areas there were moreover five universities, namely, the Universities of Krakau (founded in 1263), Lembourg (founded in 1661), Czernowitz (founded in 1875) and two universities in Prague. In these five universities in the non-German-speaking areas also the lessons had been given mainly in German. The 46 percent of about 150,000 students in the above eight universities were German and the 62 percent of faculties gave their lessons in German.

Furthermore, Fleck pointed the following fact. The ratio of ordinary professors (Ordenarius) to one lecturer (Privatdozent) is 0,8 at the law department of the University of Vienna in 1899. However, it was 2,8 in Prague, 3,0 in Graz, 4,9 in Innsbruck and 16,5 in Czernowitz respectively, which is interpreted as a follwing circle. "The academic career begun mostly in Vienna(In 1899 24 lecturers had given lectures at the law department of the University of Vienna) and could return back through the promotions while staying in a few provincial universities to the starting point in Vienna".³³ But this circle stopped functioning after the collapse of the Hubsburg Monarchy. As only three universities in Vienna, Graz and Innsbruck were left in the new Austria, the total number of professors and lecturers in 1913 had been 2,254, but it was reduced nearly by half to 1,206. And "in the following years the

Republic of Austria had accepted the professors who had been in employment in the German-speaking area in the old Empire (for example, nearly all faculty members of the University of Czernowitz) as Austrian government employees (and most of them had been pensioned off from lack of the academic posts). The personnel reduction which had been taken even that of full professors into consideration and the austerity budget actually by every cabinet in the First Republic had made the number of professors and lecturers always stagnated".³⁴

In 1918 the average age of the ordinary professors at the law department of the University of Vienna was 57 years old. Until that age they had spent there until for 14 years on average as ordinary professors and could have been in the same positions still more for 13 years until 1931. Indeed, not a few of them had moved to the foreign universities, and the posts of them had begun to open up in 1927 on average. But it is true that the institutional circumstances for young students, who would be scholars, were not good.

Such the institutional circumstances were bad. However, it is well known that there were a great deal of academic activities. Actually there were a lot of circles and schools particularly of philosophy and social sciences in the Austria under the First Republic (table-2).³⁵ As already mentioned concerning the table 1, we have to carefully consider the academic circles or schools in Vienna, particularly as to those of the social sciences, under those political configuration.

Kelsen³⁶, who was Schutz's teacher, drafted the Constitution of the Austrian Republic. And he had been the first person to advocate the positivism of law or the pure-juriprudence in those days. It is well known that an academic circle had been formed under him. Just like Schutz, Felix Kaufmann, Fritz Sander, Eric Voegelin and others had took part in this circle very actively.³⁷ Schutz and Kaufmann made friends with Tomoo Otaka, who was an associate professor at the Imperial University of Keijo (Seoul) and had been studying under Kelsen by the Japanese Imperial fellowship in those days.

There were two academic schools, with which Kelsen had long and vehemently disputed over "democracy" in the 1920. The first one was that of the Austro-Marxists which had been theoretically represented by Max Adler. The second one was that of the Universalists represented by Othmar Spann. Schutz had attended their lectures also at the University of Vienna.³⁸

Adler was one of the most academic persons in the Austro-Marxists. He had always thought of himself as sociologist. He had developed a theory of social world and understanding (Fremdverstehen) with a New-Kantianistic method. The other Austro-Marxists like Otto Bauer and Karl Renner also had been both politicians and at the same time always social scientists. It could be natural that Schutz could know their Austro-Marxistic theories and ideas very well through his teachers, Kelsen and Mises, who had had long controversies with them.³⁹

Not only around Kelsen oder Mises but also around Spann many young scholars had gathered and his school also was formed⁴⁰. For example, Voegelin, to whom we have just referred in connection to Kelsen and who had kept friends with Schutz until his death in the U.S.A., had been a member of this circle. It

can be also natural that Schutz could learn Othmar Spann's social philosophy. Considering all these circumstances, we could certainly say that Schutz should learn and know most of the main streams of social sciences in some ways.

