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Wilhelm Röpke, John Maynard Keynes, and the Problem of Inflation

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The German free-market economist and social philosopher, Wilhelm Röpke, became one of the strongest critics of John Maynard Keynes's economic theories and propositions. This article illustrates how Röpke's criticisms of Keynes's thinking about inflation reflected his more general critique of Keynes's approach to economics per se. In Röpke's view, Keynesian economics was not driven by sound theory but rather by efforts to address particular problems, such as mass unemployment: an approach that facilitated economic ideas designed to legitimate policies that would not only have profoundly negative long-term economic consequences but also result in diminishing freedom and an increasingly coercive state.

Introduction

One of John Maynard Keynes's most significant legacies to the development of modern economic policy is the idea of "full employment" and the commitment of the government to realizing such an objective over extended periods of time. The extraordinarily high levels of unemployment and the subsequent social and political problems that characterized much of the world throughout the 1930s made Keynes's particular proposals for using macro- and microeconomic policy to reduce unemployment attractive to political leaders across the spectrum. In Britain, this was given particular impetus in Europe by the 1942 Beveridge Plan, of which the German free-market economist and prominent anti-Nazi, Wilhelm Röpke, then in exile in Switzerland, was an early and vocal critic.[1]

Röpke's death in 1966 at a relatively early age may account for the fact that his writings did not receive the attention which began to be accorded to free-market economists in the 1970s when Keynesian theories began losing credibility among important sections of elite opinion in Western Europe and North America. Yet Röpke was one of the twentieth century's most important free-market economists.

Born in 1899, much of Röpke's economic writing involved reflection upon events that directly affected him and his contemporaries. Like many others of his generation, Röpke's experience of military service in World War I cannot be underestimated when attempting to comprehend the postwar direction of his thought. A bona fide war hero, Röpke returned from the trenches of Northern France and went straight to university. While widely versed in a range of disciplines, economics remained Röpke's intellectual focus throughout his academic career. He studied law and economics at the universities of Tübingen and Göttingen and earned his doctorate at the University of Marburg. Following a year working in the German Foreign Office advising the Weimar government on how to pay Germany's war reparations, Röpke was appointed professor at the University of Jena in 1924 at the age of twenty-four, thereby becoming Germany's youngest professor. Part of his tenure at Jena was spent in the United States where he studied the economic problems of American agriculture. After spending time at the University of Graz in 1928, Röpke returned to the University of Marburg the following year to assume a full professorship.

On April 7, 1933, Röpke was among the first German professors to lose his position as the National Socialists purged Germany's universities of scholars who were outspoken anti-Nazis, Jewish, or both. Accepting that there was no place in the Third Reich for someone with his decidedly free-market economic and antinationalist political views, Röpke went into exile in November 1933. At the invitation of Turkey's modernizing president Kemal Atatürk, Röpke joined the diaspora of German intellectual refugees from National Socialism in Turkey and was appointed to a teaching position at the University of Istanbul. In 1937, Röpke accepted a post at Geneva's Graduate Institute of International Studies, where he taught until his death. Röpke never returned to live in Germany.

Exile did not reduce Röpke's robust engagement in the world of ideas. A strong anti-Communist and a devout Lutheran Christian with a deep interest in Catholic social teaching, Röpke was fascinated by theological and philosophical questions. He also excelled at making economics accessible to nonspecialists. This may help account for the fact that, unlike most of his fellow free-market German economists, Röpke enjoyed a reputation beyond the German-speaking world. Throughout his life, Röpke wrote prolifically, including several books, dozens of academic pieces and untold numbers of newspaper articles, penning over 900 publications by the end of his life. Röpke also served as an editor of the journals *Kyklos* and *Studium Generale* and was a founding editorial board member of the economic journal *Ordo*.

At different times, Röpke provided formal and informal advice on economic policy to various German governments. This included service on a government commission studying unemployment in 1930–1931. But above all, Röpke served on Ludwig Erhard's currency reform council which, between 1947 and 1948, forcefully advocated the German economy's liberalization. Many of Röpke's newspaper articles written during this period are widely regarded as crucial for preparing German public opinion for Erhard's reestablishment of the market economy in West Germany in 1948, just as the rest of the developed world was shifting in a Keynesian direction.

