

Ec. History of Europe

Heaton on 19th c. banking

Pre Nap war, many Eur countries started central banks. But they all went down in war. & Amsterdam Bank went down with Dutch E. India Co, much of which it owned, in 1798, when co. went bankrupt.

Prussia, Spain, had started banks. Spains went up in Law type smoke. France's went with the assignats. Others perhaps went with the states they financed.

Eng's remained. & emerged from wars with highest prestige etc. It had loaned to govt; & already known as lender of last resort to private London bankers, for when others afraid to lend, it would. (note issue power cause?) It made private bus. loans too. Handled govt deposits. Its notes had been convertible into coin or bullion, much reduced in stresses, but had always succeeded in rebuilding them. (but was suspension in Nap wars of course)

1797-1821, bank suspension.

Many private banks did well, too, lending to govts. Barings & Rothschilds, esp. Rothschilds had branches in London, Paris, Frankfurt (original home), Vienna, Naples. Financed many wars, rulers, eclipsed Fuggers, in 19th. Underwriting also big bus for them. Financed Crimean war, Italian independence struggle, French indemnity, & shipped much on own acct in own ships. A great power.

In Nap wars, country banks grew fast, as industry boomed in countryside. After 1797, their notes, like BEs, inconvertible. By 1814, had grown from 230 to 800, & their notes were as numerous as BEs. With peace, deflation (proably a contraction of BE notes, or cessation of expansion). Prices fell, country banks busted.

Panic of 1825 dragged down some more of them.

Two special booms, inside Nap wars: 1797-1802; & 1808-10.

1825 failures so great, allowed jt stock banks in country, 65 miles from London, 1826 law. & 1833, inside the zone, the London ones couldn't issue notes. & so jt stock banks sprang up all over, importing mgrs from Scotland, land of high repute for good banking. These jt stock banks took over privates, extended branches, amalgamated, until, 1920s, only 5 big ones had 5/6 business.

1836-7 crash, Eng, many failures, & it was made tougher to become a bank (cause of amalgamation?)

Once a bank became big, state interested in saving it from disasters, (possible cause of bigness)

Disasters of 1825, & 1836, provoked discussion of banks, note issue principles. 1844 Act made note issue harder.

In fact, decreed that no bank should issue any more notes than had outstanding; & no newly chartered bank could issue any at all. & when any old bank failed, changed charter, or amalgamated, BE got its issue rights. 1923, last "veteran" bank disappeared. (with this kind of legislation, no wonder they got mnpy)

BE given right to issue 14mL fiduciary, plus 2/3 of issue rights they got from jt stock banks, so fiduc. ultimately came to c. 20mL.

Other notes to be fully backed by gold, 100%

This was a victory for the "cynics", those who thought bankers would cause boom & bust if allowed to issue notes. (but let them continue to issue deposits? What was dispute between "Banking" & "Currency" schools?)

(Interesting parallels of Bullion Rept, 1810; & Bank Charter Act, 1844. In both cases, the correct view was officially repudiated, but moved into power soon.

Bullion rept was occasioned ~~xx~~ by inflation, to refute accusations that BE responsible, by its note issue. Had been big infl., 1808-10, SA trade boom. Current theory was that real bills could not be inflationary, productive loans. (same as FRB in 1929 with its acceptances) Bullion Committee, with Ricardo, proposed Q theory. Was officially rejected. But 1821 was unofficially accepted, BE reduced its loans & notes. Put thru sharp deflation, some depression (but was it not a boom by 1824? Couldn't have been so bad)

1844 controversey, stemming from 1836 debacle. Criticism was that country bankers could expand notes too freely (just like contemp wildcats in U.S.) had thus caused bust. Currency school, which lost, said that deposits should be controlled, too; and that strict control not nec., bankers' judgement pretty good. But they lost to Banking school, which said only notes counted, & they should be strictly regulated.

So notes were strictly regulated -- but deposits became more important, & they were loosely regulated, by BE with its control of reserves, just as banking school would have had it with notes. (before 1844, BE notes 1/3 gold backing. After, the fiduc. issue, & 100% backing for remainder. (but more elastic depsoits backing no doubt)

Was another bust, 1840s, as Banking Dept of BE, separated from issue dept by 1844, & freed of any responsibility, expanded its depsoits freely, & I sue Dept couldn't bail it out. So, after this, quietly began to take responsibility for checking booms, bailing out busts.

Banking school I judge ~~saidxxx~~ observed wildcat type bkg; said inconvertibility was the trouble. Said adequate -- & essential -- reform was to enforce convertibility, for notes & deposits.

Palmer Rule, BE started to use it in 1827, tho called rule of 1832. Rule: ~~xxxxxx~~ let notes vary with gold; but let deposits vary helter skelter, hence was ineffective. & something about keeping total security holdings constant? Well, this is just what it meant in practise, because when gold flowed out of Eng, notes were retired; but deposits expanded, to keep security holdings constant.

Reichsbank, 1875, copied essentials of Eng plan. Fiduciary issue, & gold covered notes. But was provision for emergency issues in law -- something Eng had to provide for by special laws in crises. Tax of 5% on unbacked notes, to assure they were only used in emergencies.

1833, usury law prohibition of int over 5% repealed for BE, so could control better. But previously had rationed credit anyway.

Starting with 1840s, used discount rate changes very consciously to balance. 2% in slack times, to even 10% in panics. It made ~~effects~~ other banks raise their rates. & had effects all over world, London the financial center. (mainly I guess, as Eng loaned to every country, financing trade, this reduced those loans, repatriated Eng cap to Eng, hence so very sensitive mechanism.

✓ France, Rothschilds dominated investment banking until 1852, Nap set up Credit Mobilier to compete; it busted, 1867.

✓ Gy, starting c. 1850, people didn't want to invest in stocks; but would deposit in banks, esp municipally owned ones. So such banks underwrote stocks; & even held onto them, for it was hard to resell to public. These banks had representatives on boards of directors, & led combination movement.

Good Stuff.

Eng Trade, 15th cent - ~~Fairbairn~~ Power & Postman

General description
of Hanse

The Hanse (15th). Norwood to Bruges Wool, fish, industrial in west; corn & wood products in east. Dominated Baltic, got political help & more formal merchants, with outposts. c 1350, emerged as political force, Dutch, Eng, Scand rivals resented. 1367 war with Denmark, first united political action. Had monop of great routes, fought competitors. - to keep in 14th & 15th what they got economically in 13th.

3
Hanse becomes ✓
exploitive... beginning
of end, this encourages
national states.

1300, Flanders lost cloth monop, Eng & Dutch competing. - Dutch not in Hanse - Bruges getting squeezed. Political development of Scand, Holland, Eng, prevented this sea-borne intruder from dominating. Ehrenberg hardly mentions this cause of Bruges' decline in 15th. i.e., that it was a Hanse town.

Divisions, 3.

Lubeck head of Hanse, central, but diverse interests split it. - 3 main groups - Rhine, Lubeck (Prussia - Livonia), Bremer. Western towns liked cheap Dutch shipping, left Hanse.

Free trade & growth

Lubeck became monop. center. Baltic expansion, free trade

14th, stagnation
of Hanse

3 ✓ Lowered, colonizing towns to east But 14-15th, stopped expanding, concentrated on monop. what they had. 1350 end of pioneering. How typical - & way back then!

3
Eng. challenge
Hanse Baltic
monop, 14th.

But just then, 1350, Eng started producing cloth for export & penetrating Baltic. - Prussia esp - cloth for corn, timber, (pitch, tar, ashes) Prussia distrib cloth to Poland. Danzig esp. British.

Hanse privileges in
Eng... duty free.

3 - Hanse in London (Steelyard), exempt from imp & exp + am & increase, & as they increased, a big help. Eng. merchants to Baltic few. Flanders & distr. in Eng being main interest, & they would not have gotten help vs Hanse but for xenophobia vs Steelyard privileges etc. - Steelyard competed in English & Flemish trade too. Interests united temporarily in

reciprocity demand.

Hanse wins over
Eng.

c. 1475, Hanse pulled self together, Denmark & Köln being recalcitrant, & shut Eng out. - & Hanse kept London privileges.

((16th, Eng went back)) Despite incipient mercantile ideas. Because

3 → many powerful Eng. interests wanted Hanse, & all got broke down in Roses Wars, & Hanse needed as military ally. 105 (for loans?)

2. The Three successes, 1400-1437

4, 3, 1 → Story of this era shows great political interference with trade, ever changing, trade being now shut off, now liberated, etc. Not conducive to fullest development I'd say. Quite a contrast to Antwerp. Trade treaties, mutually broken. Piracy. General protectionist spirit. only offset by desire of local people to trade with foreigners, in Prussia and England both. Antwerp must have been fortunate in having no hinterland on which it depended, against which measures might be taken -- it traded in everybody's everything, had insurance in divers- & diversification. Transit trade a better bet in those days. -- & these days too? Hirschman says so.

3. The failure, 1437-1475

1437, 3d time Hanse had had to make treaty with Eng allowing English in, over protests of Danzigers merchants, in order to keep her political unity. After 1437, clashes resulting in new adjustments occurred as frequently as before, but English began to lose a little bit each time, instead of gaining. Eng. had substantially achieved equal treatment by 1437. Then Eng weakened at home: Henry 6's reign, lost Normandy & Aquitaine, civil war at home, disintegration of Lancastrian govt. Before, Eng. cloth had not depended on going to Baltic, could go also to Brabant, Zealand, Flanders, which were controlled by Duke Philip of Burgundy with whom Eng had alliance vs. French. But as

Eng lost in France, Burgundy withdrew, this trade became withdrawn. -- nec. to have govt to prevent for to prevent for that discr. Philip would stop it when he was mad, off & on, & then Eng had to count on Hanse. (I suppose it was Eng merchants, not Eng products, that were kept out???? For were not Steelyarders ready to take Eng cloth at any time? Or did they just import to Eng? Well, Philip's measures were against cloth itself from Eng, but Hanse measures may have been just vs. merchants.) c. 1450 etc, disintegration of Eng govt led to piracy by Eng vs Hanse, large scale. This offended entire Hanse, unified it, where previously only Danzig had wanted English out. Lubeck more powerful than Prussian towns, took lead vs Eng now.

1440, Parliament of Reading, Eng revived aggressive anti-foreign policy, required all to submit transactions for approval, to spend all their proceeds in Eng, only deal wholesale with English. p. 125. These were the demands of Eng. towns, which had previously been checked by Lancasters. This concession to them was attempt by one of baronial parties to get town support, esp. London. Didn't apply to Hanse, but showed changed spirit which affected Hanse too. Piracy didn't grow just because govt was weak, but because govt was in venal hands, who encouraged it, gave out "letters of marque" freely to privateers to capture Hanse ships for supposed grievances. The "Suffolk faction" supported this,

Towns wanted to be able to import goods themselves.

Eng. hist
1437, height of
Eng. power.
Then dissolution

Phil. of
Burgundy

Piracy
unified Hanse

Restrictions
on imports
early
bullionism.
No, for these
were disc.
vs. for merch-
ants, not
for producers.

2 Postum
Pomer, 3

tho against merchant interests. "Gloucester faction" more for merchants.
"Well connected adventurers" who profited from piracy, taking
advantage of looseness of govt, over-rode merchants interests.

41
Lubeck was one to suffer most from piracy, took lead vs Eng,
blockaded vs Eng cloth in Baltic, tho Prussia & Cologne smuggled
thru.

Yorkists took over in Eng. c. 1460, temporarily strengthened
merchants position, considered revoking Steelyard privileges.

Strength
from unity
Unity from
equity

All thru this, striking illustrations of fact that strength
comes from unity, & can exploit disunity --- but what you exploit, you
antagonize, & perhaps unify.

My country can unite the shattered world to it by
offering good terms.

Holds for
individuals, too.

I, as an individual, can commence same process -- can
make allies wherever I go by giving much, asking little --
could one not, by extending this process, take ^{unify} care of whole
world? I know not, but he can certainly take care of
himself, & need never fear for his own well being.

Notes on The State, by Franz Oppenheimer

Chap. I.

Theories of the State

1. We consider its essence, not legal forms
2. Rousseau, Carey, Plato, Marx, Manchester theories. Wrong because they do not approach from historical viewpoint, & draw hist. conclusions anyway.
3. Stoic & Epicurean conflicting theories of State fixed by medieval religious phil.
(actual State is phenomenon of social classes)
4. "primitive accumulation" theory, for formation of classes.
No good, because states existed before land was all taken.
Land was legally preempted, indicating conquest & subjugation.

Sociological idea of the State

1. Purpose, exploitation. Origin, conquest.

Chap. II

The Genesis of the State

1. The economic impulse, hunger & love, deepest motives.
 - a) Political & economic means, to achieve same purpose
 - b) Peoples without a State: Hunters & Grubbers
No state because there is nothing to steal. Primitive hunters get essentially = wealth. Grubbers cannot organize to rob.
 - c) Peoples preceding the State: Herdsmen & Vikings.
Fluctuating wealth differentiation among herdsmen, nothing permanent. Nomads invent slavery. Herdsmen are superior to hunters, & increase rapidly. Militaristic. Vikings have slaves, classes.
 - d) Genesis of the state

One thing he misses - the auto-regression of equality in a peaceful state. e.g., Rome, Saxons, Franks, i.e., Henry George's law of history.

Not from herdsmen over hunters, the latter too independent. Herdsmen over peasants is it, old world. New world, hunters over peasants (no herds) (but how about Navajos?)

6 stages

- i) Endless combat, no money, herdsmen winning. (Hyksos over Egypt the 1st State)
- ii) Peasants stop resisting, masters let them live, to get more wealth. Masters protect their flock, national unity tends.
- iii) Regular tribute replaces irregular.
- iv) Territorial boundaries made.

v) Lords arbitrate peasant quarrels.

vi) The two races merge

Chap. III - The primitive feudal state (stages # (ii), (iii), (iv), (v))

a) The form of dominion (grand rent)

Came into being by "sexual propagation."

b) The integration

c) The differentiation: Group theories & group psychology.

d) The primitive feudal state of higher grade.

Warlike robbery must continue, desires are unlimited. 2 aristocracies

(i.e., Saxons) fight it out, intermediate class results. Religion, caste systems.

→ Agglomeration about existing nuclei of wealth. (due to political means)

Bifurcation into maritime & land states.

Chap. IV - The maritime state (Would not "trading" be truer?)

Is it this kind of state that starts dem. & degenerates?

The economic means co-operates, is not exploited, in formation.

a) Traffic in prehistoric times.

In Women, fire, then everything. 1st violent stealing, then trade. Right to hospitality. Primitive markets exist

b) (Political means enters) Trade & the primitive state

Conquerors protect markets for superstitious & economic reasons - they get protection money. Sea ports are set up by pirates and protected, e.g. Caere.

c) The Genesis of the maritime state.

Will - Rome, Venice, City of London trading in the loot of piracy. Either fortress in hostile territory, or treaty-right trading post. Greeks, Carthage, e.g. Expanded & became landed aristocracy, some of them + here with bad harbors & hinterland to conquer. Young aristocrat son work. But these never lasted, as did commercial & privateering states, which extended sway by peaceful penetration. Often small merchant colonies came to dominate a country. Ghetos. Eng. colonies in China, Turkey, e.g. Arab traders in E. Africa, too. Take part in internal quarrels. Rome & Gr. maritime states from amalgamation of 2 =ly strong nobilities. (Maritime) origin of Rome unproven (will)

d) Essence & issue of the maritime states

Highway robbery disdained in maritime states based on trade, but not in territorial states. But piracy ok in maritime state. (consistent?) In maritime state is i) Democratic Constitution ii) capitalistic slave work. Territorial states must keep on getting

(the State, sheet #2)

more land, maritime states only trade. Interests of mar. aristos in movable wealth, not land. (Contrasts: - i) Mar. state centralized w/ money, ^{& privileges} land state not. ii) Mar. ^{ie, trade} more money, land not. City-states always had uprisings, ochlocracy, then tyranny or foreign conquest. This from money-wage, exploitation of slave labor, & migration to cities. Rome the greatest of these. Push from it carried succeeding feudal land states beyond the primitive stage.

