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Eat Turkey, Says Warren

SACRAMENTO, Aug. 11 (AP) — Governor Earl Warren talked turkey today:

He said he hopes Californians "will take advantage of the present low price for turkey and eat more of this tasty and economical meat."

The statement was part of "National Midsummer Turkey Time," August 4-23.

California, noted the Governor, leads all States in turkey production.

Levy, Hermann, "Industrial Germany" a study of its mnp orgs & their control by the state
Cambridge, Univ Press, 1935

Ch. I Cfson of Gm & Eng attitude toward ind comb.

Confirms my prejudices. Germans accepted mnp as new form of ind org. Had been paternally administered in past by small states. 1810-11, much mnp abolished -- thru Nap I guess. To open way for what was considered new form of best organization. Liberalism never strong in Gy., waning in '90s. Only opponents of mnp were socialists, & they didn't oppose it as such, thought it desirable & inevitable. Just wanted to socialize it -- & liked it, because it was easier to socialize, regulate, & obviously had to be socialized anyway.

socialists
like mnp

Also, much higher % Gm industry was extractive, or close to it. German textiles, like English, never mnp much. But were much smaller part of Gm economy.

State was active owner & partner in many mnps: coal, potash.

Gms had to be careful not to rouse political wrath by their price policies. But was no anti-trust. Aside from direct political reaction on co., I judge, had no general fear. I judge German attitude was that govt could be trusted with much more discretion, & particular measures vs particular co.s were possible, rule of reason, etc, rather than rule of impersonal law. Hence mnp ok, for everything was in pretty good control of good hands, the state.

Socialists saw mnps as forerunners of socialism.

Levy's work on Eng mnps just was on industrial mnp, not commercial. Wished to show that ind. mnp in Eng had originated under particularly adverse, exploitative conditions, hence was prejudice vs it. Piotrowsky mentioned commercial mnps in Gy, earlier. That another story.

In Eng tradition, I judge, if a person gets a position like mnp, he as individual cannot be hit. So required general prevention of mnp. It was, other words, precisely because Germans had better govt, & used it, they failed to develop free ec. institutions, & finally succumbed to monster state.

Gm combines were in popular industries, ones that captured public fancy, hence were much publicized. Coal, potash, iron, steel, heavy chemicals. Eng were in small branches of higher textiles, not such as to capture imagination, cause attention. Not 'til Eng Chemical Trust 1907, was there a big one in such. Eng coal, steel, shipbuilding, cotton spinning & weaving, not mnpized.

1810-11 anti-mnp leg. Gy was bureaucratic reform, not liberalism. No anti-mnp feeling, as mnps had been paternalistic, by small states. (i.e., everyone was a mnpst, thought he had intrst in mnp, due to small states. & paternal attitude of govts. Eng, mnps used for few, hence reaction.

Now Eng become like Gy, mnps regulated for common good, -- look out.

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0.14	2.28	0.97	1.00	0.73	0.59	7.00	0- 1- 0	0.61	0.53	49	88	5.5
0.16	2.61	1.11	1.14	0.83	0.67	8.00	0- 1- 2	0.70	0.61	56	100	6.33
0.19	3.10	1.31	1.36	1.00	0.80	9.50	0- 1- 4	0.83	0.72	68	119	7.5
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2.00	32.64	13.84	14.28	10.36	8.40	100.00	1- 0- 0	8.72	7.60	700	1250	80
5.00	81.60	34.60	35.72	25.90	21.00	250.00	1- 5- 8	21.80	19.00	1750	3125	199
10.00	163.21	69.20	71.43	51.80	42.00	500.00	2- 11- 4	43.60	38.00	3500	6250	398
50.00	816.00	346.00	357.00	259.00	210.00	2500.00	7- 11- 2	218.00	190.00	17500	31250	1993.33

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(Thus Gms wouldn't say free comp is ok if doesn't mnpize. They speak of anarchy of comp., mnp is system's own attempt to get away from anarchy. They just want to take over mnpies, paternalistically, revert to 18th c. Gm ways.

"...socialism has been for a long time the expression of the German liking for organized control."

Socialists viewed private mnpies as last step before soc-ism. They are publicly regulated. Finally turned into self governing administrative units.

Many Gm enterprises were state, or communal.

'24-9, "rationalization" craze. Smaller firms, with less cap., left out. But many went too far, got too big, inflexible, topheavy. Was reaction, criticism, of "over-rationalization". Organizing genius of cartel leaders was questioned, ability of individual entrepreneurs in closer touch with production was again valued. Social benefits promised from rationalization did not arrive.

✓ In Eng., it was when restrictive ideology took over that criticism of lack of large org. came. Large org in Eng was not for efficiency, but for restriction. Quite a difference -- in Gy, participation of state perhaps prevented this bias. 20s & 30s, Eng got busy with Nat. Ass.s to restrict output. "Compulsory Amalgamation" the cliché, & "reorganization", "orderly Planning", "reconstruction", "orderly production". Buying & closing mines a fn of new ass.

Chap: 2: A Stat Review of Cartelization

Read 18 Theodor Vogelstein &c showed Am Trusts were all connected with mnp of land. Levy thinks this true in its day in Gy, when fe & K main mnpies, but later mnpies in lights, rayon, etc, not so explained.

He explains cartelization from one common cause: improvement of transport, concentrated industries more, so they combined.

Also, suggestion that tech. advance was selective, those ones that made industry bigger were favored, because mnp went with them.

Pretty fuzzy.

Chap 7: Gm Industrial combination in the international sphere

20s, Am firms took initiative, with their greater financial power, to get Gms into internat. restrictive agreements. But mainly it was Gms, other times, who took lead.

1884, 1st big internat cartel, rails. Gy, Eng, Bm, later most others.

Usually it was mkt sharing & P agreements; not agreements to cut production.

Incandescent Lamps -- meaning gas mantles, in 20s!

Zinc

Tin cartel, reduced output to 1/3, '29-33 -- tho Gms little involved in this one.

Zinc, Gms 2d in world. Gm, Australian & US producers formed cartel. Allocated production, limited it. Fines for exceeding quotas (illegal contracts -- wonder if courts enforce?) This is simplest & most common type of internat mmpy, & Gy involved in many.

Swedish Match trust expanded by lending to straightened govts in return for mmpies, & "fiscal concessions", much as in age of Chas I of Eng. (In U.S., they contribute to pol parties) (When you consider what happened to K & T, maybe the govts didn't get a bad deal after all, since they didn't pay off) Gy, e.g., gave mmpy of matches in return for loan, '29.

Considerable internati nal ownership, I.G. Farben, originally a dye co., interests all over, including Agfa-Ansco in U.S. Rayon, 1 large mmpy in each ctry, they got together ~~mmpstic~~ (but if each ctry's patent system prevented mmpy, nonesuch)

(Thus when war came, of course capital torn, with these internat. interests, not all of which wer mmpstic either)

Japanese not in on rayon deals, expanded production phenomenally, 30s.

("I can get it for you wholesale" often means, not just cutting out cost of selling, but perhaps bypassing a mmpst sales org., selling for true cost of production. Hence the big savings)

Most prominent internat federation, 20s, was in steel, "raw steel", unprocessed (were others in various steel prdcts). 1926, Gy, Bn, France, Luxemburg, Saar. Generally, reserved home mkts for each. (thus resulting in lower prdctn in extra-Gy, where mkts smaller, which perhaps was what Gm war makers wanted. They played on mmpy desires of neighbors to weaken them, restrict their preparation of basic materials. Gy agreed not to export, not not to produce.)

Eng steel production not sufficiently concentrated to join cartel.

Tubes, cartels, Japs not included, started to compete 1930, Mitsui & Mitsubishi, grew fast.-- China, Siam contracts, they moved in -- i.e. it was our exploiting those mkts mmpstcly that caused Japs to move in

1933, Rohstahl Gemeinschaft reorg., its only agreements were export restrictions. No general output restrictions.

Very fact that this mkt sharing follows national lines suggests influence of nat govt & its laws in making mmp possible.

Chemicals, for years Germans led in aniline dyes, &c. chem & Pharm. prdct in which they were clearly dominant, so no internat. ties. Then they started developing ways of liquefying coal by hydrogenation. S.O. & Shell interested, internat ties worked up.

✓ Most internat connections in electrical products prdctn, i.e. the GE type products, from light bulbs to turbines, & street r.r.s. Two big Gm combines, A.E.G. & Siemens. A.E.G. connected with G.E. A.E.G. originally American, an "Edison" co. Most products so differentiated & specialized that general cartel agreements impossible. ✓ But electric bulbs standardized. Cartels, various, failing often. GE involved, Dutch Philips, Brit. Houston-Thompson, French Compagnie des Lampes. Territorial division, partners agreeing not to exploit their patents in others territories. Nor, evidently, to infringe on others' patents.

Prewar, Germans had potash mnp, exploited. War, French got the deposits which were in Alsace-Lorraine, competed. 1926, agreement, French got 30% export mkts, Gms 70%, P & Q fixed, at least in export. Much of French mining done by state works (so govt must have concurred, perhaps initiated)

Mentions, tin, nitrogen, linoleum cartels, too.

*A tough anti-mnp policy wd revoke patents as one penalty for mnp behavior.
Better yet, just give all inventors 5% sale value of all sales of their products?*

Gy. tradition of ec. action by small state govts. After empire they, & city govts, continued to act, but in pan Gm interest.

Barrières Douanières au SAHARA

Dans le n° 16 de *Terre et Liberté*, nous avons consacré une demi-colonne aux brimades dont sont victimes les pasteurs nomades qui vivent au Sahara. Au moment où les pouvoirs publics s'attachent à juguler la révolte en Afrique du Nord, nous souhaitons que ces brimades absurdes disparaissent; car elles ne peuvent qu'indisposer ces nomades contre la France, qui les a installées.

Voici ce qu'écrivait à leur sujet,

dans *France-Europe*, un journaliste bien informé :

« Des délimitations invraisemblables partagent l'immensité saharienne, anomalie particulièrement préjudiciable à tous les points de vue, ne serait-ce que par la nécessité d'en référer à chaque instant à des autorités différentes et toutes situées géographiquement à des distances importantes des territoires intéressés.

« Ces limites se traduisent aussi par des barrières douanières contre lesquelles tout le monde proteste. Ainsi, pour aller de Fort-Lamy à Nemours, il faut passer la douane entre le Tchad et le Niger, puis entre le Soudan et l'Algérie, puis encore peu après Colomb-Béchar pour pénétrer au Maroc et enfin au nord d'Oudjda pour rentrer à nouveau en Algérie. Toutes ces formalités, bien entendu, sans quitter des terri-

toires administrés par la France. A ces formalités douanières s'ajoutent les différences de monnaie et de timbres, distincts pour chacun de ces pays. Ce ne sont d'ailleurs pas seulement les voyageurs que l'on tracasse ainsi, mais les pasteurs nomades du Hoggar lorsque par suite de la chaleur ou du manque d'eau, ils sont obligés d'emmener leurs troupeaux au delà de la frontière algérienne. »

A. de la FAR.

~~7-8-~~ 7, 8, 9 - 56

les terres restaient en friche. Les brigands, du reste, avaient pris leurs charrettes, leurs chevaux, leurs charrues. Les prisonniers étaient traînés en laisse derrière les chevaux, fouettés, tenaillés, brûlés, enfermés dans des sacs, écrasés sous des enclumes. Quand ils ne pouvaient payer rançon, une des distractions favorites était de briser les dents aux paysans une à une à coups de pierre ou de leur couper les pieds ou les poings.

Les villageois en étaient réduits à construire des fossés autour de leurs églises, afin de se défendre. D'autres creusaient des souterrains où ils se réfugiaient. A l'approche de l'ennemi les familles s'y

aucune amélioration ni construction. »

Tant qu'il y aura des hommes, la terre sera-t-elle l'objet de semblables opérations, en Jordanie et ailleurs ? La terre n'est pourtant pas une marchandise ordinaire.

Les précurseurs du georgisme

En Iran

Il y a 4.000 ans, le grand législateur Hamourabifit graver sur les murs de Suse, la capitale de la Perse, la loi suivante : « La terre doit être bien cultivée ; si cela est négligé, le propriétaire devra payer le même impôt que pour une terre bien cultivée ».

Henry GEORGE.

tives d'achat en commun.

Ces intermédiaires préfèrent

Constatation

« La fiscalité perçoit en France une somme égale à celle que les Français consacrent à leur nourriture ».

« La fiscalité décourage les efforts. Passé une certaine limite l'impôt absorbe presque tout ».

« La fiscalité altère également le climat social : les contacts entre fisc et contribuables ne s'amélioreront pas, bien au contraire ».

Maurice LAURÉ,
Inspecteur des finances

(Liaisons sociales, 73, rue. Notre-Dame-de-Nazareth, Paris 3°).

et, grâce à elles, le coût de la vie serait diminué, pour le plus grand profit de l'ensemble des consommateurs.

Il faut donc surveiller attentivement les votes des parlementaires qui ont promis cette égalité avant les élections ; mais qui, une fois élus, oublient leurs promesses.

Les familles groupées autour des coopératives s'élèvent à près de trois millions. Elles représentent donc environ quatre à cinq millions d'électrices et d'électeurs qui, répondant à leur Fédération nationale, pourraient parfaitement faire mordre la poussière à d'aussi singuliers démocrates — *quelle que soit leur nuance politique.*

G. LAURENS.

Dutch didn't fit into The stereotype of mercantilism, but Heckscher etc
don't mention this, Rijnwyzma got it. Didn't form trading monops,
sponsored by govt. Dutch had private co.s, they were many, got fighting (militarily,
Dutch govt. got them to get together to fight Port. & Eng. I judge)
debacle not from restrictivism, but just inadequate military control? So maybe Dutch

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NORTHERN TEXTILE MILLS LOSING MONEY, WANT PAY CUTS

CCCCAAB PAGE 3
MONDAY, MAY 26, 1952
San Francisco Chronicle

BOSTON, May 25 (U.P.)—Thousands of New England textile workers in the grip of a modern industrial revolution today faced the threat of the first general wage cuts for American workers since the depression.

Competition posed by the fast-growing textile industry in the

South has forced the New England workers to face slashes in their wages as a "last resort" to keep their factories—and their jobs—going. Southern competition has been blamed already for scores of mill closings and heavy unemployment.

The cotton and rayon industry,

which has lost 80 per cent of its operations to the South, has started the battle for wage cuts.

Both management and labor are awaiting the decision of an arbitration board which may set a pattern of slimmer pay envelopes for some 40,000 workers.

The Bates Manufacturing Co. of

Lewiston, Maine, has demanded that its 7000 employees accept a cut of 30 cents an hour—which it claims is the difference in the cost of making cotton-rayon goods in the North and in the South.

The Textile Workers Union (CIO) refuses to accept the cut, maintaining it would "demoralize" the

industry. The union suggested that the company concentrate on improving its merchandising methods instead of cutting wages.

Under the company-union contract the matter was referred to arbitration and a decision which will be binding on both sides is expected within two weeks.

A similar wage cut demand has been made by the New Bedford-Fall River Cotton and Rayon Association with 18,000 workers in 13 Massachusetts mills. An arbitration board will rule on the company's demand for a 13-cent slash.

Here **Roos Bros** tells you about some new Roos "600" suits that are bound to be very popular

Open Monday 12 Noon to 9 p.m.

'Alert America'

Mayor Will Open Traveling Civil Defense Exhibit Today

"Alert America," the traveling civil defense exhibit, will be opened by Mayor Elmer E. Robinson at the 14th and Mission street Armory at 8 p. m. today. It will be open from 1 p. m. to 9 p. m. tomorrow through Friday.

Elaborate preparations for the mammoth exhibit have consumed almost as much time as the show itself will run. A crew of one officer and 14 soldiers from Ft. Eustace, Virginia

China Editor Attacks The Chronicle

HONG KONG, May 25 (AP)—The China Monthly Review, under the byline of its American editor, calls accounts of Red Chinese extortion from overseas Chinese a "phony" Western press issue.

The English-language magazine's June issue has just been received here from Red-ruled Shanghai. In it an article attributed to editor John W. (Bill) Powell, 33, alleges

Japan Newspaper Says U. S. Wants Fuji as Drill Base

TOKYO, May 25 (AP)—The newspaper Asahi said today the U. S. Army intends to make an exclusive military drill base of sacred Mount Fuji and bar Japanese climbers.

A public information officer in General Mark Clark's headquarters said it would be unlikely any comment would be made on unofficial reports carried in the Japanese

U. S. Taxes Gift Claims By J. B. Powell

By ROBERT F. LOFTUS
United Press Staff Writer

WASHINGTON, May 25 — This is sort of an open letter to the hundreds and hundreds of people who tried to help J. B. Powell when he came home to die in 1942.

The income tax collector won't believe you helped. He claims the \$40,000 you gave J. B. in fives and tens and 20's wasn't a gift at all.

J. B. was the editor of an Amer-

Sabres Dow

SEOUL, May 26 (AP)—U. S. pilots, smarting under their week of defeat by Communist MIGs, struck back Sunday by shooting down four Red jets and chasing away two MIG formations.

The Sabres were screening Allied fighter-bombers which pounded heavily on the vital main northwest Korean rail line about 25 miles

1830s, Va. put prohib. tax on
Yankee peddlars.

Forced Chauncy Jerome to
set up assembly plant, clocks,
in Richmond.

5404 p.101

Thus forced inflow of cap. probly.

F. Rorig, Medieval World Economy

p. 24. The towns were not subject to national states. As world traders, they were too small to have monop. interests. So they just traded everywhere they could. So ancient town economy was a world economy. Then national states broke this, had national economies for a while.

✓ 1500-1600, mercantilism emerged, with national states. Following, or coincident with, maturity & decay of medieval world economy. In Gy., the states formed were very small, but they also waxed in this era, and took over towns.

25 much attention has been given to decline of guilds, that aspect of decline of towns (i.e. decline of their petty local monop.) But not enough to decline of what was good in them, too, their free world trade.

Growth of nat. states spelled decline of commercial towns, not just the ones inside them, but the others, because new states discrim. vs. them, to build up nation. E.g. Louis XI, late 15th, forbade French merchants to go to Beneva, ruined it, replaced it with Lyons. To avoid importing Italian silk, built up French industry, succeeded greatly. Subsidized French direct line to Alexandria, to cut out Venice. English, 1490, restricted imports to Eng. ships, hitting Venice (& Hanse?). Sweden did similar vs. Hanse.

✓ Italian towns didn't decline so much because America was discovered, but because growth of nat. states, took their trade.

p. 1 Crusades, Italian towns broke Moslem supremacy of e. Medit., got their trade routes estab. Then G. Khan, 13th, ruled Asia & allowed trade -- Marco Polo. Then breakdown of Mongols made things tough again, stimulated search for sea route. Then the Turks put up insurmountable barrier, leading to sea route search (or was it effort to break Italian monop?)

No medieval town was self-sufficient, nor with its surrounding agric. area. All participated muchly in world trade. Cloth production, raw materials gathered from all over world, processed in specializing towns, sold all over.

(Interesting talk with _____ McCaffrey, Muffy Henderson's friend. He's studying 16th c. Exeter. It had a monop. of wool export, of sorts. Merchants dominant. They broke or prevented all monop. of local purveyors, of whom they were customers. I suppose this also means they broke retail monop. in general, even where outsiders were largely customers; except for items sold primarily to outsiders. But, as to them, there was nat. regulation thru courts, & power of squirearchy to contend with.

I am impressed again, incidentally, with power of courts as instrument by which central govt. keeps localities from monop. For every monop. there must be victims, & they will bring matter to courts.

Exeter Merchants not too eager for wars -- they had to pay.

Elizabeth avoided debt, hence wasn't so dependent on merchants.
(but she was dependent on revenues, for which she had to foster them)

London became big distrib. center, for ~~xxxxxxx~~ infra-national trade. London merchant s carried goods to local places -- & they could not be excluded by local people -- this must reflect power of central govt. to reduce monops of which local people are victims. London merchants acquired key position & power, in this infranat. trade, as well as internat.

I suppose if merchants were (or are) allowed to organize to exploit foreigners by monopoly, they also have a monopsony power to use against their countrymen. Many interesting relationships.)

Dyestuffs from all over, alum from Turkey -- & then from papal states, for Turks tried to exploit monop., Pope found alum in papal states, he & Sicilians set up monop., made Turkish competing ships prizes of war. 1462, Papal alum started.

Luxury trade important, but so were others. But he does stress demand for very luxurious products -- which may mean well known evolution had destroyed desire to save, later stages.

✓ As I see it, the world town economy destroyed itself by becoming monopolistic. Lubeck, e.g., exploited Norway, unorganized, greatly. You might say that the natural dendritic centers exploited the outlands, in retaliation these organized into national states.

p. 9, says late middle ages, desire for high quality goods esp. "drastic".

Class able to afford luxuries was not so small.

Important items in medieval trade: fustian, other textiles, wool, linen, & dyes & raw. Cotton from Levant for fustian. Spices. Grain. Butter -- from Scandinavia to cities. Ores -- Swedish iron. Fish - herring from ~~Baltic~~ ^{Swedish} Norwegians & Dutch; Cod from ~~English~~ ^{Hanseatic} monopoly. *from Norway.* Beer. Rice. Wine. Sugar. Salt. Meats. Paper. Needles. Swords. Art works.--for religious, cemeteries, etc.

Merchants could buy land, all along, rich ones would, & retire from business.

High standards of international morality -- *like George Wash.'s London acc'ts.* wouldn't confiscate property of enemy aliens, e.g. -- it remained for Versailles to do that, Rorig says bitterly. Recognized dependence on trade. Towns often pleaded with princes to stop wars so they could trade again.

Cotton from Syria & Cyprus distrib. thru Venice.