The Anti-Keynes

As much of the world and economics profession turned to Keynesian economics and policies after World War II, Röpke's negative view of Keynes and Keynesianism became increasingly pronounced, to the point where he described himself as a radical Keynes critic.[2] In his last book, Röpke labeled Keynes one of "the great intellectual ruiners of history—like Rousseau and Marx."[3] In Röpke's view, Keynes's position that market economies required constant government intervention to manage aggregate demand was fundamentally mistaken and, most worryingly, provided a justification for inflationary policies.[4]

In later life, Röpke stressed that his anti-inflationary views had partly been shaped by reading Ludwig von Mises' *Theorie des geldes und der Umlaufsmittel* (1911) (later republished as *The Theory of Money and Credit*).[5] But he also noted that his especially negative view of inflation was partly derived from experiencing Weimar Germany's hyperinflation between 1920 and 1923.[6] In the early years of the Weimar Republic, hyperinflation developed to the point whereby the German mark, worth 4.2 to the US dollar in 1914, was trading at a rate of four trillion to one by late 1923.[7] The savings of much of the middle class in one of the most populous and industrialized countries in Europe were thus wiped out. This fed into the general frustration in Germany after losing the war and significant pieces of territory and its subjection to the Treaty of Versailles which, among other things, bound Germany to pay reparations that many thought would drive the country to bankruptcy. This was the type of economic and political instability upon which Communists and radical nationalists thrived.

At the same time, analysis of Röpke's approach to inflation and what he regarded as the role played by Keynesian policies in fostering it illustrates that much of Röpke's critique flowed from his basic dispute with Keynesians about the nature of economics. Keynes is famous for remarking, “[The] *long run* is a misleading guide to current affairs. *In the long run* we are all dead.”[8] This comment, from Keynes’s *Tract on Monetary Reform* (1923), is invariably cited out of context. In using this expression, Keynes was arguing against the view that inflation’s internal dynamics were such that they could control themselves without government intervention. Strictly speaking, he was not prioritizing the pursuit of short-term advantage over medium- and long-term economic performance. Nonetheless, an underlying element of Röpke’s critique of the role played by Keynesian policies in fostering inflation is that they *are* forever focused on the short term. In that regard, he suggests, they also facilitate substantial declines in human liberty in the economy and politics.[9]

Dogma Rooted in Expediency

Like others, Röpke held that postwar trends in economics associated with Keynes—such as the notion of aggregate demand as the sum of consumption, investment, and government spending—had served to legitimize, Röpke believed, extensive welfare programs, full employment policies, and blasé attitudes toward inflation. In his view, the economic theory underlying such policies was mistaken because Keynes had based his economic revolution on his diagnosis of extraordinary circumstances: the Great Depression.[10] Surveying developments in postwar economic policy, Röpke argued it reflected a hardening of a Keynesian expedient into Keynesian dogma. Keynes had elevated “his diagnosis of an extraordinary situation and the treatment accordingly prescribed … into a general theory in which ‘deficiency of demand’ is always around the corner and economic policy must always be poised to close this ‘gap’ in order to ensure eternal ‘full employment.’”[11]

No one, Röpke observes, regards mass unemployment as anything but disastrous.[12] In the 1950s, however, Röpke suggested “full employment had become the slogan to justify almost every action of government.”[13] Röpke accepted that mass unemployment can emerge from general disturbances in money flows because of a prolonged breakdown in investment activities.[14] As short-term measures during secondary depressions, Röpke did not regard Keynes’s recommendations as extraordinary.[15] As a general theory and permanent practice, however, Röpke regarded government quests to realize and maintain full employment as a recipe for collectivism. Interestingly, Röpke first expressed alarm about such ideas *prior* to World War II. In 1936, he pointed out that National Socialist Germany was the first country to seriously attempt full employment policies,[16] even if, Röpke later stressed, the theory “emanated from the Keynes School.”[17]