Chapter V - The Development of the Feudal State

- The Genesis of landed property
Land at first valueless, large herd & slave owners naturally occupy more land, there is no objection. Slaves the object. Slave-raiding next, biggest nobles get most. They become well landed. Then, gradually, decentralization, & lowering of freemen & raising of subjects.
- The Central Power in the Primitive Feudal state
It is the military genius who rises. His sacerdotal status determines his fate, his power. (e.g., St. Louis, perhaps)
- Political & social disintegration of the primitive feudal state.
Bestowal on landlords of public official functions. Marriages. Income from these then goes to lord. He becomes independent. (He may acquire much land & become king but then he gives it all away) A cycle of int. & disint. Social: freemen sink, thru inclosure & mil. service. e.g., Caesar's Gaul, 9th & again 15th cent. Gg. Lords unite with plebs vs. central gov., get many rights as lords compete for them, are raised to = freemen. State comes to protect their rights.
- The ethnic amalgamation.

- Rulers get fewer & bigger. Ministers get powers.
- The developed Feudal State

Hierarchy, closed caste system, is complete. Everyone must have a place, a relationship, or not be in the society. Difference in race consciousness becomes difference in class consciousness.

Chapter VI - The Development of the Constitutional State

Cities, with their mobile capital, lead change

- Emancipation of the peasantry

Territorial magnate becomes public, instead of private. He cannot hold all his plebs personally, does not wish to compare others

with them, so emancipates them. Rent becomes fixed, surplus to peasant instead of lord. 2nd great important step.

b) Genesis of industrial state.

Ind. cities, the developed means, oppose states. Cities interfere in politics. - they side with crown vs. nobles. Take peasants from lords, offer freedom. Money economy replaces payment in kind, June 15

~~Dear Mrs. Smart.~~

~~You were very kind to put me up and put up with me last week, and I want to thank you very much for your~~

weakens feudalism.

c) The influence of money economy.

It makes central gov. omnipotent. Landowners formerly wanted as many serfs as possible, for military power. Now they try to maximize profits, with fewer serfs, & turn to king for military power. They did best for themselves. Nobles get common lands, central authority gets to tax & levy on them. Peasants sink again. Cities subjected, fill with classes, "free laborers" 1st appear. There are fights, land regains control. "Capitalized wealth" (including land) becomes source of power. Fate of maritime states not shared because i) no slaves to be had ii) serf has now 2 masters, prince & landlord, both of whom want to strengthen peasants. Poland exceptional, had cap. expl. (sell). Capitalists unite with proletariat to lick landowners then unite with landowners to hold down prol.

d) The modern constitutional state

Officialdom has been added. Form & content still the same. May be several grades of classes. Parties represent classes try to get privileges for them. Capitalists run things, privilege themselves. Labor unions lead fight against them. Bureaucrats represent master class

Chap. VII - Tendency of the development of the state
Ec. exploitation will disappear.

Nadim, Fri.

Heckscher, Eli. Mercantilism, Encyclopedia of pol. sci.

A. Smith, an epithet to idea gov should have protection to keep money in country (yet this idea may be correct, to improve terms)

Schmoller used it to refer to German princes, seeking ec. unity of their territories, to get over feudalism... to unify, they as central; not to disrupt, they as local.

Cunningham, was nation's attempt to get ec. power for political purposes.

Schmoller^{idea} -- in Eng., was never much trouble with petty tolls, on rivers, & customs duties around small feudal entities. But in Gy & France, bad. Eng. unification in 13th, functions of state not usurped by local people.

France, provinces separated by customs duties. Colbert, 1664, tariffs did away with many, but by no means all, & not until Revolution was it completed. Colbert had managed to abolish customs between only about $\frac{3}{8}$ of France, & only interprovincial tolls at that -- river & highway tolls remained. & provinces added after 1664 treated as foreign countries, as to tariffs.

In Gy, not achieved until 19th.

✓ Each town all along tried to subject adjacent countryside to its control, hamper trade of other towns. p. 334 (so towns as monop. has long historical precedent) Mercantilists wanted to change this policy from town to nation. (when it is world wide, we shall have peace.)

Statute of Artificers, & Apprentices, 1562, Burghley & Elizabeth, for nat. interest of Eng., did not favor towns over countryside as did local guild regulation. It did nothing to perpetuate craft guilds, & prevented them from becoming part of the trade regulatory system.

But Colbert tariffs, & Artificers, are only successful mercantilist unifying measures. Other progress was Inside Merc.

French Merc. accepted & tried to ^{nationalize} ~~swallow~~ the feudal system. But guilds remained local, & prevented migration & change. -- & national supervision, which used considerable civil service, strengthened local control -- sounds odd. Regulated methods of production, &

hampered industrial development.

In foreign trade, the chartered co. was Merc. instrument. Eng. co.s distinguished by each merchant trading for himself. Next came joint stock co., & corp.

Port., Spain, France, co.s were state fostered. Eng & Holland, private -- & they were big ones -- but they paid state for privileges, e.g. Eng. Bubble Act, 1719, which prevented others from using the more advanced joint stock co. form, & was intended, by chartered co.s, to reduce competition. (another case where prevention of boom, & of competition, went together).

Development of these co.s in Eng & ~~Spain~~ Holland not due to merc. policy. In more merc. countries, which fostered them, they developed less.

Fr. rev., & spread of laissez-faire ideas, accomplished in Eur. what mercantilist statesmen couldn't, free local trade.

Medieval object was to save souls; liberal ~~the~~ the individual; mercantile the power of state. Responsible for endless commercial wars of Late 17th & 18th, culminating in Nap Blockade.

p. 336

✓ The "staple" policy of the medieval towns was that merchants were free to export & import as much as they liked, object to increase trade of town as much as possible (taking advantage of complementarity. Probly this sort of complementarity is neglected by modern mercantilists, altho to some degree also their measures are stimulated by recognizing complementarity that the market does not recognize. But the complementarity of a buzzing commercial development they definitely neglect) This "staple policy" was for towns in competition with others, trying to draw trade to selves. (perhaps most typical evolution is for town to be competitive, develop some monop., overvalue the monop. & resort to monop. practices, be replaced by some competitor.)

✓ Some colonial powers required that goods pass thru their cities, e.g. London by 1807 Orders in Council (& earlier measures?) He connects this with attempts to get trade by competing for it, ~~ex~~ but obviously one is force, the other competition, very different)

✓ In middle ages, it was exports that were taxed etc. Mercantilists objected to this policy. (but mercantilism not so different in outcome. For by taking in money, local prices are raised, exports become fewer and more expensive, terms are returned in country's favor. Mercantilism, then, in objecting to earlier measures, was objecting to the means, not the ends. Mercantile method more free, for early export prohibitions or discouragements involved state trading practically)

✓✓✓✓ Mercantilism replaced export prohibitions as money economy replaced other. (this makes sense: importing money serves to improve your terms of trade only when money economy is widespread. And when it is thus widespread, importing money is the most convenient way of improving terms, being more pleasant than administering export prohibitions) In Venice etc., 13th; Netherlands, 14th; France & Eng., 15th (Edw. 4)

✓ Heckscher stresses that they were confused by money cloak; and thought money was "real wealth"; and thought commodity imports caused unemployment. Doesn't see terms of trade point at all.

"Bullionists" differed from mercantilists in wanting to prohibit absolutely the export of precious metals. mercantilists wanted excess of exports over imports.

Mercantilists were inflationists; but not underconsumptionists, didn't want people to consume more. But wanted a large stock of money in country. (& they were right, money is a factor of production, is good to have it in country)

✓ Argument also used, he finally mentions, that low prices at home would turn terms of trade against you. John Law, following John Locke, used this argument. Mun observed that the high prices hindered export, but didn't follow it up. (beginnings of price-specie flow theory, with its assumption of elastic demand and its neglect of possibilities of monop. exploitation)

✓ Mercantilists believed in as much freedom of individual trading as could be arranged.

Heath on the Dutch

They succeeded many. ~~xx~~ Hanse; Flemings; Portuguese. Scandinavians fought to get rid of Hanse, but couldn't replace them -- so got Dutch to. Dutch financed Swedish cu mines. 1524, got access to Norway thru Bergen. Thence came timber for their ships -- & they exported shipping services. Baltic grain & lumber.

✓ Shipbuilding became highly org. mass production industry.
✓ Capital available for ships -- even peasants bought shares.
Herring fisheries.

They carried for everyone, everywhere, at lower rates -- because of their cheap ship production, & their ships designed for fewer sailors; &, because of wide range, could get stores cheaper.

Holland, as the staple or entrepot thru which much of carrying trade passed, developed finishing industries.

Immigration of craftsmen, esp those seeking religious liberty, 17th. Beehive of industry, processing, highly skilled: e.g. cloth fulling; diamond cutting.

1602, Dutch E. India Co, very profitable -- in contrast to w. India Co, which never did very well. Monopolized spices of E. Indies -- & exploited mnp & mnpny to full.

✓ Agric. became horticulture. Grains could be imported from open frontiers like Prussia. & with the horticulture, the tulip.

1609, Bank Of Amsterdam, mainly a clearing house, didn't lend much.

✓ But Holland had no basic raw materials -- even her position, good as it was, was duplicable. So as others learned from her, they bypassed her -- Eng started carrying her wool direct to Germans at Hamburg, (or up Rhine?) , for Gm linens.

✓ Dutch maintained free trade, even in decline. Because carrying trade still basic. ~~xx~~ So cheap fn wares entered.

Exported capital. Turned to financing trade & industry & govt of other nations. Made peace with Eng, joined it vs France. But after 1713, gave up big power pretensions, let military deteriorate, let France & Eng fight it out. -- lending to Eng, because her credit better. But, Am. rev., joined France. ✓ thinking Fr. finances reformed. Lost out in rev.. Then French took her over, British took her colonies. Tho she got them back 1815, save Ceylon & Cape. But then coal, steel, cotton, became ✓ important; rather than herrings, linen, copper, sugar, spices. & Holland settled down to mediocrity.

Might have been good for Holland to have turned protectionist a bit. For free trade bound up in old vested interests. But it didn't. (But it did tax transit trade, evidently -- & that was an export)

C H Wilson on Dutch

Some suggestion that they put taxes on transit trade -- no wonder they lost it. Was some agitation to make Amsterdam a completely free port again -- & of rest of world, it pretty much was. But Hamburg was even freer port, 18th. British-Germ trade began to be direct, as did many others -- why pay the Dutch duties. Dutch forte was indirect trade, for others -- they carried it thru Amsterdam, took duties.

English policy directed toward driving Dutch out: subsidized exports.

Holland.

80 yrs war vs Spain, 1568 - 1648, finally achieved indep.

In course of it, Antwerp hurt by 'Spanish Fury', Amsterdam kept clear. 17th was Dutch cent.

Carrying trade biggest thing. Lisbon to Holland. But 1580, Port. joined to Spain, Lisbon closed to Dutch. So they shipped it, went direct to spice islands, took over Port. empire.

Nurtured their map of spice trade: ~~one~~ even paying native princes to grow less!

17th, Eng. antipathy grew. Even Protestant rulers (Cromwell) fought Holland, encouraged France vs her. Navigation Acts, Dutch wars.

But fear of France presently outweighed. Fr., meantime, also aiming at destruction of Holland.

Holland finally surviving because Eng & Fr turned on each other.

Free traded.

1609, B. of Amst. fd., A. Smith still called it greatest bullion warehouse

Shipbuilding & navigation specialties. Standardized mfr methods, good workman-ship.

1688 ended conflict with Holland

AAA in 17th
cent. Dutch
empire.

Good stuff

Ec. Hist Eur., review notes

A whole new complex of production may grow to circumvent the old monopolies. Merchants of the Staple exporting raw wool thru Bruges, processed by monop. gilds. So we got in 15th c. Eng. the Merchant Adventurers exporting processed wool, processed by putters out? Check this.

✓ Inflation thru state using dM to finance: diocletian, ... Inflation also ruined Holland, 18th, I suspect monopoly motives, as well as sheer "lack of control". & Eng., recently -- might check into history of it, write a sane article on why people fear it, and what their justification might be.

✓ 16th, putting out grew in Eng. all right, evidently associated with Tudors overcoming local monops. This was woolen -- which became such a restrictive group then

✓✓ In Florence, the wool gild reached out and got the putter-outs, 16th -- they had been independent earlier, 14th, to evade town gild.

Flanders, 14th, gilds organize, cause putting out. 13th was patrician century. 14th, while evading craft gilds, went to pro-capitalist Antwerp & Amsterdam. Patricians were perhaps merchant monop. vs. labor, but otherwise not locally monopolistic much, "cooperated" with foreigners. 15th, Patricians back on top, Philip Good of Burgundy helped, uniting Netherlands, vs. local monops.

Bruges kept out Eng. Merchant Adventurers, to stop competition, they went to Antwerp.

17th, Eng., Merchant Adventurers, having developed finance organization in 15th, turned back and organized putting out production. So here is the missing link in evolution.

Italian gilds, in layers, harder to evade than NW Eur.

---- but that English evolution not so sudden. Was also a great growth of putting out in 16th, Tudors.

? In Spain & Italy, towns never won power over feudalism; in Gy., they didn't keep it, losing to ~~feudalism~~ ^{small principalities} in 15th-16th.

Tudors were anti-local monops., partly because they were supported by merchant gilds.

17th, 2d stage of putting out, merchants began to own implements for production more, looms etc., Eng. *Dobb's views Civil War as turning point.*

16th, influx into town craft ranks, thanx to Tudors. This influx gave greater strength, 17th they re-monopolized selves, masters did, vs. merchants and journeymen. 16th, they had merged with merchant gild leaders, lessened restrictions.

Meantime, Merchant Adventurers had become monopolized London Merchants, dominating IT. The re-vitalized craftsmen of 17th became merchants (and putters out), and, as Whigs, broke the IT monop. Became the Whig oligarchy.

Perhaps this is confusing because it was a continuous process of change & replacement which someone has tried to simplify into "stages".

Hist. Thoughts.

Venice, no chartered co.s. --- state ran directly. Common carrier principle, anti-monopoly policy, locally. (They may have limited total, but not by creating privileged. & maybe they didn't limit total? Always had Florence & Genoa as rivals)

Genoa had chartered co.s., & Portugal. Venice more competitive. Probably exercised monopoly mainly in shipping rates, which state controlled directly (may also have had to push them above cost as rationing device, shipping being limited by milit. need.)

Other parasites than Venetians, big problems. Mameluke Sultan of Egypt, 1430, pepper, cotton. ... which cotton Venice took to S. Gy, where they made Fustian. Sigismund, of Hungary, HREmp. tried to stop S. Gy. cities from trade with Venice, they refused him.

Why did Gy revive, 16th? ^{as Nef says} Chas. V? opened trade?

If Russian nobles did grain exporting -- why did they tax peasants to get grain exported? Probable conclusion: Schkaff unreliable, peasants did export some; but also, chestnut about taxing causing export also overdone, as nobles were main exporters.

Mir ancient, from tribes conquered from Marow. Paid taxes; & constant reshuffling of rights to young -- but 1858, last reshuffle, after that land became worth more, souls of revision hung on. Assoc. with abolishing serfdom. Still communal agric in mir, ~~but~~ but w/o redistrib. 1906, took next step, allowed peasants to withdraw land from mir, hoping to make conservative peasantry & paying landowners. Organized gangs to pay. ~~Besides it, peasants had to pay landowners. -- need them~~

Mir a device for paying state. ~~Besides it, peasants had to pay landowners. -- need them~~ work. In M. esp, where commercial agric grew more due to cities, suited Mir more. -- broke for corvée.

Even before 1906, efforts to make peasants landowners. 1882, Peasants Bank, loaned much.