4. Disorder in the 1920s

While Schutz was preparing for the examination of doctorate, he took a job as a chief secretary with the *Association of Banks* which had been just founded in Wipplinger Street (Wipplingerstraße).⁴¹ Wipplinger Street is the most famous financial street in Vienna still now. According to Mrs Schutz, "When the head of this Association of the Middlebanks in Austria. When the head of this association became the president of a private bank he had also to work for this institution in the legal field".⁴² We can suppose that Schutz had engaged not only in the work in the office of the *Association of Banks* but also in the other works of this director. His name was Arthur Prager, who was not only the president of a bank in Germany but also on the executive boards of a bank and some cooperations in Austria. He could be an very influential cooperate gouvernor in those days of Vienna.⁴³ We could naturally imagine that Schutz should have engaged in some of Prager's jobs. But the details of it has not been confirmed yet.

However, Schutz's position in the office of the *Association of Banks* means clearly that in the social and political situations of those days in Austria. This association itself reflected a economic situation in Vienna of the early 1920's. For, without considering the banks and the money brokers in Vienna of those days, we could not understand the political and economic situations there.

Before the the World War I the city of Vienna had been already the most important financial center in Central and Eastern Europe. In 1911 several important banks in Austria like one of the Rothchilds' banks (*Die k. k. privilegierte österreichische Credit-Anstalt für Handel und Gewerbe in Wien*) had organized the *Austrian Bankers Union* (*Verband österreichischer Banken und Bankiers*). A lot of banks from some big banks like mentioned above extending to small-sezed but very reliable and steady ones had participated in this union and formed an association of the chief executives in the banking and financial world of Austria.⁴⁴ But the defeat of the World War I, the collapse of the Habsburg's Empeire, the influence of the Russian Revolution and particularly the socialization policy by the Social Democrats, who had got much more political power through the enforcement of the universal suffrage, were definitely a threat and an obstacle to the original business of this union. From 1918, just after the War, the union had published the *Bulletin of the Austrian Bankers Union*. On the inaugural nummber we can read the following sentences. »*The Bulletin of the Austrian Bankers Union* should provide the members of Union with the outline about the latest constellation of all sorts of banking business and their incidental serious problems. The diversity of subjects with which can be dealt makes our members to need to study the daily changeable materials that could be not insightfully observed. We have never had any

insightful and ordinary publications about them. But we are about to find the continuous digestion of them by this *Bulletin*. The materials which must be compiled for the today's banking business from this point of view are so wide-ranging that we could not enumerate all details of each special case. ... In addition to the preparedness of such the professional information, we would provide the opportunity to clarify and formulate the comprehensions of a great deal of serious actual problems in which the banking business must be involved. Consequently for those problems we could improve our restricted viewpoints which had ever been based on our practical experiences and needs. If we consider the onesided political position against our management, our activity could prove to be absolutely necessary«.⁴⁵

As this union had been that of the chief executives in the banking and financial world, it had always played one of the most important roles in all industrial groups. It was the main purpose of this union to safeguard their assets and to keep the profits of all industries, in other words, to put up stubborn resistance to the nationalization by the Social Democrats. This union had a close connection with the *Chamber of Commerce, Trade and Industry in Vienna*.⁴⁶ In such a special context we can understand that this Union had been the strategic foothold of the capitalists in Vienna of the 1920s and the strongest pressuregroup against the nationalization by the Social Democrats and the governmental intervention by tax reform and so on in the 1920s.

The Austrian economy had been very bad during the whole period between the two World Wars. The new Austrian Republic could not finally restore the national productivity of 1914 until the Annexation to Germany in 1938. The collapse of the Habsburg's Empire made Austrian currency *Krone* fallen hopelessly. Since that the Austrian economy had been struck by the very vicious inflation running into astronomical figures for four years, until, financially supported by the Western European countries, the old Austrian-Hungarian Bank was liquidated, the new Austrian National Bank was founded and the old currency was changed into the new one of *Schilling* in the autumn of 1922. This severely bad inflation had impoverished the civic life and particularly brought about the ruin of the middle class. But, on the other hand, in this period of morbid economic situation a great deal of nouveaux riches, who had piled up vast wealth by speculations and undercover transactions, had come into the world. Many of them had run the moneylending business. And this newly-risen money brokers were naturally coming up to apply to join in the *Austrian Bankers Union*.

Considering this tendency, the Union revised the statues in the board of December in 1921 and restricted the qualification of applicants strictly.⁴⁷ We can see the following passage on the centennial history of the *Creditanstalt-Bankverein* which is in these days still existing as one of the most famous long-established Bank in Austria.