I suppose producers were also dependent on merchants because merchants had more alternatives. A town, small producers, merchants brought them their business. Merchants more worldly, familiar with more other places to go, etc.

✓ ~~km~~ Ulm & other S. Gm. fustian centers burgeoned in 15th, replacing older Ratisbon domination.

Towns, quality standards, town trademarks, different grades. I.e. a system of grade labelling, enforced by towns of origin -- or perhaps individual producers in those towns.

Bergen, Hanse trading post in Norway. They kept Norse fishermen in debt to them, one means of control. Also gave Bergen a name for quality.

German cities exported technicians & capital, dominated production in many other lands. Swedish mines e.g.--cu & iron, thru Lubeck to Bruges for distribution. Hungarian cu competed, from 14th, thru Danzig to Bruges.

✓✓ 14th, no import restrictions, e.g. in Flanders which imported Scand. butter (I suppose cheese too). & Danish cattle driven to markets, e.g. Hamburg. Polish cattle driven to Nurnberg, distrib. all over Gy. Minimizes pirates, hiwaymen -- I think underestimates their role in inadequacy of this civilization. Esp. robber baron types, too strong to class as pirates. *They probly grew later, were cause of demand for central power.*

Norway, grain importer, needed it to live.

✓ At Lubeck, because the grain came there, mills grew up. Interesting: because capital had to be accumulated for commercial purposes first, it was available for production.

Eng. merchants of staple were part of this medieval world town economy, I imagine.

✓ Sombart, Bucher, idea of self-sufficient town economy.

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✓ Towns took measures to keep down prices of goods they consumed, both final consumption, & raw materials, he concedes.

✓ But they often, e.g. 15th c. Nurnberg, forbade gilds, & even encouraged outside merchants to enter. The "town economy" idea is that they always discrim. vs. outsiders. Rorig is emphasizing that they didn't always. The monopoly he interprets as being for the little men, the free trade for the big.

He observes an evolution. As towns grew older, merchants "shifted trading capital ... into vested capital" by which I think he means they bought land, which means the town acquired a position, & land became valuable. It may have had an institutional or spatial monop. Then, he says, towns tried to hinder outside merchants. p. 20

✓ 21 Hanseatic towns, only during period of stagnation & decline, became restrictive. *Cause & effect?*

✓ Germany, 16th, like Italy its commerce ruined by new world (plus growth of robber barons I'm sure, & that probly more important, & cause of new world search) decline of towns, back to more primitive economy. Hard on pride. They had been penetrating world.

✓ 1456, Philip Good of Burgundy in war with Hanse, cut off trading for Flemish towns. They wanted Germans back, got them next year. Cloth trade & weaving their livelihood. They bought wool from Spaniards, sold to Germans.-- inter alia. All nations sent emissaries to Germans to ask them to return.

Were 3 trade wars of Hanse with Flanders, all because of impediments raised to trade. All sought to establish internat. guarantees.

1082, Venice got commercial privileges in Byzantium -- which to them was do btless just like Eng., outlying nation state.

Cities gave each other mutual commercial privileges, etc. System of legal relationships (but I imagine golden age for any city was when it allowed all comers, demanded no treaties etc)

?? He interprets protectionism of city states in 16th as reaction to loss of trade due to growth of nations. I suspect it caused stagnation & growth of new political powers. *Probably both. Declining are more likely to impose try to use mpy. But it is having used it in past that makes them decline.*

?? c. 15th, land trade began to grow at expense of sea -- parallel routes. Which suggests to me that transporters were seeking to evade parasites on old sea routes - for surely sea transport is always more cheap. Italian trade to N. used to go to Bruges, but shifted to over Alps to Frankfort. Baltic e-w trade began to go thru Posen, Leipzig, Nurnberg, Koln.

Divergence of moneys a difficulty to trade. But were money changers, money unions even (v. W. Jesse, *Der Wendische Munzverein* (Quellen und Darstellungen zur Hansischen Geschichte, N.F. 6 Bd.)

Lubeck 1928, Ch. I) Bills of exchange helped. (so one can say that same language, same money, are just conveniences. Requisites for internat. trade are other: situation where localities don't try to monopolize)

What they did was done without modern communications technology, too. Sometimes they erred, overloaded markets -- it was a gamble to take products to certain markets, you didn't know if some one else would be there first with big shipment, etc)

He is talking of after 1200, when written contract became widespread. Before that, interregional trade was wandering: caravan or Viking journeys. (i.e. you loaded up with goods & took them around until you found a good market)

Venetians barred Germans from Medit. trade; & they Venetians from Baltic. Germans had trade to Venice from Gy.

Andrea Barbarigo, Merchant of Venice, 1418-1449. F.C. Lane, 1944.

p. 77: Monopoly vs. freedom (#5 of Ch.2)

1,3 Senate had to give military protection to sea lanes. Couldn't protect everywhere, hence had to approve ventures that they would protect. This came to mean they directed ventures. Senate decided "cost & volume of shipping space available". Scope left for individuals. 4 Temporary monopolies common, amounted to taking advantage of restricted competition caused by war's closing some routes. Not clear what Senate's general attitude to monop was.-- tho evidently it was "forced" into regulating because shipping was monopolistic without it, due to need for military protection. 15th & 16th, sentiment vs. monop. "monop. opp. inherent in restricted xport facilities". 3

4 14th, Venice, long conflict between restrictionists & free traders. Former tried to squeeze small capitalists out, under guise of keeping out foreign capital.

Monop. generally favored as vs. non-Venetians, cartel membership often legally obligatory. (yet even this involves some conflict of interest as production is reduced, & evidently this couldn't be reconciled, led to fights. This is the best hope of civilization -- today. But alas, social security will stop even that) Big operators tried to get monops for selves alone. Finally Senate voted this down. So in 15th merchants were common carriers, under govt price control, prevented from using scarcity of xport as monop device. (common carrier idea very good) Venice vs. others a monop, squeezed them, destroyed self. 1,3

monop. suggestion Within Venetian nobility, which composed Senate, were many small operators, who made selves heard. Often small traders were big bond or landowners, hence powerful from other sources. (a good set up, which we often profit from in this country when big corps go into many lines in a small way. Another important thing in keeping competition going is having specialty service firms that service other firms, keep down opt size. Picture special spraying & even plowing companies for farmers! Specialization is the life of competition.) (The Freeman's idea that companies exceeded opt size because this made it easier to influence politicians should be amended that it gave more restrictive scope.) (Many at Cal. Cotton Co., Mr. Whalley, said world's largest cotton mill closed down because too big, in Mass, now Dan River, at Danville Va, is biggest. Gastonia NC biggest area for cotton. Incidentally, they compete strongly with eastern cottons. & note that in region best suited for any product there will be many producers; in regions less suited, a few, but these will compete with exports from region that specializes, whose costs, other than xport, are lower.) 1,3

4 Another class of Venetian nobles (voters) favoring free enterprise were money lenders, who wanted thriving businesses to lend to.

3 Here is another clear historical example of a notably thriving community's being associated with free enterprise etc. Good subject for paper -- the ~~grx~~ inevitable association of competition & general prosperity. The inevitable decay following restrictionism.

Chap II: Public protection & private enterprise. p. 45

1. Protection of xportation.

1,4,3 Republic had courts to enforce contracts. Had commercial treaties with other powers for mutual trade & contract law etc.. hatch monop. (Govt is a natural monop. We control it by electing it. Why not control other hatch monops the same -- either by making them part of govt, or separate coops etc, with their own elections by interested parties) controls

1,3 Eng, 15th-17th, function of chartered co.s was to provide the protection that Eng govt couldn't provide. Hence they were little military ventures -- no wonder they moved in on foreign govts.

A. Barbarigo, 2

No differentiation of political & ec. functions in these -- hence monop.

Eng "regulated co.s" differed from chartered co.s in this, individual merchants set own prices etc. In theory. Less in practice. "merchant adventurers"

(The closest analogy we have to U.S. today is falling Rome. Rising Europe, & its falling segments, had such different environment. Never a worldwide govt called on to socialize, with no competition)

Venice, no such junior govts ^{chartered co.s} born, Senate directed directly. Genoa & Portugal had them like Eng. Venice more competitive. Merchants individually bought & sold, set prices of commodities (not of xport)

Plenty of pressures in Senate for individual interests. Ships were privately owned, owners wanted high rates, e.g.

~~xxxxxxxxxxxx~~ Convoys of galleys (with freemen rowing) & "cogs" (less defensible, sails) organized by Senate. Shipowners required to take from all merchants, means of apportionment not clear. (wherever it is necessary to apportion some privilege, & not economic to let everyone have some, it should be taken by state & rented to highest bidder, like land)

p. 52. Mameluke Sultan of Egypt, c. 1430, monopolized pepper trade & doubled price, then cotton -- & cotton was chief import, they took it to S. Gy to be mixed with linen, made fustian. 1431, brought him to terms by their monop. power, refusing to trade with him at all until he allowed free trade by other Arabs. Trouble with Sigismund, King of Hungary & HRE, but S. Gm free cities refused to obey S., traded with Venice anyway. War with Duke of Milan, who was ruler of Genoa too, convoys needed.

(Flanders means Ghent & Bruges & environs, s. Belgium on coast & some of n. France)

Venice had large "local" market, around Adriatic. She was their contact with outside world.

Ch. 3, pt5: Entrepreneurial decisions & profits.

Capital had to be kept mobile, markets changed so fast. Made specialization limited. Senate responded, sending fleets where merchants, with their votes, wanted. (Since only merchants were voters, this worked better than it does or would today, with everyone voting.)

Advantages of flexibility one reason Senate didn't favor monopoly. (an ill wind blows no good. War brought both ~~fxs~~ too much risk, & great need for flexibility. Today, technology ~~xxxxx~~ forces change, limits monop)

1. Partnership, Joint venture, & agency.

Big family partnerships under domination of one man, such as Cosimo de Medici, potent. Andrea a small one man outfit. Family partnerships with equal powers had troubles. Andrea used agency & joint ownership to create flexible organization or cooperation. One of joint owners would be agent for others, they would cooperate. Associations were formed to charter merchant galleys, resembling joint stock co.s -- but lasted for only one voyage.

"Profit sharing deposit", another form of joint ownership.-- someone took deposits of others money & invested it for them, under trust.

Merchants sold thru commission agents. Handling charges & shipping practices became standardized, so commission agent's accounts could be checked.

SCANNED

AS

FOUND

Roman Societas publicanorum
Genoese 'loca' shipping, 13th.
Bank of St. George, 16th

Jt. stock history: condottieri, mercenary entrepreneurs, of 13th-15th; Merchant Adventurers of 17th, not earlier, earlier trade with own capital); Monti, 16th c. Italy; (tax farming corps)

17th Eng: re-vitalized craftsmen of 17th became merchants, broke the IT monop. of adventurers; simul., both they & adventurers went into putting out -- perhaps stimulated by the rejuvenated craft monopoly ---

Didn't break the system of monopoly, despite 1624 Act against monops. Just scared them up, shifted personnel, got more capital into them -- but isn't that always the way? Dobb doubtless overdoes it.

Usher on banking development, stresses: development of clearing is development of banking;

and negotiable forms came late, allowed interbank clearing, much more credit, etc. About 17th -- but he is vague on time & place. // Knight also stresses irregular deposit (as vs. custodianship) (of funds)

✓ de Roover's Florentine firm of cloth mfrs. was ptnsp., with full liability. But much investment separated from management. 16th -- when "capital forms" were more advanced, the industry declining.

Rigid wages, low overhead, much unemployment therefore.

Rorig's medieval world economy was primarily the fustian trade, cotton from Egypt & Syria, mfr. in Augsburg, Ulm, etc., and traded all over world. Pack animals, very efficient means of transportation says Knight.

Purpose of Crusades was mainly to open up trade routes, --Knight.

Knight stresses pulp paper developed in c. 1200, and use of Arabic numerals, in making written contracts common, opening way for negotiable paper, etc.

U.
Nef, J. ~~U.~~ Industrial Europe at the Time of the Reformation JPE, Feb 1941
1515-1515-1540.

12 & 13th, growing pop, production, prosperity. 14 & 15th, stagnation. 16th, revival.

16th: Copper mining grew in Ty, some good inventions, brass industry, as mining connected, Eng Gobinge, large & shifting mining towns. -- which were revivals of mines that had been worked in 13th, then closed by wars & dissolution of 14th.

Mining in many low mt. areas: Sweden, Alsace, Bohemia, Carniola, Almaden (Sp), Styria, etc. Styria greatest producer.

13th. industry had been high in hills, thick woods. 16th was down by streams, used water power, made noise & pollution.

This age spent its money, not on Gothic Churches, but Renaissance art, sumptuous. Palaces of merchants, & town halls - of merchants. Fleck says idea of worldly success originated in 16th... & of progress. Takizama says Meritocracy in Japan brought idea of positive attitudes -- opportunity to progress constructively, not just complaint of past.

Some coal mining at Low Countries, & Newcastle.

Wool weaving, etc. ~~mostly~~ mainly done by large traders, merchant capitalists. Because it had to be gathered from many lands, taken to many craftsmen, combined with many materials -- dyes, alums. p. 29

Early 16th, building very active, as towns grew (must have been a trade revival) (if we had one today, towns would grow in opp.)

Workman & more interested in art than market, then, & entrepreneur in building was usually town, or some prince, not commercial subdividers.

Nef, J. ~~U.~~ U., Cf. on of industrial growth in France & Eng, 1540-1640.

1st industrial rev. in Eng. was late 16th. Elizabethan. Mines, factories -- with much capital in them. Preceded by tremendous growth of the market. Associated with AM, religious change, scientific revival. (the more I read history the more impressed I am with crucial primary importance of free & unobstructed commerce to all other social progress. This is grandest & most pleasant form of cooperation devised by man)

Modern socialist critics of merchants are repeating the aristocratic airs of ancient landowners & soldiers.)

16th, France had religious wars. But destruction has been exaggerated. (probly disunim. vs Protestants hunt much, as well as French paternalism)

Mid-16th, French mfg. way ahead of Eng. But in this era, Eng. moved ahead.

Fr. had had a great salt exporting industry, from Biscay marshes. 16th, grew none, Eng. grew. Eng. internal mkt also grew, unlike French, as local self sufficiency broke down.

Glan, French developed luxury production, copying Italy, but didn't progress far in ordinary glan, or mass production. In Eng, factories for common glan were growing.

One example from France of a noble family, one of 4 allowed to make glan in that locality - which, I judge, implies it could not be imported either. Tho was still some trade - Normandy exported glan, & in Poitou, glan making even declined due to imports.

Persecuted Protestant glassiers hurt industry.

307

French also lagged in ship building, having less foreign trade. Their important Levant trade was lost about 1610.

Dutch carried for both nations.

Coasting trade, Eng. & over French even faster than foreign. Was done by native ships, both ways. Eng. took coal to London. Demand there because of industrial growth there, which was due to commerce. In France, local self sufficiency still strong.

Only sporadically, as Richelieu encouraged navy for military purposes, did it come to match Eng.

16th, many new industries in Eur.: printing, paper making, tobacco rolling, gunpowder, soap, sugar, alum. Free from old guild, minis, etc restrictive regulations, they used new forms, as large factories, using much capital.

Native Eng. alum industry grew, to challenge Pope's monop. Then they forbade importing Papal alum. But France had no alum ind.

Beer & pottery mfg. also grew. ~~But~~ Fr. lost ground in printing but retained lead.

1540, Eng. led only in her specialities: coal, tin, wool, lead. 16th, overtook in many more. Changed from outpost of Italy, S. Eng & Netherlands, to center.

Again, it is not so much unequal inc. distr. that caused France to specialize in luxuries, but lack of a market - for only luxuries then worth producing for mkt - high value in small compass.

French thought also remained more traditional till bound.

Oct. 31.

Nationalist China is collapsing in north. S.F. Chrnicle says land and income taxes are mostly fictional, really landed and merchant classes pay a "disproportionately" small part of taxes. And describes, as I have seen described elsewhere, how govt tries to cure this with penalties against black marketeers, etc. So even now, in depth of misfortunes, those in power prefer superficialities to reforms -- even tho the very existence of their privileges is at stake! Evidently they prefer the risk of

communism to voluntary reform! This strongly suggests that they do not realize that reforms would strengthen their country; that ignorance, more than selfishness, explains their failure to adopt better ways.

?

Dr. Tinn-Hugh Yu says they figured end was coming anyway, might as well take as much squeeze as they could, then get over it last minute.

When a country is declining,
it may be i.r. effect on land
(see 'Cumulative Effects') that
really puts shids.

Part of the fun of
sticking with rural land
ec. would be getting out
in the country. At some
time, I have much to learn
about subject intellectually
--- & this involves living
in communities with various
land systems.

Why do Mormons build
such small houses, when
they have such big families?

N.B. -- the very friendly
people in Utah -- includ-
ing girls -- very wholesome
country style natural
warm smiles -- none of this
painted manicured city
waitress stuff.

Where talents are incommensurately
rewarded due to redistributive plans, the
talented emigrate, speeding downfall.

Although war & postwar absolute
growth seems to be still greater in
N.E. States, relative growth greater in S.

E.W. True, at least, in wartime banking
-- FRB, Postwar Ec. Studies #8, p. 37 35-

A big thing in my life will be to try to
show in U.S. why pop. moves to various areas, demonstrate
in live, local terms, how principles operate.

N.C. over Va, LA over SF Bay, etc. I must
arrange to travel, etc.

Fresno over ~~Modesto~~
Madera.

~~52~~ Frequently cartels etc in restricting raw material production have the help of governments, such as described by Davis, J.S., Inter-governmental Commodity Agreements, JPE, June, '46

Brief notes on points of ec. history in The Medici, by G.F. Young

Florence of Renaissance. Wool trade & money lending. Most trade with Eng. Tremendous wealth accumulated. City struggled for freedom from various emperors. Ruled a considerable hinterland, Tuscany, mostly for its own benefit, hinterland also struggled to be free.

Early 15th, stern life in Florence, laws vs. display, e.g. forbidding women to wear certain gaudy things. But laws to prevent women from wearing finery were gradually abandoned, so difficult to enforce. pp 31-2

1426, Giovanni de Bicci, the first Medici, had public revenues of Florence switched from pure poll tax to "property tax", thus hitting nobles more, poorer less. Nobles were not eligible to election in Signoria, the governing body of Florence, which was intensely democratic. *another cycle: from austerity to freedom & prosperity to decadence thru spoiling women*

To have political rights, one had to belong to a guild. Were 21. Public works were reserved for guild members. The ~~max~~ most important guilds: wool merchants; dyers; silk merchants; furriers; bankers; judges & lawyers; doctors & apothecaries.

14th, Bardi the richest bankers of Florence, ruined by a loan to Edw. III of Eng., never repaid.

Frequent wars with Milan, trying to press south.

Venice had prospered on troubles of Byzantium. But when Turks finally won completely, it was the end for Venice, for they took her privileges & closed her trade routes, while Portugal waxed rich.

Medici's immense financial resources powerful in war. A main reason for Florentine successes -- they had the money to use themselves, & could deny money to enemies.

1461, Louis XI King of France, detestable trickery & murder, but brought order out of chaos. -- this is the price we must sometimes pay for unity. He murdered the nobles one by one, & founded France's strong central govt.

Lorenzo Magnificent, 1469-92, made autocracy in jealously guarded republic. Were too many feuds & misunderstandings. No military force: his countrymen trusted him. He spent lavishly on them from his private fortune. He was not arrogant, as other nobles had been, hence popular.

"...it fares ill in Florence for anyone who possesses wealth without any control in the government." Lorenzo de Medici. p. 153

hm Louis XI abolished feudal power, & created a standing army in France, first in world, greatly increased his power.

Lorenzo won wars by diplomacy. Turned back pope, Naples, Milan, etc., various times. Made Florence tops, was considered key to Italy.

1490, Savonarola, calling Florentines & other Italians to stop their decadent ways & luxury, also criticized Lorenzo, who let him preach on.

Lorenzo turned surrounding enemy states into friends -- doesn't say how, but no doubt with more than honeyed words. He must have treated fairly. Reconciled people all over. But he diminished family fortunes.

Encouraged use of vulgar tongue in literature.

No illegitimate children ascribed to him, "almost unique in that age."

His son Pier succeeded. Arrogant, unpopular. At this time, Italian power waning, others rising, attacks on Italy begin.

More or less as a lark, it appears from description, Chas. VII, who had inherited Louis XI's standing army, joined Milan in attack on Naples. Underestimating cost, his treasury ran dry, he had to borrow at 42% from Genoese merchants.

Chas. VIII entered Florence, French astounded at its culture, far superior to their own -- (except they had nat. unity. Like Russians in Europe today)

Chas. VIII's adventure in Italy achieved nothing for him, but showed power of new ways, & weakness of Italy. Florence after Lorenzo fell apart with internecine feuds -- so was he really so good for them?

Savonarola succeeded in having vanities done away with for a while. But Florentines tired of him, & simul he attacked vanities of Rome, & he had it.

The Medici, 2

Protestantism was to a degree a return to fundamentalism. Catholicism was not only corrupt, it was free thinking. It patronized arts & perhaps even science. It permitted doubts -- & these were associated with forsaking the rigid virtuous life. So Protestantism was in a sense the flight from freedom we see so often, a return to authority rather than a revolt vs. it. But this interpretation is probably dubious.

The "New Learning", in cultivating which Medicis so prominent, & which involved so much red discovery of old sources e.g. thru Byzantium, showed fraudulence of Papal claims, forged donation of Constantine & Pepin etc., this more than Luther stimulated reformation says Young.

Mantoux

National regulation of the industry. At first they taxed export of raw wool some. (underdeveloped areas could try this, too) Then as domestic industry grew, revenue fell off, they taxed the domestic industry. (monop. motives? Doubtless)

Mantoux, 7

Actual elasticity of demand probly not so important as attitude of people toward it -- e.g. Eng, then & now.