Hist, 2

By c. 1900, maybe $\frac{1}{5}$ peasant holdings released from mrs. & many of loans were cancelled.

19th, landowners trying to apply western methods, serfdom interfered, so they forgot it. 1880-90, r.r.s & real spur, commercial, much change. S. ports opened... from 17th age.

18th, interprovincial tolls & export barriers gradually weakened. (export barriers suggest some consideration for food consumers in famine, vs grain exporting land lords.)

Emancipation just exploited labor better.

Italians ahead in commercial technique: credit instruments, having bills of exchange, money changers, savings banks, clearings, accumulated cap. to lend; firm organization, having ~~purses~~ with agency; chartered cos (Genoa); Monti... Genoa & all over, to lend to cities; local Genoese shares in ships. accounting. Florence way ahead in it, 16th. Kept double entry books, with subsidiary ledgers, ahead of its time.

marine insurance

commercial law. -- Genoa, 14th, had grown to that individuals omitted details from contracts -- custom & law rigidifying.

But were also advanced ~~and~~ more toward decadence, losing flexibility. Florentine guilds, eg, rigid wages. Capitalist forms reached greatest perfection after ind. declining -- 16th.

Florentine 16th. wool co., tho an advanced partnership form, was subject to guild regulations. -- mfs dominated guild, tho --- but still, restrictive. Speak of "the highly advanced in commercial technique, also advanced in being under guilds, with their inevitable restrictive proclivities." Featherbedding -- eg. scribes required by law on ships, or 2.

Cities gave each other mutual commercial privileges. Like MFN treatment today ...
& didn't last.

We have 2 aspects of town mnpy, closely related. Mnpy vs outsiders; & conflict within towns, class stratification. Latter ^{comes from} ~~requires~~ land values; & l.v. are what indicates town has a mnpy to exploit. Mnpz tion also further restricts benefits to members of certain gilds. & exploits suburbs for center of town. Thus raises many conflicts. Venetian (& modern British) 'fair-sharing' of mnpy benefits is unusual.

Patrician Flanders, Neth, Eng, 13th, greatest wave of construction in centuries.
... while Eng towns still under feudals.

Italian towns, they united with ~~for~~ feudals more ... makes sense, as Venice, e.g., was commercial in feudal times, Flanders towns came later, separately.

Putting-out system, Antwerp grew from its products, in Flanders as well as Eng.

Netherlands: United by Philip Good of Burgundy, 14-19-67. This broke power of craft gilds, because they were exploiters of town mnpies, & phil. centralized, broke them, merchants back in saddle.

Some important 'trades'

Eng wool to N. Italy; Flemish. Where worked up & reexported. Even when Eng was exporting cloth, that just cut out spinning & weaving (strongest Flemish mnpies, hence the ones Eng had greatest incentive to bypass)

Egyptian cotton, thru Venice to S. Ey, made to furrim, over world.

Gold, to orient; from Spain, leaked thru Amsterdam.

Spices^{& silk} from orient

Fish, herring, from Holland; Cod from Nwy, Hanne mnp thru Bergen.

Grain from Prussia. Norway imported it.

Processing, mfr. --- Commercial towns did it, e.g. Lubeck grain mills; Flemish weaving

Furs^{& slaves} from Russia

Lumber, Nwy.

Iron &c, Sweden

Cu. Tyrol, Hungary, Almaden, etc.

Alum. Turkey, mnp; then pope; mnp; then Eng domestic mnp.

Butter. from Scand. to cities.

Sugar

Salt Biscay

Meat --- Danish cattle driven to Flemish mks, e.g.

Paper

Shipping services

Financial services

Glass

Entrepot services -- where buyers meet sellers; big loads broken down for distribution, or opposite, big cargoes assembled for long hauls. If you have steady trade with someone, can bypass entrepot, but for the misc, small & variable demands, (& supplies), want central mkt.

Misc. notes from A Syllabus for an Introduction to medieval Europe, by Edgar N. Johnson

In Gy., feudalism combined with tribal loyalty to produce the "stem duchy", under semi-independent Duke.

~~191~~ 919, Henry of Saxony started Saxon or Ottonian dynasty, mainly protecting his own duchy vs. Hungarians, Slavs, Danes. Became king. Otto I, successor, took kingship seriously.

Allied with local ~~layzazuzuzhman~~ "secular Church". Virtually appointed them, by "lay investiture". Invaded Italy, got Lombard crown. Pope crowned, "Roman emperor". This empire maintained by Otto's successors.

But Pope didn't want to be controlled. He supported Cluniac reform, on this wave went to power. -- which reform had started independently. Gradually the papacy rose, & German king's power fell. Crusades involved.

12th, Lombard League, pope, Normans, allied, drove German Hohenstaufens from Italy. (so the failure to unify Gy. & Italy went together)

✓ But this was not final. Norman kingdom married into Gm., -- Pope, esp. Innocent III, fought Gm king, meanwhile back home in Gy. feudalism won out, pope encouraging disunity in Gy. to weaken king in Italy.

✓ Decadent Rome characterized by progressive agrarianization of society -- breakdown of trade. Small holding colonii replaced slave gang cultivators. (subsistence ag., as trade broke down?) Diocletian & Constantine attached colonii to soil, made serfs.

Commerce declined; towns declined; financial exactions of state increased, & (presumably did it).

Oriental ideas conquered Rome.

Late empire people went for oriental mystery religions too.

Heritage of Rome: memory of universal empire; villa; caste system; mysticism; Christian church organization.

✓ Frankish mayors of palace originally represented feudal aristocracy in fight vs. centralization. But when they got power, they tried to centralize. -- when they became hereditary.

✓ Normans carefully guarded central power in Eng. By granting large compact domains; requiring direct fealty from sub-tenants; controlling all castles; prohibiting private war; preserving Anglo-Saxon "fyrd".

Under Henry I, ^{king, 1100-35} extraordinary development. Elaborated central administration. Started common law -- which replaced former overlapping & conflicting feudal law, canon, Anglo-Saxon, commercial, Roman law -- & applied to all citizens the same. Thru the royal courts he expanded his power. 13th c. revolts limited or slowed this, & pointed up problem of limiting the central power, too. But elaboration of common law & central administration continued.

France unified about a century later than Eng it says -- I judge meaning in 12th c. (Philip Augustus?) (King, 1180-1223)

Gy., feudalism won out. Local tribal sentiment, reinforcing feudalism. Kingship never became hereditary, also. (important, then, inheritance performed a useful function) Kings allied with bishops, thus got into struggle with pope.

A cording to Whittlesey, Gy. was divided into 4 natural geographical units of about equal size, Bavaria, Saxony, Franconia, ~~Karlsruhe~~ Swabia. None big enough to dominate. When one waxed, others ganged up. Kingship remained elective, as none could bear to see others get it, hereditary.

Also, German commerce was a transit trade. Gy. not a natural ec. unit -- at least by her river trade routes. (r.r. changed this -- you could make almost anything a natch ec. unit, as Canadians did, or we did. Cf. Berlin-Bagdad r.r., Siberian r.r., etc. A real new factor of prime importance)

As the trade was transit, couldn't resist levying tolls. Everyone wanted to levy, gave motive to form lots of new political units. Greatest morcellement politically on chief trade routes -- L. Constance to Weser, and Rhine trough.

Besides, emperors gave political independence, gave away their domain, etc., to fight wars.

Besides, with the continuous expansion eastward into disorganized Slavic territories, and southeast, formed border marches to keep military control, these would become independent -- being self-sufficient anyway (unlike Roman)

Austria was Bavaria's East Mark, grew strong. Siezed Brenner Pass & lucrative trade. Came to dominate Gy.

Brandenburg gr w by entail & primogeniture of royal family, which prevented its dissipating its estates. Was only Gm. state with this institution.

In 12th c., French union got under way, Louis 6 & 7, from Ile de France, responding to calls from vassals elsewhere, taking up their cause, expanding power. But union blocked by Normandy, and other fiefs of English king. For 300 years, fought to oust English, finally did so, established France as top Eur. power. Even before 100 yrs war, was so established, having driven Eng. from all but Aquitaine, by 1259 Peace of Paris.

— In 13th, commuted feudal mil. service to m equivalents. But couldn't establish direct taxation in France. Began centralized administration, with baillis, senechals, enquêteurs.

Just some. Still used feudal cavalry.

? French towns allied with crown -- Gy., just opposite.

In 13th, Simon de Montfort Crusaded vs. Albigensians, for Innocent III, & homaged to king, thereby expanding power of crown.

1328, Valois succeeded Capetians, France definitely on road to centralized state, which had won over feudal separatism. (ultimate determinants which impress me: geography, Paris basin, as natural unit)

— (Introduction of r.r. made many nations possible which were not previously possible, caused some unity. But it did not make all things possible; and soon a new point of equilibrium was reached, at which a new balance of power was such that all would gang up on any that got too strong, & stop further use of r.r. to unite -- e.g. Berlin to Bagdad.)

— (Further changes will change balance, finally make world govt. possible)

— Had been steady conflict with Islam at fringe: Normans in s. Italy, Spanish, Byzantines. I judge it was the replacement of tolerant Arabs by intolerant Seljuks, and then the collapse of the Seljuks, that invited Eur. to invade east. (seems to me the culture was such that caused them to periodically invade something, no special explanation nec. for Crusades) They set up perfect feudal systems in Edessa, Antioch, Tripoli, Jerusalem. (cf. Wm. Conqueror in Eng -- but his lasted, due to geography) Military orders, Teutonic Knights, Templars, Hospitalers, also involved.

4th Crusade also established some military fiefs in Balkans, taken from Constantinople.

1244, Mongols invaded e. Eur., as well as Levant, destroyed. But they didn't last long. Turkish Mamaluke Sultans of Egypt kept them out finally.

— Effects of Crusades: lowered prestige of papacy

Encouraged town growth: e.w. trade, liberation of towns.

Strengthened also kings over nobles (which would go with town growth, as cause & effect)

Naturally as soon as towns redeveloped, an agriculture to feed them had to develop. Thus agric. began to get away from subsistence -- produced for towns, probly for money.

Besides, w. Eur. exported wool & wines to near east, & ag. produced these on commercial basis too.

The commerce was more with Byzantium & Islam than it was intra-European, I judge, tho perhaps that is overstressed.

Venice monopolized Byzantine trade; Genoa & Pisa controlled w. Medit.

They imply that it was pioneer agric. that mainly supplied the growing towns -- that pre-existing agric. remained subsistence -- I suspect this is overdone, but there may be much too it. And the new agriculturalists were, of course, free from feudal dues etc. Thus the commercial revival created a new civilization which swept down the old -- a new civilization on new land. Perhaps the cultivation of this new land involved taking it away from its former use as commons, in some places besides England. Where? How was it in France?

Author says merchant gilds dominated & continued to dominate craft gilds, thruout. That ain't how I heard it.

With the growth of the towns came religious heresy -- new thoughts, sheltered by the new towns.

How? — Edw. I started Parliament. His "Model Pmt", 1295.
At first just misc. representatives from town & country, knights & burgesses, to advise & perhaps gain countrywide support. In 14th, Pmt. got control of major sources of revenue, which was ever after the source of its power. It had to approve royally appointed officials. (so in Eng. we got, not only the desirable central power, but also this central power exercised by an elected body, not just a king) Edw. I also passed statutes in his Pmt. limiting power of nobility & clergy, on local level. (tho it was precisely nobility & clergy who got power in his Pmt.)

— 14th & 15th, W. Eur. as whole, towns became less autonomous, but importance of towns & bourgeoisie became greater -- thru national state.

— Chas. VII of France had to be given extraordinary powers by States-General to drive Eng. from France under Joan of Arc, to end 2d 100 yr.s war, mid-15th. Then Louis XI annexed Burgundy, & France with her strong central power & no restraints was all set to go. States-General had given king the taille to finish war vs. Eng.

In Gy., seeming anarchy was primarily a contest between Rhenish ecclesiastical princes & colonial princes

Why does war sometimes strengthen, sometimes weaken, central power? Depends on wh. wins war. Chas. 7 was coy about fighting, landowners desperate to get him to fight, as they were

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being invaded. He got much power. Ambition against ...
...H. H. ...
...who ...

Rise of England

1. New World discoveries.
2. Insular position
3. Foreign conquest -- a 'perfect feudal ~~sys~~ system' imposed -- central govt.; due to no war danger, this central govt could be taken from king & limited by pmt.
4. Free commerce, wide markets
5. Sound banking; ^{c. 1750, clearing established. Checks recognized as fully negotiable, at the not ~~so~~ until 18th, continent.} patent ~~sys~~ ~~sys~~ system; anti-monop. common law;
 (coal was only monop. & broke that in 19th by r.r.s.)
6. Being a backwater, fewer old-vested interests to overcome
7. Contractual land system established. ^{18th, technological advance in ag., as common ownership ended.}
8. Political control over complements
9. No standing army, private people had m, not govt, so private people started industries -- unlike in France, Spain.
10. Subsoil privately owned -- (yet king got royalties for his rented 'digging')
 (Stuarts gave subsoil away, Ch. & James - on continent, hid & granted subsoil & regulated mining)
11. Transportation system based on ec. values rather than military needs,
 hence broke more monop., etc.
5. 19th, allowed condemnation of land for r.r.s., etc.
- ✓ 12. Nobility mixed in business, & commercial ag., had much more ec. viewpoint than French.
13. Country depopulated, lost voting power, couldn't block free trade etc.
14. Impact of Nap. wars, when Swedish iron cut off, had standardized demand. (?)
15. Coal (& iron?)
5. Jt. stock co. org. -- the delay in using it after 1720 until 19th.
 Factory discipline worked out -- Arkwright.
16. Controlled seas, was safe with free trade
17. Nat. unity, nat. interest over local interest under Tudors
18. An inflation caused cap. creation, 16th - dubious.
19. Mining of Sn & Pb mostly open to competition
20. Patent system (?) when? what?)
21. Anti-monop. attitude, from Stuarts.
22. Since Elizabeth & Gresham, c. 1560, no debasing.

Org. of cap., got practise in trade, jt stock cos, transferred readily to industry --- & people ready to buy equities direct, not thru govt bonds as Fr, or banks as Gy (hence smaller Eng firms)

Got rid of poor relief, ~~ca. 1832-2~~ 1834 -- end of outrelief, just workhouses then.

Corp charters fairly available, & 1862. gen inc. of Fr, where 1720 left such small. & gen restrictionism prevented new corps

5. Banking. In Nap wars, other cities burst, London grew. Bill brokers cler. with cap. to land all over (what U.S. lacks now)

Rise of Gy Gy Gy

1. Zollverein
2. R.N. made political (& ~~con~~ thereby cc.) union possible.
3. Educational emphasis
4. Em. background of organized & productive life.
5. Coal resources
6. Inspiration of Eng. example, & teaching. Ability to put best new ideas into effect, due to late start.
7. Disillusion with old ways, due to Nap. conquest, etc. Old was so unsatisfactory, was discredited, & people willing to destroy old vested.
8. End of transit trade basis for cities, ended original cause for former political movement?
9. Eng. had created internat. opp. for other nations by open seas etc.
10. Land reform
- ✓ 11. Heavy rural vote, to prevent socialism, labor legislation.
12. Pure monop. rather than inefficient market sharing
13. Large country under one political head -- 3 times area of Eng & Wales.
14. Rich minerals, just waiting to be exploited, by techniques developed in Eng.
15. Cheap skilled labor -- cheap because of education policy; traditions of crafts; & newness of industry to labor not yet restrictive -- worked harder & longer than Eng, with their shorter hours, long weekends.

French characteristics.

1. altho Revolutionaries were for Free Contract, never put it across to completely as Eng.

2. Developed earlier than Eng; had made some progress from feudal inst; was 'satisfied' earlier. Eg; had "commendite"; never needed gr. stock org.

