Nationalities Papers, 2017
Vol. 45, No. 4, 632–650, https://doi.org/10.1080/00905992.2016.1268585

Renegotiating the empire, forging the nation(-state): the Bohemian/Czechoslovakian case through the political–economic thought of Thomas G. Masaryk and Karel Kramář, c. 1890–1920s

Adrian Brisku[a,b]*

[a]*The Institute of International Studies, Social Sciences Department, Charles University, Prague, Czech Republic;* [b]*School of Arts and Sciences, Ilia State University, Tbilisi, Georgia*

(*Received 8 October 2015; accepted 18 June 2016*)

This article explores the dilemma of the small Bohemian Lands/Czechoslovak nation (-state) in staying "in" or "out" of the larger Habsburg supranational entity in the late nineteenth and the early twentieth century. It does so mainly through the language of political economy (on national wealth creation and redistribution) articulated in the opinions and political actions of Czechoslovakia's two founding statesmen, the first president, Thomas G. Masaryk, and the first prime minister, Karel Kramař. The article argues that their choice of staying "in" the large imperial space was premised upon renegotiating a better political and political–economic deal for the Bohemian Lands, whereas the option of abandoning it and of forging the Czechoslovak nation-state was essentially based on political reasons. And while both advocated an interventionist role for the state in the economy during the imperial period, they considered such a prerogative even more essential for their new nation-state.

Keywords: Bohemian Lands; Czechoslovak nation-state; political economy; federalism; small versus large states; Austro-Hungarian Empire; Masaryk; Kramař

Introduction

> Absolute sovereignty does not exist in Europe and in large states – I am not talking about small ones, for they are only pawns to big politics. What we see are permanent alliances, limited or strengthened international reciprocity among states. The politics of independence is always more and more relative. … Global news informs us about global and domestic activities, whereby today the stock exchange and economic reciprocity decide more than formal diplomacy. (Masaryk 1990 [1908], 13–14)
>
> We are and will be an export-oriented state … but we cannot be this if production is socialistic. (Kramář [1919] in Bílek and Bilková 2005, 378)

A rich and insightful literature is available in modern Czech historical studies on the two founding figures of the Czechoslovak nation-state, the first president, Masaryk (1850–1937), and the first prime minister of the new state, Kramář (1860–1937). This body of scholarship encompasses individual biographies (see Lustigová 2007; Soubigou 2004) and accounts of their political thought,[1] including their musings on the changing nature of their political relationship (see Bílek and Velek 2009) – from "long years of friendship and rivalry" (Winters 1990, 153–190) to their differing worldviews (Kučera 2009,

*Email: abrisku@yahoo.com

722–737) – as well as on their opposing political strategies on the future of the new republic, particularly during and after the 1919 Paris Peace Conference (Bílek and Bilková 2005; Hájková 2009, 336–343; Lustigová 2009, 384–403). Indeed, it is possible to chart their close relationship's evolution from that of *pastýř* (the pastor, or Masaryk) and *dítě* (the child, or Kramář) (Lustigová 2006) during the early politically active years in the so-called "Realist Group" (1886–1893) to an open political rivalry for the rest of their political careers, ending with their deaths in the same year, 1937. It was a political rivalry – for they kept a personal correspondence well past the mid-1920s – built on fundamental issues concerning the past, present, and future of the late nineteenth-century Bohemian Lands; the Czech nation and its relations with the Habsburg imperial state; other nationalities and their position within the "Palackyian dichotomy" of Pan-Slavism versus Austro-Slavism; as well as how the new republic of Czechoslovakia would fare politically, internally, and externally, after its inception in 1918.

However, despite their many decades in public life, which encompass impressive political activism, no historical comparative account is available on their political and political–economic approaches to ensuring the Czech/Czechoslovak nation's prosperity as either imperial subject or nation-state. A closer look at their views on political economy in terms of vocabularies, ideas, and actions (Meier 1987, 2–5) in these two "historical moments" – "renegotiating the empire" and "forging the nation-state" – would matter for two reasons. First, it would address a gap not only in Czech historiographical scholarship, but also in nationalism studies (see Brisku 2015, 300–301) – both statesmen reflected a great deal on the "economic question" and "social question" in both historical moments – by comparing their perspectives on how well the Czech/Czechoslovak nation, as not only a civic or ethnic space but also an economic one, could generate wealth and achieve economic fairness. As Masaryk put it in a speech before the Bohemian Diet in 1907 – addressing the benefits of universal suffrage for the Austro-Hungarian Empire – the "national question does not depend only on the language question. … The national question is an *economic* question – to be stressed – and in the end is a *social* question" (Masaryk 1991, 29, emphasis in the original). Also, as Kramář – whose doctoral research had been on *národní hospodářství* (national economy), particularly on imperial Austrian monetary policy since the mid-nineteenth century (Kramář 1886) – recalled in his memoir,

> most of my first years as a parliamentarian [representing the Young Czechs in the imperial parliament] were occupied with dealing with economic, trade, and social questions, an especially important part of it was our Czech social question, meaning the question of workers. (In Hoch 1938, 330)

Thus, examining some of their political speeches and texts – in context[2] and with the two "historical moments" in mind – can open up an understanding of how perspectives on the Czech/Czechoslovak nation were largely also informed by political–economic considerations and alternatives. Second, in so doing, while adding a three-layered conceptual framework for analysis – namely, *ordering the national space* (relations of ethnicity, economy within Bohemian Lands/Czechoslovakia); *intra-state ordering* (political and economic interactions between the Bohemian Lands and the imperial center); and *inter-state ordering* (Austro-Hungary representing/defending political and economic interests of the Bohemian Lands as a small entity on the European continent; later Czechoslovakia in the international order) – it is possible to shed light on a modern political dilemma (more recently manifested in political, public, and scholarly debates on Grexit and Brexit [see Kampmark 2016]) of whether smaller nation(-states) faced with political and economic asymmetries vis-à-vis larger states (empires or unions) are better off "in" or "out" of larger political and economic unions.

Renegotiating the empire for a modern nation(-state)

Inter-state order: "the union of small nations," military alliances versus peaceful economic development and reciprocity

The first "historical moment" is useful, for it allowed the small nation of Bohemia to renegotiate its relations with its imperial center, without exiting the supranational space. Both Masaryk and Kramář urged a move away from the Metternich's nineteenth-century Concert of Europe arrangement at the heart of the European balance of powers, engaged in military alliances, wars, and territorial annexations, to the seemingly idealistic rather than realistic position of a strong but non-aggressive empire defending its nationalities' cultural and economic interests in the European inter-state order.

Much had changed in European politics when Masaryk and Kramář decided to collaborate with each other and enter national and imperial politics in the early 1890s through the "Realist Group" and then *Narodní strana svobodomyslná* (the National Liberal Party, NLP). But the position of preserving the empire as to pursue Czech national interests at the inter-state level remained a constant, at least for Masaryk, who in one of the NLP debates in 1891 declared, "We wish for a strong Austria because its strength is our strength" (Doubek 1999, 75). It remained a constant since the "father of the nation," historian as well as politician of *Narodní strana* (the National Party) Palacký (1798–1876) formulated his position of Austro-Slavism in a letter to the Frankfurt Parliament 11 April 1848, wherein after affirming the ethno-cultural (linguistic, historical) differences between the Czechs and the Germans argued that the preservation of the Austrian Empire was "a great and important matter not only for my nation but also for the whole of Europe, indeed, for humanity and civilisation itself" (Palacky 1848 [2007], 306). However, Palacký would see the fallout from the establishment of the Austro-Hungarian Compromise (1867) as a betrayal by Austria of Czech national interests, leading him to consider re-orienting the Czech nation toward Russia, through the language of Pan-Slavism (more on this below). Palacký's infusion of the dichotomy of Austro-Slavism versus Pan-Slavism in Czech national political discourse, however, transpired also in the NLP's 1891 and 1892 debates as Austro-Slavism versus *Slovanksá vzájemnost* (Slavic Reciprocity), whereby unlike Masaryk[3] Kramář sought to enhance this reciprocity with Russia beyond culture and economy and into politics (Doubek 1999, 75). What Masaryk and Kramář would nevertheless agree and add in their support for the empire was its increasing economic utility for the Bohemian Lands.