»The Austrian Bankers Union had discerned and emphasized such an unsound and almost dangerous expansion, and applied a remedy against it. Most of the

banks which were newly founded in that time could not take part in the Bankers Union. They had been made joined each other into a special organization, which had been so-called *Association of Banks*. But this association also had later disbanded in the processes of liquidations of these participants bankers and money brokers«. ⁴⁸

The office chief-secretary of this special organization of *the Association of Banks* was Schutz's first position. But, as mentioned above, the details of its establishment tells us the disorder of the early 1920s. ⁴⁹ And moreover, it had already vanished in the late 1920s. It is not clear from the present materials whether this organization had been established under the auspices of the Bankers Union. But it would be certain that Schutz himself had engaged in this Union. For example, his article "The taxation on the capital profits in the international trade between Germany and Austria" ⁵⁰ is carried on the *Bulletin of the Austrian Bankers Union*. It shows that Schutz had contact not only with the Association of Banks but also with the Bankers Union. We could suppose that these two organizations should have a certain and stable relationship.

Schutz's above article is on the tax law; on the dual-taxation from the German and Austrian governments on the corporations which extends over two countries, the preventive measures against it and the deduction of the tax, and the influences of the change of taxation in cause of the bad economic situations in the both countries, which means the devaluation of the German currency Mark and the change of the Austrian currency *Krone* to *Schilling* in the beginning of the 1920s. His article is a very professional one and was written for particularly the Austrian firms and their businessmen in Vienna of those days. ⁵¹

The Austrian Economy had been always very bad still in the 1920s. In 1929 one of the important banks in Vienna, the Imperial Austrian Boden-Credit-Bank (Die k. k. privilegierte allgemeine österreichische Boden-Credit-Anstalt in Wien) had gone bankrupt. And moreover, in 1931 the most biggest bank, the Imperial Austrian Credit-Anstalt Commercial Bank (die k. k. privilegierte österreichische Credit-Anstalt für Handels und Gewerbe in Wien) also went bankrupt. Before that time almost all of a great deal of small banks and money-lending companies had been liquidated and had disappeared. The Association of Banks also had vanished away.

Schutz had worked as vice-head clerk in the exchange bank of the Reitler & Co. ⁵² This private bank was located on the same Wipplingerstreet (Wipplingerstraße) as the Association of Banks. In 1920, its owner Emil Reitler was set up in business by his father Robert Reitler, who also had run a exchange bank of the Wiedner Exchange Bank (Wiedner Wechselhaus). The former bank, therefore, had been a branch of the latter until 1925, too. ⁵³ Schutz attended to the exchange and worked as head clerk (Prokurist) there. ⁵⁴ The proprietor of this company, Emil Reitler, also is Jewish. On the occasion of the Annexation of Austria by Germany in 1938, he sought refuge with his company through Paris in New York. Schutz accompanied him to the United States. ⁵⁵ Schutz found a lot

of good friends like Kaufmann, Voegelin and so on in his academic activities. But Reitler was one of them in his occupation.

As Emil Reitler succeeded to his father's occupation, Schutz also got a same job as his father's. His father, Otto Schutz, also worked in a exchange bank of the Erupssi & Co.. In April 1921, this firm becomes a limited partnership⁵⁶. We can see a document which show us the fact that Otto Schutz was present as a director at a meeting of the board of the *Austrian Bankers Union*. We could suppose that he should have been such a influential person in the world of bank business of those days in Vienna.⁵⁷ This document shows us that Emil Reitler also was present at this meeting of the board. We could confirm a certain acquaintace between Otto Schutz and Emil Reitler.

Alfred Schutz married Ilse Heim in 1926. They had got acquainted each other with their parents in Badgastein in July 1920, and engaged in 1924.⁵⁸ He must have continued to live in his parents house on Esterházy Street (Esterházygasse) 20 in the sixth borough of Vienna still after their marriage because oc the very bad housing situation of those days in Vienna. It was in 1930 that they could have their house on Laudon Street (Laudongasse) 44 in the eighth borough.⁵⁹ By that time, his studies on Henri Bergson, Edmund Husserl and Max Weber had become more and more substantial. It is in 1932 that he accomplishes the only published book during his lifetime *The Meaning Structure of Social World (Der sinnhafte Aufbau der sozialen Welt)*.⁶⁰