Using Nazi Germany as a case study, Röpke argued that once full employment is achieved via a state-induced credit expansion, governments have three choices. One is to continue the credit expansion to maintain full employment, but accepting that the expansion will now have inflationary rather than compensatory effects. This means accepting inflation as a more-or-less permanent state of affairs. Another option is to stop the credit expansion, thereby sparking an economic downturn. This raises the issue of why the state embarked on the credit expansion in the first place. The third possibility is to try and preserve full employment while avoiding inflation by removing the capital needed for further investment out of the existing volume of general purchasing power: either by persuasion (i.e. raising loans) or force (taxes).[18] Allowing government-driven growth to continue (but funded by loans or higher taxes) while removing inflationary pressures from the economy may work for a while. However, Röpke states, it also means "a real tapping of the available capital resources and therefore a tightening of the money and capital markets."[19] These are characteristics of an economy in which recessionary tendencies are becoming evident.

Observing that not even Keynes denied that booms made the painful readjustment of downswings unavoidable, Röpke claimed that full employment policies attempted to defy this reality. Instead the state assumes "full responsibility for the economic cycle,"[20] and uses price, wage, capital, investment, consumption, and exchange controls to maintain full employment.[21] The inflationary boom facilitating full employment can only continue if the state represses every inevitable reaction to attempts to maintain the boom indefinitely.[22] Hence Röpke concludes,

> as long as the causes of the disturbed equilibrium continue to exist and are even strengthened, every suppressed reaction must be replaced by a new, intensified reaction, which then invokes even more stringent measures of suppression. A policy of full employment will therefore lead to the piecemeal scrapping of our economic system.[23]

For the "school of full employment at any price,"[24] nothing is in principle excluded. Protectionism, exchange controls, and other manifestations of economic nationalism are used to suppress the external shocks, while price, capital, wage, and investment controls are employed domestically.[25] The economy is thus rendered increasingly inflexible. But this ignored the fact, Röpke commented, that free prices were indispensable if people were to be able to make economic decisions that reflected economic reality. When prices are not permitted to reflect this reality, bottlenecks ensue. Moreover, the means used to stabilize an economy in which full employment is maintained at all costs—heavy taxation, trade union monopolies of labor, the routine granting of subsidies that undermine competition and discourage innovations—dissuade entrepreneurs from risk-taking and investing.[26]

Not surprisingly, Röpke notes, most governments committed to full employment policies opt for continued credit expansion and cheap money policies. Above all they believe that whatever the economy's particular conditions, "purchasing power must always be pumped up to a level ensuring 'full employment.'"[27] Such doctrines are invariably popular inasmuch as they claim to be able to avert a 1930s-like depression. This, Röpke claims, is exacerbated by the fact that some economists (here Röpke singles out Keynes) tell policy makers that an unending boom is possible, thereby diverting attention from underlying deeper causes upsetting equilibrium.[28]

This brings Röpke to the moral-political dimension of his full employment critique: the implications for liberty. For Röpke, Keynes seemed unconcerned that full employment policies imply political centralization. Moreover Röpke insists that careful reading of Keynes's *General Theory* indicates that Keynes tacitly recognized that full employment policies inevitably become "one of the supporting pillars" of a collectivist and inflationary economy.[29] The loss of freedom, Röpke specified, lay in the fact that a commitment to endless full employment entailed continuous growth in the state's control of production and investment, and the subsequent diminishment of incentives for citizens to save voluntarily and thus acquire substantial private capital.[30] The result is the gradual disappearance of economic freedom, with all its negative implications for liberty more generally.