When Masaryk and Kramář became politically active in the early 1890s, national politics was dominated by a worsening of Czech–German relations over the question of the use of bilingualism in the administrations of the Lands. Meanwhile, imperial politics and pressing policy questions on the economy and nationality were not conducted within the frame of constitutional government, as was expected since the bicameral Reichsrat was confirmed by the 1861 Patent, but rather due to the narrow party interests of liberal and conservative leaders remaining in the hands of imperial bureaucrats and the prime ministers (Bideleux and Jeffries 2002, 350–352). Masaryk would refer to this body politic as a "political museum" (Masaryk 2001, 236) when he quit it in 1893, but before that, he and Kramář' would articulate their perspectives on what role the empire ought to and did play in the European inter-state order. Most of their interventions in this regard concerned the military and economic implications of the empire's 1882 decision to join the military Triple Alliance with imperial Germany and Italy. In a speech on 14 June 1893 in the Reichsrat – gathered to debate imperial finances of both Cislethania and Translethania – Masaryk underscored the dangerous path, militarily and economically, the empire had taken by joining this alliance.

Because of growing German militarism, he said, this alliance undermined Czech national and Habsburg interests in Europe, putting an unnecessary and disproportionate financial burden on the Bohemian Lands. It had increased the likelihood of war on the continent, he said, and had inserted the empire into imperial Germany's predicament of "war on two fronts"[4] against Russia and France (Masaryk 2001, 361–367).

Masaryk's anti-militaristic stance, however, did not take into account how intertwined the Austro-Hungarian and European war industry and economy had become in the late nineteenth century. Indeed, the Habsburg imperial government's spending on armaments as well as railway infrastructure in the 1880s and 1890s, coupled with industrial protectionism measures and an aggressive commercial expansion in the Balkans had turned around the imperial as well as Bohemian economies (Bideleux and Jeffries 2002, 354–355). In fact, this nexus had spurred the dynamism of "the second foundation period" that lasted until the onset of World War I (Cibulka, Hájek, and Kučera 2009, 350–351) – the first Gründerzeit "foundation period" of economic liberalization, of course, had begun in 1867 and come to a close with the 1873 Vienna financial market crash. But for Masaryk, diplomatic maneuvering rather than further militarization of inter-state relations remained the "weapon of choice," particularly in ensuring that Germany and Russia did not "gang up together" against the Habsburgs. Diplomacy, as well as increased economic reciprocity (commerce), particularly with Russia, was for Masaryk the way to peacefully compete in the Balkan market (Masaryk 2001, 368) – a stance not so different from the existing imperial policy on the Balkans (Preshlenova 1994, 234–235). Yet, what was different in Masaryk's discourse was his disapproval of further militarization of the empire and its inter-state relations because with "Austria as a union of small nations," its influence in the world could be exerted only through the power of culture and economy (Masaryk 2001, 370).

Kramář was more direct in arguing that the empire remain neutral, not least because it would strengthen the loyalty of the Bohemian Lands (Hoch 1938, 306). Also taking as point of departure Trojspolek's implications for the empire, Kramář, in a number of speeches in the early 1890s to the Reichsrat, highlighted the dangers of its military imperialism to the internal integrity of the empire. "Austria in its make up [was] not cut out for an expansive foreign policy," he asserted, "because it has too little unanimity" (in Hoch 1938, 306). He opposed it not only because it undermined the coexistence of nationalities – this alliance had been promoted by Habsburg Germans and Magyars (Bideleux and Jeffries 2002, 391) – but also, similarly to Masaryk's position, because it subordinated Austria's interests to imperial German ones, and risked dragging the empire into war. As an active member of the NLP, which advanced small and medium Czech industrial and banking interests, Kramář disliked the 1867 Compromise, which suited Austrian industrialists and Hungarian agricultural interests, but limited the scope for Czech exports outside the empire, and food imports from Russia and the Balkans. The matter had not been helped by the Czech aristocracy's lack of involvement in the imperial diplomatic corps, and its resulting lack of influence in foreign trade policy (Albrecht 1996, 896). To Kramář, Hungary's anti-Slav and anti-Orthodox politics in the Balkans caused Czechs to lose "safe markets for their factories" in Romania, Serbia, and Bulgaria[5] (in Hoch 1938, 306). Aside from finding a solution to this problem, he sought to forge closer economic relations with Russia, building on the 1894 Austro-Hungarian and Russian trade agreement (Lustigová 2007, 64–66). Unlike Masaryk, he was convinced that, as he had pointed out as early as the 1890s and in 1907 in advancing the notion of Neo-Slavism, Czech economic interests were better served in a constitutional arrangement of all Slavic nations in a Slavic federation under the leadership of the Russian Romanov dynasty (Marholeva 2009, 330).

Their perspectives on what role the empire had to play in the European inter-state order did not alter much by the turn of the century; Bosnia-Herzegovina's formal annexation in 1908 further entrenched their anti-militaristic stances. Only Masaryk would sharply crystallize the political and economic implications for the small Bohemian Lands and Czech nation in the context of global, or at least European, economic integration. Speaking to a group of students in 1909 supporting his new Česká strana lidová (People's Party), he argued that the Czech nation was better off "in" than "out" of a larger state of Austria. Masaryk saw Europe and the world in general undergoing economic and political integration whereby "larger economic and political units" were being established through permanent alliances and international reciprocity. This was Palacký's "global centralisation" (Masaryk 1990, 12–13). Though it might seem a welcome development, he drew students' attention to integration's inherent dangers for smaller nations, most notably the threat to national independence posed by centralization, bureaucratization, and Germanization in the case of Austro-Hungary. This, however, could be dealt with by renegotiating a political framework for a federalized imperial state instead of the current dual monarchy (Masaryk 1990, 14).

Indeed, both Masaryk and Kramář saw that there was a political–economic argument to be made for the Bohemian Lands' being part of a larger political and economic space such as the dual monarchy, even though Kramář could envisage an equally large, alternative entity, such as the Slavic federation. It could better protect its economic interests in the inter-state order, provided that the imperial center eschewed war and military adventures as part of its political behavior and considered new political and economic arrangements, such as federalization, which would enable Czechs to formally have a voice in imperial foreign trade policy, as they already informally did through participation in international congresses, fairs, and sporting events (Albrecht 1996, 896).

Renegotiating the "artificial state:" interventionist political economy, federalization, and democracy

What held the Austro-Hungarian Empire together from 1850 to 1914 – aside from the traditional, supranational sources of power: the dynasty, the supranational German-speaking army, the aristocracy, the Catholic Church, and the imperial bureaucracy – was the emergence of modern ideologies of socialism (social-democracy) and capitalism (which established a "unity of economic life" with its internal free trade, "autarchy," and "interdependence between the diverse peoples and territories"), according to Hungarian-born historian Oscar Jazsi in his book *The Dissolution of the Habsburg Monarchy* (1929) (in Bideleux and Jeffries 2002, 381–383). It was through Masaryk's closer engagement with socialism and Kramář's championing of the cause of national capitalism, and the notion of federalization, that the two sought to renegotiate a better position with the imperial center for the Bohemian Lands and the Czech nation.

To be sure, since the mid-nineteenth century, economic development in the Bohemian Lands had been such that Bohemians had established themselves as the "undisputed motor of the Austrian economy" (Bažant, Bažantová, and Starn 2010, 150). The imperial liberal economic reforms in trade (1859) and business (1862) codes had led to an industrial and banking boom during the *Gründerzeit*. A success story in the Czech case had been the establishment in 1868 of the Czech national financial institution, *Zivnostenska banka pro Cechy a Moravů* that had mounted serious competition to the main Austrian-established bank, Credit Institute of Vienna (1855) as well as others. Nevertheless, looking back as he did in his doctoral thesis, *Das Papiergeld in Oesterreich seit 1848* (1886) – examining

the impact of a 30-year monetary policy of the Central Bank of Austria beginning with the 1848 fallout, the boom of the *Gründerzeit*, and the first five years into the "great depression" that followed it – Kramář had concluded that the Lands could have prospered more had it not been for the Central Bank's insufficiently interventionist policy. A lack of proper intervention had created monetary fluctuations and the growth of uncontrolled paper money, which, in turn, had caused the boom and bust, subsequently undermining the Czech and imperial economies, particularly with regard to how wealth and capital were unequally generated in industry and commerce (Bažantová 2009, 64–66). For Kramář, the son of an entrepreneur as well as a member of the NLP (subsequently its leader), advocating an interventionist rather than a laissez-faire approach to the economy might have seemed at least ideologically odd. Indeed, his stances in the parliamentary debates of the 1890s on questions of capital (stock exchange taxes, state budgets), or of social benefits (funds for constructing new apartments for workers) (Hoch 1938, 309) underlined this interventionist position.