3. Earliest (with Spain) strong central monarch. standing army, state power.

4. Deference to vested interests, never commercialized, freed contract as in Eng. & U.S.

✓ 5. Froze memorialism pattern by giving land as was to peasants, rather than replanting. Created new vested. Small farms. Personalized (hence inflexible) ownerships?

6. Monops.

7. Lucrative, hand labor, primitive warp. Provincial barriers to trade.

8. Self-sufficient, not so interested in colonies. Remained very agric. consistently protectionist.

9. Not till Nap. a uniform laws for nation. Hierarchy etc. lagged.

10. Periodic state attempts to foster industry: Colbert, Nap.

11. Exploitive attitude toward colonies. Ideal mercantilism - mfr. forbidden, etc. Had to buy from France.

12. Interprovincial tariffs, until Nap!

No technological improvements in ag, 3 field system lasted to

c.c. 1850.

Lost for. trade in Nap. wars.

So was no national mkt until Nap. wars; & after it, no internat. mkt, or at least not much, had most complete protective system in W. Eur. thruout 19th.

Restricted suffrage until - - - ?

Divided interests -- no large interests taking view of whole economy like Germ. banks. Hyper-individualism probably due to never freeing movement of individuals, so they could get away from their local & professional ^{family} bounds. 'Provincialism' more apt than 'individualism'.

Failure to develop large pol. parties, on large nat. issues. Petty local logrolling.

Over

French characteristics, 2

- ✓ Heavy rural pop. & vote.
- ✓ Good ag. credit: Credit Foncier, & subsidized colonial mortgage banks.

State subsidy, initiative, planning control, always. Public works.
Paternalism -- at least to capitalists. Indifferent to
outgroups -- *memouvriers* -- a selfish dividedness combined
with strong social control -- worst of each.

- ✓ Land settlement in Algeria
always a great radical potential -- rev. communes.
Domestic emphasis -- little colonization. 'Culture' conscious.
Conservative in enterprise -- result of centuries of discrim. vs.
the new, independent entrepreneur.

✓ Indirect taxes -- no attack on *petite propriete*. I imagine education
was neglected. *Cochon* dominated.

Probably more discrimination than in Gy or Eng -- Gy was tough, but
at least did things for all, not just always special groups.

Govt. designed for satisfying logrollers, not taking care of
France as a whole.

No govt. control in terms of discipline -- e.g. wartime anti-luxury
laws. But plenty in form of paternalism & restriction.

'Middle class' control.

'Rentier group' strong in politics.

Balance of power between peasant & lord. SW Gy, lords kept by state; NE Gy, ^{16th on}

✓ peasants dominated by lords; 16th on; Eng, enclosures, free contract est. But France,
continuous fight of peasant & lord, unified action impossible, neither subdued. e.g. enclosure
in 18th ^{mostly} ~~almost~~ stopped ~~entirely~~ because of fight over who owned commons. Vested never
knocked, of large or small.

Fall of Rome

1. Taxes on commerce, to avoid self-sufficiency grew. Flight into church, army bureaucracy, to avoid taxes.
2. Military service, to avoid people gave up freedom; or, rendering it, had to sell land. Unequal mrs.
3. Regulation, made static. Hereditary obligations, professions imposed.
4. All potential capital taken by state in taxes, none left for commerce.
- ✓ 5. Colossal attempts at land settlement -- coloni, laeti, emphyteusi - ended in serfdom.

Hamilton & commentators failed to stress effect of inflation on turning tenants into landowners. Probly esp. in France, where most land held by individuals under contract, fixed m rent, by 16th. In Eng., with more widespread manorialism, probly less effect.

✓ See says it was not barbarian invasions that caused feudalism in France, so much as the disorder in France itself.

French cities, like peasants, paid dues to seigneurs, fixed. I suppose this explains the custom bound French. They became virtual landowners, throwing off their dues, by inflation. But ✓ this was on tenuous legal basis, they had to keep same farms, or they would go back to scratch and have to pay a market rent.

I suppose the banalities became much more important after inflation, peasants ~~gladly~~ turned their wrath on them in revolution.

✗ Insofar as inflation did encourage production, it was probly not so much as Hamilton & Keynes said, by lag of wages, as by reducing the value of fixed claims of parasites: tithes..

✓ In France, right to create fairs, etc., was from the start a seigneurial, then royal means of raising revenue. Hence needed permission for fair, and was taxed heavily.

Childe, Gordon, What Happened in History

Chap. 12: Decline & Fall of Ancient World

Romans exploited provinces, ruined provinces and themselves. Governors exploited, shortsighted, corrupt politics. Governor had to make 3 fortunes: one to pay off his election expenses, one to be acquitted when he returned, one for himself.

Sent slaves back to Rome from provinces, these ruined Rome. Degraded free labor there (prevented growth of capital, of free pop., reduced thinking potential of population in mechanics & arts, prevented growth of small towns etc., just as in U.S. south) (Fact of slavery is good explanation for fall of Rome, in itself)

This was before Augustus. With the empire, the worst abuses of provincial governors were checked, was a period of growth of production & pop. in provinces. Cities grew there too. Harbors improved, pirates stopped, city handicrafts & commerce grew.

Commerce with barbarians: got amber, furs, slaves, for pottery, metal. With orient: got pepper, ivory, luxuries, for gold, textiles.

Established villas, commercial agriculture, over western & northern provinces. ("commercial" like slave south; commerce for export, not interior development)

Utter lack of new thoughts, major inventions, philosophers, etc. (slavery much to blame, no doubt) (but Greeks had slaves, too. But are not Greek accomplishments much overplayed? Did they really do more than Romans? Plato, Aristotle, were pure phonies, maybe people just overrate all Greeks as they do them)

Judaism was nationalistic. Christianity provided international theology that a world economy had demanded.

Christianity spread among upper & middle classes in late empire, as futility of earthly striving became apparent -- a philosophy of worldly resignation. (like Stoics)

Were many large workshops, 25-100 under one roof, pottery & textiles. But he is not satisfied that they were "factories" -- which he doesn't define. They must have gotten some advantages from unitary management, or they wouldn't have been under one roof.

Commerce & industry never considered respectable. Those who could, put their money into land -- I suppose slavery has this effect. People also invested in slaves.

Late empire, growing trend toward self-sufficiency. I suspect it was in trying to get away from money economy, which was to avoid paying so many taxes to Rome. Provincial demand for Roman mfr.s resulted in artisans moving to provinces, rather than Italy expanding its arts.

c. 500 A.D., farmers bought things in towns, were local smiths, etc. c. 500 A.D., estates becoming self-sufficient. And as they became thus self-sufficient, they produced less for market, more to support their own artisans, became more self-sufficient. And I judge this was due to taxes on trade -- I should write on this subject some time.

Old Greece & Italy, free cultivators had been backbone. Villa broke down into manor, but these were not free cultivators, but tenants. "An old Oriental system, encountered before".

Cities shrunk & withered, as result of self-sufficiency of estates. (here is explanation of lack of growth in southern U.S. industry, towns. Plantation self-sufficiency*) (It was this, and not "underconsumption", that caused the lack of an internal market in the south)

Incidentally, Foster & Catchings, in "Money", point to instances of inflation where i.r. did not fall. e.g. u.s. 1920. In fact, I should judge that generally m has raised i.r., by creating inv. opp., as in 20s. The great -dm of 30s certainly did not raise i.r. -- somewhat, in supply side, but greater effect in reducing demand for capital)

Established villas, commercial agriculture, over western & northern provinces. ("commercial" like slave south; commerce for export, not interior development)

Later lack of new thoughts, major inventions, philosophers, etc. (slavery much to blame, no doubt) (but Greeks had slaves, too. But are not Greek accomplishments much overblown? Did they really do more than Romans? Plato, Aristotle, were pure phantasies, maybe people just overrate all Greeks as they do them)

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JEH, Summer 51. Lopez, Dollar of Middle ages.

Byzant. started 4th c. Not devalued until once, 10th. 1204 ruined,
& 13th saw complete debauchery, as govt had to finance. (Other reasons? Map
attempts?)

Venetian ducat replaced.

W. Eur., Nat. states gradually abandoned coinage, 700-850, as
commerce waned. Those who traded used byzant. often.

12th, commerce revived, groats struck. -- byzant. declining then.

Medici Banking.

They loaned extensively, & accepted deposits, much like savings bank. i.e. it was not mainly their own M they loaned. They charged & paid interest. Depositors preferred to hold their funds this way, because more liquid; & less subject to confiscation. In unsettled political set up of times - 14th, 15th - liquidity at a premium, people preferred to hold assets as bank deposits if they feared persecution, confiscation, from turn of favor vs them.

Medici deposits due in gold florins; many assets in Eng due in silver. Silver fell vs gold, 15th, contributed to their troubles.

Lorenzo Magnificent abandoned austerity of predecessors, est. high consumption level, ~~xxxxxxxxxx~~ weakened.

Main cause of ruin was same as Fugger, Peruzzi: lending to govt. Edw. 4, Eng., unable to pay. &, in Roses, he knocked off many other debtors.

Productive outlets had been money changing; & financing foreign trade. (& construction? I'll bet yes)

Packard, The Commercial Revolution

1400-1700. (Before the Ind Rev., the Comm. Rev.)

✓ Trade in Baltic also sprang up in 12th, during & after Crusades. So perhaps it wasn't Crusades themselves that stimulated trade, for that would just explain Medit. But something else stimulated all.

12th, fairs waxed. (multiplied, grew, proliferate, ~~burgeoned~~)

Italian cities whose commerce grew with Crusades, industries grew as result: textiles, leather, glass. Their M became good, & circulated all over Eur: ducat, florin. (each feudal prince minted his own coins, & exchange a great problem -- as well as waste of capital, & opportunity for capital. --- trade barrier. But small cf to piracy, legal & otherwise)

Late 15th, Eng under Tudors, France under Louis XI, Spain under Ferd & Is., Netherlands under Hapsburgs (?), unified.

(took more than M ec to unify, for It. & Gy had M ec -- was M ec impinging on unorganized area, primitive area. What does this mean for Indonesia today?)

Antwerp was commercial cap. of Chas V's empire. Spices from Portuguese trade; wool Eng; gold Spain; cu, alum. Savings flowed their to be safekept & invested.

Other Atl. seaboard towns joined Antwerp in growing ahead of old Baltic & Medit. towns. These Atlantic towns were not indep., however, but parts of nat. states. Could not have their own mnp town policy. Being joined in same political unit with many complements, result was much less mnpistic: mines, agric., industry trade, all considered together. Previous towns just had mnp policy for industry & commerce.

People had to think about what royal policy should be -- thus developed economics.

16th also saw joint ventures. Larger accumulations of cap needed for ocean commerce than previous kind. Various ways to pool capital; regulated co.s, in which individuals traded on own acct, but contributed something to joint things like trading posts, docks, defense vs pirates & interlopers; & ventures, in which cap really pooled, prtcpnts known as merchant adventurers.--- they just joined for one venture.

Jt. Stock co. the first permanent joining of cap.

These co.s wanted charters -- royal recognition & privileges, usually including a mnp of certain foreign area. Towns had gotten royal charters, in struggle of king vs feudalism, thus exempting selves from irregular feudal exactions, possible confiscation, making commerce possible - chartered towns, under king, elected own officials, made own laws, within king's limits.

Chartered co.s traded at first. Then went into colonization, empire bldg. N.A. colonization; Brit & Dutch E. India co.s. The chartered co. with mnp, royal financial support perhaps (more likely v.v.), jt stock org., its own army perhaps, land grant or at

least what am'ted to same thing, its mmp of an area to trade in & no doubt often mmp of exporting certain goods & importing certain goods, an important feature of comm. rev.

(N. It, Hanse, Netherland, Eng., represent stages of evolution. N. It, individual towns; Hanse, leagued towns; Netherlands, towns plus hinterland united from outside; Eng, towns plus own hinterland plus world empire.)

Chartered co. form extended to towns in co. lands: they chartered the towns. Our states still charter towns. *Link to present.*

Uniform coinage difficult to est. Eliz started it in 1560, but wasn't finished until 1696, 136 yrs later, Isaac Newton & John Locke presiding. France pursued centralization less vigorously, not until Nap did she have uniform coinage.

(thus tho she achieved political unity in late 15th, like Eng., not to so great a degree. Always stronger sectionalism, at least in obstructive sense.)

Gold from Spain -- much of which passed thru Netherlands, Span. subjects -- provided M supply needed by expansion -- don't undersell this, just because Hamilton oversold.

(As medieval merchants were mostly mmpsts, natch they were subject to regulation by govt -- the church e.g. Hence the just price doctrine. Charging mkt price is competitive doctrine), hence not applicable to mmpy situation)

Power of Spain, due to gold, led to bullionist theory.

17th, Mun wrote, heyday of mercantilism.

II Colbert & Mercantilism

Mercantilism was the monarch legislating for the bourgeoisie, to get their favor over feudals, build up power. (Hence agrarian interests not protected?)

1640-88, Great Elector, Fred. Wm Hohenzollern, mercantilism for Brandenburg. Spain, strict mmp, commerce & ind. Netherlands tried, Stuarts, & even Cromwell, with Navigation Acts & colonial expansion. But France the apogee.

Colbert, one aim to increase power of his state. Had some conception of value of freedom to commerce & industry, made no attempt to reconcile this with regulations, opportunistically did what seemed to increase power most -- esp. import gold. Worked hard, tried to make French work hard, e.g. by taking holidays from calendar, French had them by scores.-- 3 mo.s/yr they didn't work.

✓ Greatest contradiction perhaps was wanted to make France Self-sufficient; and great trading nation.

Reformed finances -- meaning abrogated privileges, collected taxes. Uniform coinage, roads, canals, etc. But couldn't buck all privileged.

Richelieu & Mazarin, Colbert's predecessors, had ~~xx~~ taken all local authority from nobles, made them parasitic courtiers.

(Incidentally, privateers illustrate well this alliance of commerce & the state. They were chartered to prey on foreign shipping, i.e. be pirates. I imagine they didn't seek fights with foreign warships -- no profit in that.

Revolution & 1812 saw much of our shipping going into privateering. Shares traded freely in NE coast towns, multiple ownership.)

Taille, tax on land & personal prop., nobles & clergy exempt. Farmed out, & farmers given pretty free reign to extort what extra they could from peasants, abuses.

4 other revenue sources: gabelle; aides - excises & internal transport taxes; traites, custom duties; & crown lands.

(so fed. govt can collect land tax. Nat. govts did it even in 17th, when science much cruder)

Colbert repudiated debts, bounced tax farmers, etc.

✓ Increased revenue from crown lands 100 times, by de-corrupting. Tried to spread taille to all, couldn't, Privileged still too strong. Thus French rev. (what did rev do to that? Probably abolished taille entirely, rather than spreading it about)

No progress in reforming aides. Barriers interprovincial, remained.

PVT

(Packard is clear that taille could & should have been spread about & raised, & aides should have been reduced. Odd people see it so clearly for France, not for US now)

The aides were general, non-geographical excises & transport taxes. These C somewhat simplified, but accomplished little. The traites were interprovincial customs. He managed to abolish these between 5 provinces in center, known as Cinq Grosse Fermes (because they were tax farms to those who collected the ~~taxes~~ customs, which persisted between them & the outside). Among these 5, free movement of goods. -- there were 5 co.s who farmed the custom, hence the name. Outside this core, the "provinces reputes etrangers" retained customs among themselves & vs cinq grosses fermes. They were Brittany, Guyenne, Provence, Languedoc, Franche Comte, Flanders, Artois.

New acquisitions retained free trade with outside world for themselves, but paid duties on going into France: Metz, Toul, Verdun, Alsace, Gex, & free ports of Marseilles, Bayonne, Dunkirk, Lorient.

Louis a sorrow to Colbert, who was thrifty. Loved army & court & spending, self-glorification.