Inflation, Coercion, and Freedom

Part of Röpke's critique of Keynes's full employment objective was that it effectively bestowed "the mantle of his authority on the chronic propensity of all governments to inflate."[31] Taught by Keynes and his successors only to fear and combat deflation, postwar Western governments followed "the banner of 'full employment' right into permanent inflation."[32] Agreeing with Mises that inflation had become the opiate of the postwar world, Röpke also affirmed Mises's view that the gold standard was the best way to minimize the negative effects of government policies upon the value of money.[33] Under the tied gold standard, the scarcity of money is fixed automatically by the scarcity of the standard metal. This facilitates a monetary discipline stricter than that typically favored by those who prefer a government-directed "untied or manipulated standard,"[34] precisely because it makes the monetary system independent of governments' "arbitrariness, ignorance, or weakness."[35]

Röpke's endorsement of Mises's position was enhanced by what he viewed as Keynes's nonchalant attitude toward inflation. Like Mises, Röpke acknowledged the negative aspects of deflationary policies.[36] But "Keynesian analysis," Röpke wrote, "will always look at the danger of inflation through a diminishing glass and at the danger of deflation through a magnifying glass, and in matters of economic policy, to change the metaphor, will always limp with the inflation leg."[37] This overriding commitment to full employment policies increasingly required governments to resort to market-corroding techniques such as price controls to repress the economy's natural reactions to the inflationary impact of unending government-initiated credit expansion.[38] Collectivism was thus both a cause of inflation and an instrument of its repression. The result was a lack of liberty but also extreme economic and social disorder.

Röpke uses the phrase "repressed inflation" to describe those situations in which prices are supposed to rise, but the state acts to prevent monetary devaluation. In these circumstances, prices no longer reflect actual conditions of economic scarcity. The National Socialists, he states, "demonstrated that a determined government can change an open into a repressed inflation by placing the country in the economic straightjacket of a command economy."[39] But repressed inflation, Röpke argued, is worse than open inflation. Not only does money lose its function as a means of exchange and measure of value; doubts about the worth of money means that the prospect of increasing one's monetary income becomes less of a stimulus for the production and distribution of goods. Thus, Röpke surmises, "the more fictitious the system of compulsory values, the greater will be the economic chaos and the public discontent and the more threadbare … the authority of the government."[40] The high price for repressed inflation was therefore "the loss of liberties formerly regarded as inalienable," and a success "rendered more and more doubtful by the steadily decreasing respect for the majesty of the law."[41] It illustrated, Röpke held, the mutual dependence of liberty and order, as well as the positive connection between the values of economic efficiency, economic freedom, and political liberty. Repressed inflation and repressive economic controls went hand in hand. Disposing of one thus meant disposing of the other.[42]

For full employment advocates, Röpke claims, mild inflation is seen as a price worth paying for avoiding unemployment.[43] This position is based, however, on two fallacies. One is that we must choose between the social disaster of unemployment or mild inflation. The second is that unemployment is always catastrophic. Neither of these assumptions, Röpke states, holds true. Unemployment sometimes reflects corrections in the market economy. In that sense, it is not necessarily "catastrophic." Politically, Röpke adds, it is always necessary to consider inflation's costs vis-à-vis other, less liberty-damaging ways of combating unemployment.[44]

Just as repressed inflation was linked by Röpke to full employment policies and a decline in freedom, so too was what he regarded as the greater danger by the 1960s: wage inflation.[45] Not all wage increases, Röpke acknowledges, have inflationary consequences. Many flow from factors such as technological change; others come from improvements in marginal productivity.[46] Writing, however, in an era when trade unions were establishing labor-monopolies throughout parts of Western Europe, Röpke claimed this was pushing wages beyond the point where all of an economy's available workforce could be employed at current wage rates. Unemployment ensues, despite the prevailing prosperity.[47] One way to resolve this problem is to allow wage rates to adjust to demand.[48] But this implies removing unions' monopolies of labor, resisting their demands, or pleading with them to be reasonable: the last option being something Röpke regarded as increasingly unlikely as unions became more powerful.[49]

Unfortunately, Röpke observed, governments and central banks committed to full employment—sometimes by actual legislation[50]—usually choose to combat "by credit expansion this 'prosperity unemployment,' which has been created by excessive wages, and which outdistances increases in industrial productivity."[51] Economic policy consequently degenerates into a permanent race between an unemployment-creating wages policy and a credit policy that seeks to counteract the wage policy by monetary expansion. A vicious circle develops whose outcome is more inflationary pressures as central banks find themselves compelled to adopt expansionist monetary policies to keep the wage-price spiral in motion and prevent labor from pricing itself out of the market.[52] Röpke employs the expression "trade union currency"[53] to describe who is really in charge of monetary policy in such instances.