Kramář's economic thinking, however, becomes clearer when considering two contexts: the influence of Friedrich List's concept of national economy as well as the *socialpolitik* economic doctrine, conceived by his doctoral thesis supervisor, German economist Adolph Wagner, which rejected both classical British and Marxist economic thinking. Indeed, Wagner's approach advocated pervasive state intervention in the economy from a conviction that a "true national economy," which considered the interests of all, trumped the interests of particular individuals (Clark 1940, 392–395). Late nineteenth-century Czech political–economic discourse was dominated by the two prominent Czech economists Bráf (1851–1912), who was influenced by the German historical and Austrian schools but considered wealth a means of social cohesion and political autonomy for Czechs, and Kaizl (1854–1901), a member of the Realist group who subscribed to the historical school, with particular focus on strong government administration, fiscal policy, and macroeconomics (Albrecht 1992, 1–5). Kramář could be situated somewhere in between. Then there were the political impulses and interests of the NLP to which Kramář adhered, articulated as a "native" economic doctrine, *svůj k svému*, since the proliferation of mutual saving banks in the 1860s and further expressed as economic nationalism by its new members, Alois Rašín and Jaroslav Preiss. A young lawyer and director of *Zivnostenska banka* in the early 1900s, Preiss elaborated a strategy of expansion not only in the Bohemian Lands (Michel 1976), overpowering Bohemian German partners on an "unprecedented scale even in Europe" (Cibulka, Hájek, and Kučera 2009, 352), but also in the Slavic world of the empire and the Balkans by employing a Pan-Slavic language of "mutual Slavonic interests" and "Slavic Brotherhood" (Teichova 1994, 68). No less impressive in this story of Czech economic development was the impact of the sugar industry, which through its economic muscle established a "highly protected domestic market coupled with aggressive export promotion" (in Albrecht 1986, 761).

Generally speaking, Masaryk also subscribed to Kramář's interventionist approach to the economy, be it national or imperial, for generating wealth as well as dealing with the social question. But unlike Kramář's wholehearted embrace of the Listian and *socialpolitik* economic doctrines, Masaryk underpinned his economic thought with critical reflections of both classical political economy and dogmatic Marxist economic ideas (Kohák 1964, 522). At the onset of the economic crisis that gripped the whole empire in the early 1890s, Masaryk sought to bring to the political discourse a critical perspective not only on how imperial government dealt with the social question but also on a lack of proper investment in the Bohemian Lands. The social question – defending the politically and economically disadvantaged and mediating between capital and labor – he argued in

one of his first speeches to the Reichsrat on 26 June 1891, was government's moral and political responsibility (Masaryk 2001, 76–84). The reality was that instead of doing so and helping "workers and small people" with social programs, the government unleashed harsh and repressive legislative measures. There was nothing wrong with the idea of state intervention, even in Britain – the heartland of liberal classical political economy – a "new national economy teaches how and where the government can intervene in the economy" (Masaryk 2001, 82–83). It was beneficial for the general economic welfare of the Czech nation in the Bohemian Lands and the empire, too, as he further elaborated in a speech in the Bohemian Diet in 3 March 1892 whereby in the context of "general economic distress," the vitality of the Bohemian economy could be rekindled through state investment in railway and waterway network expansions (Masaryk 2001, 15–16). "Political economy in the Bohemian Lands must be such that government support their special economic needs," he concluded (Masaryk 2001, 16). This intervention, however, had to be based on real economic needs and not political bias on ethnic difference (Masaryk 2001, 17).

From Masaryk and Kramář's perspectives, these political–economic positions were of vital importance in renegotiating relations between the Habsburg imperial state and the Bohemian Lands. But of equal if not greater importance in this political equation was the constitutional arrangement between the two political centers, in which the question of federalization of the empire loomed large. Masaryk would add to this also the necessity of democratizing the empire. Such was their interest in this matter that both had it spelled out as "a federal Austria is our ultimate goal" in the 1890 Realist Group's *Návrh programu lidového* (The Outline of People's Program) (Marholeva 2009, 323). Both built on Palacký's political discourse elaborated in his two drafts for an Austrian constitution in 1849, while slightly departing from it. Palacký, in his reflection in *The Austrian State* (1865) on the constitutional state of the empire, had placed federalization, from a Czech perspective, at the heart of imperial political discourse. Sensing that ethno-cultural difference would intensify between the small and large nations in the composite Habsburg empire, in his first draft, Palacký had proposed a federal project that combined the principles of "historical right" of medieval states (a Hungarian position; "historical political identity" advanced by József Baron Eötvös) and nationality. In this light, the central government would have its prime minister in charge of foreign and military affairs as well as finance and trade; the Bohemian Lands would be organized mainly under the "historical right" principle as one of his proposed four imperial regions; and the empire's South Slavic ethnic groups would be clustered together into the completely ahistorical Illyrian region, under the principle of nationality. In the second draft, he added more directly the principle of nationality, with the empire divided into Austrian and Hungarian parts, which, in turn, were to be composed of many national units. Radically for the Czech context then and after, he proposed dividing the Bohemian Lands between Czech- and German-speaking populations. Strikingly also, he did not consider chiseling away a Slovak national unit within the Hungarian part (Plaschka 1973, 50). Neither of his proposals was considered, and as he admitted in his 1872 *Political Testament*, the 1867 Compromise not only dashed his hopes for a federalized empire but also tested his loyalty when he came out in support of Pan-Slavism by participating in the 1867 Moscow Congress of Slavs (Plaschka 1973, 52).

When Masaryk and Kramář declared themselves for a federalized Austria in the 1890 blueprint, they generally agreed on one point: replacing the 1867 dualism with "trialism" (Austria, Hungary, Bohemia), which Hungary resisted (Bideleux and Jeffries 2002, 397). In "On the Czech State Right" (1888), Masaryk supported a federalization along the

lines of Palacký's mixed principles of the first draft. Thus, under the "state (historical) right," the Bohemian Lands would enjoy internal autonomy and conduct external relations like post-1867 Hungary. Meanwhile, under the principle of nationality, the constitutional reformatting would have to consider ethno-linguistic affinities between Czechs and Slovaks (Masaryk 1888, 273). Admittedly, Masaryk's desire for closer affinity between the two nations (Marholeva 2009, 314) – himself the son of a Slovak father and a Moravian mother – remained a fringe position among Czech and Slovak politicians and intellectuals. Slovak politician Hodža (1878–1944), for instance – a member of the Hungarian parliament and the last prime minister of Czechoslovakia before its dismemberment by Nazi Germany in 1938 – favored the federalization of the empire, but envisaged Slovak autonomy under Hungary rather than in a union with the Czechs (Kann 1974, 459). Kramář, meanwhile, having educated himself on this question in the Vienna archives during his years as a doctoral student, pronounced himself in many speeches at the imperial and national parliaments and well in *The Czech State Right* (1896) (Bažantová 2009, 68) for the principle of state or historical right. Interestingly, he would add a geographical–economic dimension (Marholeva 2009, 323) in this renegotiation of the imperial constitutional framework. All together, these principles would forge unity of the Bohemian Lands, economic considerations included, and restore legislative and administrative autonomy to the national parliament (Kramář 1896, 2) and thus rearrange the relationship between Vienna and Prague.