The economy in Vienna had been always very bad. We could understand, particularly from his early manuscripts and notes, that he needed enormous time and over 300 pages for his book to treat his thema exhaustively with regard to a complicated constellation between the gradually but highly specialized social sciences, which had been closely connected with such the actual economical problems in the very bad period, and the new philosophy, which should have founded the theoretical bases and had been advanced rapidly and developed more abstrusely.⁶¹

5. Mises' private seminar

In the end I would like to refer to Ludwig von Mises. Because he and his private seminar had influenced upon the young Schutz and his theoretical interests. He had been insisting on his original liberalistic economic policy during his almost whole life. However, his position was particularly clear in the 1920s.

He had been teaching a seminar of national economics at the law faculty of the University of Vienna since 1913. But he could not attain the position of the full-professor in Vienna. According to his memory, he would seek an academic position, but he could not do it. Firstly because he also was Jewish. But particularly because his very strong insistence on the Liberalism under the two very strong anti-Liberalistic positions of the Christian Socials and the Socialdemocrats could make it impossible.

He had been a secretary in the Underaustrian Chamber of Commerce and

Trade since 1909, which had changed its name as the Vienna Chamber of Commerce, Trade and Industry.⁶² After the World War I he had already taken part in the practical problems of economic policy as chief secretary. But particularly at the beginning of the 1920s he was one of the most important economic adviser to the government.

Mises is a economist of the third generation of the Austrian School of Economics, which Carl Menger founded. However, no matter what school it is, it would be natural that there was various inconsistencies in its third generation.

(Footnotes)

1 This biological description are firstly based on the folloing well-known works: Richard Grathoff, "Alfred Schütz(1899-1959) -Leben und Werk", in Käsler(1978), in: Grathoff(1989); Helmuth Wagner, *Alfred Schutz -An Intellectual Biography*, Chicago 1983; R. Grathoff, "Alfred Schütz and Aron Gurwitsch -Notizendes Herausgebers zum Leben und Werk sowie zur Edition ihres Briefwechsels", in: Grathoff(1985) and secondly supplmented with the following materials in the Archives of Social Sciences at the University of Constance: the two interviews documents with Ilse Schutz in New York[Schwabacher<1981>; Hartmann<1981>] , the transcripts from his elementary school to his high school and so on.

2 This original German word is Bankier. It means not a big bank of stock company but a relatively small and specialized trader of a limited company or a limited partnership.

3 His other transcripts also show us roughly same records.

4 Wagner(1982), p.5. We can see surely a lot of German Bildungsroman in his book collection at the University of Constance. Wagner says that Schutz took part in a social movement of young people(Jugendbewegung) [Wagner(1982), p.5]. From a book of Mrs Mises we can know that he was a good piano player [M. Mises(1976), S.93]. Moreover, in the record of enlistment of the Austria-Hungarian Empire he was made an entry as piano student(Klavierstudent)[Assenprotokoll für die Zeit vom 1. Jänner 1917(1966/2460/1917. eigene Gesetzlich 6]. Mrs Schutz says, "He loved music, had piano lessons, but it was not mainly a piano teacher, it was a trumpeter in the orchestra who gage him piano lessons. Now, he didn't learn too much of piano technique, but what this man taught him was 'music'. And that was very very very important for him for his entire life"[Schwabacher<1981>, p.15.].

5 We know the folloing famous works about Vienna of those days. Carl E. Schorske, *Fin-de-Siècle - Politics and Culture*, New York 1980; William M. Johnston, *The Austrian Mind -An Intellectual and Social History 1848-1938*, Berkley Los Angels 1972.

6 One of the Rothchilds' Merchant Bank (Credit für Handel und Gewerbe) was founded in 1857. In the boom from that time until the financial panic, and in the other boom of the 1890's most of banks in Vienna had been established[David F. Good, *Der wirtschaftliche Aufstieg des Habsburgerreiches 1750-1914*, Vienna.]. The panic of 1973 had broken out in the Vienna Stockmarket and had spread to the whole economy in Europe.

7 See the very famous works about a history of the dismantling of fortress and the construction of new city by the rich and liberalistic capitalists and its meaning. Carl E. Schorske, *Fin-De-Siècle - Politics and Culture*, New York 1980; Hans Bobek/Elizabeth Lichtenberger, *Wien -Bauliche Gestaltung und Entwicklung set der Mitte des 19. Jahrhunderts*, Wien 1966/78.