Further complicating matters, Röpke argues, is the full employment school's effort to keep interest rates as low as possible. This makes "a permanent fixture of what is known as cheap money policy."[54] "Interest," Röpke comments, "is the price of a certain scarce good, namely the use of capital. If it is, like any other price, to fulfill its function of ensuring the most rational allocation of a scarce good, it must accurately reflect the degree of scarcity at any given moment."[55] By definition, a government's pursuit of cheap money policies does not allow this to occur. Keeping interest rates artificially low in the name of full employment, Röpke insisted, would result in inflation and rob central banks of their most important tool for fighting inflation. This forces governments "to employ increasingly bizarre means in their battle against inflationary tendencies … means that encroach more and more upon what little freedom is left in the economy, and that threaten to become more and more reckless and indiscriminate without thereby gaining in efficacy."[56]

Inflation, Savings, and Soft Despotism

Breaking this nexus, Röpke states, requires tough monetary policies from central banks "until the chain reaction of overfull employment and trade-union power, wage increases, price increases, and more wage increases is broken."[57] In some circumstances, governments may try running large budget surpluses to produce the same results, thereby sparing central banks from having to implement truly radical measures.[58] A determined effort to reduce union power was also necessary.[59] But in the long term, Röpke argues, it is necessary to stop funding investment from expansionary monetary policies and instead derive investment from voluntary savings. When governments pursue credit expansion, they effectively conjure up money *ex nihilo*—a practice Röpke denotes as "negative savings"[60]—and make loans available at artificially low interest rates. Entrepreneurs and businesses begin investing and reallocating resources in the capital goods market.[61] Inflation, however, ensues because the total amount of real resources has not increased and the construction of plants and machines is not matched by a corresponding immobilization of purchasing power through savings.[62] By contrast, if the increased investment comes out of increased savings, then people must have consumed less by restricting their own purchasing power, thereby releasing the resources needed for investment and production.[63] "Every act of saving," Röpke comments, "diminishes the pressure of demand on available supplies," thereby dampening inflationary trends.[64]

But, Röpke wondered, are enough people willing to save sufficiently to allow this to occur? Röpke noted that it was increasingly difficult for people to transcend the status of wage-earner in a welfare state precisely because people's surplus income was heavily taxed in order to pay for social welfare programs. Tax increases to fund welfare programs, Röpke contended, had "developed into a colossal apparatus for dissaving and, at the same time, an apparatus of inflation and growing compulsion."[65]

For all his criticisms of Keynes, Röpke did not suggest that pressures for full employment and a disregard for its inflationary effects were entirely attributable to Keynesian policies. He also thought it had much to do with the fact that many people in Western countries were increasingly inclined to sacrifice liberty for the apparent security of full employment policies. "Our inflation," Röpke wrote, "is the first to be marked … by the ideologies, forces, and desires of modern mass democracy."[66] He also believed it reflected a naivety among Keynes and his successors concerning the political context in which they operated. In mass democracies, pump-priming is welcomed and supported. The same mass pressures, however, make it harder to wind back inflationary investment policies. Even those governments and central banks not legally compelled to embrace full employment policies tend to do so under the weight of public opinion.[67]

By this, Röpke had in mind Alexis de Tocqueville's insight that modern democracy—a form of democracy that did not consider itself constrained by "the ultimate limits of natural law, firm norms, and tradition"[68]—provided public opinion with the means (universal suffrage) to force elected governments to pursue policies that diminished economic efficiency and reduced the liberties secured by institutions such as private property.[69] Mid-twentieth-century Western attitudes toward inflation reflected, Röpke stated, "a moral disease, a disorder of society … which can be understood and remedied only in the area beyond supply and demand."[70] Röpke thought it remarkable that even the 1871 Paris Commune's hardline leftist leaders—who killed thousands of people and engaged in mass confiscations of private property—refrained from confiscating the Bank of France's gold reserves to finance their insurrection.[71] But what Röpke denotes as the "counter-forces of a spiritual, moral, and social nature" that restrained the Commune from debauching France's monetary system were, he thought, waning in twentieth-century Western Europe.[72]