How successful were they in this? Aside from the well-known Hungarian position, Kramář, as the leader of the most influential Czech party in the 1890s, would encounter accusations by German-speaking parliamentarians of seeking to destroy the empire, despite the Czech political elite's well-known loyalty to the monarchy (Marholeva 2009, 317–318), even as late as January 1917 (Harna 2009, 381–385). Kramář found it necessary to justify himself to Masaryk on this in a correspondence in 1899 by writing: "I stood by the conviction that whoever fights for Austria and would like to, is saved" (quoted in Lustigová 2007, 75). But if some, including imperial diplomat and foreign minster from 1906 Count Aehrenthal to Kramář (Marholeva 2009, 317–318), supported the proliferation of Czech political parties and mass politics at the turn of the twentieth century, "trialism," which increased ethnic and social differentiation in the Lands (Luft 1992, 16), made it impossible to have a common position on the matter (Lustigová 2007, 73–75). Masaryk and Kramář, too, came to strongly disagree about it. Masaryk challenged Kramář for upholding a conservative and indifferent position to Czech and Slovak unity (Masaryk 2001, 156–157), whereas the latter viewed Masaryk's perspective as unrealistic and unpopular among Czechs (Marholeva 2009, 310–325). Returning to political life as the leader of the small Realist Party, in a 1907 speech to parliament titled "Democracy and the Nationality Question in Austria," Masaryk assured that he did not seek a "national state" to replace the empire because the latter remained a beneficial "artificial state." But the central government had to treat all nations and national cultures equally and stop the state's further centralization and Germanization (Masaryk 1991, 30). Thanks to the democratization of the empire, after the universal right to vote was achieved, he hoped for a weakening of nobility and capitalists' control of the parliament in favor of the representatives of the nations, "the common people." The latter could now have their voice on foreign policy, military reform, and modern commercial union, setting up a direct relationship between new imperial politics (democratization) and, among other things, political economy (modern commercial union), and ultimately making "Austria a Great Power, a *cultural Great Power*" (Masaryk 1991, 34, emphasis in the original).

Class and national solidarity in the Bohemian Lands: national economy, capital, and labor

If both Kramář and Masaryk, in their own ways, wished the Austro-Hungarian Empire to play an active role in commerce and culture in the inter-state European order and its central government to take an interventionist position in intra-state political–economic issues, while a federalized constitutional framework was renegotiated for more political autonomy for the Bohemian Lands, what were their political–economic visions for ordering the Bohemian Lands given the interethnic tensions between the Germans and the Czechs? To prominent historian A.P.J. Taylor, from an economic perspective, since the late nineteenth century, the Czech nation could no longer be considered oppressed or economically deprived. The Bohemian Lands had become the industrial heartland of the empire, where it was not only Bohemian German capitalists "exploiting" German or Czech workers, but also Czech capitalists exploiting Czech workers. If there was a conflict between the two communities, he went on, it was rooted in national rather than class difference, manifested as a call for language rights and for controlling the "national home" (in Bideleux and Jeffries 2002, 391–392). Taylor's assessment was partly true, for there was a strong economic undercurrent informing Czech national discourse. In this regard, depending on how they defined the Czech nation and how national politics evolved from the 1890s, toward left and right mass parties, Kramář and Masaryk embraced two opposing political–economic alternatives.

Certainly, Masaryk subscribed to Kramář's political concept of *lidovstvi* (people), formulated in the Realist Group's *Návrh programu lidového* (Winkelerová 2011, 63) that aimed at reviving the Czech nation economically and politically. The past 100 years (1780–1880) had witnessed an active cultural nationalism, promoted by intellectuals through various forms (books, music, and theater). But political nationalism had been deafeningly passive – except for the revolutionary year of 1848 – for unlike Hungarians, "Czech nobility refused to assume political leadership" (Bradley in Bideleux and Jeffries 2002, 309). This, Masaryk noted in *The Czech Question: Efforts and Aspirations for National Revival* (1895), had created a discourse, only temporary nonetheless, of complaint about the smallness of national life. Slovak poet and Kollár (1793–1852) called it the "problem of the small nation," Palacký the "task of the small state" (Masaryk 1969, 8). Conceptually, the way out of such unhelpful discourse was redefining the Czech nation, as Masaryk did, with a strong and uplifting spiritual dimension (Szporluk 1981, 80–82). Thus, the Czech nation was an exemplary manifestation of humanity's universalizing features of individual responsibility, solidarity, and sociability (Masaryk 1969, 8), unlike Kramář's conception of it being a different ethnie – articulating in synonyms such as people, race, and tribe – with a historical mission set about by its people and elite (Winkelerová 2011, 32). Therefore, there was no small Czech nation in the Bohemian Lands, but there were, as Masaryk put it in a speech at the Bohemian Diet in November 1891, "small people" (laborers and small traders) who were voiceless and taxed without the right to vote (Masaryk 2001, 132–135).

Defining the Czech nation in such universalizing terms allowed Masaryk to consider a political–economic alternative – placed closer to the "revisionist camp" of late nineteenth-century Marxist thought (Kohák 1964, 522–525) though he saw himself as a socialist in terms of "love of one's neighbour, humanity" (in Szporluk 1981, 117) – for a prosperous national economy that considered national as well class differences existing in the Bohemian Lands. This was a critical alternative not only to Karl Marx's mainstream economic determinism and its overlooking of the importance of individual responsibility in generating wealth in an economy, but also to Kramář's and the NLP's "vulgar liberalism," which

called for the support of a bourgeoisie national liberal economy while showing little concern for the people (Masaryk 1969, 123–125). He agreed with Marxist analysis regarding the principle of solidarity, politically articulated as the "social question," which, as he pointed out in his two-volume book, *Otázka Sociální* (The Social Question), had made ending labor exploitation a just moral and political cause (Masaryk [1898] 1947, 4). But he was critical of Marx's internationalist socialism, which disregarded the question of solidarity within nationally mixed countries (Masaryk in Kohák 1964, 535), highly relevant for the Bohemian Lands. For Masaryk, first, it was essential to recognize national individual characteristics – as he acknowledged in *The Czech Question* between the Czech and the German labor forces, the former organized federatively and autonomously while the latter was more centralized – and solidarity among workers, for they shared a sense of humanity, "our labour is not anti-national nor nation-less" (Masaryk 1969, 232–235). And to recognize, as he did in one of his first speeches in the Reichsrat in 1891, that "the German nation [being] one of entrepreneurs in the modern sense of the word and the Czech one being one of workers, farmers, and small entrepreneurs" (Masaryk 2001, 87) did not matter as much. What mattered between "us and our German compatriots" was not national markers but a political–economic alternative that closed the economic gap between the industrialized and agricultural parts of the Bohemian Lands and led to a prosperous society and economy. That alternative was industrialization with the help of specialized schools (Masaryk 2001, 88) wherever necessary.

For Kramář, however, the political–economic alternative for ordering the national space in the Bohemian Lands rested on the Czech nation's ethnic borderlines and how it ensured its national economic survival and prosperity in competing with its German counterparts. His embrace of the solidarity discourse, between Czech capital and labor, was the way to succeed in this competition. Already in the language of *Návrh programu lidového*, to which admittedly Masaryk subscribed, but in subsequent years, it would become apparent that it was Kramář' and Kaizl's economic vocabulary, Kramář envisaged the Czech worker not only as "our national vanguard" within but also without the economic space of the Bohemian Lands, a "pan-ethnic" economic agent; "the Slavic colonist advancing gradually, not aggressively but peacefully" (Návrh 1890). His vocabulary fitted well with the language of "mutual Slavonic interests" and "Slav Brotherhood," mentioned earlier, articulated also by other NLP members pursuing their financial capital interests in competition with Viennese and Budapest banks (Teichova 1994, 68). For Kramář, then, this solidarity between Czech financial capital and Czech labor had a way of materializing as German Chancellor Bismarck had done with social reforms (the 1883 compensation to workers during illness, the 1884 Accident Insurance Law, and the 1889 Old Age Pension scheme). These reforms paved the way for establishing a national state that, rather than being a tool for the privileged and individuals, as advanced in classical economic liberalism, in a Hegelian and Listian sense, in policy terms entailed taxing the national capital and made Czechs a free nation (Bažantová 2009, 61–62). As the leader of NLP from 1897 – the party would dominate Bohemian politics until 1907 – he would advance such a political–economic discourse: strengthening the standing of Czech national capital vis-à-vis its German and Hungarian counterparts and supporting Czech labor within its ethnic confines. After 1907, when the Czech Agrarian Party eclipsed the NLP as the strongest Czech party in the Reichsrat and the largest party in the Bohemian Diet in 1909 (Miller 1994, 178), Kramář responded with a catch-all party strategy, claiming to defend also the interests of labor, farmers, and artisans, articulating it no longer through the concept of *lidovstvi* but through a new *všenárodní program* (all-national program) (Lustigová 2007, 69). Few doubted, though, including Masaryk, that the NLP was about defending the national

bourgeoisie's interests rather than the people's (Winkelerová 2011, 71) or the whole nation's. True, in the political context of the time, all Czech parliamentary parties appealed to national solidarity when talking about the demands of a particular social group (Luft 1992, 25). However, Masaryk, unlike Kramář, as expressed at the 1907 Realist Party student rally, remained hopeful that economic and ethnic relations in the Bohemian Lands would improve also thanks to further industrialization of the Czech nation (Masaryk 1990, 19).