8 We can visit the places named after him. For example, the adress of the university of Vienna is Karl-Lueger-Ring 1. There are the Karl-Lueger Church in the Central Cemetery and his statue in the Karl-Lueger-Square. Lueger is one of the prototypical politicians who performed the welfare policies through the christian socialism. He executed a lot of public utilities, eg. the seivices of street car lines, gas, electricity, housing and funeral.

9 Some people intrepret his historical roll as forerunne of Faschism. See, for example, Schorske(1961), ??; Arendt(1951), ??.

10 Herzl(1896),

11 See a very important study of Lueger, Schoenerer and Herzl[Schorske(1961), pp.??]. It is indeed very important that we can see various anti-Semitic aspects in the political tendencies of Lueger and Schoenere both. But in the other hand we must know that a great number of Jewish people had

- assimilated to the Christian life and moreover many of them had become a convert to Christianity. Schutz's family are supposed to have been one of such assimilated Jewish.
- 12 The above-mentioned three political streams except Zionism, namely the Christian Socialistic Party, the Great German Party and the Social Democratic Party are today the Austrian National Party, the Free Democratic Party and the Socialist Party, respectively.
- 13 The population of Vienna had increased very rapidly from 440,000 in 1840 through 843,000 in 1870, 1,432,000 in 1890 and 2,005,000 in 1910 reached to 2,239,000 in 1918.[Bobek/Lichtenberger(1966), S.31, Table I and one of the appendices "Natürliche Bevölkerungsbewegung und Wanderungsbilanz von Wien(1810-1962)"].
- 14 Assenprotokoll für die Zeit vom 1. Jänner 1917.
- 15 Interims=Grundbuchblatt. An die Pensionsversicherungsanstalt der Angestellten Wien.
- 16 Wagner(1983), p.5 f.; Grathoff(1989), S.17 f.; Grathoff(1985), S.6 f.; Schwabacher<1981>, p. 16. A lot of intellectuals participated in this war. Otto Bauer had been at the Russian front. Friedrich von Hayek also had been sent to a front and had been seriously wounded
- 17 Schwabacher<1981>, p.18; Hartmann<1981>, p.3. The truce in the Italian front had begun by 24 hours deference in Italian side and in Austrian side. After the cease-fire of Austrian side 300,000 Austrian officers and soldiers were taken prisoner by Italian forces [Portisch (1989), S.54 f.]. Ludwig Wittgenstein also were taken prisoner in this front.
- 18 The essay of "Homecomer"[Schutz(1945).] comes originally from his report in the New School for Social Research in 1944. He describes indeed it using the materials of the American Forces and some journalists, but in his essay »Twenty-five years later, he projected these personal experiences onto the screen of sociological theory«[Wagner(1983), p.6.]. See further details in the Chap.10.of my Japanese original book.
- 19 Schutz(1964), p.115 f.; Schütz(1972), S.81.
- 20 Fritz Weber(1981), S.593 f.
- 21 Bauer(1923), S.614 f.
- 22 Schütz<1981>, Meldungsbuch Nr.57452. Accordint to the interview record [Schwabacher <1981>, p.26.], he returned back in November and was discharged in December. After his return he had immediately entered the university.
- 23 Owing to the characteristic academic system in Austria, man could obtain the doctor's degree in law, that in political science or both of them without dissertation. Max Adler also, whose social thought we are going to analyse intensively in the chapter 2, he did not write any dissertations. Under this academic system they could take a doctor's degree in their young age in Austria. For expamle, Hayek had taken both doctor's degrees in law and political science but this was no rare matter. By the way, in German the faculty of law is "Rechts- und Staatswissenschaftliche Fakultät, and the department of law and the department of political science are "Juristische Fakultät" and "Staatswissenschaftliche Fakultät" respectively.
- 24 Schütz<1921>, Studienbuch(Meldungsbuch Nr.56450).
- 25 The lecturer was a so-called private lecturer, who had no salary in those days. The professor has two types still now. But in those days the situations were different from that of today. The one type was the ordinary professor(ordentlicher Professor): the other is the extraordinary professor(außenordentlicher Professor). The latter one also was, of course, officially an academic title of 'Professor'. The academic title, which Max Adler or Mises held, belongs to this type. However, Adler was able to use the academic title of University Professor(Universitätsprofessor), because he was a faculty member. As Mises was not a faculty member, he held, of course, an academic title of 'Professor', but he had been a part-time professor and had no salary.
- 26 Mises was born in 1881 in Lemberg(today Lwow in Ukraine). His father was a railroad technician. Like Kelsen and Spann he had learned in the most famous high school "Akademisches Gymnasium" in Vienna and studied law and political science at the University of Vienna. After his acquisition of the doctorate he had firstly worked in the Regional Financial Bureau Vienna[M. Mises(1981), S.258.], while he had continued to study economics under Philippovich und Böhm-Bawerk. In 1912 he qualified as professor by the famous monetary theory[Ludwig v. Mises, *Theorie des Geldes und der Umlaufsmittel*, München/Leipzig 1912.].
- 27 This attempt was published as a book. Felix Kaufmann, *Logik und Rechtswissenschaft -Grundriss*