✓ Colbert sought new hiways & canals. Got a commissioner of public roads & bridges apptd, 1669, origin of "famous French system of hiway admstrn". But Louis's wars used the M, hiways didn't get them. Got two big canals thru, Loire-Seine & Biscay-Cote-d'Azur. But adjoining landowners had legal rights to levy tolls. Colbert destroyed some "ruthlessly" -- (is this ruthlessness? If so, give us more) But most remained, so canals couldn't be fully used.

Mainly interested to foster industry, not agric. Encouraged that agric. which was industrial raw material: mulberry trees, hemp, flax, tobacco, madder (red dyes). Teetotalled, discourage vintners, largest agric. in France.

Reformed adm of royal domain forests, his masterpiece. Conserved them, & increased production too. (for ships)

✓ But he got much farther with urban than rural reforms, because towns were new, fewer vesteds.

Fostered pop: tax exemptions for children.

But industrial fostering proved too much (perhaps French agric. advanced more by being let alone than cities by "fostering")
Granted mnps, "to encourage new industries". Subsidized. Prevented favored industries from going broke by buying their products when they were in trouble. Tax exemption -- to the favored ones.
Thought big firms more efficient, favored them esp.

Many of these firms catered to luxury trade, standard set by king: "articles of taste", glassware, porcelain, tapestries, lace, etc. Also iron, soap, naval stores.

Regulated minutely, to secure high standards & uniformity. Thus to create reputation for French goods. Succeeded in lace, clothing, glass, furniture. But stifled industry on whole.

Was gild regulations writ large.

Object of trade was to import gold. Thus self-sufficiency & foreign trade compatible, for would only import gold. Also wished to take over Dutch trade & colonies.

C. encouraged foreign immigrant craftsmen -- but this undone by revocation of Nantes, losing the best. Here is example summing up fight of state vs itself, & here is best example of paternalism gone wrong.

Thesis subject: of Colbert with New Deal, or modern Eng.

Fostered navy for war, with good pay, training, conditions, subsidies, shipbuilding. Dutch had by far largest no. of ships in world. Built it up to par with Dutch & Eng, militarily. (but, with no commercial basis, inevitably lost naval wars in end. Like Gm navy later. The trading nation kept the 1st place)

Chartered co.s, king bought shares & forced nobility to, minutely regulated them, presumably for benefit of colonists. But co.s showed little vigor. French wouldn't emigrate. Colonies didn't grow nor persist.

1672, attacked Netherlands, Louis's one war that Colbert approved. But it failed. Neither ruined nor conquered Netherlands, but encouraged England,--- Colbert having misjudged who was to be France's rival. 17th, Holland had more ships, but Eng had more potential.

Nobility wouldn't go into commerce, as in Eng they did.

Chap III: From Mercantilism to A. Smith

18th, Eng shipping replaced Dutch. Dutch turned to banking. Remained wealthiest bankers in world.

War of Spanish Succession, 1702-13, disastrous, & hurt merchants esp. But showed amazing recuperative power, by 1750 were serious rivals of Eng. Even Spain revived briefly, early 18th.

18th, Eng, nowhere else save possibly Venice & Neth. did bourgeoisie consolidate their power, legislate hence for commerce & industry. Respect for prop in Eng, more than elsewhere, less fear of confiscation in overturns. Free from continental wars. During eternal wars of Louis, when all Eur. ganged up vs him to keep him from becoming too powerful, Eng expanded her trade & colonies.

1703, by aiding Portugal vs Spain & her French ally, Eng got Methuen treaty, Portugal took Eng wool, & sent sherry & port & Madera wines, & stopped trade with France & Holland. Big coup for Eng., permanent. Eng excluded French wines then.

1704, took Gibraltar.

1707, Union with Scotland, Eng got free trade with them.

Dutch finance remained important -- didn't get dissipated in govt bonds, like Fugger & Welser, 16th. 18th, Eng finance grew to rival Dutch, her commerce having outstripped.

South Sea Co. was given mnp by crown of trade with SA & south sea islands, supposed to be fabulously wealthy. In return, co. took over debt. People thought it was backed by govt., hence sound, bought stock up fabulously. Similar stocks proliferated. The more transparent frauds reflected on the S.S.C., all fell. SSC had also been given asiento, which Eng got, 1713 Utrecht.

1739, after much growth under Walpole who let things alone, Eng wanted commerce with Spain's colonies. She had been doing so illicitly more than Utrecht allowed. Spaniards cracked down. Eng trumped up Jenkin's Ear, attacked. Failed. Spain revived, & beat them back. Her commerce & industry revived, this era.

France revived too. Death of Colbert & his paternalism, the ports made some progress.

French & Spanish revival brought further conflicts with Eng, leading in 1756 to War of Austrian succession, which finally settled France & Spain. Eng won because of her freedom & commercial development & colonists abroad.

1779, Lloyds started marine insurance business. Previously insurance had been haphazard, now became regular.

18th, London Stock Exchange became systematized, est. inst. (so? What of Bubble Act?)

Tho Mun wrote earlier, it was c. 1690 that E. India Co. people plumped for export of bullion, because they needed to in their trade with India.

French grew much more liberal, 18th, getting much inspiration from Eng. Vauban, Fenelon, Montesquieu, & esp. de Gournay for laissez fair, freed commerce from many restrictions. de Gournay removed many restraints, originated laissez-faire expression, had followers, the "commercial school", c. 1755.

Capitalism as cause of war

- a, 1 - If so, not because of ^{need for inv. opp.} inv., primarily. Not for pop. outlet & that 1914, until 1920 something, when
rec. for pop to move because goods couldn't.
- a) Most countries have welcomed for. inv., few exclude it. Gy accepted it, 1860-80, & 1920s. 1914 had inv. in Eng.
 - c) Only your desire to bring in areas for easier sale more monop. inv. may cause war. More restr. in 30s. But minor cause.
 - c) True, in dep. for. inv. made signif. more feasible by nat. control. But -
- Interests of investors as such never paramount. Persia. Eng Gen & fr. policy: help inv. when a good excuse for something else. - nat. ec. exp.
 - d) Inv. abroad makes you peaceful. Cap. before w.w. 2. Eng & empire & world.
 - e) It was the country least given to for. inv.: Gy - that started war. Inv. in self, expanded own nat. system. Apr. & Soc. objected to for. inv., nations not trying to expand it, per se. Used it to expand comm. at Gen's wish.
 - b) Inv. has been controlled by non Eng. But a tool, not driving force. Form of control was to forbid certain inv. - this not for inv. interest. & inv. world knew horrible coming, disport of in friendly sec. e.g., 1905 Eng into Russia; 1890s, Gens out of Sp, It.
 - a) Fr. for. inv. little in colonies. ^{Some} in Br. col., & much in Br. seapower area.
 - a) Investment purpose always much wanted, never encouraged to go or discouraged from coming. Exp. of nat. ec. system involved was subject to such pressure too.

Causes of war are:

Anything that makes it make a difference what flag land is under

1. Confiscation of your cap. - but more often having cap. abroad helped peace. ^{encouraged closed system, hence inv.}
Great losses, e.g. 1879, no war. Venezuela, excuse. Egypt & Turkey interventions no war.
^{Fr. intervention in Mexico}
 2. Exclusion by others. ^{30s. Fr. colonies, Algerian restr.}
^{esp. by expanding. If you just open doors, no war}
^{1879, French arrival, turned tide. 30s. counter efforts to}
^{Not planning}
^{system - for your}
^{Not more expansion}
^{tried to expand her}
^{cap. as int.}
^{cap. 20s.}
^{1914, Gen. cap. exp. more under}
^{on Gen. monop. exp. Gen}
^{cap. 30s. must expand. Gen}
^{cap. 30s.}
 3. Your desire to exclude others. due to protectionism; ^{by excluding others for hnt own exports, Gy '30, must expand.} socialism; nationalism; monopolism.
1. 4. Discontent at home - but only when blame can be projected, & migration restricted, & your prefer extending national system to x'ing yourself. Depressions brought trade barriers, Gy etc.
2. 5. Need by prop. to keep labor stirred up to prevent its socializing. & free trading. Nazis.
- Present Russ. state creates these war causes as much as old cap. Little intern. trade, autarky.
- Recent history: [desire to expand nat. ec. system. ^{desire of anyone to stay in power - 1913 e.g. Russ exclude for}
^{feeling interference with nat. system. exp. trade, 30s. more than anyone}

- 1. a) Eng. free trade. J. Chamberl. prot. & imperialism, lost. Eng. empire, free to all traders, not 1. b) resented. Gy didn't go after it, but Balkans. Eng. wasn't there at all. ^{30s, other small nations gained}
by Brit. Pax & empire. Small countries most for free trade. ^{Only Eng 'Safe, others dependent, if free trade - 30}
1. b) watch a strong aggressive pol. power could challenge this situation.
- 2. a) Gens. antagon. Russ by stopping rye trade, not lending, invading Balkans.

2. 1. a) General interdependence of trade & inv., & free entry, & of labor, cap & merchants. No war. ^{30s, French kicked out foreign labor}
- 2) 30s. ^{Ottoman agreement '32: US & fr. worse} int. trade hit, pop's dependent, got hungry.
1. b) Gm. desire to expand as nat. system, not as part of world ec. ^{Fr. union achieved early, pol.}
union was tough.
1. b) 1879 etc. reversion to protection, but not until 1930 the ~~hump~~ hump.
1. b) w.w. 1 developed as Gy developed faster, had strength to expand, wasn't willing to fit into mche left her by Eng, despite free trade. I blame Gy. Fr. was willing to let others control cap, & Eng to let others in to trade.
1. a) 1860 Cobden treaty, 1786 Eden Treaty, under dictators, only French lapses into free trade.
1. b) Gm. gov't satisfied with 4Ds, they wanted to expand & keep control of cap., expand nat. system, being owners of it - complementarity. - not willing to just inv. abroad, no strong direct home industries of cap.

Fr. Colonies resumed

- a) Fr. rich vs. Chas X. telling Heiers, he needed mil. glory for dom. power.
- 2) 1815-26, reprisals for fr. protection - war the ultimate. But never got own monop. as in 1930s
- thing, for nat. argument for protection.
- a) Many fr. colonial inv. not ec. So it was other motives that dominated, & inv. more drugg.
- 1. b) w.w. 1 & 2. Both had insurance for migration - I find no war to migration.

2. Fr, to 1850, nationalism on defensive, to liberalism, but reversed.
Soc. brought exch. control, price level manip., 'govt resp. for full empl.', all on nat. political basis.
3. Fr. colonies became trade & shipping complements. In stress & war & depp, became more & more so.
Thiers, mil. protection arguments.

Yet Eng. didn't let France tear down Gyr as she wanted, putting balance higher

had to take fr goods, not v.v.

Particular businessmen got particular good deals in fr col, no general inv. outlet.

L.F. means absence of restrictions on free individual contract. Not 'Union Ex. Int.' line

Discuss the causes of the rise & decline of laissez faire.

3. ~~4~~

Some doubt as to has it declined. Inturv. has Δ , but maybe ec. Δ more, in magnit. & in size of mkt's. e.g. int. trade Δ to 1930 despite Δ barriers. Xprt, a trade barrier, got cheaper, & differential greater? Volume greater.

1. ~~4~~

Its rise was when techn. etc advanced faster than govt. Not a relinquishment of old duties, but failure to expand or change as ec. did. 1846 Eng. Eng govt hadn't in to start enterpr, like Sp & Fr. 1688, Whig olig, anti-monop., coal only monop. (Sn?) r.r.s broke coal monop, probly improved all mkt's. New ind. class to power, cheap coal & food wanted. Nap. war expansion. Old church, town, squire etc govt & custom lost, with new techn.

2. ~~3~~

This had some backlash on existing institutions, e.g. Irish land tenure, Prussian l.t. Eng. l.t. But Eng. mchts small towns kept positions, unil.coops. Gold came to more freely, ~~then~~ trade to be free. For. inv. was something new. Banks new, irreg. r.r.s. Bot E., ~~stock~~ 1846 Eng - ~~new~~ interest, Δ one new to world, become export int., enforce f.c., Δ dem. Unusual rts Eng except, by opposite. But small countries had to handle.

4.

Taking over nat. monop by state not decline, there not comp. anyway. Anti-monop. activities a rise, not a decline - in only sense.

5.

Real decline: in labor leg.; int. trade; growth of monop, state aided esp.; public production of houses etc; public subsidies, becoming ownership (thru Govt. banks, banks coming under govt?) e.g. France; price levels. banking (fr. or least); unempl. works; war & war ind. (fr. not '36)

6.

Cause: control of govt by those interested in change, shifts to those interested in maintaining present values. Or ~~and~~ those who got change got vested, want to intrrench. Old routine. But present decline may be more far-reaching than past, new enterprise controlled too, as by inc. tax, int. trade, universality of dole, complete cap. control of Russia.

Dissatisfaction with system: depression leg. esp. 1873 $\rightarrow$ 1879 G. & 1st & 2nd Aust. tariff. 1881 Fr. $\rightarrow$ 1887

1. Am. int. ceased to find it to their advantage ^{grain prot. from 1870. Ind. 1930. Eng.} - ^{years of prot.} interminable cycle.
3. Dissatisfaction with ^{years of prot.} dep. & prop. ownership, & ^{Gum in Pl., high grain price, obstacles to interdependence} partition resp.
2. Int. became ^{more} different persons. - labor, ^{it allies, back scratch, vested} other kinds.
4. Unempl.
5. War
6. Atchm. made govt adm. more health, joining for Pling areas.

~~USE - M. Caffrey~~

Knight's comments on my paper.

Reading: lots, some poor quality.

He graded the shorter paper higher. My facility on typewriter is against me. 'Horribly longwinded'. So next papers make shorter, reason & organize them rightly & briefly.

He takes note of key statements & ideas;

He comments on things he thinks wrong - good for review.

Next time get a more superficial & extensive view, write more concisely, etc., don't worry about details so much, esp. of reasoning - since he doesn't follow reasoning he calls it longwind.

The org. of production one was short, & he liked it best. The agric. one he thought 'too detailed'. The 'horribly longwinded' applies to all I think, but esp. the last. He wants historical facts, doesn't care for the rationalization between.

Paper for Knight.

Discuss truth of assertion that Brit. ag. led technol. advance.
This would go with a theory of Knight, & still be broad.

19th cent. city life; its relative misery, is it as asserted.

The development of holdout power - (relative to population, when it comes to labor complements) (did cartels come after 1870, e.g.?)

Business cycles

Unempl: effect or cause of ind. rev., or neither?

Development of commercial attitudes & political implications.

Rigid & administered prices, their growth - or decline, as case may be.

19th as laissez faire century - ^{& competitive} was this true other than Eng?

Inst. rigidities, monop., etc. as related to unempl. Kinds of production that discourage unempl - land owned by peasants e.g. - & other kinds.

Imperialism & capitalism: were capitalists for or against it?

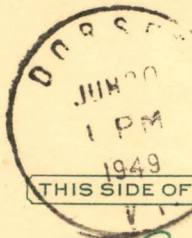
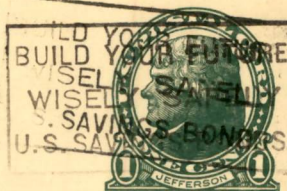
**SCANNED
AS
FOUND**

Arncliffe worked out programs of factory discipline. People had to live close to factory, had no cens etc to keep them busy when not at work. ~~He~~ Also had to have substitutes for absentees.

Mantoux says Liverpool great colonial port, Lancashire its back door, industries there grew, canals, etc.

Wool harder to handle than other textiles, still hand woven sometimes.

Arncliffe made all be there at same time.



THIS SIDE OF CARD IS FOR ADDRESS

M. Gattney

525 Ash St.

Winnetka Illinois

~~The Ark~~

~~Sunset, Hermosa~~

M. M. Gattney

Econ 212 B

Course grade: A

1st answer not so good

2^d, 3^d " = Excellent, really tops

Get paper back, look it over.

Lower i.r. is one cause of greater imperialism,
by making war cheaper. Or, looking at
colonies as land speculation, raising land's price
in terms of military expenses.