The dismantling of the imperial state and the forging of the nation-state

The emergence of the "small" nation-state in the international order through war and the language of nationality

To what extent did Masaryk and Kramář's slightly differing political–economic alternatives influence their choice of leaving the empire and forging the new nation-state of Czechoslovakia? The answer is not much, for it was essentially political. As Czech historiography points out the "divergence of the Czech nation with the monarchy" at the onset and during World War I, aside from material deprivation caused by the war, had to do with the loss of hard-won political gains: the replacement of a parliamentary system and political rights with a previously unknown military–bureaucratic dictatorship under the direct will of imperial Germany as well as imperial plans, the so-called Eastern Program of July 1915, to divide the Bohemian Lands into German and mixed-language districts (Harna 2009, 381–382). Masaryk and Kramář, unlike most of the Czech political elite – the League of Czech Members of Parliament (est. 1916) in the Reichsrat rejecting in early 1917 the Entente's (Britain, France, Russia) military goal of liberating "Czechoslovaks" – were convinced of the defeat of the empire and sought to get the Lands out of it. But Masaryk and Kramář had different political agendas and methods. Masaryk embraced the cause of independence by calling on Czechs to enter the war against the Axis (Germany, Austro-Hungary). For Masaryk, imperial Germany's political and military control over the Habsburgs meant the collapse of Austro-Slavism to Mitteleuropa and with it Czechs' autonomy and cultural rights (Bideleux and Jeffries 2002, 399). This was in addition to Austria's failure to federalize and to do away with centralization and Germanization of the state, as he explained in his 1917 book *New Europe* (Masaryk [1918] 1994, 101–102). Meanwhile for Kramář, too, Austria's joining the war with Germany immediately turned him against the empire (Lustigová 2007, 229) and toward secretly realizing the plan – together with the future first Czechoslovak finance minister, Alois Rašín, and *Zivnostenka* bank boss Jaroslav Preiss, all three sentenced to death for treason by the imperial state and amnestied in 1917 after the restoration of the constitutional government – of the Slavic Federation/Empire (Bideleux and Jeffries 2002, 401), with the Czech nation in it under the guidance of Romanov Russia (Harna 2009, 381–385).

But soon after throwing themselves behind this idea, they had to face another fundamental question: could the Bohemian Lands survive politically and economically outside of the imperial, supranational political and economic framework? Kramář was not convinced, hence his plan for the Slavic Empire, ruined by the 1917 Russian Revolution, would have allowed for the "Slavs [to become] equal powers between the large and small nations of the world" (Bílek and Bilková 2005, 347). By contrast, Masaryk was certain that they could when he argued in 1915 in his inaugural lecture at the University of London, titled "The Problem of Small Nations in the European Crisis," that an independent Bohemia, a small "nation of workers," together with other small Eastern European nations, would serve as a barrier against Germans (Masaryk 1917, 19–23). It could do so

by victorious powers accepting in the inter-state (international) order dominated by larger states under the principle of nationality (Masaryk 1917, 13). And if it chose, he added in *New Europe*, it could enter into a "federation of smaller states … freely founded, created on real needs of nations" (Masaryk [1918] 1994, 102). As to the political–economic implications of independence, from a division of labor and a wealth-distribution viewpoint, he thought that smaller nations would suffer by having less skilled workforces, hence less wealth and comfort. This did not apply to Bohemia, though, for while small it was a developed nation (Masaryk 1917, 19) that would become richer, given that it would no longer have to pay for Austria's poorest regions (Masaryk [1918] 1994, 154).

A new republic in an "imperialistic," or competitive and cooperating international political and economic order

But how would Kramář and Masaryk assess the political and economic viability of their small new state – which, contrary to their expectations (more for Kramář), merged the rich industrial Bohemian Lands of the dismantled Cisleithania (Austria) with the poor, agricultural Transleithanian (Hungary) regions of Slovakia and Ruthenia – on its establishment on 28 October 1918 and the years that followed? For Kramář, his first-hand experience as the first prime minister of the new state – heading the delegation to the Paris Peace Conference – made him revisit what he had feared all along: how to bear the insignificance of being a small nation(-state) in the inter-state political and economic order. In a correspondence on 6 April 1919 to the now-president Masaryk, he confided that Czechoslovakia was "simply at the mercy or humiliation of Germany, or America-England and their new Anglo-Saxon politics" (Bílek and Bilková 2005, 347). The only path forward he and his party, now renamed the Czechoslovakian National Democrat Party (CZNDP), could foresee for the survival of the republic against predatory international politics, especially German militarism, was to build a strong and democratic army (Program Československé Národní Demokracie 1919, 12–13) and to establish a Slavic-French military defensive alliance (Bažant, Bažantová, and Starn 2010, 347). Kramář's concern was not entirely misplaced. The Allies (the USA, France, and the UK), who in the Paris Peace Treaties of 1919 and 1920 under the principle of self-determination had recognized the independence of the new multi-national (see Sachar 2007, 145) state of Czechoslovakia and those of Poland and Yugoslavia, were unsure about their political and economic viability in the face of the "revanchism" of the defeated Central Powers or of the pressures from the new Soviet Russia. One immediate solution they opted for was allocating to these new states more territory and economic resources than they would have if they read the concept of national self-determination in a stricter sense (Bideleux and Jeffries 2002, 410).

Thus, for Kramář, in addition to commiserating about international threats and domestic economic problems such as inflation and currency instability facing the new state, he worried also about the prospects of the Czechoslovak economy and its products competing in a postwar international market. He worried about this – in another correspondence with Masaryk, in June 1919 while heading the Czechoslovak delegation at the Paris Peace Conference – becoming a self-inflicted wound if in the upcoming parliamentary elections (July 1919) Social Democratic and Agrarian parties came to power in a coalition. The "export-oriented state," would be threatened by "socialized production," if socialists won. However, in coalition with the Agrarian Party and its leader, Antonín Švehla, he hoped to cement a "great industrial agrarian politics against the mad socialists who would threaten all our production-oriented politics and render our republic not only an economic but also a political impossibility" (Bílek and Bilková 2005, 378). Kramář had strong concerns about

how Western capital was viewing the new state; not as the highly industrialized country it was but as an underdeveloped one ready to be exploited (Bílek and Bilková 2005, 355). In his responses to these letters from Paris, Masaryk found Kramář's consternations about the relatively small Czechoslovak economy entering the competitive international market exaggerated. For a fledgling, landlocked state such as Czechoslovakia, he maintained, the international market and its commercial maritime routes advantageously remained freely accessible (Bílek and Bilková 2005, 359) – a point supported in the relevant scholarship (Butschek 1994, 31). With these advantages, market access and trade routes, Masaryk continued, productivity demands by international and domestic markets could be met by the government supporting both the national capital and labor, the latter needing increased salaries and security at work, rather than only the former at the expense of the latter. Reminding Kramář that his political–economic perspective remained unchanged as in the previous decades, Masaryk wondered why Kramář did not see the great competitive opportunity (peaceful nonetheless) offered momentarily to Czechoslovakia by the postwar disarray in Germany, its main industrial competitor (Bílek and Bilková 2005, 359). Kramář certainly thought about the nature of competition in the international economic order in *Ruská Krise* (the Russian Crisis) (1921); one which, accordingly, was defined neither by economic reciprocity among nations, nor by the triumph of labor's internationalism, but rather by an "existential war" among them (Kramář 1921, 543).