eines Systems der reinen Rechtslehre, Tübingen 1922; *Die Kriterien des Rechts - Eine Untersuchung über die Prinzipien der juristischen Methodenlehre*, Tübingen 1924.

28 Mrs Schutz said as one of the facts which she had heard from her mother-in-law, "It was very difficult at that time to get jobs, and in addition, his mother was always afraid that he might devote too much time to reading and not enough to work, because at that time he spend his niguts studying philosophy and sociology, and stayed up very late, which my mother-in-law didn't like." [Schwabacher<1981>, p.19.].

29 See the second paragraph B) in Chapter 3(p.???)

30 According to a letter from Herbert Fuerth to Grathoff, "All the non-Jewish members of them could already get the academic jobs in Viennna which they had selected. But the Jewish members of them (Schutz, Kaufmann, Machlup, Winternitz, Engel-Janosi and others) had to earn their living. Because the chance of their academic careers had been closed for reason of their Jewish extraction. Therefore, not only Schutz but also other members had to lead their double lives. Kaufmann sold oil, Machlup and Engel-Janosi worked respectively in their parents' companies, Winternitz worked as attorney and I(Fuerth) did do so for same reason[Grathoff(1989), S.19 footnote 3.]. From this witness, Grathoff infers that Schutz had to give up his hope of getting the academic job in Vienna particularly for reason of his Jewish extraction[Ibid. S.18 f.]. I would not say that this interpretation is not correct. But I would like to say more about some complicated circumstances of those days in Vienna.

31 When he was promoted from a private lecturer to an extra-ordinary(außenordentlich) professor in 1918, only one professor had strongly objected to it[Walther(1988), S.465.].

32 He uses as the reliable sources the official statistical data about the Austrian-Hungary Empire(*Österreichische Statistik* since 1900 to 19) and the Austrian Republic(*Statistisches Handbuch für die Republikösterreich* since 1920)[Fleck(1988), S.210.].

33 In 1914 the ratio of ordinary professors to one lecturer is 0,6 in Vienna, 3,75 in Prague and 4,6 in Graz, as opposed to the peculiar situation of actually no lecturer in Innsbruck and Czernowitz. The rate in the three universities in the newborn Austria after the collapse of the Austrian-Hunagaria Empire is 0,6 in Vienna, 2,0 in Gratz, 2,2 in Innsbruck in the academic year from 1932 to 1933[Fleck(1988), S.186.].

34 Fleck(1988), S.186 f.

35 However, there were not so many works on the situations of social sciences in Austria in the period between two Wars other othan those on Freud, Wittgenstein and the Vienna Circle. Since a work of Torrance(1976)

36 Kelsen was born as a child in a German-Jewish family in Prague in 1881. After that his family had moved to Vienna. He was brought up there. He attended the most famous grammar school (Akademisches Gymnasium) just like Mises and Spann. In 1906 he obtained a doctorate in law, in 1911 he got qualified as university lecturer by his inaugural disseratation(Habilitation) *The main problems of political science(Hauptprobleme der Staatsrechtslehre, entwickelt aus der ehre vom Rechtssatze)*, and became a private lecturer at the law department of the University of Vienna. After the War, he was promoted associated professor in 1918 and ordinary professor in 1919[Johnston(1972), 95 f.; Walter(1981), S.58 f.; Walter(1988), S.463].