Remember to sue him

Knight - March 22

Popper, 'The Open Society & its Enemies'.

Dobb - started to synthesize Marx & Marshall, left Marshall out.

Lysenko says you can inherit acquired characteristics.

Vanilov his predecessor - ~~an old cotn.~~ Vanilov published his results, you could check it, Lysenko doesn't. Vanilov worked thru inheritance, selective breeding, mowed wheat 100 miles n., Russians very ~~greatly~~ grateful until Lysenko stuff came along. Issue purely political.

Eli Whitney just put finishing touches on cotton gin.

1805-50, contributed to standardization development. Stenenson's 'Rocket' not an invention, his contribution was engineering, not inventive.

Gibbons vs. Ogden, 1824, declared Livingston-Fulton monop. on Hudson R. xport illegal.

Read, Our Miminal Civilization

Patents

Fact that several people invent at once; & that big companies hire inventors on salaries & don't even give invention bonus, etc - show how inventor needs no special rewards.

Now, since inventions can be stolen, people work with insufficient ~~on~~ equipment by selves until it reaches patentable stage. Should let them file original idea, publicize it.

Our patent system worst of all. Give out monop. with no conditions. France, e.g., doesn't allow you to hold idle.

2 — Brit. iron industry rapidly introduced during Nap wars. - Sw. iron cutoff. Some improvements stuck - others didn't.

2 — Belgium was a 2d Eng by 1830, introduced by English. & some came to Mass. Slater, who remembered spinning mill when he came to Mass.

Nap. wars, U.S. infant industries developed.

2 — Think wars may have stimulated, not slowed, techn. progress. Russian industrialization no miracle, just copied us. (postwar reparation same story)

Paper on Raffles of Singapore?

Knight, 27 March.

George, MD, 'The Combination Acts', EHR 1936 (apr)

Derby, TK, 'Repeal of the apprenticeship clauses of the stat. of artificers'

Shannon, HA, 'The coming of general limited liability', E.Hist, Jan, '31, II, #6

Todd, G, 'Joint-stock Co.s, 1844-1900' EHR, 1932 (Oct)

Industrialization of continent was probly accelerated by Nap wars, like U.S. by same.

Mechanization of weaving under stress of war, & demand for standardized, plain quality goods. Postwar, considerable return to hand work.

Brussels, industrial center of France, cut off from Fr. in 1815?

France 50-75% agric. by 1925, despite 19th cent. - i.e. dependent on agric.

Had twice pop. of Eng & Prussia combined. ^{to 19th} Nice balance of ind. & agric. Doing well. Not bothering with colonies. Didn't take loss of Canada at all seriously, 1763, thought more of W. Indie sugar islands, & French culture.

Consumption,
depletion,
investment

Depletion may be assue. with employment, but so is building it up again - investment in land. Conversion is employment creator, whether depletion or inv.

Statute of Artificers. Eliz. nat. wage reg. On last legs by 1789 because so many new industries didn't come under it.

'Code Napoleon', like Justinian's laws, was just a codification of law already existing. Nat. Ass. started it, Nap happened to be there when finished.

Combination Acts passed in Nap. wars, didn't mean much. Where vs. combinations.

Statute of Artificers out of date, they kicked it.

Today you must be printer's apprentice 4 yrs before starting 2 yr. linotype apprenticeship.

By 1850, French using more wood than coal for iron. Shifted to coal because of more intense heat, not wood shortage. Eng. short of wood by 1750.

2 — French did ok, by their own lights, didn't develop heavy industry, lost out as poorer state — didn't have right kind of ~~comp~~ resources.

Large land units in Eng, small in France, can't explain why.

— France lost Alsace Lorraine when it got developed. Lost her chunk of Rhine-Westphalia industrial error in 1815

3 Got great improvements in cultivation thru enclosures, had to get rid of commons. France, had small farmers all along, kept them. and Joe Barbero if so.

3 ? — Mezzadina broke up metayage system in Italy. Had its good points. Further good fellows, system had good points.

3 Metayer tenements kept, other feudal rents abolished. French Nat. Ass. decided commuted payments were feudal vestiges, abolished, but metayer contracts were free contracts, kept. Peasants ~~shouldn't~~ weren't kept on land by police, before, but they had rights, stayed. (Personalized rights, nobly which they would lose if they moved, so they stayed) stayed. In Spain, they compensated for expropriating ~~the~~ money ^{which they would lose if they moved, so they stayed} which had been converted - recipients being people of power.

2 Freedom of Contract something fr. revolutionists really defined.

Eng. partnership, each partner was full agent; Roman, never so.

— French had 'commundite', had no need to take over Eng ~~comp~~ jt. stock co, J.S.Co. was created to make up for something missing in Eng bus. org.

Eng. ptnsp hard to sue, 'individually & severally'. Creditors welcomed corp. & each partner had no defense against others.

(Knight would prefer a study of something more particular than what I did)

- Eng. had no ^{free} trading in shares until A.C.C. 1700, Dutch had it long since. Had to get permission of pres. etc. to sell stock to another shareholder
- ^{free} incorp. used in Holland 15th, not til 19th Eng.
- Dutch didn't make any fuss about freezing out small stockholders, big people ran them of course, no nonsense about it.
- 17th, British resisted introduction of anonymous countries strongly.
- Dutch ran their overseas possessions on strictly commercial principles. No missionaries at all.

— Eng. nobility mixed in business & 'capitalistic' as business ag, different from, e.g., French.

3 E. Gy, ^(Westphalia, 100) another place with large landholding, 'high farming' took hold faster. Commercial, heavy capital, etc. In U.S., ~~the~~ even more than in Eng.

3 In France, even today, silly little peasant holdings die hard, prevent commercialization. In France, still find vestiges of strips.

3 Ch. 13, Agrarian Reforms, 1789-1870, shows French problems differ from Gm. French just legislated, left same people on same land, 'abolished feudalism', didn't mean much.

? Eng. organized guilds etc by areas with which they traded - this was Gm. tradition. Dutch followed French & Medit. tradition.

Knight, Feb 15

Bowden-Karponch-Usher, Ec. Hist of Eur since 1750.

Ec. Hist. Review, c. 1938, Christopher Hill.

A centenary of Marxism, cont. of Science & Society, something by Hill on Eng. rev. of 17th.

Usually say Feudalism died in 100 yrs war in France. Bloch said Russia never had 'genuine' Feudalism, state developed too early.

Sombart associates cap. with shift from vegetal to mineral.

Early glass & iron industries stripped wood rapidly, were outlawed.

Montoux

? — Progress depends on creating things with uses other than those for which intended, so other things ~~that~~ can come along & use it.

English don't allow people to hold patents idle. — legally at least.

Why give first man under wire with an ~~invent~~ invention any extra return over independent developers?

1624, English began to stir up ~~the~~ to demand patents only be given when used.

Anglo-Saxon culture, perhaps due to patents, has overemphasized application of other's ideas.

2 — 1688-1840, ^{Whig} oligarchy in power.

3. Agrarian Reform in Eur, ch. in Bowden, good. Free from moral tripe that Gms followed fr. rev. Prussians reformed before Austrians, kept going longer. Different problem. French just shifted title, Gms changed methods. To French kept old methods, hence their inflexibility.

Knight, March 8

Trenchard, Social Hist. of Eng.

— Montoux, Ind. Rev of 18th, better than Burden etc.

✓ Wilson, C.H. "Decline of the Netherlands", EHR, IX, #2, May '39.

Scorille, W.C. French Glass Industry, 1640-1740, J. Ec Hist, I, #2, Nov 41, 153-167

French, Kender, Coal & Iron in 18th c.

Smoczy, Monop & Comp. in Eng Coal Trade, 1550-1850

Newcomen pump in coal mines, to get water out. Made it expensive to mine. Coal & iron production c. 1700 went way down, was saved. c.e. 1850, ran the again, hoisting & air pumping problems solved. Now their best coal goes under sea. Harsted self from 1880 depression by coal,

1930, we exported petrol from LA at \$1/crude barrel, he thinks it an error.

— 18th, Neth. didn't decline, absolutely, but relative to Eng. Shipping grew tremendously, but lost position as financial center, & had no iron & coal for ind. rev.

— c. 1780, coking & puddling, revolutionary. Remorbentary furnace. kept iron from iron, from coal. Puddling was an incidental & unhappy feature, when couldn't get iron

— hot enough. Remorb. furnace. Nap. wars, new process ^{applied} ~~developed~~ very fast because Baltic iron hard to get.

Big tin refining put up here in war. Foreigners won't give us tin unless this plant is subsidized.

French had sewing machines long before Howe invented sewing machine

Sombart said ^{standardization} ~~mechanization~~ of machine trades due to military requirements.

— Eli Whitney's contributions to standardization not the first, Eur. had it before.

— De bunks famous inventors, they are just those who get credit. Old watchmakers were those to whom people turned for mech. help.

Cartwright not so important with power loom, just a step, not even final.

— Small gentry who helped Henry 8 fight church etc got church lands. — & coal.

Sword nobility disappeared from Eng, for needed little standing army, used militia. Govt had no m, needed none. So when enterprises started, govt

2 // had no m, private people did. ~~Spain~~ Spain, govt had m, no one else could start enterprises. Dutch same, got some isolation due to power to

flood by dikes, & were small, weren't worth bother.

— Eng. had to bail to get salt, hadn't sunshine. Dutch got by poaching on Sp. main, Sp. didn't bother to kick them out.

Dutch had access to Baltic, having naval control. Govt lumber, etc, there wood short, & basic.

Eng. squines applied nat. loans in own interest.

3 — Eng nobility pretty bourgeois. Coal, cu, sn, Fe, etc, went with surface. Continuity

Knight, March 8, p.2.

~~Make deal with J. Howard to pay her now for
export, get price.~~

~~Oil watch.~~

~~Felt him again want paper~~

~~sd oil rights more gerts.~~

Dobb adds wool export as Eng's key industry. Then coal the key.
Both in hands of great landlords. Sweezy lists legislation relative to coal land.
Primogeniture.

2 — Coal was only monop. in Eng. Lasted to 19th. Landownership
restriction made it possible. How did they get away with it? House of
Lords was dominated by coal Lords, & rest of govt too. Never a case that
tested it got up to Lords. Small fry started suits vs. Newcastle coal monop.
which was key industry, but never got up. People afraid to throw imp. ind. open to
competition.

2 — 19th, r.r.s destroyed monop, no way to stop people who opened new
mines, as r.r.s got to them. But did slow them down. Means of
enforcing monop. was riparian rights on Tyne, they wouldn't let non rip.
ownership.

3, 2 19th, industrialists got strong in commons, principle developed a
right of way could be condemned. Previously impossible. Question
came up re r.r.s. Publicly apptd committees would assess land &
take it. Usually paid 100% more than value of land before r.r., so
'victim' couldn't show any damage.

2 19th, cheap coal, cheap food, became objects.

3 { Chas. I had monop, all were vs. him, overwhelmingly strong. But together
- so strong they had to take in a raft, Levellers got noisy, brought Chas II
back when Cromwell died. Chas. behaved well, didn't want to go on
his travels again. James II turned back to church, this horrified
Landowners who had church lands. Mng olig., 1688, ran Eng. in rev.
No sword nobles left, few remaining killed in Cromwell wars, lasted 150
Mngs lasted 150 yrs. 1781, started making iron with coal, was real
Tasting part of rev. textile advances had been made.

- 1774, common boring lathe developed that would make cylinder
smooth enough for piston, made Watt practical.

Usher, Ind Hist of Eng. good chap. on govt con'ts. As machines improved,
machine yarn came to compete with Indian handspun. Mule, after penny. Indians
came back & took coarse stuff away from Eng.

Knight, Oct. 12

Marx Bloch, Cambridge Ec Hist.

Annals Ec Hist, 1947, how medieval slavery was turned into serfdom.

2 1936 Pauly, (Gm) Real Encyclopedia, 1936 supplement, Westerman article. v. Engelp. of Soc. Sc. on ancient slavery. Some ancient 'slaves' were very wealthy from commerce etc. (Herculaneum). Herculaneum recent excavation better done than Pompeii.

2 Declined in middle ages. Heretics might be enslaved. You didn't have to manumit existing slaves of your religion, tho it was a 'good act'. These millionaire slaves could own slaves. Different concept of property - Greco-Roman legal system. ~~Old~~ American South was unusually debased. - even there slaves could save money occasionally, buy freedom. Ancient days, one didn't want to be free, had master's protection & prestige. (sistercula) 'peculium'. Grain trade, water supply, foreign trade, sources of fortunes. sum donated to slave by master. 'peculiar sum'. Master would be responsible for debts if he took any of profits. Debt imprisonment.

Bloch in Annales discusses how classic slavery changed.

Roman huge 'colonial estates', major settlements in Gaul, quite independent, precarious grants, fiefs, Vestiges, as kingship in feudalism vestige of statehood, feudal property of Roman property.

'Doubtiness' of these feudal warriors, great belligerence, horse & warrior became one. Unbelievable ferocity, careless of death.

2 Bloch said feudalism never developed in Russia, Czar developed too soon. But all feudalisms are different. Russ. lords just helped collect revenues.

'Homage' oath in feudalism implied no dependence, just an

Write paper on history of holdouts.

gen
equal contract, vassal wasn't 'humiliated', you weren't morally bound if king broke his contract, & you weren't physically bound usually. Western Europe developed from dignity of individual in feudalism with state developed later, in Russia no such.

'Japanese' feudalism a myth. State too strong. Maybe c. 950, 200 yrs after disappearance of mayor in 751, had feudalism. In Japan, shogun was always kingpin.

'Connecting tissue of society' needed, to link specialists.

4
Urban axis up central Eur. S. Gy financial center up to end of middle ages. Modern states developed in fringe agric states on Atlantic coast. - France. Yet France had one of most complicated guild systems in Paris.

Still is primarily agricultural. Tour's pop. is all agricultural, just lives there. 50-70% pop. 'Depends on' agric. Has become more regionally specialized in agric. Revolution in beliefs on feudalism in last 20 years. ^{become my favorites} Before end of crusades,

Knights in armor were hiring out to battle, because holdings were getting too small to support them, payments committed to money & kings bought armies with money. Before end of Crusades in 1270
Feudalism going out.

1
3, 2
3, 2
Coms of Champagne fostered commerce, then Paris, protected long routes, height of medieval pd, took tolls. Not against commerce. He fought urbanites politically eventually. Some towns were a little like fiefs, but big ones became quickly too big & strong. Lord chartered town, for own revenues, arms, own entertainment, specialized workmen (to build castles, e.g. stonemasons wandered & built) Merchants wandered too, hence more independent than local craftsmen.

1
Nurnberg was a world trading town - Rorig - Ulm etc, centers of fustian trade, overall stuff, not just small luxuries

Ask Knight about Gm vs Russ. Gm is really historical center of culture. - even pre-Renaissance.

as used to be said.

Camel & mule caravans in Morocco still competed with trucks, parallel to road, in 1925 - so fairly efficient. Manchuria too, 11 to r.r., 1932. Not have heavy traffic before roads etc better. In our pioneering we took along many big pieces, used wagons, very slow, slower than walking.

14th & 15th, mules carried things from Baltic to Milan etc.

→ Worldwide Eastern trade. Cotton from Egypt, Syria, shipped rough cloth to Morocco, Slavs, & in between.

Great acquisitiveness, long before Calvin. & in Levant - bargaining, haggling, 6,000 yrs old in Levant.

Blake's notes on Knight, 5 Oct.

"Meaning of Europe for the Development of World Economy"--Huska?
Eastward Ho!

"Modern Capitalism", H. See

4 - Usher article on Origins of Bankings. "Irregular deposit" the essential element. Deposits in terms of value, which is after all basis of deposit credit. (?) Differentiated from custodianship.
4 See calls loan at interest basis of modern capitalism.