Their discord in the very early years of Czechoslovak statehood about political and political–economic alternatives that would help the new country thrive, in what Masaryk called the New Europe, would continue throughout the 1920s and the early 1930s and as a consequence would deal a final blow to their long but strained political relationship. Masaryk could not understand how Kramář would not support issues, part of his "humanity program," which entailed approving legislation on minority rights – required by the League of Nations for the new states – or could still maintain a pro-Russian orientation (still nourishing the "ideal of the Slavic Empire" [Bílek and Bilková 2005, 437]). But they were in agreement when it came to national strategies for preserving hard-gained independence in the face of potential threats of war by revanchist powers; the emergence of a new Central European balance of power; the foreign minister and Masaryk's successor, Eduard Beneš's creation of a system of military defense with Yugoslavia (1920) and Romania (1921), the so-called The Little Entente (*Malá dohoda*) against Hungary[6] (Kvaček 2008, 14); and the secret military agreement with France in 1924 (Soubigou 2004, 225). As Masaryk pointed out in a conversation with the renowned young Czech writer Karel Čapek in 1926, a peaceful European order required the marshaling of all defensive power and the harnessing of "all the power of ingenuity and love for nation and humanity." Unlike Kramář, Masaryk remained optimistic about Czechoslovakia's prospects for friendly relations and "advantageous economic unions" (Čapek [1927] 2013, 124) with foreign countries. This was, he declared in his 1927 post-election address to the nation, in fact the nation experiencing Palacký's vision of centralizing politics, or "world politics," in which a country's international relations were conducted via agreements and cooperation (Masaryk 1991, 128) with other countries.

A unitary democratic nation(-state), political economy, and solidarity

What thus is striking about the political and political–economic alternatives Kramář and Masaryk envisaged for the internal stability and prosperity of the new state is to a great extent the continuity of their pre-war vocabularies. On the political ordering of the new state, however, one novelty stood out, namely the establishment of a democratic and

parliamentary republic. The notion of federalism, however, was dropped, even though the new state had become even more multi-ethnic, with the incorporation of Slovaks and Ruthenians. Addressing the nation on the country's 10th anniversary of independence, Masaryk reminded it how "our political task … is to build a democratic republic" (Masaryk 1991, 131). It was a hard undertaking, given that the democratic republic was a recent or modern phenomenon in history. Its solidification as a functioning political system required considerable energy, as it risked constantly being undermined either by its own political fragmentation – a highly fragmented party system was a widespread phenomenon in other successor states (Bideleux and Jeffries 2002, 429) – or worse by a return of monarchical absolutism and dictatorship (Masaryk 1991, 131–134). From Masaryk as well as a Czech historiographic perspective, such political stability, which would characterize Czech interwar history, was possible largely thanks to Švehla's invention of Pětka (the Committee of Five). Through this extra-parliamentary body, which was not without its critics and was composed of the leaders of the Republican (formerly Agrarian, the largest in the 1920s), the Social Democratic, the National Socialist, the People's, and the National Democratic parties (Miller 1994, 179), Kramář and Švehla drafted many bills (Lustigová 2007, 246) of social significance such as the 1924 health and pension insurance reforms (Lacina 2000, 207). Masaryk – highly attuned to democratic thought and aware of how Pětka's existence might have been seen as undermining the role of the national parliament, praised the role of Pětka in making the transition from monarchism to democracy possible. For Masaryk, this transition was essential also in justifying the politics of exiting the empire, because now Czech/Czechoslovaks ruled themselves and had their own state (Čapek [1927] 2013, 122).

Pure politics aside, neither Masaryk nor Kramář would lose sight of the nexus between strengthening the republic and choosing the best political–economic alternatives to underpin its existence and prosperity, alternatives that, as mentioned, differed more on the question of redistributing the national wealth than of generating it. For one, Kramář's party political goal remained that "our republic would [not] be socialistic." Through a new concept, "democratic economy," his party was much more open about what interests it defended – by seeking to unleash productivity and to curb state regulatory frameworks – namely those of the Czechoslovak capital (Program Československé národní demokracie 1919, 15–47). Jaroslav Preiss clearly articulated this perspective in an October 1917 speech, "On Economic and Social Tasks of Czech Politics." He maintained that "an effective national economy could develop only on the basis of private ownership; that there was no need for unnecessary experiments ['absolutist collectivism' or 'syndicalism'] and that after war there would be necessary social reforms, however no socialism" (Šetřilová 1997, 52). For as much as Masaryk could influence economic policy and find a common ground with leaders of the influential Pětka – as for instance on the dilemma of maintaining a strong national currency (its strength seen as a sign of economic independence, while its weakness helped an export-oriented economy) – he would be able to do so (agree on a weaker crown), with Finance Minister Rašín rather than Kramář (Šetřilová 1997, 105–112).

Kramář and Preiss thus rejected Russian-style socialism – class struggle, socialization and nationalization of capital, and the means of production – and could meet halfway in the economic solidarity discourse by accepting social reforms. Masaryk also was not far from this view. To start with, he rejected class struggle and as he put it in a speech in 1925, he conceived the strength of the Czechoslovak economy as underpinned by the wealth generated by private enterprises coupled with solidarity (Masaryk 1991, 138). But he was aware of Kramář's exclusive rather than inclusive approach toward labor and national groups in the country and at times could use the threat of Russian-style socialism, as in a 1926 letter –

being their last direct political exchange – writing that "whoever does not want small socialism will get big socialism" (Winkelerová 2011, 71) to pressure him toward a more inclusive approach. From this perspective, major political–economic deals and decisions made since the early years of the state: land reform (1919) – concluded as a compromise between the moderate right, Švehla's Republican Party, and moderate left, the Social Democratic Party (Miller 1994, 180); or Rašín's initially "miraculous" monetary deflationary policy (Miller 1994, 126), subsequently changed; and the 1924 social reforms that Kramář also came to support, appeared to embody this balance and compromise between intensive economic and social development. In terms of policy, the state dealt with social questions affecting Czechoslovak labor while establishing a national market with economic rules (although tolerating monopolies) and incentives for private businesses of individuals or corporations. Hence, rather than ending up with a depressed national economy, exiting the protected imperial market was followed by 10 "golden years of the Czechoslovak economy" (1918–1928) (Lacina 2000, 201), in which industries such as sugar were able to compete in international markets – vindicating Masaryk on the point to Kramář that the postwar order guaranteed the country's access to world markets – by establishing monopolies in the Czechoslovak market (Albrecht 1986, 761). Compromise aside, while Masaryk maintained an inclusive approach regarding the republic's politics of national rights and minorities and political economy, Kramář did not. Masaryk declared in a 1925 speech that economic development depended on having a state "of national and social righteousness," (Masaryk 1991, 138) – though both he and Kramář considered Slovaks a Czechoslovak people in a national and unitary new state, and thought the German minority did not need autonomy (Bideleux and Jeffries 2002, 413–415; Cibulka Hájek, and Kučera 2009, 400; Lustigová 2007, 341, fn. 11). A lack of inclusiveness toward the German minority was feeding "political chauvinism" in the country, and Masaryk could point to Kramář as one of its political articulators (Masaryk 1991, 138) instead of using "their strength for the positive construction of the state" (Bílek and Bilková 2005, 343). Kramář, however, further entrenched his *všenárodní* vocabulary of solidarity based on ethnic unity and tradition rather than international socialism or multi-ethnicity. As he expounded in his 1933 book, *Naši mladé generaci* (Our Young Generation), it was not possible for the "proletarian Czech nation" to unite with the "German liberal bourgeoisie" when the latter kept exploiting it (Winkelerová 2011, 68–69). Even before this book, he had further radicalized his nationalist discourse, finding a political model of a national state to follow in a resurgent Italian Fascism. This was a discourse for which Masaryk had constantly criticized him and found no wide support among the Czechoslovak electorate. This became evident when Kramář last ran for elections in 1935 in a National Unity coalition of extreme-right parties, making him exclaim in frustration, "This nation is scum" (Lustigová 2007, 250–253). However, neither Kramář nor Masaryk doubted their shared political choice to leave the empire and forge a new nation-state. They simply differed on whether the political–economic foundations of the new small state would allow the Czechoslovak nation to survive or thrive in a new international order, with Kramář seeing the national as well as international order as loci of national struggle, while Masaryk as ones of both competition and cooperation.