37 About the other memebers, see the table 2. After Kelsen had moved to Cologne in 1929, the activity of this academic circle declined. But the academic influence from this circle remains still now. Thier main journal of those days was the *Journal of Public Law(Zietschrift für öffentliches Recht)*[Fleck(1991), S.109].

38 On the registration columns of his student ID card we can see their sigitures. And there is his transcript of Spamm's seminar still extant.

39 I analyzed Max Adler and his theories in detail in my Japanese original book. By the way, in regards to the more specialized sociology, Paul Neurath and Paul Lazarsfeld are very important. They had been profoundly involved in the Austro-Marxists' movements. At the same time Neurath was one of the leading figures of the *Ernst Mach Association* which was an academic circle of Logical Positivists particularly represented by Moritz Schlick or Rudolf Carnap. The famous name of the *Vienna Circle* was givnen by him [Neurath/Carnap/Hahn (1929), S.85 f.]. He was a pioneer of the socalled empirical social research, too [Hegelmann (1979), S.47 f.]. He designed a lot of unique methods for it as the director of the *Museum of Society and Economy(Gesellschafts- und Wirtschaftsmuseum)*, where Lazarsfeld was at work under him. Lazarsfeld's father was lawyer and

his mother was a psychologist. They were both Social Democratists and were friends with Otto Bauer and other Social Democratists. In such terms young Lazarsfeld, who had at first studied mathematics, had learned an interest for social sciences by Friedrich Adler, who was a son of Victor Adler and physicist. Lazarsfeld had concerned in the famous empirical researches in the institute of psychology under Karl and Scharlotte Bühler[Glaser(1981), S.357 ff.].

40 Spann was born in Altmannsdorf on the outskirts of Vienna. He studied national economics, sociology and philosophy in Vienna, Zürich, Bern and Tübingen. He received a doctoral degree in political science at Tübingen in 1903. After that in 1907 he qualified as university lecturer under Gottl-Ottlilienfeld at the technical college of Brünn. After advanced to the ordinary professor in 1911 there, he had returned to Vienna as the successor of Philippovich in 1919. The academic circle around him continued as the Totality Research Association(Gesellschaft für Ganzheitsforschung) after the World War II, too[Fleck(1991), S.112].

41 His opening position had been mentioned variously by some experts. 'Austrian Bankers' Association' [Wagner(1982), p.9.], 'Vereinigung der österreichischen Mittelbanken' [Grathoff(1985), S.26 Note 2.], 'Bankverein in Wien' [Grathoff(1989), S.19], 'Österreichischer Bankverein' [Srubar(1988), S.323.]. According to the interviews with Mrs Schutz, it was mentioned as 'Association of Austrian Middle Banks' [Schwabacher<1981>, p.19; Hartmann<1981>, p.3.]. But the association of this name did not exist. By the way, according to the Central European financial annual report named *Compass -Finanzielles Jahrbuch* in 1925, which has been published in Vienna since the era of the Austrian-Hungarian Empire, his name was printed as Secretary (of the Association of Banks) Dr. Alfred Schutz on it. This fact supports the following statement of Mrs Schutz. "He became secretary of an Association of the Middlebanks in Austria"[Hartmann<1981>, p.3.; (the same description in: Schwabacher<1981>, p.19.)].

42 Hartmann<1981>, p.3.

43 *Compass* 1928, Personalverzeichnis.

44 The prospectus of this union was sent in the competent authority of those days(the gouverner of the Underaustria) in May 22 in 1911. The chief secretary bank was the Imperial Austrian Boden-Credit-Bank(Die k. k. privilegierte allgemeine österreichische Boden-Credit-Anstalt in Wien). But this prospectus was sent under joint signature of seven main banks like the Imperial Austrian Credit-Anstalt Commercial Bank(die k. k. privilegierte österreichische Credit-Anstalt für Handels und Gewerbe in Wien), the Union-Bank of Vienna(Der Wiener Bank-Verein in Wien) and others[*Verband österreichischer Banken und Bankiers, Vereinkaster*(gelöschte Verein) A32.].

45 *Mitteilungen des Verbandes österreichischer Banken und Bankiers*, Nr. 1., Wien 1918.