(would be interesting to contrast the tolerance toward union etc growth in export industries with those producing for domestic consumption. I'll bet export industries much more monop.)

Knight
Hydriotes

?
Turks did not interfere with flow of spices from orient in 15th or 16th, contrary to what is often said. (so it was Italian monop. that led to search for n w routes?)

Knight, 11

The gild merchant worked to keep terms of trade up for town. Individual members not allowed individual monopolies, but group as whole encouraged in its. I imagine if one really analyzed the prohibitions on forestalling (going out to meet an incoming ship or shipment to buy before the others did); engrossing (cornering market); and regrating (arbitrage); one would find them means of diverting resources from competing with local producers to competing with foreign ones.

Flemish cities unable to get independence from states, as Italians had done, so they used their energy to ~~unite~~ try to get into the states -- thus avoiding dissipating it in local quarrels.

He is amazingly unaware of monopoly motives in apprenticeship rules, gild trade rules, etc. Puts on all the very most superficial rationalization motives: improving quality of work, etc. *So take it easy with monopoly interpretations on exam.*

14th, rising national power in Eng. & France completely humiliated Pope, even took him to Avignon for 70 years.

French towns generally went into debt, generally too far, had to be reorganized, central authority having more power.

Flanders & low countries lost municipal autonomy after long struggles with selves & others by being taken by Duke of Burgundy, who then married into Habsburgs, and they were under Spain.

✓ Antwerp reigned in 16th, but Spanish policies drove seat of commerce further north, to present day Holland.

Debasing coins was a means by which French crown derived substantial part of revenues. For this end it forbade circulation of other kinds of money in its domain. Towns usually vs. the inflation.

✓ ✓ Antwerp not only dealt in things, it produced them. It frankly abandoned medieval guild ideas, took orders for ~~100,000~~ 1,000s of bolts of cloth at a time, and, I judge, worked them up. Wage labor common.

Knight, Ec. History, p.2

/ Roman govt. became landlord which took rents from peasants of Sicily, e.g. *IVT -- good*

Just as under Alexander, Eastern Medit. benefited greatly by being united.

Romans, as they conquered, made ~~xxxxxx~~ conquered lands state property, thus subjected it to centralized administration & exploitation. Thus had a core of one type of civilization, periphery of another.

Chap II Roman Ec. Life

✓ Romans unique in that they extended to commercial people in all their colonies & allies full freedom to trade with legal protection & equality inside Roman lands.

✓ Ag. taxed heavily to feed Roman mobs, support administration, etc. Latifundia. Attempts at land settlement, including low i.r. loans, but all failed. People were abandoning marginal lands, Italian food production falling. So state bound them to land, to prevent this. And next thing you knew, everyone was bound to his occupation & place -- Egypt had repeated itself. Sometimes the land taxes evidently exceeded the ec. rent of the land, and to keep people on the land they were made serfs.

Not all manors came from same source
/ Middle class disappeared, crushed under burden of having to raise taxes. Patronage came in, protection from central govt. the fundus, and saltus of frontier areas, independent local units of administration. From which perhaps grew medieval manors, many of them Fustel de Coulanges view, deprecating Germanic elements. The fief of later times was granted for military service. The fundus or saltus otherwise acquired.

✓ Romans discouraged inventions, labor saving, account of unemployment.

By unifying east, they raised up a competitor that kept their industries from developing.

— Capital went into buying tax concessions from govt.

/ Commercial activity often proscribed, and confiscation always a danger. General prejudice vs. it.

/ Gaul proved unexpectedly productive of taxes, a people fairly advanced ec-ly, that Romans hadn't really known about.

— "Collegia", organizations of artisans. But no strikes. And always the slave labor to compete. (so? No discrim. vs. outside competitors? Maybe centralization of oriental despotism etc. has virtue of preventing that?)

Mosh, Dec. 11

1920s, large movement of meliorism among co.s - holding out hope for future among employees, having co. unions etc. Then, 30s, large backlog of organization that was started in 20s suddenly occurred. Could it be that workers somehow thought they had been given interest in future Δ of l.v.?

20s - 30s was unusual, for before that better union organization had occurred in boom. Perhaps this was because prices were not rising.

Very good notes

Randall, G.H., The Problem of Group Responsibility to Society NY, 1922

~~Ch. 1~~ Ch. 2, 5, 7

Ch. 2 Social theory in Am labor movement.

Am. movement had no doctrine, as Marx gave Gm. Not even any set attitude. Patriotism & Am cultural heritage strong before anything else, thought of selves as returning to old truths, not as radicals. Not class conscious, for socially no stratification as in Eng., where labor was org. before it voted, was enfranchised as a class.

Union hall intellectual outlet for workers.

8 hr. day ass. with AFL

Ch. 5 Double Strain in Am Labor Movement

Security & equality the motives; equality first. Not among selves, but vs. cap-ists.

Personal & advantage, & social idealism. First motive adapts to given environment & seeks for self, in laissez-faire tradition. 2d more revol. First motive makes contracts & sticks by them, deprecates general & sympathetic strikes, fights other unions as much as anyone (for jurisdiction)

~~2d~~ Tendency to start as objection to particular abuses, become idealistic, encounter opposition of those not interested in changing society become practical & self seeking.

Tendency, when frontier, for idealist elements to move west, regarding existing society as hopeless, try to build Utopia from ground up - 30s & 40s esp. (Here is an important aspect of frontier influence on labor movement). Unions in east in 30s, ~~beginning then & lasting thru until industrial unionism~~ were hard headed business unions, working for selves. Having achieved univ. education demands, then with idealism - which had joined with Jackson, the idealist phase, 1 page

Another cycle started in 50s: protest, then idealism of K of L, then businessism of AFL.

(Industrialism grew because it needed unskilled, i.e. undifferentiated hence harder-to-monopolize labor. Was adaptation of cap. to cheapest labor. Here is a very pervasive current thru history. - a 'philosophy of hist.' if you want to blow it up to that) & if we didn't have unions of skilled labor, capital would adapt itself more to skilled labor, improve factory.

(So here is another aspect of 1840 turning range - labor 'stabilized'.

& suggests another turn, c. 1896, when we became reconciled to new order & remained so until 1930

1873-96 was a time of protest & ferment, 1896-1930 of optimism. Due to inflation?

In explanation of failure of labor unions, frontier mobility also

Cycle of union's growth described.

1840 item -

A boom stimulates labor if it is in 'business' phase; but a bust if in 'idealistic' stage? A boom stimulates 'business action'; a bust stimulates 'political action'

explains because unions do not xplant automatically mobile industry is always trying to escape them, moves to where they are absent. Ability of cap. to escape unions is a big thing. Also, relatively unmonop. nature of cap. made it more mobile. Immigrants a very big factor of course. - which commonly would strengthen Eur. unions. In Eur, they ran out of space & new polit. subdivisions ultimately, unions caught up all over.)

At present (1922) sees new industrial union org. unskilled, & idealism spreading. New phase of idealism beginning

At first opposing competing labor; unions then try to incorp. it & bring it up to own standards.

2 motives blend - he idealizes unions, thinks they are coming to want to run industry for social advantage - ha!

local vs. overall
interest. theory

(his theme - social responsibility of groups - is basic to my developing ideas. Each group tends to monopolize - local govt, nat. govt, unions, industry, etc - which can be prevented by having one central govt & no other groups, as in Russia - or by plan I hope to develop of putting marginal, hence unmonop., elements in control of each group. Private land ownership sometimes does that for local govt.)

Ch. 7 Conflict of Theories & Triumph of Bus. Unionism.

1837-50, immigration & hard times kept unions very weak. Middle class utopian reform talk filled air, no one asked what labor wanted. 'Windy 40s'. Greeley, who approved unions, not passed

Only 10 hr. day legisl. sponsored by NE labor; & land reform more real considerations in this era. Evans, nat. rights to land, ~~for~~ support. Nat. Reform Ass. of Evans wanted free homesteads, ownership limit, debt law exemption. 'Vote yourself a farm' got support.

1850s prosp. brought revival of strikes (he attributes it to prosp. - what's general case, do unions grow in boom or bust? Certainly bust of 1837 stopped them, of 1930, stimulated. Perhaps boom & bust irrelevant? Ask Nash) p. 116 Many strikes to 1857, of craft unions, narrow self interest type.

1st cycle's
end.

1859, iron workers, first industr. union type. But, again, very narrow: wages & reduced no. of apprentices the main concern. (these unions, with their claims to human feelings, certainly have no feeling for the scabs. Is mainly selfish)

(A big lapse in marginal analysis of union ability to raise wages is its assumption, as used by Stigler at least, that Capital is capital & can be in the same. Where permanent (or permanent) involved, union can permanently capture it.)

Unions felt at one wanted to harmonize with employers interests, just equalize bargaining power. & let consumers pay for their higher wages. Purely selfish.

Several nationwide unions formed, 60s. Loco. eng., cigar-makers, cooper, shoemakers, iron producers (dead trades men).

60s, needed a philosophy, being discontent with mere self-interest (typical of all groups - but is rationalization after fact) Ira Steward furnished it: the 8-hr day, most typical demand of Am. labor.

Dominated Am. labor philosophy to 1900

50s was a revival of unionism - in 40s it was dead.

Idea of unions from start was to reduce supply of labor, by shorter hours, keeping out women, negroes, immigrants, apprentices.

Their consciences hurt, they needed a theory. (Like Keynesianism & Hobsonian underconsumptionism today - which farmers use too - so do all special interests, saying as long as their incomes stay up, they buy, all well off) Stewardism transformed narrow 50s movement into broad 60s. He said wages raised not by raising cap. fund, but

reducing supply of workers, not just in one trade but all over.

This done by raising aspirations of poor, this done by giving license hence compulsory 8 hr day, - for all. Underconsumption theory explicitly elaborated, too. - would raise wages of all, thus making employers & everyone better off.

With this philosophy K & L tried to organize everyone.

Suggestion that unorganized labor voted with capitalists.

1866, Nat. Labor Union formed at Balt., 8 hr day main plank, accepted women & negroes some - not apprentices & immigrants. 1871, dissolved thru internal dissent, because leaders got too general & ideological.

Big strikes in 1877 & 1885-6. (depressions) After these, unions realized they could not get general support. So ideology won, AFL bear of K & L. Steward's philos., paradoxically, adopted by AFL - 8 hr day feature mainly. It seems K & L demanded you go into pol. action after winning strike, AFL stopped there. Thinks K & L method meant you got nothing, AFL method ultimately worked, all got benefits - b.s.

1873, The nat. union, Molders, Printers, Machinists, Cooper, skilled org.s., who had withdrawn from Nat. Labor Union because it got too ideological, formed new congress, selfish aims. Panic ensuing, org. broke up, each union too busy fighting own battles. (so in depression we get strikes & dissolution simultaneous?)

But in 30s, another ideological stage, they did get general support.

Randall interprets freely w/o much evidence. Is any factual support? e.g., that cause of turn to bus. unionism was 1877?

Steward
was right

remember it's often
central state
that is restrictive.

Stewardism, idea you must raise level of all to raise any. Lip service kept. But new idea was you must keep common labor in its place. But here they got fooled, common labor at machine took over from them. (meatier state in U.S.? ~~which~~ which allowed labor to organize in present trades, but never in future ones? i.e., non-state groups being stronger here, labor in existing trades got rec. strength without passing general laws - so cap. could run to new trades.?)

After 1873, unions busted much, no court organizing possible as employers fought back.

Knights founded 1868, grew after '73. Mainly ideological. Embraced all, wanted to educate & legislate & help all up. No functional lines, only geographical. Hardly ever struck. Would cooperate with employers. Wanted legislation harmonizing labor & cap. Uriah Stephens founded, hence repelled craftsmen.

1876, Pittsburgh convention of KL, Greenbackers, socialists, no results. 1877, in response to further wage cuts, general outbreak of strikes, in which strikers destroyed prop. Troops called out, clashes, first time in U.S. Labor spirited for next decade, in result. It joined ag. greenbackers, won at polls. Most important, impetus to 'business unionism', end of idealism, cooperativeness, etc. (was this the cause?)

Greenbackism came to naught, for in 1878 specie payment was resumed. (I see no connection) Reviving prosperity, workers turned to 'ec. action' again, shunned political.

So in depr. workers
use polit. action,
in prosp. strengthen
unions outside of
central power?

Hard times had been traditionally the death of unions - they had no holdout power (hence we got over depressions). 1879, Gompers & Strauss got in control, policy became central control, high membership, dues to make strike fund (& also restrict membership) Central strike fund to be used for any local in trouble. This modeled after strong Brit. unions. Gradually (of cigar-makers union.)

other unions followed suit, encouraged by good times after 1879. (maybe severity of 1930s depr. due to fact unions got stronger, not weaker)

Knights a very loose org., locals went in & out as it seemed immediate advantage. KL abjured strikes, locals claimed membership when striking, for prestige. Says this was means of reaching unskilled, I don't see it.

(abolition of child labor an signif. aspect of city life, & shows clearly its contrast to country life. In country, labor as such unorg., so children work - only labor with interest vs. child labor is poor unskilled farm hands, no power, & they want their

Randall's general view is surely that the business strain in unionism was the effective element, not the idealist.

kids to support selves anyway. In city labor manages to organize, & this changes whole attitude of society. Children are competition, attitude grows to keep them from working, or existing. Child labor & high b.r. are condemned, & made ec-ly difficult.)

(Ag. monop., when it came, came as monop. of prop. owners, govt. sponsored, hence will be more pervasive than other monop.)

After 1877, Pittsb. - Phil. rivalry submerged, & KL joined, 1878. Program: BLS; coops; land. employees liability; mech's liens; weekly wage; arbitration; end of child labor < 14; of imm labor; sex equality; 8 hr day; financial reform.

No appeal to selfish unionists. Strength was from without: unskilled looked for aid.

20,000 members in 1879, 50,000 1883. As member unions reached maturity they left. Strikes of KL unsuccessful, when others were succeeding. Members wanted strikes, KL gave idealism. Tried boycott.

Not 'til 80s did ind. invest become big factor in nat. life - 80s saw 2d growth of ind., like cir. narr. Great outburst 1885-6, then labor settled back to stability. 1883-6 depr. mild, relatively little unempl., wages fell, industry was expanding. 1884 a wave of strikes which failed. 1885, boycott proved effective. Then ~~the~~

conditions improved a trifle, bringing immediate wave of strikes. - by unskilled, 'whom no union would accept' - lumbermen, some r.r. workers. These would strike & join KL - c. 2^{1/2} m members est. (?)

Powderly became powerful. - KL had great rep., & size. But still KL ideals differed from members' wishes, P. knew it.

1881 AFL founded. Modeled on Trades Union Congress of G.B. Agency of publicity. Compens strong but, being socialist, not pres. Program: unions & legist.

1886, having had little leg. success, tried 8 hr day strike, called on KL to help. Powderly refused, lost strength. Strike accomplished much in certain trades, P. weakened. Haymarket bomb then killed movement for some years.

By 1890, KL throv. Small artisans & tradesmen of country forms its main members, who liked uplift. 90s, allied with Farmers Alliance & Populists. Kept principles, & as workers lost interest in those principles, lost workers. In 1865, its program of coop, harmony, ^{general welfare} Jeffersonian ideals, would approached to Am. Stock. 1890s, immigrants with Eur. traditions, just wanted immediate money gains.

KL very centralized in org., loose in fact.

End

The enigma of L.A.

Oil, ag, shipping, movies, tourists, retired folks, many aircraft, (automobiles, &) steel,

L.A. had a name as an anti-union town. Is this still so? Is this a big factor in growth?

L.A. is still highly growth conscious, that is clear. It has not yet reached point where vested interests of capital prevail to prevent further capital growth. Perhaps it never will, for its position will always be tenuous. It is not a naturally monopolistic geographical location. It will always have rivals. It has no focus, even within itself. It is so big, unorganized, it couldn't be united in a restrictive program.

The climate allows entrepreneurs to get along with less capital. So it is easier to start, & therefore less likely for cap. to acquire vested interests strong enough to hold sway.

Probably labor will work for less here because of climate. Check that.

The great influx of labor also probably makes organization difficult.

War in U.S.:

Shakes labor up, makes it mobile by
giving it capital & incentive to move,
~~It~~ makes new inv. opp. by having labor in new
place, etc.

Paves way for post-war expansion, inv., etc.

Thus makes internal economy more
prosperous, ~~also~~ helps turn us inward?

Soule
W.W. I

Publicly owned corporations used for some things:
U.S. Grain Corp, Emergency Fleet Corp. Govt. owned stock,
directors free to operate as they chose. Free from civil
service & close supervision of expenditures -- like TVA
later.

Great increase in administrative power. Previously
Congress had controlled every bureau, doled out patronage to
constituents. This would have unduly hampered war effort,
got much more direct administrative control. *Conflicting effects of Adm.
power. On one hand, can move to free trade better than leg.; but can also be more socialist.
which results from war.*

~~Better get a subject to write on, than read for it in particular.
find some popular belief to criticize.~~

Knight, 15 March

3 - Eng. reorg. of ag called 'high farming' - because involved no new
inventions, just large holdings

c.c. 1770, Eng. shifted to net ⁱⁿ export position in grain. Farming had been a business,
for export, wool & grain, unlike peasant countries. Had less techn. knowledge, (but
better results?). Most ag. innovations came from continent.

3 - 2 field system was high farming system of Med. Eur., brought n. by monks.

French nobles & clergy hand in glove, merchants didn't amount to much.

Soule, cont.

p. 43, Nature of Control (in w.w.1)

Was close ec. cooperation among Allies, in some
senses: inter-Allied purchasing commissions, shipping
space allocation.



Review notes:

2 stages at least in breakdown of Roman commerce. Growth of latifundia, self-sufficient for local products, with slaves, at least still produced much for commerce. But then on the latifundia itself, the individuals became self-sufficient, from slavery to serfdom, a step backwards, strangely enough.

I suppose the markets for latifundia products overseas also gradually faded away, all need for slave gangs disappeared.

Thru the English king, we managed to get a central power; but thru Pmt., this power was limited by elected body. And, tho perhaps the same local people retained power, they had to exercise that power thru their control of the king. & the king was not interested in any locality over another.

It was the 100 yrs. wars with Eng. that had caused French States-General, representing towns & feudals, to give such extraordinary powers to French king. Thus was the strong central govt. of France built up. Just, I suppose, as was Spanish, by driving out Arabs. But then these two exhausted themselves by fighting each other, & others

War encourages ~~the~~ state power, use of
monops, shell around state, which breeds
more war.

Mitchell, Broadus, Ec. Hist of U.S., Depression Decade.

FTC bought bank stock. FR issued new notes, on previously ineligible paper, to keep in going.

("Dumping" abroad is not contrary to using monop. power. It is price discrimination. You don't dump to all, just to some.)

In w.w.1, govt. accepted trade an. & monop. practices it had been condemning, because it was easier to control thru them. (p. 230) This war encourages monop.

As early as 1919, FTC helped enforce fair trade agreements in industries, & prosecuted violators. Hoover as Commerce had pressed standardization of industries, but as president prosecuted some trade an., they went underground again.

Shannon, Fred, The Farmer's Last Frontier

Merchant Adventurers succeeding staplers, 15th-16th, many ramifications. Adventurers exported cloth, Staplers raw wool. Staplers had monop. at Calais, then English They monop. Flanders mkt., not aggressive for more.

Adventurers not only exported the cloth, they helped produce it. 15th, growth of wool processing in Eng. Personnel from persecutions in Flanders, 14th & 16th. It was big putting out growth, evading town gilds, and made countryside a hive of mfr. industry, by-passed many formerly important towns.

Bruges & Ghent, Staple towns, wouldn't allow adventurers to send cloth, for they made it too. Antwerp allowed it, so they went there, caused its phenomenal growth.

✓ ——— It was Duke of Brabant who allowed Antwerp to be free.

(So we have movement north east, from Flanders (Bruges) to Brabant (Antwerp) to Netherlands (Amsterdam) to England (NW -- London)

Old towns with their gilds only supplied local markets -- (& were perhaps regulated as natch monopos there?)

Vicor

Clark

Ch 1-4

Great breakdown of labor exclusivism in ^{US civil} war. Because labor scarce, many skilled laborers went to war, had to accept new people in professions & train them. (my interp. Thus war breaks monopoly not just labor)

Antwerp, besides its advantage of allowing freedom, had monop. of Portuguese trade; and had English wool trade. Amsterdam, 17th, had Cadiz, Spanish monop. Spaniards had also encouraged Antwerp, vs. the rebellious Bruges. Spain favored Amsterdam 17th because enemy of France.

?
Again & again I've seen assertion, including in Knight, that merchants dominated craft producers in towns that exported. Gilds became independent & powerful only where market was local. Why? If true, has significance for coming American policy.

Wit. Decline of the Netherlands, EHR, '39, May.

Dutch ~~shipping~~ etc didn't decline due to navigation acts, nor 1713, but not '71 mid-18th.

~~The~~ ~~she~~ ~~exclusively~~ followed free trade, was center of transit trade etc. Established few industries, because her resources (people & cap went into commerce).

Hint that, 18th, she tried to discourage industry in Rhineland, motive not specified, & Austria countered by encouraging Ostend, for Rhine traffic.

Fisheries very important resource to her.

Her resources moved even out of trade, into finance. As middlemen, had advanced credit to those who sold thru them on commission. When stopped selling for them, continued to advance the credit. Became Eur. clearing house.

Amsterdam Bank created no credit, was just an exchanger. But had no control over deposits of others, then. So as shifted from commission work to pure ~~borrowing~~ lending, SM, & no control. Some panics. This in 18th.