Conclusion

This article has sought to trace and contextualize the political–economic discourses of the two leading Bohemian and Czechoslovak statesmen Thomas G. Masaryk and Karel Kramář during the two "historical moments" or contexts for the Czech/

Czechoslovak nation: imperial/supranational and national(-state) for two main reasons. First was to make a contribution to the Czech historical scholarship as well as nationalism studies by reconstructing a comparative account of the interplay of political activism, political economy, and nationalism of these two important figures of modern Czechoslovak/Czech history. This is because while Masaryk and Kramář have been studied and will continue to be studied extensively for their political roles and ideas, no comparison had been drawn on their political–economic perspectives. Their perspectives matter, for they were important in defining political positions during the first "historical moment" and were at the forefront of constructing the political and economic structure of the Czechoslovak state in the second "historical moment." Such comparison, in turn, suggests that their differing perspectives informed their views on the Czech/Czechoslovak nation and state and much of their political discord, wherein the key element was the question of to what extent the Czech/Czechoslovak nation's survival and prosperity as an economic unit in a competitive inter-state order depended on a greater role for the state in the national economy and solidarity between capital and labor and between the main national groups in the country. And while both agreed on a greater role for the state in the economy and on the need for solidarity between the two main sources in generating national wealth, capital, and labor, Kramář took a more limited view of the Czech/Czechoslovak nation, of the state's proper role in the economy, and of how far solidarity could extend.

Second was that by reconstructing two potentially different accounts of their political–economic thinking in two historical periods and by utilizing three analytical layers (inter-state, intra-state, national order), the article would shed light on the dilemma of whether smaller nation(-states) were better off inside or outside a large imperial space. As explored, during the first "historical moment," both statesmen were adamant that the Czech nation could prosper economically within an imperial space in terms of commerce and live peacefully, provided that the empire engaged in economic and cultural exchanges as opposed to entering and solidifying its military alliances, that its government played a greater role in the economy, and that it reformed itself as a federal state and ultimately became democratic. Prior to World War I, and this is where they differed, Kramář believed that the Czech nation as an economic unit would not be able to survive outside a larger unit, hence if not the Austro-Hungarian Empire, the Slavic Empire would be an option, whereas Masaryk thought that given ongoing processes of political and economic integration, Czechs did not even have to contemplate a national state and could pursue their political–economic goals of further industrialization of the national economy forging closer relations between nationalities within the Bohemian Lands. Thus, the choice for Bohemia to leave the empire at the onset of the Great War was made not based on political–economic rationality but for essentially political reasons: the impossibility for imperial reform, the loss of political freedoms for Czechs within the empire, and the empire's subjugation to imperial Germany. With this move, both statesmen would fit the assertion of intellectual historian Roman Szporluk that "nationalists simply believe that political considerations should override economic criteria when conflict arises between the two" (Szporluk 1981, 236) but, again, Masaryk's nationalism was more inclusive than Kramář's regarding the German minority, while both considered Slovaks similar to Czechs.

Finally, the most striking aspect in the second "historical moment" was that while both statesmen maintained similar political–economic languages, Kramář, unlike Masaryk, remained pessimistic about the economic prosperity of the small independent Czechoslovak nation-state in an international order. Yet, given that it became a reality, he sought to enlist

the support of the state in helping Czechoslovak capital and productive forces to survive an international economic order defined by an existential war among nations. Not sharing Kramář's gloom and doom, Masaryk was also quite inclined toward a greater role for the state in the economy, but one that entailed supporting both capital and labor – especially because the latter was multi-national.

Funding

This work was supported by Charles University Research Development Schemes, Program-Sciences of Society, Politics and Media under the Challenges of the Times.

Notes

1. On Masaryk, see, for instance: Baer (2000), Peška and Marès (1991), Opat (1990), Winters (1990), Schmidt-Hartman (1984); on Kramář see, Bílek and Velek (2009), Winkelerová (2011).
2. On the Cambridge School approach to intellectual historical analysis, see Pocock ([1975] 2003, 554).
3. Kosyk (1991, 176) considers Masaryk as a "scientific Slavophile and a moderate Russophile".
4. Masaryk's reading of it was correct, see Kann (1974, 407–408).
5. One of the most prominent Czech economists of the time, a member of the National Party, Albín Bráf, Minister of Agriculture in the imperial government (1911–1912), sought to renegotiate trade agreements with Serbia, Bulgaria, and Romania by lowering the tariffs on agricultural items from these countries; see Albrecht (1992, 14).
6. Masaryk's preoccupation with the Little Entente as a counter to the Hungarian threat against Czechoslovak territorial integrity distracted Czechoslovakian politics from the real danger of Nazi Germany in Deák (1997, 133).

References

Albrecht, Catherine. 1986. "Book Review: Monopolizace Cukrovarnictví v Českých zemích do roku 1938, by František Dudek, Prague, Academia, 1985." *Slavic Review* 45 (4): 760–761.

Albrecht, Catherine. 1992. "Two Czech Economists: Albín Bráf and Josef Kaizl." *East Central Europe* 19 (1): 1–15.

Albrecht, Catherine. 1996. "Book Review: Tschechen im Habsburgerreich und in Europa, 1815–1914: Sozialgeschichtliche Zusammen- hange der neuzeitlichen Nationsbildung und der Nationalitatenfrage in den bohmischen Landern. By Jiri Koralka. Munich: R. Oldenbourg; Vienna, 1991." *Slavic Review* 45 (4): 896–897.

Baer, Josette. 2000. "Imagining Membership: The Conception of Europe in the Political Thought of T. G. Masaryk and Václav Havel." *Studies in East European Thought* 52: 203–226. doi:10.1023/A:1008759519923

Bažant, Ian, Nina Bažantová, and Frances Starn. 2010. *The Czech Reader: History, Culture and Politics*. Durham, NC: Duke University Press.

Bažantová, Iliona. 2009. "Karel Kramář a jeho zájem o národohospodářskou a finační vědu." In *Karel Kramář (1860–1937): Život a Dílo*, edited by Jan Bílek, and Luboš Velek, 58–74. Prague: Historický ústav.

Bideleux, Robert, and Jeffries, Ian. 2002. *A History of Eastern Europe: Crisis and Change*. London: Routledge.

Bílek, Jan, and Luboš Velek. 2009. *Karel Kramář (1860–1937): Život a Dílo*. Prague: Historický ústav.

Bílek, Jan, and Eva Bilková. 2005. *Korespondence: T. G. Masaryk – Karel Kramář*. Prague: Masarykuv ústav AV ČR.

Brisku, Adrian. 2015. "Renegotiating the Empire, Forging the Nation-State: The Case of Georgia through the Political Economic Thought of Niko Nikoladze and Noe Zhordania, c. 1870–1920s." *Nationalities Papers* 44 (2): 299–318.

Butschek, Felix. 1994. "External Shocks and Long-term Patterns of Economic Growth in Central and Eastern Europe." In *Economic Transformation in East and Central Europe*, edited by David F. Good, 27–44. London: Routledge.