46 For example, *The Monthly Reports from the New Nations*(*Berichte aus den neuen Staaten*), which had carried the articles on the economic affairs in the succession states in the former Habsburgs' Empire, had been published by this Union since 1918. But in 1923 it had been integrated into *The Economic Reports for Commerce, Trade and Industry*, which was already published by the Chamber of Commerce, Trade and Industry in Vienna. Incidentally, this fact of the close relationship between this Union and the Chamber is supported by the following evidence by Mrs. Mises»???«[M. Mises(1981), S.93.]. Mises also himself mentions that he had a close relationship with the big bankers in Vienna of those days[Mises(1978), S.46.]. If we take these facts into consideration, we can easily suppose that he found the good position for his student Schutz. But, as we can see later, Otto Schutz(his father) himself was one of members of the board of this Union in the late 1920s. Schutz's position could really be related with his father's position in the financial circles in Vienna.

47 "Die Abänderung einiger Bestimmungen der Statuten des Verbandes österreichischer Banken und Bankiers für die 6. Generalversammlung am 17. Dezember 1921", in Wiener Stadt- und Landesarchiv.

48 Creditanstalt-Bankverein(1957), S.157; März(1981), S.433.

49 It could be natural that this association should have filed the application for foundation with the municipal authorities of Vienna in those days. Though I made indeed exhaustive and intensive investigation into the discovery of this fact, I could not have found it in the Vienna State and City Archives, the Austrian National Archives and the Vienna Commercial Arbitration Tribunal.

50 Alfred Schütz, "Besteuerung der Kapitalerträge im zwischenstaatlichen Verkehr zwischen Deutschland Österreich", in: *Mitteilungen des Verbandes Österreichischer Banken und Bankiers*, 9(4/5), Wien 1927.

51 Wagner says, »In 1929, he joined the private bank of Reitler and Company, continuing and

expanding his advisory and research activities concerning business legislation and banking operations in such countries as Hungary, Czechoslovakia, Germany, France, Switzerland, and Holland. Eventually, he was changed with an on-the-spot supervision of the international operations of his banking firm. He was delegated to the boards of directors of various foreign corporations and thus was required to travel rather frequently throughout Central and Western Europe«[Wagner(1983), p.9.]. But I could not find out the materials, which show us these facts, except the above article. However, I could easily suppose, from the organizational characters of the Association of Banks or the Bankers Union, that Schutz had joined such works that Wagner shows us above.

52 Some writers point out this job-change[Wagner(1983), p.9; Srubar(1988), S.323; Grathoff(1978), S.389; Grathoff(1989), S.19.].

53 *Die Bestände des Bundesministeriums für Finanzen aus der Ersten Republik, Fragebögen für Privat-Bankunternehmungen*, Karton 60.

54 Raithler & Co, was established as a limited partnership in 1881. In the following almanacs, the name of Alfred Schutz is noted as the head clerk of this company(Koll. -Prokurist)[*Compass*(1933), S.1464; *Compass*(1934), S.1450.].

55 Schutz writes about Reitler's Death on his letter to Aaron Gurwitsch[Schütz/Gurwitsch(1985), S.183.].

56 *Die Bestände des Bundesministeriums für Finanzen aus der Ersten Republik, Fragebögen für Privat-Bankunternehmungen*, Karton 55.

57 "Der IX. ordentlichen Generalversammlung des Verbandes österreichischer Banken und Bankiers vom 12. April 1930", in: *Verband österreichischer Banken und Bankiers, Vereinkaster(gelöschte Vereine)*A32.

58 Ilse Heim was born in February 10, 1902 in Vienna. She spent in Sarajevo in Bosnia in her girlhood. When she became acquainted with Alfred Schutz, she studied the history of art(painting) at the University of Vienna.

59 According to the registration form, they had lived on Laudon Street 44/1/12(door-number 12 on the second floor). Ilse Schutz said in an interview that they began to live in 1930[Schwabacher<1981>, p.20.]. The registration form shows that they had been living from 1929 to August 13, 1938.

60 I analyze the contents and construction of this book in the chapter 8 of my book *Alfred Schutz in Vienna(Alfred Schutz no Uin)*, Tokyo 1995.

61 Schutz presented his book to Marianne Weber.On his enclosed letter he writes that he had treated this subject for 12 years. We could suppose that he should have started to study on this subject already in the beginning of the early 1920's. On these facts I am discussing in the Chapter 8. and 9. of my book.