Comm. business fell as other traders made direct contacts. But they still needed to borrow.

18th, very low i.r. in Holland -- so they loaned abroad. $2\frac{1}{2}\%$, e.g. Was much higher in 17th. Loaned to nations as well as firms -- much like earlier Fuggers, Medici.

1713, overexpansion of loans in war. collapse, & Holland thenceforward lost reputation of reliable currency, people stopped using guilder to finance

foreign trade. For first time, Eng. & Russia est. a direct exchange rate.

(How nearly all this fits into a picture. They nobly turned to inflation, & used monop. power, & cut own throats, just as Eng. today)

London, as contraire, had proved its stability in crisis, & people had more faith in £ after.

1780-83, Dutch, having been wooed to support France, went to war with Eng. & were badly licked. This, & Nap. wars, were coups de grace. She had a good thing, but it blinded her to other good things. They thought Eng. trade was on untrue basis, because it carried mainly products of factories -- they just couldn't keep up with the times.

Corey, The Decline of Am. Cap-ism, 1934

No radicalism in Am labor movement, as in Eur. at first - no communists, Leninists, Babuvs. ~~But~~ & agrarian rev. in U.S. were petty-burg. - vs big monop. cap-ists, not vs prop.

fluidity between classes, new regions developing, prevented labor org. in U.S. ^{Labor more fluid, esp in South, back to hills, all time, had that security, wages extra.} Immigration, high wages & low rents, dominance of prop vote, involved. & large mkt. which made compromise more feasible; due to stiff competition, organized industries would fail; immigration from rural areas, anti-union people.

In early unions, 1825-35, employers were members. 1857 nearly smashed Am. union. Civil war ruined. Postwar, became militant & revolutionary as any in Eur., due to falling wages. 1877, 1886, 1894, great strikes, violent, insurrections. Knights of labor, open to all. Unions indep. of socialism tho.

Middle class joined agrarian radicals, & labor followed both, in opposing 'trustified capitalism'. No such in Eur, where demand was to nationalize, not burst.

1890, unions broke away from Knights of L, which had been dominated by agr. & small cap. radicals, formed AFL. AFL, simul., repudiated overall union appeal of K of L, became exclusive, & non-political. This had happened in Eng., 'new unionism' of unskilled came along to challenge, there.

Immigrants used by trusts to play vs each other, prevent org. Only Am. stock in higher jobs was org., & they, too, unsymp. to org. of others. 558 As in Eng, unions became petty burg., anti-socialist. Compar. phil. of 'stable trade unionism'.

End of frontier reduced mobility between classes (I wonder. Something shifted us toward socialism)

Agr. radicalism ended after 1896. Because expansion of ag. & reducing power (?); & prices rose. Farmers no longer powerful, at least as a radical movement. Cannot dominate labor any more: (but they still are allied under Truman)

Old middle class of small producers dead, as Marx predicted; new one of corporate supervisors, technicians, etc - he's very categorical about limits of 'classes'.

1920s, AFL lost membership as technology changed its base & prosperity reduced demand for unions. Company unions over

Union is more war to Europe, didn't join union. That could more up, didn't want to help in union. Cap not so strong, & more mobile.

Tom Landrum might not all union could capture more cap-ism, which could run away. Hi dire vision. Sincere +

grow, labor-cap. coop. grow.

Craft unionism helpless vs. concentrated industry
new forms had to come.

Further causes of U.S. anti-unionism

Wider prop. ownership.

Lack of feudal traditions of peasant resistance to lord,
& divided class interests.

As immigrants helped us, conversely losing them
made Europe ~~less~~ more organized.

Immigrants were nobly overgroups at home,
hence anti-unionism.

As govt was weaker in U.S., labor couldn't get general legis-
lation thru, could not organize future industries before they existed,
hence cap. could always get away from org. labor.

Safety-valve of frontier: tho it may have been in boom that
it carried off those who would have made trouble in bust.

Fewer owners of existing goods, e.g. houses, to encourage
making new ones more expensive

No guild tradition

Mobility: easier to find work elsewhere when unhappy, than
remain & organize.

Up to 1850, 'labor' had capitalist aspect also. Small craftsmen
who took in 'putting out' stuff, perhaps. Rural associations. No
divorce of prop. & labor on large scale. No scope for unionism.

High turnover of labor supply -- no time nor incentive to bother
to unionize.

Low land values, nothing to latch onto, mobile cap. could escape.

Why did union develop so much faster in Australia & NZ?

Ehrenberg: Capital & Finance in age of Renaissance.

meaning doctrine's main effect was to stupor money?

4 Before Xades, ~~money~~ payments made in kind mostly, prohibition of interest on money didn't stop interest. But after Xades ecclesiastical view thrust more & more into background, until even doctrine changed.

Advent of money 3 New doctrine made no moral claims. "Mercantilism". Overestimated "power of money": reaction from sterility idea. Spaniards encouraged idea that m is potent.

(Pecunia nervus belli) 4 "Practical mercantilism" had arisen much earlier, from experiences of medieval cities. Money as sinews of war. Like Renaissance in general, an observation from experience, not authority. Accepted men as they were & undertook to bridle them, i.e. control actuality. Turned to classics to find their experiences to combat sanctified church teachings. -- but search degenerated into pedantry soon.

→ Pecunia nervus belli -- stresses this, in changed attitude to money.

4 Xformation from kind to money payments, feverishly in progress in Renaissance, great greed for money. -- & money would buy not only goods, but everything: soldiers, women, salvation, etc. Wars & ostentation by princes etc, money economy went rapidly forward in this.

from Feudalism to mercen 3 Weakness of feudalism: vassals often left lords. So mercenaries had to be had to replace them. -- (here is money replacing non-money considerations)

3, 4 Cities first to turn to mercenaries, since cities had money & didn't like to waste time training. Started to win battles over knights this way: "success of Swiss confederacy". So mil sci changed from profession to form of manual labor, 13th & 14th. 14th & 15th, with muskets & cannon, became form of industry, requiring skilfull direction & large capital. Private entrepreneurs, "Condottieri", took over war waging. Italy esp. Germans, Swiss, & Spaniards mainly. Looted, & encouraged war -- 30 yrs war especially lengthened by mercenaries looking for work. Between wars, robbed. Great Powers, 16th & 17th, never had enough permanent revenue for standing army. & war always an extraordinary expense, rev- & revenues came in too slowly for immediate problems. & couldn't xport money long distances etc. 16th, 17th. Charles V, Philip II. I mean couldn't xport non-money revenues long distances. Needed liquid assets on spot. money

2, 3, 4 Couldn't increase dues, nor revenues from domains. Taxes on xactions of modern type just beginning -- sometimes farmed out, to get war revenue. Only England at this time had productive tariff. Series of carefully managing monarchs building up war chests by careful management, succeeded by spendthrift warriors who used them up, usually to little avail. Fred. III by Max. I, & Henry 7 by Henry 8. Charles V & Philip II blew Spanish gold.
revenue ones - but others had existed before

4 French could raise taxes pretty well, German HRE kinds not at all. But none could get much, & that only slowly, from seigneurs. As to peasants, they didn't have anything that might be taxed. (how about cities?) Church wouldn't pay, & cities had to be nurtured, tho they did pay much, but more often were borrowed from. Princes could Mint money, & many lived by depreciation a long time. But trade learned to protect self, by own particular trade currencies & by surrogates (substitutes). & princes found this disastrous often too, tried to avoid it. (must say, trade is not so shifty today -- or someone isn't) before paper money

4 Selling offices, & crown lands, often. Latter desperate, but done so much in Gy that little was left "by end of middle ages", tho other states, e.g. Habsburgs, had made their domains grow. (how?) Pledging revenues considered not so bad, tho mortgaging thought equivalent to sale.

Public credit: couldn't usually be enforced. But cities sort of had to pay, for their burghers would be kidnapped abroad otherwise. Every citizen of city liable for debts usually, not so of princes subjects, he alone responsible, had to get it from them somehow if he could.

Forms of credit 4 + effects

Ehrenberg, 2.

4
Forced loans

So cities had much better credit. Often borrowed from themselves. *How did they raise revenue?*
Princes had to give security, or raise forced loan. Forced loans mostly "indirect taxes" really. Tax anticipation loans they were mostly.
— Louis ~~XV~~ XI to Richelieu, France used them, having absolutist tendencies, and they rendered illusory the right of States General to grant the taxes they anticipated since they could be made before the taxes were granted. (& if tax weren't granted the loan wasn't repaid I assume) With Richelieu, became possible to get direct taxes without States Gen anyway.
4 Henry 8, Eliz. & James I had used forced loan, in 1628 it was renounced. No interest. *(capital levy)*

— When much spirit behind war, forced loans came easy. Some praised them because of crushing interest burden from voluntary loans.

Tax farming
4 Farming out revenues the more common way. Had no good officials to do it otherwise, & needed money all at once, so would sell a tax source to someone, when m needed, all in bunch.

Tax farmers became associated with govt, became important base of its credit, as they had good credit themselves and would borrow in their names for the govt. Princes also used credit of their cities, & other officials. Those whose credit was used took security.--usually definite revenues. This made financial systems very bad -- unwise kinds of taxes I suppose, and too many. "Princes passion for war & glory" at fault -- i.e. the system did more than its justifying function.

4,3

Evolution
of
kinds of
borrowing

Francis I & Henry II, started regular large "anticipations".
4 Gradually princes started selling their own annuities, without asking permission of anyone, & saddling them on subjects.

These debts were in fact "funded" i.e. perpetual, but were in form floating, continually renewed. This was changed, say by 17th. Spain went thru successive bankruptcies, each time reduced interest on her debts and said she never had to pay them in full. Many states made regular practice of such.

4 People could lend at interest by "buying annuities", something which never had to be repaid, and church allowed it. On other things, church was unpredictable, argued with self. Cities biggest sellers of them. *middle ages.*

Cities in general abandoned forced loans at "end of middle ages".

Monti
4 c. 1600, so good was cities credit, they went into banking in sense, borrowed at 5% and loaned at 8%. Companies, the "monti", formed to borrow for cities and farm revenues.--well, city administered own revenues, gave Monti "a charge" on them. Were limited liability stock co.s. Xferable shares with fluctuating values, dividends, etc. Italian cities mostly. In Genoa, shares used as means of payment often, perfectly fungible. Useful intermediary between creditors, whose money they collected together, & towns who borrowed.

Jews
4 Up to 10th cent, Jews indispensable as traders in Gy etc, had privileged positions. But after 9th, local traders developed more, Jews lost monop, turned to money lending 11th, first persecution reported at that time.
— Rulers conditioned protection on money lending.

4 Church long allowed Jews to lend money because "it could not do without them" itself. 13th, started using Italians, who could also help collect ecclesiastical dues. (revenue farming?) Papal collectors were first Xian money lender professionals. Then Italians drove Jews out of business, expanding northwards, drove Jews from Eng, Fr, Netherland, by 1300.

Italians
regions
years

(get a series of key dates, three or four per century, by which to place events)

N.Gy never tolerated Jews; S.Gy & Sp. expelled them at end of mittelalter. By that time Jews all over Eur had been driven from "higher" moneylending, were pawnbrokers etc.

So it was at time when religion was weakening that Jews were kicked out.

Ehrenberg, 3

Florence heads
in banking
4 By 14th, Florentines led Italian bankers.--it was chief industry of Florence, it being ill adapted for other things since not on sea. 14th was their high water mark, supreme in France & Eng, then incurred hatred. Misfortunes, but then after low episode when Jacques Coeur in France & Wm de la Pole in Eng loaned to their govts, Florentines returned -- local resources being very inadequate for prince's needs. 2d great period of ~~Medici~~ Florence ass. with Medici, 14th & 15th. Medici great influence on history, between Louis XI, Edw 4, & Charles the Bold of Burgundy. None in Eur so important, at "end of middle ages". (15th?)
Genesis of banks
4 Banking in N. Italy developed from "money changing", from accepting injections for investment or keeping & using them for "giro" payments, aiding local payments thru xfers of bills of exchange (which were then money?)(just think, if all debts were settled simply by clearing of one obligation vs another, there would be no prices. But then it would be clumsy)

money theory
(Once a banker had established his rep in those days, I wonder if he could not create deposits, even to his own account, promiscuously?)

Eventually "capital exchanges" or "bourses" grew up. They differed from fairs & markets in that they met more often, & actual goods weren't there. Exchanges implied standardization of things traded, and permanent trade freedom. There were exchanges in mittelalter, but just for bills of exchange. Then, in It cities esp, grew cap exch from two sources: local giro & deposit business; & for payments between places ("near the traffic in bills of exchange", (?) Where local trade little important, as in places outside Italy, Italians had "bill trade" in their hands, i.e. they did all the buying of bills of exchange, & this is where "bourse" developed. And then (& this is what we're leading up to) capital itself came to be dealt in on bourses so developed.

Bill of exchange originally just currency (??), then became credit instrument. Letters of credit common, over long distances. But this is double talk, for he recognizes it had to be credit before it was currency. Letters of credit by kings used.

Since bourse for bills had to be bourse for capital, then, capital bourse developed with bill bourse. (loans to finance foreign trade) & church evidently was confused about it, didn't count this sort of thing as usury, an advantage. Other sorts of loans were made in such bourses too, as to princes & cities, as early as 13th. 15-30% mentioned. Also big bourse business in Monti shares, 14th.

Cities & princes borrowed from private merchants, who borrowed themselves on bourses.

But "far-reaching & international importance of bourse is modern only". Referring I suppose to Am-Gm relations, e.g., 1920s.

Describes profligacy & ruinous finances of Fred. III & Maximilian -- latter worse.

1473, Louis XI, forced loan described from Lyons. He had more power over subjects than anyone.

1522, Fr. cities got revenues pladged to them for loans, they sold annuities on them, source of present French "rentes".

16th cent Sp, hopelessly indebted.

Fred. III -
Max (Ferdinand contemp. in Sp.)
Charles V
Philip 2

Ehrenberg, 4

Chap. 1: The Fugger.

4 Augsburg. 1473, first small dealing with Habsburgs, loaned to Fred. III when latter off to see Charles Bold to marry his son Max to daughter Maria. Were just traders at first, not bankers. Jakob moved to greater profit in "bills of exchange and mines" (Ag mines of Tyrol, just coming to fore) Fuggers worked with Habsburgs blossoming effort for world power. Duke of Tyrol mortgaged them Ag mines for loans, they got mines, 1487.

1492, Max took over, Eng subsidies stopped, bad manager, loans right away. Fugger took over crown domains.

3 Loaned to prelates, some, large claims on church.

Backed Habsburgs over Valois. Got Charles V elected emperor with their cash & credit.--over Francis I, who couldn't borrow so well. Together the two bid up price fantastically. Crown proved finally not worth it. Spanish revolted at having to export so much to pay for it, Francis went to war &, tho licked in Italy, took Metz, Toul, Verdun, & Charles went bankrupt.-- the Fuggers got most back ultimately I guess.

Anton Fugger took over 1530 c., problems of Turks, reformation, Pope Clement 7 going for Florence, allying Fr. & Eng vs Austria, etc. Ferdinand after Max.

Money to repay Fugger came from Spain & Netherlands slowly, people resented it all. Then French allied with Turks, more wars. Fugger again leading lenders, arranged to float loans in Antwerp ~~banker~~ too. (Antwerp would be part of Spain at this time?) c. 1535.

War of Schmalkalden, height of Fuggers, start of decline -- they became corrupt. 1546, Emperor decided to fight Protestants, sent to son ~~brother~~ in Spain to raise money. Son was Philip. 1546 war started, vs. small dukes etc who were Portestants, these objected to Augsburg that 3 → Fugger loaned to Emperor, but Augsburg protected Fugger's independence. Emperor had more money, hence just waited until Protestants couldn't keep their armies any more, was master of S. Gy. Fugger really won that. (Welser another important Augsburg lender) Anton, near death, wanted to retire now from lending to princes, but nephews who took over kept going, would have been better to have stopped. Was largest company ever in its time -- must have exceeded Medici then. Anton was trying to liquidate his existing claims in Spain and Netherlands, avoid new obligations, but new loans were forced on him -- (he being responsible for solvency of his own debtors, couldn't back out on them & expect to collect, evidently). No one of Anton's genius replaced him, tho, is main reason for decline after 1550. 3 → Genoese replaced as first financiers of Europe.

1552, Charles V still emperor, ('Ferd. must have been his brother in Spain?) still fighting Schmalkalden, needed money badly, deeply in debt to Fugger, Elector of Saxony had bought financial help of French king with Metz Toul & Verdun. Chased Charles. In extremities, Fugger gave enormous loan, saved him. But then war with France began, needed more than ever.

1555 c., Philip cut off Spanish revenues, Fugger credit shaken. ~~Greater~~

4 Greater part of Fugger capital ultimately lost on loans to Habsburgs that were not repaid. Tremendous debts outstanding, 1650

Chap 2: Other S. Gm financiers.

Original trade was with Venice. Then s. Tyrol mines proved more profitable. (Fuggers had found Hungarian & Spanish trade good, and had turned to Antwerp more & more to borrow & lend)

3 4 Augsburg & Nuremberg main sources of loans. (so in this era we had the old urban core of Italy & s. Gy (why not Hanse too?) lending to monarchs of new militarily powerful states of rural fringe (similar in sense to old nomad relations, where nomads could improve on organization techniques because more flexible -- a word Knight emphasizes over "free".)

Ehrenberg, 5

and thereby gaining claims on those states, similar to landownership & often identical with it. Which were sometimes overthrown and repudiated, sometimes honored, I suppose depending ultimately on the political power which the claim owners managed to get along with their claims. Similar to modern process of investment in backward states. Only in this case the object of investment was not capital, but princely power, which yielded highest interest at that time, and probably was the most productive thing -- for organization is what was needed, and central power)

Kleberg in Lyons, and Tucher in Antwerp, borrowed from S. German merchants for Francis I.

North German Capitalists: Hardly took part in international finance of 16th. Except Netherlands. But Holstein nobility were in Antwerp: Rantzau esp. Loaned to Charles V, Queen of Eng. King of Denmark, and Antwerp, Ghent, Lubeck, & Hamburg.

Chap 3: Florentines & other Tuscan Financiers.

Florence, with its concentration in banking, produced a type of person who patronized arts more than Venetian and Genoese merchants. And Florentine business didn't fold up when Italian trade declined.

Lorenzo magnificent lost interest in trade, went for political power, ruined family fortune.

End of mittelalter, 5 regions of Florentine development: Levant, Italy, Netherlands, France, Eng. Turks drove them from Levant, they couldn't get foothold in Spain. French connection strongest, sided with Valois vs. Habsburgs. But Habsburgs backed Medici to overthrow republic, drove Medici opponents into French camp. New powers arose in It, Netherlands, Eng, who drove out Florentines. So Florentines concentrated on France (Medici evidently became reconciled with France too, e.g. Catherine etc) Drove Genoese from France finally.

Corrupt connections with Pope, at various times. Fugger, Welser, Genoese, came to compete in Rome & Naples, c. 1525, & Fl. kept lead.

c. 1470 (and earlier, but not much later), great influence in Bruges & London.

3 Louis XI tried hard to keep at Lyons the international markets, which since decay of Champagne fairs had tended to Geneva, and were of greatest importance for S. Europe. -- and thus made Florentines dependent on France. This was more important than military adventures of Charles 8 & successors in Italy, in welding dependence. 1463, king "banned" Geneva, Florentines moved factories to Lyons. Lyons became full of Florentines, banned in frequent revolutions. c. 1590, moved to Paris.

Hatred of financiers in 17th directed vs. Italian names often, and by Colbert's time these and German names no longer appear among financiers. But hate remains -- they were tax farmers etc.

Book II: The International Bourses of 16th cent.

Chap 1: Antwerp.

3 c. 1450, began to grow fast. Replaced Bruges, in Med. to Hansa trade, at that time. Because Flanders (with Bruges) was center of disturbances, and "rulers" favored Antwerp to punish rebellious Bruges. c. this time, English cloth trade grew, and also spice trade, due to sea route to Indies' opening. Within 40 years became greatest centre of international trade world ever saw. It was not the men of Antwerp, but the city, for, seeing its natural advantages, all sorts of people settled there, natives of 2dary importance.

3 Sea route (and Turks etc?) reduced Venice and east Baltic traders, increased western ones, as Antwerp. N. Germans now came to Antwerp instead of

Venice.

Innovation at this time, commission houses. Mittelalter, merchants traveled in Person. Since Xades, sent his agent. Now, "firms of agents", or commission houses.

Cloth with Engl, and East India products, two great branches of trade. EI stuff previously branched out over Medit. Now all to Lisbon, and thence all to Antwerp.--king having sold monopolies to rich Antwerp syndicates. English cloth, S. Gm fustian, Hungarian copper, etc, for some reason got monopolized by Antwerp, so it all came to Antwerp and thence was distributed. Merchants were given more "libertys" in Antwerp than elsewhere, that was cause of city's prosperity they thought. (Flexibility indeed will always triumph. This not synonymous with individualism by any means, latter may refer to pigheaded conservatism of French peasants etc. Adjustability. Evolution. The law of history) p. 236, elaborates this point. Bruges freer than most contemp cities, but Antwerp way ahead yet. No professional monopolies, as were common elsewhere. (Anyone could engage in money-changing, ex.g. or inn-keeping, or giro banking, all very important to foreigners. This is a good tid-bit for my history of holdout prices. All foreign merchants had same status as each other and local men.--save slight privilege to English. In Bruges, various privileges had led to faction etc, weakened them. Fairs had been important because of temporary repeal of restrictions on foreign merchants, in middle ages. In Antwerp they were free all year round, so trade ceased to be seasonal -- a good measure of the importance of such restrictions. p. 237.