3 ? Highly organized banking of late middle ages changed form and was simplified for use in expanding areas.

Crusades era, emergence of statehood from feudalism.

1095, first Crusade, no kings. 3d & 4th, kings came, c. 1100

4. By 1200, interest mainly in trade routes, and this crusade split, one outfit went to Cote d'Azur, other (Rump Crusade) to Zara and Constantinople. Montforts broke off. Desire for trade routes meant desire for peace. Venetians fought Genoese over routes and rights. 9th crusade, 1270, St. Louis, really after Tunis, which was outlet for wheat, wool, candlegrease, to Italian towns. Trans-Sahara trade went up to No. African coast. Arabians had moslemized No. Africa and Spain, their trade tied into trans-Sahara and European. Across straits of Gibraltar Europeans got gold, ivory, tropical woods. Esp. mentions additions to Eur. gold supply. I guess St. Louis was after Tunis to get in on this trade. Louis had large expenses, he paid them with Genoese credit to local Moslems! (talk about ec. determinism!) Then paid Genoese with credits from Champagne fairs. *to get routes 15 to get rent. living from trade are from rent in large part.*

4 *gen* Louis also wanted to cut off English, who held Bordeaux area, from Mediterranean. Forerunner of 100 yrs war. (Varagnac's article) Montfort's crusade had already started this cut off. So Louis was important in emerging as strong French King -- I didn't remember that -- altho he failed to take Tunis. Later kingship weakened and Eng. challenged it in 100 yrs war.

3, 4 Rising king connected with rising banking and commerce, from which he got revenues. (in History I didn't we over-generalize France?)

2, 4 Feudalism was self-degenerative due to "sub-infeudation", e.g. Status was passed on as part of family inheritance, but the property which was to support the status was broken up among many others. Old military service requirements commuted to money payments in many instances -- scutage. Meantime urbanism emerged, and nationalism. Breakdown of feudalism furthered more because nobles themselves had to compete with kings, merchants and monks, and they moved into commerce (compete in what sense? for power? for goods?) *in some places only*

2, 3, 4 Laity illiterate, "clerical" work done by clerics. Trade over great distances encouraged lay literacy, because long distance messages had to be sent. Monks objected, fearing heresy and pornography.

4 c. 1400, mule caravans all over, Spain to Hansa to Balkans etc.

4 Pulp paper development, important revolution of this time. -- made paper cheap to merchants, which it hadn't been before, allowed them to send messages. Replaced papyrus (moslems mostly) and parchment. c. 1200, system of "instructions to merchants" by paper messages on caravans well developed. Arabic forms replaced Roman and encouraged business figuring. These two things more important than printing press, both for business and general

3 education. Important step in evolution of written contract, which Greeks didn't use, and Romans only little and late, by having verbal statements taken down by notary and sealed by him. Has become simpler over time: witness requirements dropped, banks took over notarization. Precautions: bound book of records, no erasures, etc. This came to be done out of presence of banker. Then accounts could be xferred tho one was out of town. Social custom that anyone caught forging was universally condemned was safeguard. Harder in U.S., where individuals not so well identified. This is part of reason why farm credit in u.s. was slower in coming, and more expensive -- farm credit [I can't see this, farmers are the most localized element of the population. Ellis suggested local money involved] But slow rural communication would explain it. Andrea Barbarigo cited again, re simplification with expansion 15th & 16th, gold and silver influx, replaced a lot of existing credit and stopped evolution of credit systems

Knight, Oct 26, Blake's notes

- Feudalism didn't exist in Eng. after 1200, due to monarchy's development.
- Difference of cultures cis and trans Alps. Italians, nobles did trading; France etc, other classes did it, and bought way into nobility. Distinction of "original sword nobility" and acquired "robe nobility" in France. When traded accross Alps, found they didn't like each other.

16th cent., problems arose re papacy, Eng vs France.

Luther first to use printed word widely. Much of protestant success due to that.

Luther crude. Calvinism more sophisticated.

Italians were protestant in effect -- businessmen, interest takers. Papacy same for some time.

Weber cited.--re def of capitalism, thinks ancient & medieval "capitalism" a smantic fraud.

Religion conforms to business needs & conditions.

Knight, 24 Sept, 2

1:30 - 3:30 Office Hour, Tues., to
talk over reading. - in groups maybe.

— Sayous, A E, Q. J. Social & Ec Hist (in Gm), 1936, Origins of
Commercial & Financial Capitalism (in French)

? No need for refined org. in 16th, when large scale enterprise
started, it got looser than before. - 1st 'modern' century.

Different types of people became leaders of society - different talents needed.

1418-49, Andre Barbano, competition very keen, no lebensraum, no
optimism.

Knight, 25 Sept.

— { Cambridge Ec Hist Eur now available on G1 Bill. Marc Bloch responsible. Annals of Economics, ~~Society~~ ^{Societies} & civilization, 1947 Jan-March, Apr-June, ~~Annals~~ get his article on why ~~medieval~~ ^{medieval} slavery ended.

Study of ec hist. declines after wars, because then you are not supposed to recognize society is changing.

French 'proprietie' comes from Latin ideas, 'property' comes from feudalism. When Eng law revived, Henry 2, 12th cent, Roman law hadn't regained prestige, so feudal law taken over.

Less German tradition in Gm law than in Eng. Gm never got so disorganized as France?

Police systems have existed only a short time.

Eng. was outpost, France had pop edge over Eng & Prussia, organized earlier, kept Roman traditions. One of which was

that laborer has rights in industry he works in, different from ours. (& which doubtless holds them back)

Feudalism was localized - n. Eur. lowland - where invasions common.

Hongers/hoes not invented until 10th cent, Byzantium

British upset tradition of feudalism with long bow, which stopped cavalry. c. 1350 - 1450, 100 yr war. - finally French with higher pop, took over new weapons, drove Eng. out.

Feudal order was needed because castle couldn't stand siege longer, had to be relieved by allies. Then gunpowder.

Calmette, Le Monde Feodal.

Accidental development of things, often.

All societies obsolescent. So feudalism gave way to 'enterprise system.'

'Capitalism' has been taken over from socialists.

Popper, KR, 'The open society & its enemies.'

French &
Roman
labor
immobility.
th

Get out if possible.

Knight, Tues, 21 Sept.

119 South Hall for reg. cand.

4 c. 1200 you begin to find irregular deposits, ^{n. Italy, all over w. Med.} bankers who are more than custodians. Romans had it too.

read — 1934 Ec. Hist Review, Usher, Apr., asks where did this come from.

read — Andre, Evidence that Spaniards were primitive in ec. org. cf to Italians.

read — Rötig. Medieval World Economy. Hanson's idea of secular stagnation involved. Refinements of organization come in tough times — so? 1400-1500 such a time, pop. getting denser, land taken up, opportunities low, refinements come. — implies Europeans are more efficient. Massive org. where going is easy — 16th cent. Spain; 15 cent. Italy opposite, but Genoese went to Spain etc & used older methods in 16th than they used in 15th.

→ Not until 18th did intricacy catch up to 15th, for expansion possible. Hamilton attributed ec. revolution to inflation. — Knight disagrees — Thinks paper credit institutions were ruined by it, metal replaced it — so? New Frontier & trade in Am., etc, K. emphasizes as causes of upset. ^{But for trade a small thing to economy.} English practical in Ag. rose, but in I behaved same as in Spain. Hamilton grievously overemphasizes.

4 3 ~~mass~~ Lane, F.C. Andrea Barbarigo. Venetian merchant, 1480-1530. Account of him, & the Venetian commerce.

th Suggests AMA, like a guild, keeps doctors out by perhaps making standards too high. Guilds reviving. Coops. In Balkans, xition to coop very easy, since no industrial rev. Rochdale wrong in saying coop only adapted to retailing. Maybe guilds & coops will return, as in

Knight, Sept 21, p. 2

past.

Dope on Feudalism much revised, last 20-30 years. Thinks 'Japanese Feudalism' a vain analogy - always different.

Feudalism a defense vs. large scale invasions developed 5-10 cent.

Most all feudal manors were on trade routes, lived by taking tolls to support armies etc.

Simon de Montfort came back from ^{4th} Zara crusade & went down to Albigensians to open his trade route to Mediterranean. Other half were to open Flemish trade route. Paid Venetians for hauling by taking Zara, etc.

Paper for Knight.

th A historical test of the thesis that labor's employment depends on the availability of complementary factors to labor. A survey of institutions etc whose result is to keep labor from complements, & their correlation with unemployment. An evaluation of arguments in favor of such institutions, "restrictionism", etc.

2) Complements are land & capital (& markets -- an important addition to my views. I have previously subsumed it, but deserves separation. A barber with site & shop but no customers is kaput).

th Land available when society expanding -- as it has been since 12th cent. When people tied to it. When it is there. When not washed away or exhausted. When climate stays good. When not monopolized nor speculated in.

4 Cap. available when a source. When not exploited. When land available. When inventions applied. When interest allowed. When banking etc grows.
when techn. advance permitted.

2) Inv. as complement, aside from capital. When inv opp good & sources strong -- as postwar 1.

th Markets available when not restricted. When production elsewhere healthy. Distinguish this from availability of land.?

If it is argued that modern state is different, restrictionism necessary, show it is same in significant respects, albeit ~~the same~~ differs in many respects -- show them preferable.

Not study of causes of institutions, but results of them. But which is cause, which effect, will cause troubles.

Thriving expansion & prosperity etc I take as same as pending labor opportunities.

3) Mercantilism a big thing in this pd - but not as big as emphasized usually.

3) ~~Trace forms of~~ Show the impetus ~~that~~ behind the great changes in types of production in ec. hist.

3) Show tendency of progress to occur where not stifled by govt 'fostering' -- at least wrong kind of fostering.

4) Show historical sequence of uses to which capital is put. -- many of old uses wastefully good to get rid of.

4) History of cap & inv. must include credit inst.

Manufacturing Org.

1. Isolated family.

re-became
Was beginning of all, of course. But ~~remained~~ dominant a long time, with variations. ~~The existing system~~ After gild dominance, revived by putting out system. Italy, wool industry e.g., etc, 14th etc. In Eng, grew fast in 16th, outside towns, which were stifled by gilds. Woollen industry esp, replaced by factories only in a few, as silk, by 1750. ^{dogged persistence. More of fact. than factory} Flemish towns by 13th, ^(? 1300?) Workers often owned looms etc, sometimes owned raw material (Yorkshire). General Eur. 16th cent. spurt of production probly involved it superseding gilds? ^{Contract weaving} Status, preparing for factory.

Main story Much story of evolution told under 'gilds'

^{Greece, Hellanic,}
2. Slavery. Roman rural slavery developed much division of labor, manufacturing. Urban family even moreso. Slaves tend to set up independently, with patronate ties to old master. ^{often get rich.} No remnants of this, which was probly the all time high of slave manuf. ^{- no inspiration}

3. Monasteries

Centers of manufacturing thru dark ages. Marketing too. Developed ostentation ^{workship} production mostly I guess.

14 centuries improper, subjective scientific ideas

Some supervising aggregation of work.

11th, definite class around them. Controus. Dominated trade. Huns & standards regulated.

15th, Eng. Much adv. merchant for cloth export, so cloth merchant to their int.
~~15th~~ 16th, Eng. reg. merchants to force to employ steadily.

det. wages

Flam. put out subject to wool gild, 16th, (when declining)

Large put out had. exp. joint cap. sources, sep. management, pt. org, 16th Fl.

Wages equal to empl., unless monop.

Free contract idea, & incentive payment idea, ^{to all factors} fully developed, subcontracting, agents, impersonality, specialization firms doing partial processes, ~~joint means~~ of joining cap., etc. all developed

Italy, got several layers of monop. but maybe much. dominance lessened.

Orgs. of cap. developed? Jt stock? P

Merchants, having developed org. & cap. in their work, ~~were~~ & being checked by gilds, were natch to use both to by pass gilds.

14th flanders, artisans finally organize, merchants evade by putting out in country. (Probably craft gilds never dominant anywhere long, evaded this way as soon as ~~the~~ merchants organized.)

Generalize Eng. 14th, patrician flanders, merchant gilds monop. but kept others from being monop. & also didn't observe local monop. cooperated a few. 14th, artisans est. craft monop. re-est. local monop. Merchants evaded, going to country side, & put out. Antwerp & Amsterdam 15th, merchantism up again, esp. in the Phil. G. of Burg. who in the North, vs small restrictive artisans. (Artisans dominated ruined Burg. e.g. which kept out Merch. Adv. of Eng. trying to stop comp)

So much. gild dominance is like putting out, keeps evading restrictions by flowing to unorg. labor.

~~13th~~, c. 1300, putting out dev. in N. Italy, demise of 'indep. craftsmen' feudalism separatism among dominant merchants checked made them petty monop. too. But artisan gilds kept down. Direct evolution from merch & indep. craftsmen to putting out, then gilds come, much. dominated.

Various times, indep. form org. by merchants, merchant gilds, corps of cap. etc. Eng. cottons, glad to get extra.

Indep. or isol. craftsman, dealing with merchants, a typical picture in 17th factory system, only partially disturbed by gilds. ~~17th Eng.~~ Gilds keep local monop. loose in export trades

Differences in isolated craftsmen's indep. & cap. ownership. 17th Eng. lost both, as joint stock co. bred new class of merchants who turned back to organize production. Craftsman might have improved org. themselves but didn't. Mcht. adventurers dealt with indep. craftsmen more; successors developed putting out more, took over more cap. functions from individuals.

'Cottage ind.' rural, distinguishable from org. city gentry. Latter discuss under gilds. or appr. Question of how many layers of monop. will have

Italy, couldn't evade guilds, layers. Flanders & Eng, putting out

Manuf. org, 2

a 4. Royal & noble services & armouries.

These people demanded most ~~specialized products~~ such products for a long time. King's armoury in his castle, under his direction.

Reg. hours, wages, etc.

5. Guilds.

dominant by 1200. Protective vs. merchants probly.

Grew with towns, in urban revival, various centuries. Apprenticeship, hours of work, time, place of sale, price, purchase size of unit, amt of unit's production, quality, competition, marketing requirements. Evolution towards restrictionism, loss of public responsibility, various waves.

Subservience of craft to merchant guilds usually. Merchant guilds leading fight ~~xxx~~ for town freedom & monopoly. *originating first* Craft guilds getting more power, as 14th Flanders, etc, *or was it home craftsmen?* then becoming more restrictive.

Elizabethan national laws replacing gild laws, then sinking into disuse. Guilds hit by 16th putting out growth, finished by 18th factory system. Progress passed them by. *16th-17th leg. & prod. vs. them. Ed. 6, Coke, etc.*

In Florence, guilds kept control of wages when putting out came.

Zero regul. vs combinations of artisans, employers, etc, no effect. *Some late Rom. guilds persisted to 12th.*

Rev. officially abolished in Fr., restrict agreements cent.

Admin. in Eur to c. 1600.

14th-15th, *guilds craft guilds get power in Flanders & Florence, (probly increase restriction)*

14th, putting out existed in Flanders, guilds broken & thereby maybe.

When much exports, merchants defeated guilds, or artisans. *Big merc. wholesale merchants incommenced, 13th Flanders. (remember putting out. Flanders. Guilds when reach just to be putting out.)*

Sp 8 14, towns & guilds under feudal authority kept consumption & sustenance orientation. Orgs. to get indep, elsewhere, first.

15th-16th Gy. towns lost struggle to feudalism. Town power first nec. step in evolution, *Sp-Italy it didn't come, Gy it didn't stay.*

Eng towns, merchant domin by 14th-15th when towns grew; 15-16th, artisan revolts. Merchants, larger cut back, artisans, petty local monop. Putting out given as artisan guilds did. 16th, merchant dominant nationally, towns. Nat. not local interests leg. for.

mid 17th, putting out as agent of commercial cap, in production came in. Merchant increased their function - began own looms etc, own raw more. *This is a 2d stage of putting out. Cotton India.*

d, ~~16th~~ 16th Eng, Tudor leg. weakened craft guild monop, let ~~up~~ more in.

a Craft guild leaders merged with merchants; ^{16-17th} fr Gy Eng, restrictions lessened.