Čapek, Karel. [1927] 2013. *Hovory s T. G. Masarykem*. Prague: Akcent.
Cibulka, Pavel, Jan Hájek, and Martin Kučera. 2009. "The Definition of Czech National Society during the Period of Liberalism and Nationalism (1860–1914)." In *A History of Bohemian Lands*, edited by. Jaroslav Panek, and Oldřich Tůma, 331–378. Prague: Karolinium Press.
Clark, Evalyn A. 1940. "Adolf Wagner: From National Economist to National Socialist." *Political Science Quarterly* 5 (3): 378–411.
Deák, István. 1997. "The Habsburg Empire." In *After Empire: Multi-Ethnic Societies and Nation-Building*, edited by Karen Barkey, and Mark Von Hagen, 129–141. Boulder, CO: Westview Press.
Doubek, Vratislav. 1999. *T. G. Masaryk: A Česka Slovanska Politika, 1882–1910*. Prague: Academia.
Hájková, Dagmar. 2009. "Tak zabili a rozsekali dr. Kramáře … a utratili život prof. Masaryka: poznámky ke vztahu T. G. Masaryk ke Karlu Kramářovi za první světové valky." In *Karel Kramář (1860–1937): Život a Dílo*, edited by Jan Bílek, and Luboš Velek, 336–343. Prague: Historický ústav.
Harna, Josef. 2009. "The Bohemian LandsDuring the First World War." In *A History of Bohemian Lands*, edited by Jaroslav Panek, Oldřich Tůma et al., 379–394. Prague: Karolinium Press.
Hoch, Karel, ed. 1938. *Paměti Dr. Karla Kramáře*. Prague: Československý čtenář.
Kampmark, Blnoy. 2016. "Brexit versus Grexit: Hypocrisies in the European Project." *International Policy Digest*, May 17, http://intpolicydigest.org/2016/03/17/brexit-versus-grexit-hypocrisies-in-the-european-project.
Kann, Robert A. 1974. *A History of the Habsburg Empire, 1526–1918*. Berkeley: University of California Press.
Kohák, Erazim. 1964. "T. G. Masaryk Revision of Marxism." *Journal of the History of Ideas* 25 (4): 519–542. doi:10.2307/2708184.
Kosyk, Wolodymyr. 1991. "Masaryk et la Révolution Ruse." In *Thomas Garrigue Masaryk: Européen et Humaniste*, edited by Vladimir Peška, and Antonine Marès, 175–186. Paris: EDI.
Kramář, Karel. 1886. *Das Papiergeld in Oesterreich seit 1848*. Leipzig: Duncker & Humbolt.
Kramář, Karel. 1896. *České Státní Právo*. Prague: Tiskem a Nakladem Eduarda Beauforta.
Kramář, Karel. 1921. *Ruská Krise*. Prague: Pražská akciová tiskárna.
Kučera, Martin. 2009. "Ještě Masaryk and Kramář?" In *Karel Kramář (1860–1937): Život a Dílo*, edited by Jan Bílek, and Luboš Velek, 722–737. Prague: Historický ústav.
Kvaček, Robert. 2008. "Československo a Evropa v době skonu T. G. Masaryka." In *T.G. Masaryk a česká státnost*, edited by Helena Pavlincová, and Jan Zouhar, 13–17. Prague: Ústav T. G. Masaryka.
Lacina, Vlastislav. 2000. *Zlatá léta: československého hospodářství, 1918–1929*. Prague: Historický ústav AV ČR.
Luft, Robert. R. 1992. "Sociological Structures of Czech Political Elites before the World War I." *East Central Europe* 19 (1): 16–25.
Lustigová, Martina. 2006. "Vztah Masaryka a Kramáře: Pastýř a Dítě," Český Rozhlas, Historické obzor. http://www.radio.cz/cz/rubrika/historie/vztah-masaryka-a-kramare-pastyr-a-dite.
Lustigová, Martina. 2007. *Karel Kramář: První Československý Premiér*. Prague: Vyšehrad.
Maier, Charles S. 1987. *In Search of Stability: Explorations in Historical Political Economy*. Cambridge: Cambridge University Press.
Marholeva, Krasimira. 2009. "Kramářův a Masarykův Předválecný Federalismus v Kontextu České Federalistické Tradice." In *Karel Kramář (1860–1937): Život a Dílo*, edited by Jan Bílek, and Luboš Velek, 314–335. Prague: Historický ústav.
Masaryk, Thomas G. 1888. "O Českém Státním Právu." *Čas* 18: 273.
Masaryk, Thomas G. 1917. "The Problem of Small Nations in the European Crisis." In *The Voice of an Oppressed People*, 5–23. Chicago, IL: Bohemian National Alliance.
Masaryk, Thomas G. [1898] 1947. *Otázka Sociální: Základy Marxismu Filozofické a Sociologické*. 2 vols. Prague: Čin.
Masaryk, Thomas G. 1969. *Česká Otázka: Snahy a Tužby Národního Obrození*. Prague: Melantrich.
Masaryk, Thomas G. 1990. *Student a politika*. Prague: Nakladatelství Svoboda.
Masaryk, Thomas G. 1991. *O Democracii*. Prague: Melantrich.
Masaryk, Thomas G. [1918] 1994. *Nová Evropa*. Brno: Doplněk.
Masaryk, Thomas G. 2001. *Parliamentní Projevy, 1907–1913*. Prague: Masarykův ústav AV ČR.
Michel, Bernard. 1976. *Banques et banquiers en Autriche au début du* XX*ème siècle*. Paris: Presses de la FNSP.

Miller, Daniel. E. 1994. *Forging Political Compromise: Antonin Svehla and the Czechoslovak Republican Party*. Pittsburgh, PA: Pittsburgh University Press.
"Návrh programu lidového." 1890. Čas, 26 February.
Opat, Jaroslav. 1990. *Filozof a Politik: T. G. Masaryk, 1882–1893*. Prague: Melantrich.
Palacky, Frantisek. [1848] 2007. "Letter to Frankfurt, 11 April 1848." In *National Romanticism: The Formation of National Movements: Discourses of Collective Identity in Central and South Eastern Europe, 1740–1945*, Vol. 2, edited by Balazs Trencsenyi and Michal Kopecek, New Edition, 322–329. Budapest: CEU Press.
Peška, Vladimir, and Antonine Marès, eds. 1991. *Thomas Garrigue Masaryk: Européen et Humaniste*. Paris: EDI.
Plaschka, Richard. G. 1973. "The Political Significance of František Palacký." *Journal of Contemporary History* 8 (3): 35–55.
Pocock, John G. A. [1975] 2003. *The Machiavellian Moment: Florentine Political Thought and the Atlantic Republican Tradition*. Princeton, NJ: Princeton University Press.
Preshlenova, Roumyana. 1994. "Austro-Hungarian Trade and the Economic Development of Southeastern Europe before World War I." In *Economic Transformation in East and Central Europe*, edited by David F. Good, 231–254. London: Routledge.
"Program Československé národní demokracie, schválený valným sjezdem strany dne 25 března 1919." Prague.
Quagliatová, Vlasta. 2009. "Kramářova reflexe pařižské mírové konfernence v osobní korespondenci s T. G. Masarykem." In *Karel Kramář (1860–1937): Život a Dílo Kramář's*, edited by Jan Bílek, and Luboš Velek, 384–403. Prague: Historický ústav.
Sachar, Howard M. 2007. *Dreamland: Europeans and the Jews in the Aftermath of the Great War*. New York: Vintage.
Schmidt-Hartman, Eva. 1984. *T. G. Masaryk's Realism: Origins of Czech Political Concept*. Munich: Collegium Carolinum.
Šetřilová, Jana. 1997. *Alois Rašín: Dramatický Život Českeho Politika*. Prague: Argo.
Soubigou, Alain. 2004. *Tomáš Garrigue Masaryk*. Prague: Litomyšl.
Szporluk, Roman. 1981. *Political Thought of Thomas G. Masaryk*. New York: Colombia University Press.
Teichova, Alice. 1994. "Continuity and Discontinuity: Banking and Industry in Twentieth-Century Central Europe." In *Economic Transformation in East and Central Europe*, edited by David F. Good, 63–74. London: Routledge.
Winkelerová, Martina. 2011. *Karel Kramář (1860–1937)*. Prague: Argo.
Winters, Stanley B., 1990. "Masaryk and Karel Kramář: Long Years of Friendship and Rivalry." In *T. G. Masaryk (1850–1937), Vol. 1. Thinker and Politician*, edited by Stanley B. Winters, 153–190. London: Palgrave.