(note how a commission house would lower optimum size of other firms, by doing away with advantage of size in being able to hire more agents)

Besides, trade had grown so it could be economically conducted year round.

Antwerp became a bourse, where trades were conducted by sample and description rather than actual observation. City Council set it up -- & this encouragement of trade by council must be counted part of reason for Antwerp's ascendancy I suppose. Open to all, p. 238.

Thomas Gresham, very important 16th figure, English agent to Antwerp for crown. There to raise loans. Was a merchant "adventurer" before. He established England's credit better than any other country in Antwerp, under Mary, Edw. 6, & Elisabeth. Always met his obligations etc. 1569, revolt in Netherlands, took advantage of it to free Eng from borrowing there, borrowed from English merchants, succeeded.

Pressed to stop ban on interest in Eng.

Wanted to improve Eng's trade balance, and raise value of L. Did it by stopping trade of Hansa with Eng, & by coinage act of 1560.

Not until 16th did Antwerp wax as lender. 13% a high rate for England. , govt.

Chap 2: Lyons

Unlike Antwerp, rose as monarchs fostered it. c. 1350, Champagen fairs gone, Geneva took over, because of freedom to foreign merchants, p. 281. Charles 7 tried to attract merchants to Lyons by allowing them freedom in money changing, elsewhere in France rigidly controlled. Failed. Louis XI succeeded, 1462, by forbidding merchants to go to Geneva. Louis' purpose was mercantilist in part: to get gold into France. Geneva had been draining it, perhaps as profit, or as a sort of bank seignorage on coinage. Lyons became important source of loans to French crown. Trade with Rome & England forbidden. Charles V tried to get Pope to forbid Lyons fairs, such strength they gave France, by attracting liquid capital their which could be borrowed by king when necessary. Failed in this, but set up Genoa bill fairs instead.

Louis XI never borrowed much. Successor Charles 8 got subsidized by

Elmhurst, 7

Chas 7
Louis 11
Chas 8
Louis 12
Francis 1
Henry 2 (1547)

Louis?

3 Italian princes & cities for his campaigns there. But Charles XII borrowed at Lyons, a little. Francis I really started big borrowing. But 1526, didn't pay debts, could get no more loans, therefore had to slow fighting. 1547, Henry II succeeded, was more profligate, Francis having left fairly sound finances. Henry established free bourses in Toulouse, Rouen, Paris, and other places, hoping to create new sources of loans, no immediate success. Yet Henry was borrowing at 2-3%! (It was Henry who took Metz etc)

maybe like towns who offer free industrial sites, the
lured capitalists saw the hook behind the bait. - forced loans
etc.

Chap 3: Dealings in capital on the international
bourses of the 16th century.

Might be worth perusing some time. And later conclusion, on growth
of national debts, from Fugger to present.

German State, being new, had less vested interests & dealwood

Prussia used state less, was free enterprise
France: weak local govt.

Clapham, Ec Development of France & Gy, 1815-1914, Cambridge, 1936

German r.r.s. developed before French. Some built by private people, even against state indifference, e.g. in Magdeburg, under Prussia. Others built by small states. Linked with each other, before any other European country had them. By 1850. 1850-66, rapidly increasing network. Prussia supervised, prevented duplication, looked to military needs. Prussia encouraged, where necessary, by guaranteeing interest. Prussia continued to rely mainly on private enterprise. Her neighbors to w. & s. used state. When Prussia annexed them, she took over state r.r.s. -- Hanover & Hesse-Cassel in 1866 being first.

England, 40s, haphazard methods, many lines proposed but not concluded. No such trouble in Prussia, state control. Nor Belgium, where state constructed. British had used a private bill procedure, vacillating policy, mess. Along with state roads, no opposition to private enterprise. Englishmen came in & built many, engaged in rate wars, etc. These private lines were originally feeders of central state system, but became independent consolidated companies e'er long. 1870, state started buying private lines.

Chap 11: Industry, industrial policy & labor in Gy, 1848-1914

R.r. enterprise of 40s, quick drift to towns in 50s. But by 1870 pop of whole empire still mainly rural, esp. Prussia, not much less so than 1800. Then began great movement to cities, by 1910 was 40% rural, & pop increased from 40m to 65m.

Everything hit Gy. at once. She had not had any pre-r.r. industrialization, no urban life like France. (?!). Then came r.r.; end of medieval ec. restrictions after 1848, last remains thereof; Zollverein; modern financial & banking system; great steel inventions; national union, swiftly & cheaply achieved; electricity, overseas expansion, world policy.

1904, birth rate starts falling.

"With r.r.s, her coal production, which had lagged, caught up & passed France & Belgium. GB remained ahead thru 1913.

1870s, British imports hit German steel industry hard. 1880, tariff revived. & new process, of Thomas & Gilchrist, replaced Bessemer, German ores better adapted to it. 1880s, Gm iron advanced, only one to do so.

Late development of coal & iron & steel facilitated large scale development. & large market due to r.r.s.

Cutlery industry example: independent outworker never killed off by factories. With vigorous trade unions, & sympathetic govt inspection, they revived. Electricity helped them greatly.

Lighting started by private companies big ones like AEG. When apparent thing would work & pay, taken over by local govts.

1902-5, profits dwindled in electricity, merger resulted.

Appliance manufacturers also cartellized c. this time.

1880-1910, general cartel movement. By 1914, seems it may have been a passing phase. But was more widespread & accepted in Gy than anywhere.

1880 tariff an important step, for, by excluding foreigners, it made cartels feasible.

Whittieray develops idea that Gm. principalities
levied tolls ~~because~~ it was a transit
trade, exploited outsiders.

In thus organizing to exploit outsiders
they injured themselves.

Historically, the economy is free when technology advances faster than monopoly; so that as fast as an old industry or area is monopolized and unionized etc, new ones come along and give opportunities for free people. I recall finding this principle important in industrial revolution. It is not only technology, but investment etc. So nowadays newspapers may become free of printers' union thanx to new machine for reproducing that they don't control. etc.

Knight's searching observation that highly organized societies are resistant to change, hence national state arose outside German core (& Ital.) of highly organized civilization, in frontier states. And we have same thing now, on larger scale, as U.S. & Russia unite in superstates, but highly organized Europe can't do it. What is next step? No more room for repetition of same, in spatial dimension. Maybe highly organized Europe will be united by some force analogous to Prussia, & be as potent as Gy turned out to be. Meantime it seems inevitable that we should all become highly organized and stagnate? Russians will, at least. Americans maybe not -- depends on how well the technological frontier keeps preventing

stagnation of overorganization, and, ultimately
, on whether we make free enterprise stick,
for that is the perfect form of organization,
which has the stability of high organization
and the fluidity of low organization. And that
of course depends on whether we can reduce
holdout prices by free means.

de Roover, A Florentine Firm of Cloth Manufacturers.

3
3
4
Wool ind. in fl. declining past 1500, but 'cap. forms' reached perfection after it, so this is study of 16th cent. Articles of partnership. Subject to wool gild. Profits to be divided & capital invested. Full liability. Manager paid a 90 of earnings - fire system. Management definitely separated from investment.

2
Putting out or wholesale handicraft system. (Products to Levant. Wool from Eng, S. France, Spain, Balearics.) But some work done in factory, too.

2, 11
Artisans might work for more than one employer. Or work might be farmed out to other companies, just as today.

3, 2
Hard to check petty theft of materials. Gilds dominated by manufacturers, set severe punishments for such.

for work in shop, ^{but not at home} foremen, who were labor subcontractors, paid by output. or 'factots'.

3
Medici firm, bought wool from importers, etc - all this reveals considerable free competition & trade etc. 16th cent., Sp. traders replaced Italian. Clothes required to be made from Sp wool, Eng & Italian verboten in Florence - so it wasn't so free.

3
Tried exporting for a while, 16th just sold to exporters.

Sp. bought cloth, too. 20

3
Doren draw different picture on basis of gild reg. - overstressed control of cap-ist, & size. Piece-wages the rule, Doren to contrary.

15th double entry books - This an It. invention anyway. 24

Used "subsidiary ledger", commonly introduced not until 19th. Ledger is final book of record, in which all journal entries are placed under appropriate heads.

Costs: raw materials 30%, supplies 4%, "manufacturing expense" 56% (wages). "overhead", 10% -- so capital etc didn't get much.

A florentine Firm, 2

3 1 Wages were strictly determined by guilds and custom, so fall in price
2, 4 meant reduced output. Little overhead incentive to keep production
4 going by capitalists, so unemployment resulted.

Turnover very slow -- 6 months between purchase and final sale.

Accounting techniques far ahead of contemp. books on accounting,
from which historians have evidently taken too much as evidence.

By "state regulation" I mean intervention beyond just keeping law & order.

General conclusions. *Are only tendencies, not unexceptionable. Types.*

1. Tendency to stagnate, be controlled by those who fear change, who distrust innovators & their weltanschauung. Change can't come from minority convincing majority, & minority can't act by itself.

France

- Italy, 16th, wool, gold, domin. by cap. woolens, Sp wool reg. rigid waster carded waster. Some putting out, entirely gold dominated it. Monks object to lay literacy. Guilds all details of production fixed, no change possible. 'Immunities from ... feudal jurisdiction' allowed towns to grow around monasteries. Own value security, no value progress. Monks formed 'to provide steady mkt' for 16th, e.g. ~~Colonial industry~~ 14th, fr, fairs required royal permission - regulations tend to be permissive, require permission each time, general assumption is neg. Tudor wage regulation, poor laws. Regarding merchants to give steady mkt, 16-17th.

- join with 6*
2. Tendency to restrict, have overproduction ideologies, ^{2b} get into hands of a few ^{or many} who help selves; encourage parasites, tax producers.

Eng. shortend co.s - mchtd adv. 16th et seq.

Roman publicans had monop.

People unwilling to use 'fastening' as excuse for giving or cutting out competitors.

— Eng merchants kick out foreigners 16th, try long before

— King H. 8 to borrow, sell monop., etc. to himself - foreigners, when come, hands to royal

Henry 8 forbidding further import

Patrician towns monop. wholesale trade; artisan towns monop. work. Patricians taxed

others, etc.

Early commons intrude selves, in name of regulation etc.

Tudor reg. to keep wages down, reduce monop. of ^{craft & guilds} local merchants, etc. for big wholesalers. (some good)

Wage reg. of Ed 3 don't vs. labor. / Colonial industry stopped.

~~7.4. Frequent good interventions, with non-restrictive, non-stagnant ideologies: complementing~~

The other the dominant, greater the tendency. Waves of gold formation in Eng, start out nobly, get restrictive. Staplers, then adventurers, then Whigs, become landed, get ostentatious aristocracies. Town farmers become patricians, artisans become guilds, masters divorce from journeyman, etc.

2. Tendency for mobile capital to initiate changes, opposed by all others.

3. When the regulator or fosterer provides channels for individual action, good results; when takes action itself, bad.

4. Tendency for regulation to fall into hands of those who fear change.

5. Tendency of regulation to be in interests of a few.

3. Tendency to ignore personal material motives. Bad results

Cath. in France?

Church motives - need, subjective sacred

4. Tendency to develop hard shells, around regulating units, fight others, monopolize, fail to unite. Mercantile militarism, craft gild separatism, etc

— Hanse, 14-15th, keeping others out, stopped expanding & consolidated. ^{had been free trade}

N Italy

Eng 16th banned fr. mchts, 18th didn't trade with fr

— Louis XI developed Lyons, 15th, but only by stopping trade with Genoa.

— Gresham 16th stopped fr. trade with Hanse to get exp. balance

Early towns everywhere, tried to extend monop. trade area, exclude others.

— Artisan gilds worse than mchts.

5. Particular weight given to motives esteemed by regulators: church ostentation, mercantile capital, Colbert's factories & Catholicism & mistakes, diplomacy, war.

— 15th Eng, alternation of restrictions, disregard for smooth trade & harmony. Ake of Brng. ultimately closed Flanders - Z-Protestant, political motives.

Pearman never tells of Renaissance terms, states, kings - war & display

Church anti-interest

Fr & Sp. relig. persecutions sent talented out.

Navigation acts raised cost of shipping services to Eng.

— Colbert trying to hurt Holland. But he never could, until Holland ruined itself.

— Louis 14 end, dependent on fr. banking, shipping, backward in industry, commerce. Invested in war.

Butley's import balance, all such trade good.

6. Tendency to be "undemocratic" politically. But note reverse, that democracy often means more restriction, & 2 monops worse than one.

Colbert

Luddites, 1812, vs machines, for apprenticeship req, etc.

Patricians

Patricians, Tudor mchts. e.g., ^{undemocratically} ~~and others~~ prevent monop by crafts.

Tend to ^{paternal} central state restricting rich for poor: Tudor - Stuart - church - enlightened despot - Ch-magne

— 6th ^{stagnate} Mchts democracy fail, because the broader the base of gent the more monops. Patricians, Venetians, etc, This good, one layer of monop. only. Artisan revolts stagnate. 16th mchts. Eng force comp. on others. Layers of monop. in Italy.

is ^{customable} to exclude some, to be against some group. To be creature of one group. But Tudors gave privileges to mchts, also maybe helped poor.

Over

7. Has been progressive when limited to complementing, providing channels & lifting restrictions! When want to create a goose to pluck, free it, then tax it, as manors on trade routes.

Champagne Counts protected routes, took tolls.

French & other kings supported towns vs feudal restrictions, took tolls

W/ towns shipping, forcing nation monopoly to be common commerce

Middle age towns lifted restrictions

Antw. fathers set up public ~~mint~~ bourse. Right kind of intervention. freedom to for. mchts.

Genoa, Int. fairs, because freedom to for. mchts. Money changing in it. rigidly controlled, thus tried to attract mchts by letting up, failed. Henry 2 tried with Teutonic, Roman, Paris - some times too obvious.

- Zero actually attacked monop. got nowhere.

'Just price doctrine' vs monop. - but usually vs change, not monop.

Venice, 15th, made ships common carriers, commercial treaties. own

8. Most economic progress has come from circumventing regulation.

in areas, types of production, etc, less 'highly org', or regulated. 'High org' needs + means restriction.

Lift restr. to enc. prod.

Signif. of putting out not so much changing form of production, which wasn't nec. involved, but avoiding gild. In Florence gild controlled cottage labor too maybe.

Lending at interest, had to ignore church, or develop kinds not interdicted, as buying stock, or bills.

Genoa (1550, financial cap - freedom) Antwerp, Amsterdam, Frankfurt, Augsburg (protected Luther from political rivalry). ^{Charles 5 sponsored} - Brought hit by rebels for rebelling, & new restr. 'no restrictions, anyone can do anything.'

Direct attacks on monop. usually fail. 1522-32 Brechtstags in S. Germany terms. France

1 times to outlaw gilds. Edw 6 guaranteed all right to practice any trade in Eng. ^{Tudors vs crafts & guilds} 17th, local monopolies, turn around & strip int. monop. keep their own.

Industries not existing when restrictions passed become most factory-ized - 17th, silk, cotton.

Towns had to get away from ~~the~~ feudal law to lex mercatoria.

Craft gilds circumvented by putting out, & central power growth. They kept local monop. hence

local service underdeveloped, eng. coops grew.

March Adv. with cloth export replace Staple, stagnated gild, with raw wool, 15th. ^{Also circumventing gilds & Barges, putting out} scapegoat

9. Tendency of legislation vs. monop. to miss mark, be more restrictive yet, cause more monop. Anti-grain spec. stuff. Corn & victuals first object of leg. always.

In Eng towns a monop. device vs farmers, to keep local merchant monop. pure.

Aside from this, anti-monop. agitation, always strong vs speculation, has been in monop. created by state anyway.

Doctation ~~more central~~ to scapegoat for his monop. in 17th.

Edw 3 leg. merchants & craftsmen forbidden to charge crafts, grain speculators scapegoats, they had raw. 17th, corn

10. Regul. & decline go together, with Hansa, Venice, etc, but hard to say which cause, which effect. Rome - Doctation, historian, state running commerce.

18th Eng.

A. Subt. penalties for roads as ec. incentives. Doctation's fear of monopoly.

9, cont. Chas V leg, 1540, speculator scapegoats. He made monops himself.
Lewis 142 Henry 8 more sensible, 'max tariffs' heaped.

7, cont. Netherlands, 15th, monarchs favored true merchants over town exclusivism. 16th, Tudors.
12. ~~Tendency to~~ Burgh built up port facilities, etc.
Calicut, Malacca free port.
Eng. Paris, supplied machinery for enforcing contracts.
Burgh & roads.

12. Tendency to develop economic things by direct ^{administration} ~~regulation~~. Collier's trading co.,
French colonies, Henry 4's roads, contrast Eng's private co.s.

8. Waves of circumvention in Eng: 1. Towns - trade feudalism 2. Adventurers - Staple & gilds
- involves Tudors vs crafts, etc. 3. 1650, production 1st. struck Whiggish
putters out replaced old intern. mercap, ^{came from new masters of 16th} 4. Whigs in march, 18th, back country putters out
factory men replace.

1. Foreign merchants; feudal lords. ^{broke into monopoly by foreigners, combined with for- eigners. Prizes, Harms, free yard. 14th}
2. Merchants of staple in foreign trade, & local monop. at home. ^{15th - Craft gilds grow scarce in Eng. towns. Evolution c. 16th century behind Flanders etc.}
3. 16th: Tudors - kick out foreigners, who this already done by
merchants of staple some, & it was staplers they replaced by
adventurers. ^{adventurers had started in 14th, grown in 15th with answer, kicked out Harms in 16th.} Replaced local monop. by national reg.
4. 17th - Whigs. putters out, ~~evading even master monop.~~; their workers
exempt from Eliz. regulations, which lapse; ^{they beat out succeeded in power the}
5. 18th - Non-conformist, factories. ^{London Merchants, with 17th mercap, (descendants of adventurers), as merchants & producers}
^{Putters out came from both previous merchant classes, & 17th judge everyone went into everyone else's business, competitors.}

Sketch evolution of ~~manuf.~~ ^{from} organization in manufacturing from
town revival to 1750.

Indep. craftsman

Gild artisan.

Dependent or interdependent craftsman - no line.

Is small shop syn. with gild? Why not indep. small shops

Stages (not 'systems')

- a 1. Town inspir. from -
- b 2. Merchants & new sorts, ^{among employees, in towns} emphasize lack of definite patterns. Indiv.
- c 3. Craft gild craftsmen might be gild-ed or not, have cap or not,
- d 4. Putting out, to country, cottage indust. have apprentices & shops or not, etc.
- e 5. Fact.

Social Control.

So great the material ~~is~~ ^{can} only give a few examples, of trends that appear typical
from much evidence.

Byrne, Genoese Shipping, 12th & 13th

Sailing ships used mostly. Galleys for short hauls.

c. 1300, Crusade trade less important, galleys more important on long hauls.

Merchants had own little space, built own cabins there; pilgrims in steerage.

1, 4 → c. 1150, small ships owned by partners or a few, who were exclusively shippers, not merchants too. c. 1200-1300, great commercial prosperity, larger ships needed, financed by "loca" or shares, widely held, traded in pledged, etc. Banks owned them too. (nowadays would banks be allowed to make such risky investments?) About 20-70 loca to a ship.

4 → But by 1250, wealth had grown so that divided ownership was less necessary (or else divided ownership took place at different level of ownership, as in company ownership perhaps) 1246 & 1268, great stimulus to ship-building by St. Louis. Small groups of wealthy capitalists came to dominate industry. p. 21. They made contract with Louis that they could get wood from his forests free of tolls, to build ships for him -- raw material shrewdness.

4 → Suggests this $\frac{1}{2}$ century of experience with loca was basis for later stock co. developments, culminating in "that triumph", the Genoese Bank of St. George. (Remember they supplanted Fuggers as money lenders, 16th cent.)

4 → Very high yields on shipping (if we abstract from risk etc) cites 157%/annum.

We have no info on Genoese laws of other than 14th, so must look at contracts and deduce laws.

Most contracts in 12th e.g., were drawn up in written form before a notary, however simple. But evidence of non-existence suggests that most merchant-shipper contracts were verbal before witnesses, the handclasp binding it. Law grew fast, but not as fast as trade, and much informal understanding etc prevailed. Contracts that were written by notaries were in Latin.

1, 3 → 3 important trade branches: coastal on Italy; Spain (Ceuta); Levant. 1200-1250, great advance in art of making contracts, and knowledge of essential accounting concepts.

Custom was for shipowners to charge no freight on cargo exported, only on imports -- provided exporting merchant went on voyage and imported.

1, 3 → Only trade to Levant was regulated by law instead of custom. Other contracts were often made in great detail, showing that the matters of detail were left to individuals to decide. Genoa generally left more individual freedom than Venice or other Italian towns. p. 49. Levant trade unregulated until late 13th. 14th, started to inspect outgoing ships, p. 51.

3 → Accounting got complicated. Towns began to require by law that each ship carry a scribe. Venice & Barcelona required two, Genoa just one. (featherbedding?) This by 13th. p. 59. A career for educated laymen; for scribe was important.

4 → Privateers considered a legitimate investment, had locae.

3 → By 13th, contracts left out details. Either custom had made them all known, or laws had settled them -- don't know yet. 14th, more shipping legislation. Immense fortunes, many trading colonies abroad.

Farm landowners probably like industrial unions in part, for they slow & reverse flow of labor from farm to city.

I all employers, likewise, appreciate unions in other industries. Labor, likewise, like other industries non-union. This from ec., not political, view.

Everything that Δ s cost of new goods has support of those who own old. e.g. special luggage tax Δ s value of my old luggage, etc. ad. inf. So even income taxes discriminate ~~vs~~ those who are getting wealth, & for those therefore who already have it.

We get such taxes & institutions after many have accumulated wealth. Previously, I think seem best, to Δ land values most.