To that extent, Röpke's difficulty with Keynes is, in a sense, civilizational and explains why he saw Keynes as a great "ruiner." It is not only that inflation undermines the ability of the economy to meet needs and solve the economic calculation problem through the price system; it is also that using inflation as a tool to solve problems in the short term helps to corrupt the culture on which liberty depends: a culture that needs to be especially strong in the conditions of mass democracy. Put another way, when inflation and the policy tools needed to use it to prime the pump of the economy are combined with a *demos* that is increasingly uninterested in the long term, inflation's consequences for freedom can be devastating. Monetary discipline, for Röpke, simply will not last without a people that realizes that it must think of the long-term common good instead of how to address immediate problems—however difficult that may be.

Notes

1. Wilhelm Röpke, "Der Beveridge-Plan," *Schweizer Monatshefte*, 23 (June–July), 1943: 40–49.

2. Wilhelm Röpke, "Radikale Keynes-kritik," *Neue Zürcher Zeitung*, June 6, 1949.

3. Wilhelm Röpke, *A Humane Economy: The Social Framework of the Market Economy*, with a new introduction by Samuel Gregg (Wilmington: ISI Books, 1958/2014), 219.

4. Wilhelm Röpke, "Keynes Revisited," *National Review*, March 26, 1963.

5. See Wilhelm Röpke, "The Fight Against Inflation" (1954), reprinted in idem, *Against the Tide*, trans. Elizabeth Henderson (Chicago: Regnery, 1969), 182.

6. See Wilhelm Röpke, "Reflation oder reexpansion," *Bank-Archiv*, June 15, 1933; and Wilhelm Röpke, *Die Lehre von der Wirschaft* (Vienna: Julius Springer, 1937), reprinted in idem, *Economics of the Free Society*, 9th ed., trans. Patrick Boarman (Chicago: Henry Regnery, 1963), 103.

7. For a thorough study of the political and economic impact of hyperinflation in post-World War I Germany and Austria, see Frederick Taylor, *The Downfall of Money: Germany's Hyperinflation and the Destruction of the Middle Class* (New York: Bloomsbury Press, 2013).

8. John Maynard Keynes, *A Tract on Monetary Reform* (London: Macmillan, 1923), 80, emphasis original.

9. This section draws on Samuel Gregg, *Wilhelm Röpke's Political Economy* (Cheltenham: Edward Elgar, 2010).

10. See Wilhelm Röpke, "Keynes and the Revolution in Economics: Economics Old, New, and True" (1952), reprinted in idem, *Against the Tide*, 171–72.

11. Röpke, "Keynes and the Revolution," 172.

12. Wilhelm Röpke, *Gesellschaftskrisis der Gegenwart* (Erlenbach-Zürich: Reutsch, 1942); ET: idem, *The Social Crisis of Our Time*, trans. P. S. Jacobsohn (New Brunswick: Transaction, 1992), 170.

13. Wilhelm Röpke, "The Economics of Full Employment," (1952), reprinted in Henry Hazlitt, ed., *The Critics of Keynesian Economics* (Lanham: University Press of America, 1960), 363.