The better we work out
civilization, the more
exchange we get, more
specialization -- & that
means individuals are more
dependent on things, less
"independent" -- so this
tends to make them turn
to the state -- which ruins
exchange by its taxes --
forcing people to be more
independent -- turning
pendulum back? -- in Roman
Empire it caused small units,
latifundia -- & lasted 1000 yrs.

Those who have non-market vested interests
are always vs. change -- water right holders,
licensees, protected, etc. -- the most conservative
elements of society. Unionists, landowners,
monopolists, tax-privileged with low assessments.

The conservatism of capital owners perse
is just to prevent confiscation of cap, which is
good by allowing more cap. creation. Other

kinds of conservatism are in things that
can't be duplicated.

Vested's oppose any change, blindly, for
fear they lose their privileges.

Martin says Gm. businessmen much more bound
by word of mouth agreements than Americans
-- & hence could keep cartels easier w/o
formal agreements.

Thus as humans become more "trust-
worthy", monop. becomes easier -- at
least if they have that ideology.

An old developed region naturally has the largest of various things. So when new regions grow, it is apt to be small overfits that do the growing. Same, perhaps, with new industries, etc. Reduces concentration

Esp. when political, & maybe ec, functions of large qnt size, are performed by govt. on common carrier basis, thus govt. consciously encouraging smallness by creating channels for

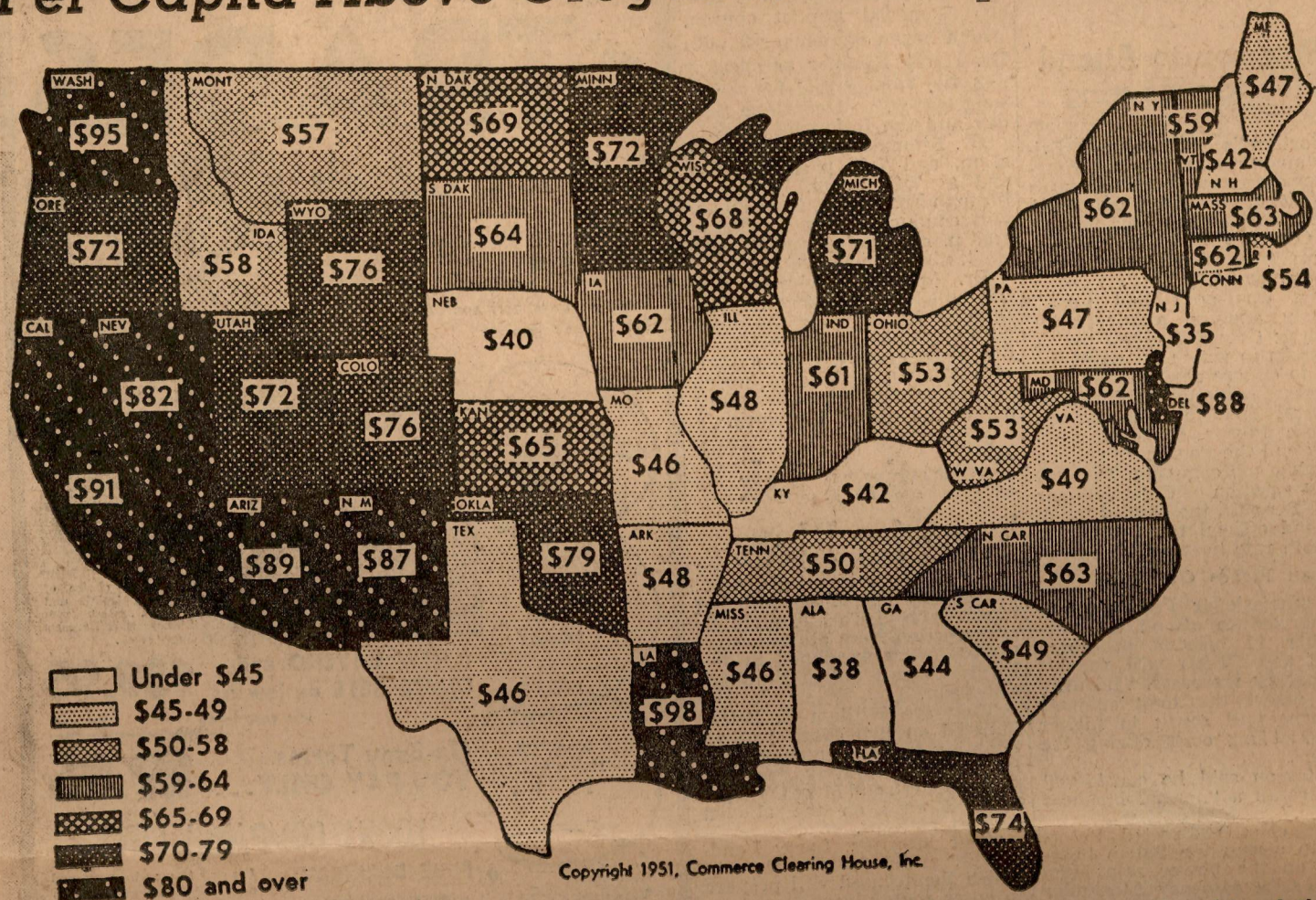
competition -- as in I.D.s vs. Di Giorgio, etc.

Another cycle:

Free exchange makes
people rich, hence creates
something to parasitize,
thus wins free exchange system,
which impoverishes people, etc.

Yet another: We leave an
autocratic society, become
free to think & program, but also to
spoil women. Leads to extravagant
demands for consumption &
social security, which leads
back to state control.

Washington's Annual Tax Bill Averages \$23 Per Capita Above Oregon's, Survey Reveals



Copyright 1951, Commerce Clearing House, Inc.

Oregon is shown with the lowest per capita state tax collections on the west coast on this map prepared by Commerce

Clearing house, a Chicago tax reporting service, although the state is considerably above the national average of \$59.59.

It cost every man, woman and child in the state of Washington \$23 more in state taxes last year than would have been the case in Oregon.

The per capita tax figure in Washington was \$95, according to a compilation by Commerce Clearing House, Chicago, which shows the per capita figure for Oregon to be only \$72.

Oregon is lowest on the west coast, as California is only \$4 behind Washington, with a per capita figure of \$91. Washington is headed only by Louisiana, which collected \$98 in state taxes for each man, woman and child in the state.

Welfare Load Heavy

The report makes no analysis of the states' use of the money collected, and the states of Washington and Louisiana illustrate the difficulty of drawing comparisons. A large part of Washington's general fund goes for support of public welfare, with old age assistance grants averaging more than \$60. Louisiana's grants are in the neighborhood of \$20, with the federal government carrying most of the load.

Partly a reflection of increased cost of labor and materials for state services, total tax collections are shown to have increased 12.6 per cent over record totals of 1950 to establish

has a new high of \$8,900,000, 000 the report states.

This sharp increase is more than double the 1945 total of \$4,300,000,000, while the rate of rise was larger than in the two previous years. Also, the per capita tax burden for the 48 states averaged \$59.59, amounting to \$6.67 more than the states collected per person in 1950.

Oregon Gain High

Oregon appears high on the tax reporting agency's list of states increasing taxes most in the last 10 years. Oregon has an increase of 205 per cent, topped by Florida with 243 per cent, New Mexico and Louisiana with 223 per cent, and Tennessee 209 per cent.

All states except one—Nebraska—reported higher tax revenues. The per capita collection for each, rounded to the nearest dollar, is presented on the accompanying map, which was prepared by Commerce Clearing House. The 1951 totals include state-imposed taxes distributed to local governments. However, they do not include county nontax revenues received by the states, such as payroll levies for unemployment insurance amounting to \$1,000,000,000 in 1951.

The report, based on United States department of commerce

figures, shows that California collected the largest amount of any state, its \$958,000,000 being an increase of 18.1 per cent over 1950 and ranking it third in per capita collections with a figure of \$90.50.

Arizona Ranks Fourth

Arizona, listed as fourth in per capita levies, reported the sharpest rise. Its average was \$88.75, a jump of 39.1 per cent. Other sharp rises were recorded in Massachusetts, up 25.3 per cent on its per capita collection of \$62.75, and Wyoming, up 25 per cent on its average of \$75.99.

Second only to California in total collection was New York with \$914,000,000, an average of \$47.45 per person; Michigan, \$453,000,000 for an average of \$71.06, and Ohio, \$419,000,000 for an average of \$52.68 per person.

New Jersey retained its position

Payroll Chief For Drive Named

W. E. Wilson, an advertising executive, has been appointed Multnomah county payroll chairman for the forthcoming United States defense drive. I



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City to Resist Rate Boosts

Peterson to Attend Monday Hearing

Portland's city council Friday made it clear it will strongly oppose requests for increases in electric power and telephone rates during hearings before the Oregon state public utilities commissioner September 17 and September 24.

The council first unanimously adopted a report by Utilities Commissioner Fred L. Peterson in which he urged the city to oppose requests for rate increases made by the Portland General Electric company, the Pacific Power & Light company and the Pacific Telephone & Telegraph company. Then, at the suggestion of Commissioner J. E. Bennett, the council voted to send official representatives to both rate hearings at Salem.

Brown Pleads Overwork

Commissioner Peterson was authorized to attend the September 17 hearing at which PGE and PP&L will request temporary increases. The utilities assert the long summer drought will result in higher operating costs during the winter.

Peterson said he considered the drought a "normal business hazard."

The council directed Peterson to attend the Salem hearings on the power rate issue when City Attorney Alexander G. Brown said his office would be unable to send a representative because of heavy pressure of work.

Peterson opposed the telephone rate increase, which, he said, would boost telephone costs from 75 cents to \$1.50 a month in Portland. He said it would gross more than \$5,000,000 annually for the company before taxes.

Hinson Speaker To Continue Task

Evangelistic meetings at Hinson Memorial Baptist church, which began September 9 with Dr. Harry Rimmer as speaker and Dr. Homer Rodeheaver as song leader, will continue Sunday and the following week.

Dr. Rimmer will speak at 11 a. m. and 7:45 p. m. Sunday and at 7:45 p. m. Monday through Friday. Dr. Rodeheaver will conduct a song service at 7:25 p. m. Sunday and at each week night service.

Dr. Albert G. Johnson, pastor, will leave Monday for Chicago to preside over the meeting of the board of directors of the Conservative Baptist Foreign Mission society, of which he is president. He will return before the end of the week.

Detectives Ask Time for Pleas

Two city detectives, indicted recently on charges of attempted extortion from alleged abortionists, were arraigned Friday before Circuit Judge Frank J. Lonergan.

They are William L. Brian, indicted on two charges of attempting to extort money from Dr. Kenneth Dewey and Dr. Ruth Barnett, and Mike O'Leary, indicted only on the alleged Barnett attempt.

Their attorney, Larry Landgraver, asked for a month in which the accused will prepare to enter their pleas.

Slides on Program

Mrs. Nick Schroder will show colored slides and give a flower arrangement demonstration at the Portsmouth Community club meeting at 8 p. m. Thursday. The meeting is sponsored by the University Park Garden Weeders club.

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Piotrowski: Cartels & trusts. 1933.

p. 12, ftn: ~~xx~~ after crash of 1873 in Gy, great increase in cartelization as result of misery. But cartels were formed also in prosperity. Piotrowski stresses how Kleinwachter, first to write on this, has been misunderstood as saying that cartels were something new. They were discussed in France, early 19th, in coal etc. & long before. Kleinwachter himself favored them, under state supervision, to prevent overproduction. (ugh ugh) Pointed to medieval guilds as models. Brentano, great Gm ec historian, shared this view. Said when demand was good, cartels dissolve themselves. - P's idea.

P. says 1880, rather than 1873, marks rapid growth of cartelization in Gy. Criticizes Schoenlank for this, and also for his assertion that corporate form associated with cartelization, saying rather that almost none of first cartels were joint-stock co.s. But this view prevailed over better view of Brentano, Kleinwachter, Andrews (American) on this subject. Babbed showed that American "trusts", French "syndicates", & Gm. "cartels", tho engendred by modern industrial crises, were new editions of medieval guilds & corporations. French coal mining, early 19th, syndicated.

Indeed, cartel movement in general was much stronger in first half of 19th than c. 1873, and became stronger again after 1880. But myth remained, despite Brentano's & Bucher's statements. Bucher said they were not formed faster in depressions.

Strieder's researches showing cartel's going back to 14th finally began to make very small dent in scholastics -- Piotrowski's anger at scholastics makes me think of my own feelings, at refusal to look at facts. Wolfers wrote as tho cartels were a German specialty, and was proud of it.

Jenks, American discussed difference of legal or natural monopoly, which could be complete, and a monop. "due to power of large capital", which couldn't, having no law to absolutely forbid competition.

Grunzel, a rat, defends ~~monopolies~~ cartels as being just something which kept competition from destroyong itself, but didn't prevent legitimate competition. Wrote in 1928, such crud.

Piotrowski not fooled by sophisms. Restriction of production is object of cartels he says.

c. 1900 ff, cartels were joined further, in "concerns", or German trusts.

(a thought: are not these "marketing economies" that one hears ascribed to large scale enterprise really in large part monopoly bargaining power? The large organization is not bidding against itself)

Fetter, F.A., The masquerade of monopoly, recommended. NY, 1931. Past president of AEA.

Some distinction between the methods of the cartels & the trusts, trust being Angl-Sax name for any large monop.

Evidently Eng & American literature more widely recognized monop. character of trusts etc than did Gm, & french. Italy, too, a Panta-leoni claimed they were not monop. And Mises was suspected of approving of Liefman, who wrote the same stuff. Pareto was not fooled.

Recent French & Italian writers distinguish defensive monops, designed just for protection vs. crises, from aggressive ones.

Object of this book to show that monop movement has existed wherever there were markets.

Chap 1: antiquity.

Evidence of monopolies among Phoenicians, Jews, Egyptians, Arabs, Indians, Babylonians, China, India. There were monopolies granted by the kings, and also there were private monopolistic tendencies he says, and against these govt ~~monopolistic~~ often fought -- evidence is scanty, it is hard to say what was common. Indian laws vs. them forbid, inter alia, preventing other people from buying and selling freely -- which suggest that that was done. (ftnte in Gm. that I'd like to translate if time) But in India, permanent market superintendents were instituted, to see that fixed prices were not exceeded, and for general supervision of tradesmen. Merchants profits fixed at 10%. (such regulations increase the holdout price of the buyers, in a sense. Probably their more important effect is to reduce flexibility hence all mps. My history must be of more than hps, but of hps and also artificial reductions of mp. E.g., unions may be said to reduce mp of non-union members, as well as increase hp of labor to other factors. But this enforcing of maximum prices has its own peculiar features)

India did have "unions", or "rings", or "cart ls", against which these laws were directed.

Aristotle discusses Greek monopolies. E.g., Sicilian banker who bought up all the iron on island with money deposited with him. He was banished, for Greek law, like all law of the time, combatted private monopolies. These monopolies, at least examples given, consisted not in permanent monopolies, but cornering market at a particular time. Thales of Miletus monopolized olive presses one year. Athens & Syracuse were centers of corn trade, and markets were under very strict state control, thru special permanent corn superintendents, as in old India, who watched that no one should buy up corn to raise its price, and death penalty for offenders. Yet spec. purchase flourished.

Aristotle observed that many countries made state monops, as source of revenue. (modern states are getting back to this. I wonder if it is an advantage for all the country to monopolize something? Depends on the alternative opportunities for the factors made idle? Must we calculate differently than for a firm?)

Some state monops were kept by state, others ~~some~~ by private individuals, he doesn't say on what terms.

p. 94 quote: "They may talk about the economies of big undertakings, but what they are really after is, of course, to raise prices by eliminating competition."

Chap. 2: Rome.

I get impression that penalties were levied, not just for monopolizing per se, but for speculating in food staples -- same old line we get today -- the peepul must be protected. Aristotles' conception of monopoly as speculative is repeated in Roman law. Private monopoly grew first in corn trade, everywhere -- because it was first with a mass market, and competition was fierce, he says, but that sound bass-ackwards to me. I suspect he has speculating and monopolizing confused, even as Aristotle. I suspect he found more records on such "monopoly" because the speculative activities of these essentially competitive grain merchants were held up as a red herring to the mob by those with real monopolies.

Sombart & Lehnich theorized that ancient monopolies grew when demand excessive, while cartels grew when supply excessive, in 19th. Piot. objects. P. is beginning to lose his bearings a little now.

c. 200 B.C., Roman monops existed, oldest legislation against them we know of is Julius Caesar's. This law prohibited trying to raise price of corn, alone or in a company. Most authors think this law was simply against non-monop speculation, but P. says main purpose was to prevent a permanent & general dearness of corn resulting from systematic operations of traders. Punished not the company, but the individuals involved.

3 Not only in Rome, but in all countries before and since, corn & victuals have been the objects of legislation vs. monopolizing first & foremost.

P. thinks monops arise when excess of supply over demand, rather than v.v. (I wonder if the statement has any precise meaning, and, if it did, there would be any precise connection. P. evidently thinks of them as defensive mechanisms primarily)

3,1 Dardanariat the Roman word for this offense, this nebulous combination of speculation and monopolizing. Adopted in German common law, which prevailed until German Empire code adopted.--criminal code. New code did not include dardanariat as an offense. In w.w. I, some jurists regretted it, as it might have been used against grain speculation then -- aha, so it is vs. just plain speculation. --well, still the mixture of monop & speculation is evident, for speculation of cartels in w.w. I was what he particularly objected to. Evidently it is not until monops start changing status quo that this dardanariat comes into play mostly. P. unconscious of bias because he shares it.

3 Remarkable thing to me is that provisions vs. monopoly are so widespread. Previously I had thought of us as an island of competitive culture.

1,3 → 5th century Rome west, inflation bad so money stopped being used, barter returned, taxes paid in kind. Merchants increased monopolizing on Roman Markets. (or speculating) Diocletian, 301, strict edicts vs. them. (is it not tragic and funny too that even then, as now, govt took punitive actions against the productive people who could save society, rather than against the various parasites who tear it down. In China today black marketeers are beheaded while rich landlords batten off rents and corruption in govt. In the u.s. grain speculators are reviled while a vast army of citizens indulge in land speculation, belong to labor unions, and otherwise create unemployment and crises. The shots are not always entirely misdirected, but they are more misdirected than not, usually) P. likens Diocletian's edicts to Brunings in 1931, saying their futility had been demonstrated in 301. Diocletian's introduction sounds like an article vs cartels from daily press.

1,3 Before Diocletian, various emperors had tried to prevent prices from rising by "maximum tariffs". (which are what?) Dio. extended system to more items, despite its proven ineffectiveness. I think by tariff he just means price charge, for he includes some labor rewards with it. 3 Penalty for charging more was increased to death --- thus must ec. rewards be supplanted by death penalties as incentives in such a society. Diocletian's reign would certainly be an ideal example of socialism in extremum. 305 he abdicated, and P. suspects probly this price control law was repealed then. Stern compares it to modern states price control -- attempts to make up for monop & inflation.

Anti-monop legislation continued in eastern empire after western fell.

3,1 Zeno's anti-monop law, something new. Previous laws had been directed against individuals who raised prices, by any means, including monop. association (societas). But Zeno, while still holding individual persons responsible, legislated solely vs. the joint action of monop. organization that raised prices. Here for first time is word "monopolium".

Perhaps here is real progress in separating spec. from monop. Zeno's constitution was vs publicly granted monops of times past and times future, tho they were exercised by grant of Caesarian rescript, as well as private ones.

Usual position is that old grain monops were transitory -- hence name "ring" -- just corner market for once. P. objects to this, without advancing good reasons. Well, he just says they were not transitory, deducing it "from tenor of Zeno's constitution" -- very tenuous. Merchants with mutual agreements not to undersell were attacked in Zeno's law. He also attacked any monopoly, including combinations of artisans, employers, and employees. Agreements of artisans or laborers not to finish the work commenced by another, or to take away another's work, were forbidden. Arbitrary abandonment of work was illegal. Trade unions were evidently quite strong, relations strained and interfering with economic life.

Diocletian's severe laws, with severe punishments, lasted hardly at all. Zeno provided for confiscation of property and lifelong banishment, as in Aristotelian Greece, and this was more severe than previous penalties. Between Diocletian & Zeno, we don't know of any anti-monop. legislation. Zeno also had provisions vs. officials who failed to carry out penalties, or failed to discover monopolists under their noses.

Zeno's law was in 483, is preserved in Justinian Code. Earlier code of Leon evidently had legislation on same subject, but is only fragmentarily preserved, can't say what it said.

Zeno's constitution had no effect. Justinian continued to use system of state monops, tho const. forbade it. They were not granted to private persons, but managed by imperial officials. State monopolized silk goods, "etc", in its "undertakings". Trade in indispensable victuals, as corn, bread, olive oil, meat, wine, taken from private merchants and put under management of special officials. These replaced old private monopolists licensed by emperor. (and, I infer, some private merchants too) (proably licensing private monop.s was means of capitalizing and selling anticipated income when emergency revenue needed, was later abandoned). Officials raised prices without fear of prosecution; and for own pockets more than for treasury. This continued in Byzantium until c. 1200. (can't say it broke down the society then, immediately --- tho it certainly stagnated it). Monop of artisans, 850, became compulsory organization of manual industry. Correspond to later guilds in west.

Menzel in 1894 showed that ~~xxxxxx~~ monops were not new with 1870s, that only in large industries, and in present organization formalities, were they new.

(In France?) law of 1791 ended "corporation system" by abolishing craft guilds, introduced principle of freedom of production, labour, and exchange. But old agreements of producers and merchants were often secretly continued.

Some Italian towns never stopped commerce, trading with Byzantium all during middle ages. It was currents from Byzantium that awoke medieval Europe again. Charlemagne, c. 800, combatted monopolies, measures modelled after Zeno, which were taken over by "all W. Eur". P. objects to idea of historical gap, which is common.

Guilds did not conflict with cartels, but used them, and were monops themselves.

Liefmann said modern cartels differed from old because they arose in a society in which free competition was dominant, while others hadn't to react against such a thing, were just "outcome of speculation". Vito agrees.

I venture modern cartels differ in that they came at a time when tech-

nology was changing so as to make them sometimes actually more economical, gave them an added boost.

→ Claims all later legislation, bar none, vs. monops, descended from Zeno's constitution.

Chap 3: 5th to 15th centuries.

Charlemagne & Louis Pious forbade buying grain and reselling "at exorbitant prices". Also forbade combining. Evidently P. confuses the two easily, & Ch. did too. Tried to prevent monops from raising prices by price control (was this also associated with printing money?) Stern, der Höchstpreis, recommended, on futility of price control.

Fuchs discovered 10th century Spanish-Jewish agreement of bakers to restrict production.

1181, Pisa & Luca agreed to cease competing, split markets, etc.

Viterbo & Urbino forbade fishmongers to join to raise price of fish, 13th.

13th, Bohemia forbade combinations of ore producers.

1301, Philip Fair of France & Charles II of Naples had salt mine cartel, central sales agency, international commerce. Florentine individuals engineered it, took some of profit, but were exempt from severe penalties of time vs. monopolizing because of royal connections. (these old countries perhaps got into general market control by originally trying to control monops, but failing to discriminate, as with spec, between desirable and undesirable private acts. And so today)

P. believes cartels originate when "supply exceeds demand", for only then is it not possible to raise prices by other means. This is ok, if we know what we mean by s & d. When supply exceeds demand it means that hps are too high to allow what people would like to produce at that price to be disposed of; i.e. it means the customary price exceeds the current market. If prices are going up anyway, can raise them without monopolizing, is his idea. It may have some historical validity, but I doubt it, since human desires are unlimited, and one will make a monopoly when he has a chance, whatever prices are doing.

By 1309, Hansa monop of wax sent to England, to meliorate Russian competition.

1316, first Florentine bankers' cartel, to stop them from competing with each other for loans to princes. Such cartels common everywhere at time.

c. 1400, Flemish & Dutch merchants tended to cartels. Hansa tried to stop it, in vain, 15th.

3 As cartels grew, so did ineffective legislation vs. them, on basis of Zeno etc. "in every country". (perhaps these are like our laws vs. gambling, etc -- gestures to satisfy consciences, never observed) Every commercial town of the times probably. Often the crime is buying up all of the produce of given type -- which appears on surface to be transient, but maybe it wasn't.--maybe it was both, led to more permanent monopolies.

French kings, 14th & 15th, vainly tried to stop monopolizing, tho France had wide production of corn -- P. is trying to prove that monops arise only from "overproduction".

→ English common law also had Zeno's principles; fought all monops. Original conception of monop of Aristotle revived here more in exact classic form than anywhere -- which means a confusion of speculating, and just changing prices, with monopolizing. All monops, even granted by king, considered to transgress guarantee of magna carta, which in chapters

29 & 30 guaranteed to all ~~Englishmen~~ merchants unrestricted freedom in execution of their trade. Coke repeats this, 17th -- but evidently it was much flouted. Even Coke's def of monop is qualified that it must restrain someone from some trade that he was in before, or his "lawful" occupation. 1911, US Sup Court referred to this in S.O. decision.

In England, as elsewhere, P. assumes that because legislation was first against monop. in corn, that monop was there first -- tho he admittedly has only the law as evidence. My suspicion is that there was less monop here than in other things, but that grain speculators, then as now, were scapegoats against whom popular wrath was turned, and no distinction was made, following Aristotle, between speculating and monopolizing, just because the two sometimes were connected, and sometimes had same effect.

1, 3 First Eng. statutes were vs. "forestallers" (Gm Kauf, Aufkauf, Furkauf) of victuals esp. Price control attempted. 1266, Henry 3, prices of bread & ale fixed in detail, stressing that they should correspond to corn price, which was fixed "in assizes". Thus either in trying to curb monopolists, or else just in scapegoating merchants, attempts vs. monopolists missed the mark and killed freedom, even as today.

Forestallers were those who bought before the accustomed market hours, or else went out of town to meet merchants, bought from them there, and sold in town for more than the merchants would have. Both of these do, indeed, sound like monop, not just speculation. And suggest that in those days the size of the market was so small that speculation often was tantamount to monopolizing. Further that when mkt is so small, or goods so large, ~~that~~ and/or customs and law such, that individuals can affect prices, competition results in monop. Then, lack of mobility, both due to custom & xport, caused small mkts; now, mainly laws & customs, & sometimes bulk of product, or companies needed to produce it.

c. 1300: Henry 3, Ed 1 & 2

Language used in laws indicates no distinction of speculation, arbitrage, monopoly. Anyone who "prevents others" from buying might mean anyone who bought, the way they use it. And anyone who carries away to resell for gain might be arbitrage, monopolizing, or just xport charges. A custom bound society was not likely to note difference.

2, 1349, Edw 3, labor cannot take more than is customary or go to prison. (result of black death?)(if so, would go against P's theory that overabundance causes monop, and measures vs. monop) This law, FOR FIRST TIME, stressed not maintenance of existing prices but that they should be reasonable.--this perhaps applying mainly to goods not labor, and to the xport charge. For it says "If any artificer of workman take more wages than were wont to be paid, he shall be committed to the Gaol".

Measures vs. forestallers repeated often, from which he thinks they had little effect. Engrossing imports also forbidden, was "evidently common"--tho his evidence is just the law, again. (forestalling was raising prices by diverting goods from market by any means, including buying them. Engrossing was raising price by buying large quantities -- presumably almost all. Re-grating was just buying wholesale, selling retail. Webster)--or perhaps speculating) Dictionaries pretty vague.

1353 Statute prohibited conspiracy, indicating organizations involved. First use of word, which passed to American anti-trust. 1350, first use of ingross--was really description of a particular kind of forestalling, latter being parent word. (I wonder if infl. resulting from plague inspired this wave of legislation?) Agric wages fixed, shoe prices, & artisans couldn't change between crafts.

1363, Edw 3 statute forbade merchants to deal in more than one kind of good. Claims objects was to prevent large warehousing, which had monop implications at that time, but I suspect it was at behest of those whose trades were getting increased competition. Law abrogated same year. But same year, artisans allowed to pursue only one craft, this lasted longer: "Handicraftsmen shall use but one Mystery..." P. erroneously identifies this as anti-monop legislation, tho it is evidently anti-competitive. Evidently they got to associate monop with change, hence legislated vs. change.

Rich 2, 1389, extended this policy. And at that time had complete protection policy. Corn could not be imported below a certain price -- and this by same govt that punished speculators for forestalling corn! They needed a scapegoat.

Chap 4: 15th cent. Alum esp.

(used as emetic, astringent, & styptic -- Webster. Used in medicine, dyeing, & many technical processes -- Harpers.

1461, alum discovered in Pop's domain. Previously, all from Turks. He declared them heretics, their ships confiscatable, and leased it to Italians, subsequently Medici. Church teachings were anti-monopolistic at time, but Popesaid he needed revenue to fight heretics. But Ferdinand of Naples had a mine too. Sharp competition. 1470, combined. Sales all made by joint organization. Had to sell for money, and not by barter, for otherwise neither partner would know but what the other was expanding his territory by overvaluing things gotten in exchange. Aha: hence monopos today have to fix price in mony, hence it is so sticky in mony terms. Barter common at times.

Streider thought that early cartels were used by states, to keep up value of products from which they got revenues. But stresses that earlier private cartels may have existed, but no record of them has come to us since they were illicit. Salt, iron, etc, often state monopos. Towns often agreed to stop competition. (competition really requires one govt over a large area, prohibiting its subdivisions from doing this sort of thing) (mature form of Pope's agreement with Ferdinand suggests to me that sort of thing had some history before)

P. thinks cartelization more likely to have gone on under initiative of private individuals who managed state's monopos. -- that state got revenue from them just as a convenient coincidence of interests, that private interests took lead.

1498, Charles V formed most important commercial cartel of those days: copper. Formed in Augsburg, mkt in Vienna, whole produce of mines had to go thru it, from Hungary & Tyrol. Fugger's headed it, & were important in many 16th cent cartels. It subsequently broke down when Fugger themselves violated it and were discovered. This monop. was formed by merchants, rather than extractors, of cu. (dubious: Fuggers owned lots of mines, I recall from Ehrenberg) (There is also some doubt in my mind about ability of mere middlement to monopolize anything, for just one season, by buying it all up, and making a profit. For they must buy it up and sell less than they buy, destroying some, or selling it in later years to depress market then. So permanent cartels seem the only thing to worry about mainly).

Guilds (crafts, mysteres, corporations de metiers, Zunfte), embracing all industry & part of commerce, developed prominently in Europe by 1200, traces found since 8th. In Eng, Merchant guilds preceded craft guilds by a century. Guilds dominant in Eur. until c. 1800. Was simply a form of monop. organization, parallel to other kinds,

all industry being inflicted with one or the other. A guild, after all, was not an association of men working for a common employer usually, but of independent entrepreneurs, perhaps with some employees of their owns, in small handicraft industries of the era. All guild regulations standardize the size of the enterprise even (number of journeymen/ e.g.-- so no one firm could expand I take it. Here is something that would stagnate progress in large scale production utterly, & doubtless did) (now if guilds were dominant in same era that monopolies were legislated against, they must not have been regarded as monopolies, and the things legislated against must have been primarily the acts of merchants, some or most of which were legitimate competitive practices!) the number of members, hours of work, amount of output, conditions of sale, (place, time, price etc), purchase of raw materials. Forbade competition among members. Non-members not allowed around at all.

Guilds existed in Ancient China, India, Greece, Rome, etc. Later Roman guilds occasionally had continuous existence to 12th century revival.

Brotherly love, religion, etc, played minor role in guilds, and they did their best to keep out new members.

A thought: is it not possible that in some heavy investments, no one would ever invest because of the surety that shortly following improvements would be made making his investment worthless? Hence no progress at all would occur unless he had a monop? Sounds very dubious & greasy)

By end of 12th century, guilds were putting great obstacles in way of new members. Only sons could join (is there an inheritance tax on that today? A new form of property that evades the death taxes) (many unions today are still in the stage where they want new members, no?)

Christian church "opposed monopolies", but not guilds, maybe that is why they had such a show of religious activity.

True, guild members did have local markets mostly, thus they differed from cartels. Yet bigger operators often, later, had monops in nemo guild.

p. 176

Chap 5: Anti-monop legislation, 16th & 17th.

→ 16th, particular success in cartel movement, esp Gy.

1512, Cologne & Treves legislation, carefully directed vs. monop as such, not against any form of organization. (I suppose this legislation is like ours in sense that it is carefully designed to be ineffective, and is widely flouted). Prohib. exclusive contracts, prohibiting victims to deliver to non-members of the cartel. Confiscation & deprivation of legal protection the punishments.

1522-3, Nurnberg; 1526-9, Speyer; 1530-2, Augsburg. Not clear if these Reichstag meetings referred to are for the towns only, or for whole of Gy. But is clear that laws were ineffective. (no wonder people don't even bother with anti-monop legislation any more, after centuries of ineffectuality. The chief planks in Demo's program are not to break monops, but to create new ones, and new sources of "security" without work -- the only security worth while socially is the security to work at good pay and be able to invest at good interest, freely.)

Debates preceding laws show they were intended not just to stop temporary monopolizing, by buying up goods, but permanent cartels, which often used same means. (he says) (I question if they discriminated properly)

1527, Dresden Landtag condemned monop of Saxon Tanners. 1534 Saxon Landtag forbade wool buying combinations.--& selling. Dictated uniform prices. *Like arise of wool in Eng; 'anti-monop' leg. is just price control.*

1548 "Reichspolizeiordnung", doesn't say of whom, said monops had been regular practice despite prohibitions, reiterated prohibitions.

1540, Charles V prohibition for netherlands, but poor discrimination in it. Calls buying up & hoarding of goods the chief crime. P. interprets this to mean that was chief cause of monop. I suspect it was rather a minor cause, and concentration of laws on it explains their failure. States that municipal associations, towns, parishes, trade unions, guilds of merchants and artisans, and fraternities, all did the same.

Emphasized need to protect unorganized merchants etc.

1577, Reichspolizeiordnung of Frankfort, repeated 1548 Augsburg one, said it was ineffective. Negligence of authorities blamed in part, so provision made to punish them, & rewards to informers. Fact of monop. was essence, whether formed by individual or many.

1531, Francis I, ordonnance vs. grain speculators, almost same words as Diocletian had used. But it smells strongly to me as a red herring, blaming ills on honest speculation. For all he says they do is buy when stuff is cheap and sell when it is dear, not that they ~~reduce~~ reduce supply. 1539 ordonnance seems to be more against monop itself, and merchants and trade men are the objects. (actually P. hasn't gone into the matter of how one would monopolize something in those days, has just repeated a lot of legislation, and drawn unwarranted conclusions from ~~the~~ opinions expressed therein) Francis actually outlawed guilds, but not effectively. They were effectively dissolved (or were they?) by Constituent Ass. of 1791.

P. attributes monop. growth to abundance, but with very scant evidence. When you consider the b.s. that is thrown around today about cause and effect, it is inexcusable to pick out statements from such poor sources & draw conclusions, about ages little known.

1544, Francis said artisans etc were forming combinations due to the higher cost of wheat, to raise their own wages. (I shouldn't be surprised if his own inflationary financing caused prices to rise, and he was scapegoating. Exactly as today, when everything but deficit financing is blamed for inflation. Deficit financing would cause abnormal speculation in commodities, even as now, since they rise in money price faster than say land, and securities are less sure)

1676, Louis 14, specifically mentions societies whose object is to cause scarcity (pour ~~faire disette~~ causer disette), excoriates & punishes. "Maximum tariffs" one method attempted -- sounds good, why didn't they drop tariff entirely? Widen the market & monop. impossible. Public subsidies to xportation therefore a good idea? Maybe so. Public highways, maybe free railroading? This would solve that natural monopoly problem. Also a good idea to publicly subsidize information, as with public schools? Would the good done outweigh the waste of resources due to making people treat as a free good something that isn't really?

Henry 8, 1533, renewed max tariffs vs ingrossers & regrators. Prices of victuals set. But now price rises were allowed if "for a good & reasonable cause".

I'm wondering if monops in those days really were of same genus as today? It does seem that agric. products are stressed, local temporary monops therein, strongly connected with speculation rather than permanent stoppage of production, & hence hardly monopolies at all; dependent on the slowness of xportation & information more than any institutional monop. power. And what we have as monops today--well, they would have them, in mining, and worse, in processing, with guilds. & their patents, which P. never mentions.

Edw. 6, 1548, mentions conspiracies among middlemen to raise prices. And artificers, handicraftsmen, laborers -- guilds, i.e. (I think middlemen could restrain the production of services of middlemen, but not of farm products -- except by agreeing to pay less for farm products, thus reducing production.

Forestalling may have occasionally been attempted to corner food supply & take monop. advantage of town, as legislation vs it assumes. Bor 1 agree with Dobb
Piotrowski, 10 that it was means by which towns exercised monopsony power, preventing local people from bidding vs each other

2,3,4 Guaranteed all subjects right to practice any trade in England. But without effect. Evidently the king just didn't have the power to enforce these laws. (Central power often conflicts with petty local monop. gets support of those excluded?) Bor 1 makes own monop.
1552, repeated law, & defined forestalling: person or persons who buy up goods with a view to increasing the price, or who make mutual agreements to do so; regrators: buyers of victuals who sold later at higher prices. (retailers or speculators?) (xport charges allowed as price increments in law -- in fact probly had little bearing); Ingrossers: identical to regrators (?!) ingrossers more wholesale. Basically I gather now a forestaller bought something coming from without the market area & sold for more within area than other fellow would have -- but this is a fuzzy point, and monopolistic vs. speculative object also fuzzy. Re grator was one who did same thing all in one spot. Ingrosser same, only didn't retail. (& by previous definitions, was bigger operator) All this seems as fuzzy as thought in general on subject.

Blackstone said engrossing was just monopolizing provisions, in any way.

The trouble with all these remedies, I'd say, is that they simply forbade that the thing be done. But didn't investigate the causes of the power to do it, or change them.

3 But king's tariffs, to prevent competition, were more effective.
1533, competition from rising Gm. pewterers threatened to destroy Eng industry & king's revenues derived therefrom, complete import embargo. But it wasn't so effective after all. Pewter is tin, mostly.

? 1,3,4 German expansion at this time took in all mining. Hochstetter given monop. of "all Eng mining, 1528 -- probly for a loan. Germans ran mines in France, Sp & Sp colonies, everywhere. (as Italians ran banking etc, no?) This general Gm expansion was cause of decline of pewter trade in Eng, & not, as Henry 8 thought, the unpatriotic emigration of Eng pewterers. So his statute failed to remedy things.

1 1623, James I, declared all monopos given by law invalid. But excepted patents and "charters, customs, corporations, companies, fellowships & societies, & their liberties, privileges, powers & immunities". Excepted about all monopos, i.e. Patents, incidentally were 21 yrs or less -- at least the ones that were excepted from interdiction.

Further exceptions, of particular charters & monopos. Printing, salt-petre, ordnance, alum, glass, xporting calveskins, smalt; & local monopos to towns. e.g.

Chap 6: 16th & 17th, laws vs. monopos.

1562, Damhouderius of Netherlands defines ways of monop: buying up goods & intercepting on way to mkt; mutual secret agreements of tradesmen; & artisans, including doctors; Has a clear notion of the abstract idea of monop, divorced from particular groups or forms. (unlike Ted Waldman of I house, who thinks AMA is not a labor union because members are rich) & is clear that object is to raise prices (none of guff about preventing chaos that P. is objecting to)

Decianus & Scaccia, It, agree. Scaccia emphasizes distinction of monopos given by law, & those against the law, says effects are same. Says buyers may monopolize vs a monop-ist (& labor too, is modern idea) P. mentions modern buyers coops. as defensive monopos.

Misselden & MALYNES have good observations on monopos. 17th. Malynes a merchant, wrote from observation. Mentions forestalling etc -- which for the first time makes me think it really was monopolistic. He thought labor unions the same as other monopos, was vs. all. Worth reading. Favored monopos of things used for pleasure -- presumably to reduce consumption of them. (will higher consumption prices increase investment by making people spend less for consumption?)

Piotrowski, "

Thought privately empowered monops were ok, because "when abundance... abate the pricemerchants become losers & discouraged....trafficke & trade is overthrowne." Is this a good observation? I doubt it.

Monops of merchants were rule, "producers", save for guilds, didn't monopolize. (how different from today!) They fixed the amount they would buy each year, allotted shares to manufacturers, who then had no reason to produce more.

Church threw just price doctrine at monop. P. says this concept was not the rigid arbitrary thing we think of, but meant the competitive price that would be without monopoly, and took for its basis competitively formed prices. This may be, but it must soon degenerate into customary price it seems to me. There was some leeway however, esp. for lower prices. This is encouraging -- so even in those custom bound days monops were opposed thruout, even by the king of custom-binders, the church. So perhaps our return to precapitalist ways will not be so terribly much different from now, except that investors & innovators will be slowed terribly.

Thinks on p.218 that 16th century laws were vs. combinations of merchants and producers, rather than just vs. merchants, as he said above, as quoted. ~~Wk~~ Inconsistent. Latter seems more reasonable to me.

Henderson said 1552 Edw 6 statute much better legislation than Sherman Act, forestalling etc. being more precisely defined than "monop" & "restraint of trade" in Sherman Act.

Payen, 1920, denied that wheat speculators were monopolistic.

Accaparement, & kauf, furkauf, Aufkauf, are like forestalling etc. & the French & Germans have trouble with the definitions too! Indicating the trouble is that the thing is a mixture & no one has quite decided what the essential ingredients are.

Isay concludes that old legislation was not aimed primarily at cartels.

Chap 7: Development of cartels, 16th cent. Gy

Sudden growth of commerce & industry, so cartels formed at this time were not individual monopolies, but groups of companies. (proably this growth of production reduced their former smaller-area monop positions, & the so-called monop movement was a partial restoration of it in larger area, as best they could?) Growth fostered by rulers of times, who got revenue thereby. Public opinion was against them tho. Gm kings & dukes had always fostered them for revenue. Max. I, Ch V, & Ferd. I for them esp. Formed monops & leased them to highest bidder -- that might not be so bad? (maybe the reason kings legislated so vs. private monops was to raise the price they could get for their own assistance to monopolization?)

Developed in mining particularly.-- "almost exclusively". Comprised Tyrol, Hungary & Poland too. -- part of Poland. Mining expanding greatly attime.

Cartels associated vaguely with mercantilism.

Mercury, vitriol(sulphate of anything), cu, Ag, Munich salt, as things in which cartels attempted. Hochstetters in Mercury ruined selves by forgetting to limit production, they bought up increasing stocks of Merc, finally new deposits discovered in Spain, ruined them. Amber of Brandenburg. In general, private people took initiative, got active support of kings etc. Saxon tin. Fuggers had a hand in almost every mining cartel of times. 1504, Saxon Duke forced by pressure of tin producers to revoke tin monop he had granted. But, even as today, such things were not frank adventures of scoundrels, had their supporters.

Reading about this stuff gives me a new appreciation of economic theory, even the seemingly dry stuff in 102, for it is not self evident what is for the best interests in many instances, esp those regarding land use, Saxons & Bohemians, thru Schlicks & Pfluegs, teamed up in tin cartel, vs. labor & consumers both. Had to agree vs strikers as well as buyers. 1540 etc.