14. Röpke, "The Economics of Full Employment," 371.

15. Röpke, "The Economics of Full Employment," 371.

16. See Wilhelm Röpke, "Industrial Germany," *Economica* 6 (February 1936): 84–89.

17. Wilhelm Röpke, *Civitas Humana: Grundfragen der Gesellschafts- und Wirtschaftsform* (1944); ET: idem, *Civitas Humana: A Humane Order of Society*, trans. C.S. Fox (London: William Hodge and Company, 1948), 217.
18. Wilhelm Röpke, "Totalitarian 'Prosperity': Where Does It End?" *Harpers Magazine* (July, 1939): 167.
19. Röpke, "Totalitarian 'Prosperity.'"
20. Röpke, *Civitas Humana*, 211.
21. Röpke, *Civitas Humana*, 210.
22. Röpke, *Social Crisis of Our Time*, 172.
23. Röpke, *Social Crisis of Our Time*, 172.
24. Röpke, *Social Crisis of Our Time*, 171.
25. Röpke, *Social Crisis of Our Time*, 172–73.
26. Röpke, *Economics of the Free Society*, 218–19.
27. Röpke, *Social Crisis of Our Time*, 171.
28. Röpke, *Social Crisis of Our Time*, 171–72.
29. Röpke, "Keynes and the Revolution," 176. Röpke cannot resist stating that "in his [Keynes's] introduction to the German translation of his latest magnum opus [*The General Theory*] he addressed himself with sympathy to his National Socialist readers." Röpke, *Civitas Humana*, 217.
30. Röpke, *A Humane Economy*, 202–3.
31. Röpke, *Economics of the Free Society*, 222.
32. Röpke, *A Humane Economy*, 194.
33. Röpke, *A Humane Economy*, 184.
34. Röpke, *Economics of the Free Society*, 99–100.
35. Röpke, *A Humane Economy*, 195.
36. Röpke, *A Humane Economy*, 195.
37. Röpke, "The Economics of Full Employment," 178–79.
38. Röpke, *Economics of the Free Society*, 248.
39. Röpke, *Economics of the Free Society*, 103.
40. Röpke, *Economics of the Free Society*, 105.

41. Wilhelm Röpke, "Repressed Inflation: The Aliment of the Modern Economy" (1947), reprinted in idem, *Against the Tide*, 113.
42. Röpke, *Economics of the Free Society*, 248.
43. Röpke, "The Economics of Full Employment," 380.
44. Röpke, "The Economics of Full Employment," 380.
45. Röpke, *Economics of the Free Society*, 105.
46. Röpke, *A Humane Economy*, 204, see also 207–9.
47. Röpke, "The Economics of Full Employment," 378.
48. Röpke, *Economics of the Free Society*, 105.
49. Wilhelm Röpke, *Welfare, Inflation and Freedom* (1957), reprinted in *2 Essays by Wilhelm Röpke: The Problem of Economic Order; Welfare, Freedom and Inflation*, ed. Johannes Overbeek (Lahman, MD: University Press of America, 1987), 89.
50. Röpke, *Welfare, Inflation and Freedom*, 89.
51. Röpke, "The Economics of Full Employment," 378.
52. Röpke, *Welfare, Inflation and Freedom*, 91
53. Röpke, *Welfare, Inflation and Freedom*, 90.
54. Wilhelm Röpke, "Set the Rate of Interest Free" (1948), reprinted in Wilhelm Röpke, *Against the Tide*, 136.
55. Röpke, "Set the Rate of Interest Free," 136.
56. Röpke, "Set the Rate of Interest Free," 140–41.
57. Röpke, *A Humane Economy*, 213.
58. Röpke, *Welfare, Inflation and Freedom*, 85.
59. Röpke, *A Humane Economy*, 216.
60. Röpke, *Welfare, Inflation and Freedom*, 87.
61. Röpke, *Welfare, Inflation and Freedom*, 85–86
62. Röpke, *A Humane Economy*, 199.
63. Röpke, *Welfare, Inflation and Freedom*, 85–88.
64. Röpke, *A Humane Economy*, 201.
65. Röpke, *A Humane Economy*, 202.

66. Röpke, *A Humane Economy*, 191.

67. Röpke, *A Humane Economy*, 214.

68. Röpke, *A Humane Economy*, 220.

69. Wilhelm Röpke, *Mass und Mitte* (Erlenbach-Zürich: Rentsch, 1950), 65–75.

70. Röpke, *A Humane Economy*, 192.

71. Röpke, *A Humane Economy*, 218.

72. Röpke, *A Humane Economy*, 217.