It is not always too clear if he is giving isolated examples, or examples of general practices. Isay, e.g., says tin cartel is first example in history of a compulsory cartel. & P himself says ~~xxx~~ mining was main cartelized industry, 16th.

Chap 8: Charles V

He stopped Procurator Fiscal from presecuting Fugger-Welser*Hochstetter etc combine for monop. Safe conducts. (presumably in return for loans) No presumably about it. (& today govts depending on rich doubtless do the same, temper administration to their desires) Procurator was Gaspar Marth, who was hard to stop, but finally had to give in. But Marth kept on prosecuting other monops, and Charles decreed, using power given him at Nurnberg in 1524, that, in 1525, Procurator's power was limited. Everyone objected, said he misused power given him at Nurnberg, & it is not known if it ever came into force. (Heavens, I had no idea things then were so like today. --only they seem better in a way, people objecting to monopolies so strongly) But Charles went ahead with Mandate of Toledo, declared cartels legal. Advocated a high, stable price (so monops then, as now, do not set price where mc equals mr unless we subsume some really difficult things in mc-mr; but rather get an administered price which does not vary) Charles was ~~perhaps~~ also thinking in terms of turning terms of trade in favor of Gy? for most of metals was sold abroad, esp cu & Hg. But, 1525, Reichstag of Speier, Germans refused to agree to these two laws.--consuming processors, even small ones such as smiths, complaining. perhaps throwing some weight. Resolution renewed in 1529, 30, '48. P. criticize Isay for saying Gy as a whole supported cartels as part of mercantilism. Monop.s were continually "called to account in criminal courts", Emperor issued "Safe conducts". to them. (Schutzbriefe). Thus saved Welser from presecution by Procurator Fiscal, who was very severe, for a Pepper monopoly they formed with King of Portugal.

Chap 9: Cartel growth, 16th & 17th.

1527, "Project of Leipzig", plan to control mining output & sale all over Central Eur. Instigator unknown, worked thru Duke George of Saxony. Came to nought, as George couldn't reach understanding with all producers.

1538, compulsory tin cartel formed. Michel Puffer in charge. Duke George again. 1534, Furer's copper cartel in Thuringia.

The more I see of his idea that cartels result from increased competition, the more I lean to idea that as market broadens or production increases what were formerly monopolies cease to be such, and then cartel is attempt to restore previous monopoly conditions over wider area. Hence the nonsense about overproduction.

Formation of this Thuringia cu cartel shows much about creation of rigid prices etc. Two firms battled for some time, competing on buying and selling side, Furer finally approached Leutenberg for cartel. Latter not too happy about it, thinking they could win out ultimately, and not liking the division of markets proposed, etc. Long negotiation. Much helped by fact that one owner of Leutenberg foundry, Lord Mansfeld, owned

many cu mines, with which 7 other foundries, depending on his ores, were brought in. Apportioned production, centralized sale. No wonder prices of such undertakings are rigid. It is still a psychological phenomenon, for they might conceivably tell someone to set price as he wished. But imagine the divergence of interests -- each firm with its own cost conditions, wanting a different price -- much easier just to keep the old price.

Welser, with Leutenberg interest, opposed it, wanted to compete & drive out marginals. (Incidentally, someone told me that miners today, in some industry, maybe many, habitually mine from the worst ores that they have that can be profitably worked at the price. So if price goes up, they abandon better ores.) Furer could not convince Welser for a long time, but in 1531 prices went so low that temporarily a cartel was formed, 1534 a better one, Welser having withdrawn from company. Production apportioned and limited. Sale allowed only in Frankfort & Nurnberg. Had to give uniform credit conditions -- i.e. couldn't lower price & increase share of market by non-price competition, at least that sort. Which gives a problem of cartels: the same unceasing passion for gain that causes people to form cartels in first place causes them to break cartel rules in 2d place if they can. But maybe the reason for joining is not that desire, but rather for security, in which case administration will be easier. I wonder if one could justify cartels on basis of the technological progress caused as they instigated search for substitutes.

Anyway I suspect many go haywire in blaming unlimited greed for monopolies. It is the much homelier and seemingly less noxious desire for security that seems to me more important, unlimited greed often favoring competition.

Cartel doubled income of company Leutenberg.

Disputes among members submitted to arbitration. Cartel appointed two arbitrators having no interest, & they chose a 3d, an umpire.

- But by 1550, fell apart.

1548, Fuggers with their Tyrol cu got together with Matthew Mahnlich and his Hungarian cu. A district more than a price-fixing cartel.

P's attitude is that a competitive price is ruinous and too low, that monops are defensive, just keep up a natural price, prevent losses, ruination of industry -- all would stop producing is implication! -- that "supply exceeds demand" -- never occurs to him that statement only has meaning in regard to particular price.

Mayr's unsuccessful attempt to monopolize tin, his great losses in Bohemia where tariff raised vs Saxon competitors could not be enforced.

1649, Bavarian & Tyrolese salt mine cartel. (he implies that these are just typical examples, he has more) (significant, no, that all these cartels were in mining? I have shown why it is easier to monopolize in that industry. Now we have patents, too)

1570s, Rott's pepper cartel, following Welser. 1668, dyeing cartel at Calw and Pforzheim -- which had been in making since 1620! 1649, Bavaria-Tyrol salt cartel, they had competition with sea salt from Lorraine & France.

1653, Elector of Brandenburg Edict, vs. monop agreements in handicraft & commerce, which evidently were spreading.

Above are "all Gm cartels of 16-17th that deserve notice, so far as they have been discovered" -- this doesn't make them sound too common, but remember cartels could only apply to things moving in wide trade, other things would be one-firm monopolies.

Chap 10.: 16th-17th France.

Most anti-monop. legislation vs. corn monop. 1699, Louis 14.
As early as 1600, traces of monop in Fr. timber, Laigle & Compiègne.
, 1606, simul with Paris timber merchants, for joint sale. Paris govt forbade it then.

1647, Alais basin ~~exp~~ quota cartel for coal.

1698, Argenson butchers, stopped by local authority. See Chastin.
P. seems to be vastly overgeneralizing.

Sayous describes combinations in Holland.

Henry 8, 1529, legislated vs. corn forestallers and their combinations designed to raise prices.

By gosh, I'm going to have to discover just how much holdout price we can attribute to monopolies. If it should indeed turn out to be small, such that lvt would prevent its occurrence, as sulfur monop e.g., may not have to worry too much.

Darcy vs. Allen, 1602, court held royal monop. legally inadmissible. But, as we've seen, one swallow doesn't make a summer.

Eng. monop. esp strong in foreign trade co.s Merchant adventurers. c. 1480-1600, they developed strongly. -- at peak in 1650. Had plenty of enemies, who "taxed them to be Monopolizers". Plenty of dope on them: one might find out lots of earthy stuff by reading some of it. Divided territories. Linen & wool, & set prices. Like guilds etc, disguised selves as fraternities etc. Malynes, 1622, "The Maintenance of Free Trade", cusses them out, says they hinder growth of domestic manufactures while other countries lower prices to foreigners, tho pay higher prices to manufacturers at home, and expand. Had to keep out "interlopers". Eliminated competition of Hansa.

"Monopolies based on royal privileges embraced all English industries, particularly mining". They were known in 14th, but became esp. popular under Eliz., James & Charles. Much literature on this: Unwin, Price, Levy, Williams, Carr.

These monop. tried to look like guilds, take over their legal forms, etc. Coal cartel of Newcastle on Tyne typical, founded 1590. Called selves "fraternity" instead of "firm", thus avoided censure, were loved as ideal of Christian brotherhood. When complaints besieged Parliament, (to think that we think of democracy as something new! That works just as we do today) they became a guild, which required incorporation by Eliz, with high fee. Had complete monop of all exports from England, too. (Don't we see the same thing today? Monop. fostered by NRA, "We do our part", etc, after otherwise tempting popular wrath) Renewed popular objections didn't prevail until 1679, & then but lightly. 1664, at pop. demand, law passed fixing price of coal -- thus monop. lead to socialism, then as now. & encourage me to think that, as we got away from it then, we will maybe not stagnate this time, but still be able to get away in future perhaps. If it is a new frontier this time, it will be a more regulated one, since irrigation will make it, & lvt will prevail I hope.

That political liberty managed to grow from such a soil does not prove that modern socialism is compatible with liberty, for it is far more embracing than old time regulations, for in those days there was still some question that nat. govt even controlled things utterly, now planners have powerful bureaucracy etc that would want to move into every aspect of life, as Diocletian's -- which certainly did destroy democracy.

This law of 1664 couldn't be enforced.

1624, Statute of Monopolies, forbade, but made many exceptions, as municipal corps & co.s, patents, etc etc. Patents were supposedly for inventions, but in practice king granted them for anything, whenever he wanted to grant a monopoly, which was frequently. Patentee & monopolist became syn.

— In those days kings helped monops to increase their revenues; in these days ~~they~~ politicians do it to get campaign funds, in case of Republican monopolies, or votes, in Democratic ones.

3 Levy says Gy never knew so widespread a monop policy as in Eng under Eliz & Stuarts. He reasons maybe this is why Germans later didn't hate monops as much as British. But P. thinks Charles V policy just the same, people in opposition just the same, no difference -- but doesn't check into quantitative aspects, which after all were basis of Levy's statement.

In Gy, Chalres' support to monops was more open than English.

— P attributes earlier Gm monop. movement -- evidently 16th cent. Eng was relatively free --- to earlier growth of industry there. Eng industrialists under Eliz. were mostly German, merchants at least, and were chief instigators of monop growth under her. (!!!?)

— *to hatred of foreigner monopolists led to anti-monop?*
More likely weaker state, as it was state that gave monop.
& wider markets.

Cunningham: The progress of Capitalism in England. Cambridge, Univ press, 1925

Mentions those who in middle ages acquired hoards & bought "rentcharges" 20
Capital drew men out from contentment with stationary lives, forced them to progress. 21.

4, 3 Early times great development of ec. activity under monasteries, but aim was to worship, build temples etc. (so this form couldn't progress far, natch, its capital wasn't compl to labor, etc) Benedictines discipline typical. 31. Rewards to monks according to need, which often was linked to drudgery of tasks, rather than to productive contribution. (thus discouraging development of attributes, & giving of work, most productive. Note how many various forms of organization our race has tried, & how the better forms come thru ultimately) After 9th, some trace of cap. accumulation other than temples. 13th, Cistercians sold much wool, e.g.

2 Migratory nat. craft of stone workers, 15th, gild. Goldsmith's gild too. 35. Money wages becoming popular.

Migratory kings etc, moved from one castle to another as food ran out. Diffused money economy, being a migratory mkt 37.

Over centuries, after conquest, lord's say in administration of farming on his domains became less.

11th century manor described, sounds like French, tho described in much less detail than See, & perhaps making villein sound better off.

3 13th-c.c. 1420, great ec. progress in Eng. Commerce & industry grew, perhaps stim. by Xades. Reacted on agric, making it produce for a mkt. Gave lords incentive to improve farming methods, they did so on own domains. 45. Black Death ended this movement to improve, encouraged conversion to money payments. After Peasants' Revolt, lords stopped working to improve their own estates, just rented. 15th-16th, exhaustion of soil.--nothing of overshadowing effects that he mentions.

Eliz. times, subsistence farming again gives way, pretty generally.

land compl. (is sheep farming etc just another example of how the most lucrative use of a resource is not nec. the most productive because it ignores compl? or is it different -- is there something special about land, & its compl to labor & cap? Is all compl just because the thing increases tp more than its return, or are there other aspects? Can we explain sheep case in those terms?)

Prothero, "English Farming".

2 Those who turned land to sheep uses in Eliz. times known as depopulators.. (here is a clear case where the use with highest rent was not that with greatest tp. Tho I'm not sure but what tendency to turn factors to uses not needing complements with high hps may not be often good. Anyway, this land was virtually withdrawn from England: the wool was sold abroad, & the imports only consumed by landlords. Former complementation to Eng. labor gone)

2 Sheep enclosures often high-handed. 52

Elizabethan movement to prevent bldg. of cottages unless 4 acres assigned to them (note it wasn't to assign 4 acres, but to prevent bldg. Machinery for employing poor all called into being by enclosures.

18th, Scotland, far less resistance to enclosure thru custom than in Eng.

53 16-18th, cottage industry spread in rural areas, people would have two occupations, farming too. Spinning & weaving. Enclosures of 18th-19th, simul. with machinery development, took away both these sources of livelihood. 54.

3 16th enclosures increased sheep at expense of tillage, Pmt & crown combined to hinder them. Later enclosures were to increase tillage, nat. policy favored them. 56 Much pure chicanery, much natural concentration due to ~~xxxxxx~~ peasant ignorance & poorness to adjust to new system, pay for resurvey, fencing, etc. 57 Peasant privileges in commons were not of long standing, had no legal basis, had just grown up "during cent. when regulation of com ons had fallen into disuse" (?) 58

18th, dairy & stock gave way to corn, thru enclosures.

H. Levy, Large & small holdings

Gonner, "Common land and enclosure" 59

19th, taxes have greatly increased (so?) 62

Part II : The progress of cap. in medieval cities

York, Norwich, Ipswich, Exeter, Coventry, London: medieval cities.

Money used. 63. Step by step got charters, more freedom from manorial administration under which they started. Lay lords could be bought out politically for definite rentals; ecclesiastics tougher. Great progress in Xuades. 64-5

Townsmen sometimes forced to use lord's monops. "Thirled" to his mill. Peasant's revolt partly caused by this. (1381. Ashley attributes it to peasants' insisting on higher wages after Black Death, withdrawing their customary services, which had now risen in value, lords' attempt to force them to work, they revolt, revolt produced no great change immediately but allowed process to continue, which it did.) 65

Town freedom thru Guild Merchant. Struggle vs. landowners key to early history. Town interest, not nat. 66

Towns would store up corn & coal themselves, to sell to town members when needed. (a coop taking over what may have then been a natch monop. Good) Some exclusiveness in who got privilege of using town's resources. This seen as first cap. accumulation. 67-8.

Fairs, abundant machinery for enforcing contracts. Free trade idea grew up, which caused such opposition to James I's monops. Foreigners excluded as retailers, allowed to bring to gates or shores, etc. Gradual process of excluding foreigner & replacing him. In Scotland foreigners much more excluded. 69

Before towns, monarch's & monks were chief organizers of (non-agric) production. Regulated hours, standards, etc. (armouries of castles were workshops) Towns copied this. 71

c. 1400, started to step out in foreign trade.

15th, new cap. industries migrated out of towns, to escape gild reg. By 16th, gild reg. lost power. Towns lost importance as organized centres of ec. life. (?) Capitalists developed suburbs & country. Kings depended less on towns for revenue, but on general prosp. of realm. to 79. Tariffs, i.e.

Eliz. able, with Burghley (Burleigh?) to extend royal authority, as manorial system had ~~decayed~~ broken up. Govt came to derive income from public taxes, not private estates. to 80

Producing for the market became common. (this requires cap of course. Growth of trade, increased competition, thus result from capital) Eliz. times. 82 Burghley regulated agric. wages (inter alia) paternalistic (& probly with due regard for landlords). Internal corn trade encouraged, thru partly thru improving roads. Corn export encouraged, Wm-Mary even subsidized it. To Medit, competing with Baltic. to 86

Settlements of Eng. farmers abroad -- as in New World & Ulster, 17th.

Burghley also encouraged mining. Metals & coal. Encouraged fishing. Encouraged immigration of foreign craftsmen. Diffused home industries around country, partly to mitigate unempl., which reached great proportions under Edw 6 & Eliz. Parishes encouraged to buy wool, put unempl to work on it.

Simul, Henry 4 in France encouraging internal improvements like roads, at public expense. (& direction) In Eng, done privately, with public encouragement (1589-1610, Henry 4) (not clear if Henry 4's works undertaken partly to combat unempl. Interesting how providing empl in each case is a matter of supplying complements. In France, investment mainly)

16th, partly ass. with reformation, gilds attacked, died, superseded by nat. regulations of same nature, except not discriminating between parts of Eng.

Up to 16th, exports had been raw, imports luxuries (since exporters were

those who would want luxuries) to 96

4, 1, 3 Burghley enunciated policy that any trade yielding export balance was good, because it increased country's capital. Followed thru 17th-18th. (Edw. III is one we always return to to describe policies allowing foreigners free regn)

3 Policy of confining Eng. trade to Eng. ships strengthened in this pd, had been tried fitfully since c. 1400, finally became definite. (c. 1600) 2 18th, rural depop. not such a problem as in 16th! Corn Bounty Act kept up good mkt for corn (important thing would be that 18th encl. increased complementation, 16th reduced)

2, 3 c.c.c. 1700, machinery for controlling wages died.

1, 2 Charles II had defined where individuals could get relief, (unemp), had interfered with labor mobility.

4 Over B of E plus Provincial Banks, great impulse to cap. formation, & sanctifying of hoards. Banks directed savings to business & ag borrowers.

of Buchanan Which way to employ cap. was problem of 18th. That which brought greatest export balance came into doubt. A. Smith subbed idea that that which set most labor in motion was best. (Aha, so Smith had compl. idea; & was far from a real free economy man, as he believed, as I recall, against foreign inv.) (further, this criterion would lead to result that what was most profitable for owner wasn't always best for society, due to compl of inv. to labor (wages fund doctrine). I wonder if he developed this truth?) Compl. idea cumbrous, society content to believe that what was private benefit was public. 104.

3 15th, manorial & MUNICIPAL (???) institutions decaying. Poverty increasing, save for cloth trade. 18th, general advance, so regulations could be discredited. (proably a general truth, no? When regulations seen to bar progress, they are discredited; when seem to shield from disaster, are encouraged. So when outside things bring disaster, disaster is augmented by growth of regulation)

3 After Am Rev, trade with u.s. found to be as profitable as ever; called whole mercantile policy into question. 1800, generally conceded to let men employ their capital as they saw fit, rather than regulate capital's use. 4, 1 (he emphasizes regulation of way of using capital. Evidently that had been chief subject of regulation in 18th. Labor not regulated. Land being freed in a sense -- a limited one perhaps, due to entail -- too)

4, 1 Scotch had free investment since 1600. (so?) In 1600, Eng govt very suspicious of new power of capital, regulated strictly.

19th 1900, various old insts. swept away. Eliz.'s industrial code. (what, again?) regulating apprenticeship, wages, etc. 1846 Corn Laws went; 1850 Navigation Laws. to 113

Rest of book mainly 19th cent.

My notes have not reflected Cunningham's stupidity & blindness

With a bad credit system, towers will hoard in because they have no inv. opp, while others have to borrow at high rates, or cannot borrow. Thus breakdown of credit system in depression causes unnecessary hoarding, & -SV.

Conversely, to build it up again would AV.

located that you can use it (for a price) or do the other thing—sail your ship around the Cape of Good Hope. It costs about \$20,000. in round trip tolls to move the average tanker through the canal; a little more to take it around the Cape. You can save a little money by going through the canal.

The Canal cost \$73,800,000. to build, and the Suez Maritime Canal Company (French owned) has paid annual dividends of 20 per cent for the past eighty years.

Natural or true interest we estimate at about 3%. (See your Savings Bank.) Thus 17% of these fabulous 'dividends' must be something other than interest. The fact is that this 17% (dividends) is in reality, in scientific parlance, RENT, i.e., mostly Monopoly Rent.

Venezuela is now using some of this form of rent to build a multi-million dollar highway from Caracas to the coast along with other government enterprises. Thus by taxing oil-dividends (monopoly rent) these public improvements do not cost the people of Venezuela a cent.

In a speech in England in May, 1889 Mr. George said: Over and above economic rent there is the power that comes of Monopoly, the power to extract a rent, which may be called Monopoly rent. The power to extract the Monopoly rent comes from the power to hold land idle—comes from the power to keep labor off the land. Tax land up to its full value and that power would be gone. (However) land or economic rent is a natural and just thing.

For The Condition of Labor and other books by Henry George write—

The Robert Schalkenbach Foundation, 50 E. 69 St., N. Y. 21, N. Y.

The Suez Canal @ Its Monopoly Rent

By C. LeBaron Goeller

RENT (ground rent) is the price of privilege. It is the price we pay for permission to live on the earth. If Robinson Crusoe 'owned' his island, then he had the right to charge Friday 'rent' for permission to live on his island. This rent would be 'all the traffic would bear', i.e., all of Friday's wages except a bare living.

This is an illustration of Monopoly rent arising before there was any true, or 'Economic' rent. (See Henry George's 'Condition of Labor', first footnote.)

Where, in our day, land is treated as private property (which is a *product* of labor acting upon land) there exists Monopoly rent along with Economic rent. The expansion of society creates Economic rent; and land monopoly creates Monopoly rent. Along with this, Speculative rent arises, caused by speculation as to the probability of a further increase of Monopoly rent.

In Politico-Economics a canal is 'land' just as much as the dry land around it and the earth or land under it. It also has a location just as much as a city lot. (Some lots on Manhattan Island are worth \$40 million an acre.) The location of the canal can be of immense value.

The Suez Canal is in just such a vital location and has an enormous Monopoly value which yields to its 'owners' a fabulous Monopoly rent. For the canal is so

Compliments of

J. Rupert Mason

San Francisco, Calif.

Legenda: Terms of Trade; Political Units as mmpies

Ward, John SM, "Can Our Industrial System Survive", re Eur.
Financil Crisis, as shown by present Exch Rates,

HC57

W3

Read up on Dutch Mercantilism, "Free Trade Mercantilism"

Municipal Finance

*Brown, Benj H, The Tarif reform movement in GB,
study of who backed what*

Hickschen

R. Brandis, JFE 2-52

p. 78 Tax on coffee trees to
reduce output