~~17th~~ 17th Eng, master craftsmen re monop. selves, being strengthened by 16th influx of numbers, vs. merchants & gynnun. Then became putters out.

~~For Compter, for my paper & money.~~ This strengthened group broke London merchants int. Trade monop, 17th. ^{London} Merchants by this time were landed, slow. New ~~merchant~~ master craftsmen - national merchant putters out, new vigor, Wmgs, Puritans,

e 18th, Wmgs established, more. to help memt. do.

e 18th, factory movement came from not Wmgs, but from puritans again.

b 'Free city' the prereq. of gild.

~~Merch. of Staple~~ a Gild, stagnated. Merch Adv. more free, joint stock ^{no negot. prem. stock}, also supervised gilds as prod. org. by putting out - I think. 'Secretas' of S. Eng.

d, a 15-16th, eng, workers excluded by craft gilds compl. by merchants, rural putting out

18th, gilds remained - dem. over local mktls, local products. eng.

Tudor wage reg. falls c.c. 1700.

Gild member might be either lone, or with helpers.

~~Florence evolution like~~ Netherl.

Part factories,
New industries, ~~new~~
New class.

e Factories.

Appeared sporadically before 1750, as Nurnberg printing & paper making,
Florence silk, ^{8/16th and} English silk. ^{etc} Colbert tried to force their growth in
France, they died when support withdrawn. Not generally economical
until technology changed so a common source of power used, etc.

Took over org. from putting out; & corp from merchants, shipowners, etc.
condotion of 13-15th who made war an industry. Monte at 16th & 17th, it stuck co.s of
17th Eng (not from 14-16th much adv, who faded without cap)

Much ec. activity not included in this survey: mining, lumbering,
fishing, transportation, construction. Mainly processing covered.

Mining usually monop, often by state.

Awanted new industries, old being gild strengthened, & state reg, as of appr.

Gradually state ceased to reg use of cap, Eng. 18th.

Poor law & law of settlement hindered labor mobility, hence factories.

a Fr. Communes

11-12th, destroyed by nobles.

Knight, Nov. 2.

Am. Geog. Review, 1930, Usher, Pop. & settlement in Eurasia. Shows what was frontiers at what dates. Until Renaissance, little pop. n. of Alps, esp. settled pop. Agrees with Huntington that man moves from tropics to poles.

2, 3 By 14th, rural France nearly full settled, frontier had disappeared? & in S. Gy & Rhineland. But until 1600, lots of unsettled areas, Eng, Scand, Russia.

4 Lefebvre des Noëttes, wrote book about saddles etc., one thing in which west was educated from east. c. 1000, nailed shoe & breast harnesses for sport & work appeared, allowed turning horses into draft animals.

→ Eng. ~~star~~ pioneered in stopping cavalry charges, by arrows, & cutting horses legs. Contributed to growth of mercenary armies, this technological change. & horse replaced oxen as draft, slowly - by 16-18th.

Handel-trade.

→ Fugger ~~as~~ exported the Venice to east. 'Central Eur' had own sources.

3 Expansion into frontier, or expanding towns, meant rags to riches for many. Fuggers grew on city rents, mines, etc., as area was growing.

4 → Developed mining, Gms were miners par excellence, spread art elsewhere until by 18th others were good too. Printing another Gm. specialty.

th Paper-making Italian specialty, the Gms etc made plenty of day to day paper, Ital. were luxury. - note complementarity of all these inventions.

Wantrup Wastrop digs in early ec. hist., esp. ag.

Russians, 1920, went back to find original wheat ancestor that was more adapted to north than Medit. wheats. Found it, moved wheat 100 miles north. (But now don't they object to Mendel?)

Europeans had just learned how to conquer a frontier when they hit on America.

Knight, 19 Oct.

48
14(¹/₈)
192
48
672 + ~~42~~ 42 = \$714.00
~~42~~

\$1200.00

Net, J.V., Industrial Europe at the Time of the Reformation, JPE XLIX
1941

"Cf-sen of Industrial growth, Fr. & Eng. 1540-1640,
JPE XLIV 1936 (June-Aug-Oct)

1, 4
→ Banking & finance highly organized, classical world, more so than again until
after Xades. Bills of exchange used in Rome & Greece. Usher emphasizes how
much things were re-inventions, but concludes you cannot know yet if revivals
were re-inventions, revivals, or survivals. Active survivals in Byzantium, &
→ Mohammedans. Societas publicanorum was joint stock co. in Rome, grain
trade

3, 1
Piotrowski, R., Cartels & Trusts, Salt, Alum, Copper, with quotas, controls,
figgers 1500, etc, fines for overproducing. "Maona", or association, jt. stock co.
These old monops were quasi-public, e.g. Eng. Muscovy co., unlike 19th
century.

3, 1
Roman 'publicans' were businessmen. Had state monops too, many
Roman fortunes so made. - & so back to antiquity.

→ ~~It~~ Improbable That major technical advances ever permanently lost.

Russ
Russians now have inheritance of power, in sense that commissars etc
see that their sons & daughters get into right schools, etc.

land use
Get roughly 7x the calories ~~per~~ acre by plants ~~than~~ than from animals.
Rye ~~and~~ Coats were weeds, taught by man, as he was working on barley,
& wheat, selected them until good strain developed. Barley & wheat originally
developed same way, from millet; & maybe millet came from Yellow R.
Accidental achievements emphasized.

→ Suggests 2 field system was carried from Med, where used in
dry farming to n., where inappropriate. Shows power of custom.

→ Since men learned to use n. Eur, Medit. can't be a center of

~~Rome~~ on lot, big stock?

power, don't have water & minerals etc. Europe n. Alps was frontier.

Eur. intentions nicely timed to develop U.S. - r.f.

See 3. — Don't take Scy seriously, on ancient period, or early medieval.

Trenerry, on history of contract of insurance, tells what's known of interest in various Roman codes.

4 → Greeks & Romans had law that no debt would run long enough so that total interest = principle - to avoid concentration. No objection to loans, except among closeted philosophers.

— Some objections to consumption loans.

Hamme → Hanseatic League joined, because they had a common problem, fighting HRE, but Italians just fought each other, & maybe pope.

3 Highly organized places hard to change - Marx might have avoided mistake had he noted this. So HRE had most highly organized urban axes of Europe, couldn't make a state. Atlantic rim of 'predatory' agric. colonizing states. China was so highly organized for a while you couldn't change anything anywhere. 'Capitalism' doesn't run itself.

Russ Lenin thought banks would run themselves when he took them over, but they died when he took them over.

2 England was nothing sharp in, c. 1500. Hanseatic trade & tin, Italians finance, small population even relative to techniques of time, & to Fr & Gy. French countryside has not increased in pop since 1400, Δ has been urban. ?

The Unemployed, Davison, Longmans Green, London, 1929

2 { Medieval Eng Poor Laws & charities, Church taught ok, unempl. should be helped, not bad. No 'relief', but helping individuals readjust. Eliz. Poor Law said to supply them with raw materials, even land.

2 With Reformation, law still good but local admin. often bad. by 1700, rising vagabonds common. Stern Puritan morals replaced easygoing 16th, condemned them. Locke, 1697, would ship them, indigent bastards, in navy. Rule of strictness unenforceable. 1747, Pitt proposed to train all idle & supply materials, (Bunthorne killed" in Pmt.

In & after Nap. wars, unempl. bad. 1796 on, rural pop suffered (?) Fearing revolution, govt distrib. 'out-relief', doubling cost, stayed £27m for 30 yrs. Local rates bore it, 19s/£ common, many farmers 'ruined'.

Various forms of making people 'work' or at least suffer for dole. Sometimes just subsidized work for employers, this got bad & chronic in agric.

→ (A govt should put people to work building complementments, gradually they would create jobs for selves on land complementment, or in maintaining complementment)

→ 1832-4, Poor Law reform. Harsh - no doles, only workhouse. Worked in country, but in towns unempl. persisted.

p. 260, Poor Law receipts kept miners from leaving closed areas.

The Unemployed, Alden,^{London} P. S. King, 1905

Problem dates back to break-up of manorial system, communal cultivation. 16th agr. rev. 17th & 18th, 'readjustment of labor on land'. Problem not acute until 1850-1900, (b.s.), when coming districts rapidly depleted.

p. 2 Main causes are leaving agric & village industry (putting out system, handloom, even compl. machine & factory)

'Factory Acts' & 'Employer's Liability Bill's' ~~to~~ make labor dearer to employer, reduce employment.

Misc. Notes.

Unemployment in Belgium during the Gm. Occupation.

Fernand Passellegq. Hodder & Stoughton, London, 1917
p. 20 et seq. describes wartime unempl. in Belgium as due to
Gms. taking away resources.

Rountree & Lasker, 'Unemployment', MacMillan, London, 1911.

2, 1 p. 263. In GB ind. rev. preceded development of ^{transit} ~~it~~, in Belgium more simul.
So Belgium workers didn't move to towns, commuted. $\frac{1}{4}$ workers in agric, 56% live
in country. ~~Indust. work~~ This mitigates unempl. (Reasons:
1) Small plots available 2) Cheap rapid ~~it~~ 3) Cheap capital.

These people grow own food, economize land closely. The further from town, the
larger holdings, ~~more~~

Work longer hours than in G.B. Those with irregular work take longer
plots, don't bother looking for hired work when it is scarce. This reduces
unempl. of course. Older men accumulate land, leave city employment
altogether. In Eng, ~~is~~ fast line between city & country work.

Land more subdivided in Belgium than any other country. No great land-
lords. $\frac{1}{5}$ adults is land owner. (many others lease). Laws of succession
prevent accumulation, all prop divided = among heirs. (But death taxes now tend to same
effect)

Best xport in world, cheapest & most, special fares for workmen, state owned r.s.
Probably make a small loss.

Bicycles much used in getting to work.

Loans at 4% from govt for horses.

Horses cost less in Belgium. Wages lower, rising rapidly.

3-4 miles of York, pop 82,000, 'plenty of land' available at £70-100/acre

(r.r. cannot be left to private enterprise because complementary, & private
enterprise doesn't handle that. But we might give as part of reward to
r.r. builder the 1% rent, then leave it in private hands) (Belgium
built roads after 1889 by public guarantee of dividends, private enterprise not
doing it before (did it have a chance?). Co.s govt formed, operation formed out)

p. 245. Heavy duties on sale or mortgage. Reduced $\frac{1}{2}$ for 'workmen'.

r.r. adm.
&
compt.
Thermy

Unwin, 2

12-13th, patricians ruled Eng cities, landowning basis of power. 8.

L.V.T. source

— Baden-Powell, Land Revenue in Brit. India, Good source to study Int in action,
Impert.

Knight, 30 Nov.

3 S. Gy, plenty of regulation of industry for 'public welfare' etc.

Net - May '37, Economist Rev. Prices & Ind Capitalism.

4 Hamilton's theory, development of capitalism due to lag of wages due to rising prices, 'Scissors theory'. Net denies, says, if more origin of capital from US would have industrialized faster than Eng

People go out of college & tell people what they've discovered.
So college mind-shaping not hopeless.

4 — Sayers says great decline in credit in 16th, silver replaced it.

1570, American origin Ag came to equal Eur. in Eur. Scotriver previous authority, full of prices.

Jacobs, by thinking, preceded Hamilton many years, 1830, with crude figures. 1870, Scotriver forked up, got Hodors. Hamilton restored Jacobs, without knowing.

Economizing natural resources, subject or thesis.

Knight, 23 Nov.

German 10, Sec 4
Spring Term

Not beginning course. Esp for
PhD rest. MWF, 10 AM

Hobbes, Mercantilism, theory & fact.

Net, Industrial Eur. at time of Reformation.

— Ind growth, fr & Eng, 1540-1640

→ James & Ch. 1, sold out rights to mining, very anarchic, continent
much "better organized," where soil belonged to state. All mining
technique state regulated on continent. (maybe that's why Eng ment
ahead)

3 Trades not in existence when regulatory laws were passed in
Eng more exempt from regulations, progressed. Coke, some statutes,
referred to. In Gyp everyone was always taken care of.

Inc. tax & supply elasticity
You can show inc. tax discourages investing, objectively. But labor,
only subjectively. But this puts adherents in position that they are
taxing labor more, since its supply is less elastic.

Spanish Guild merchant, Smith. - hope on Medit. guilds.

Catalonia was civilized part of Spain.

Kuske, Meaning of Eur. for development of World Ec.

Try bringing Gm. words here.

Knight, 16 Nov.

4 NB - Sombart tried to account for origin of capital by ground rents, Knight disagrees.
Measures taken to meet practical day to day emergencies, with no idea of overall plan, change system without your knowing it, & without knowing where you're going, - (so obstructionists to ad hoc measures have something.) Brady's description of Eng. socialism sounds like it.

Test questions pretty obvious, require knowledge. Dissolution of craft guilds, church & early merchants, early world economy, origin of merchants, etc.

2, 1 Jehan Boinebroke, ^{draper} merchant of Arras, Espinas dug him up.
14th, Flanders. Executors used fortune to restore losses to people of whom he took advantage.
In this get records of actions. Putting out system, craftsmen didn't contact mkt.
Putting out interp. as breakup of guilds. Long before Eng. Flanders overpop, people moving east to Brandenburg etc.

2 → Whenever there were exports, merchant ruled, guild of little power. Guilds indep. only when market local. Xition to modern unions not smooth or continuous - dropped control functions. Who-enr used hands in those days was lower class, less important in city govt. etc., so guilds had less status than might have. Whoever traded was up high.

Never such thing as unorganized labor, always leaders, to whom deference. But this doesn't mean they have monop. power, etc.

PhD is a union ticket. You pay enough to college & it gives you a position.

? Eng. next, started new industries, trade, no standing.

1, 2 Bleaching done not in Eng, climate too unreliable, needed sun, 19th they learned to use chlorine. Got away from family industry. Coal industry got division of labor beyond family level first in Eng.

1 → Gms organized Swede cu. mining too, as well as Hung. & Eng & Tyrol etc. Introduced ec- as well as eng. ^{mining} techniques. Called for more than

craft organization. But until 18th most production required no greater org. than craft, so they dominated. Mining & machineo facturing were appendages to merchants, as were banking, insurance, etc.

A. Smith spoke of merchant class meant everyone but ~~merchants~~ landlords, not just what we call merchants now.

Smeary Mump & comp in British coal ind, sees schism in "merchants":

Knight, p. 2. Nov. 16

c. 1600, Eng ceased to be frontier cf. to Eur. Before, grew wool for
→ Eur., Gms & lt. ran mining & banking. Yet as early as 1300, some coal mining.
French got salt by evap. from ocean. Eng. had to boil it with coal. Net
emphasizes that Eng needed more things that required fuel, hence developed
coal. But French glass takes lots. Mined on Tyne, came to London by sea.

1 → Sweeney dresses up coal man as typical, but it is unique. ~~Was~~ Endured
thru centuries, House of Lords, highest court, would never abolish.

1, 2 → Crom early gave up subsoil rights, same to gold & Ag, only legal
system in which it occurs is Anglo Saxon. Roman law doesn't. Subsoil goes
→ with surface. So nobles & gentry got it all.

Henry Maine's anthropology no longer followed.

A. 3 Net didn't notice that industry started in least pop. part of W. Eur.,
Eng. Because pop sparse, org. loose. China couldn't change in 19th
because very highly organized, scratch it anywhere it hurts everywhere.

? Java, Indo China, etc, crowded won't be able to go communist as
Russia did. (How about China? Time may still prove Knight correct --
1951)

~~List of titles of something I should see~~

~~Forest~~

Knight, 9 Nov.

Dobbs

Hegel, tremendous influence on historical writing since his time.

Popper, greatly vs. Hegel.

No evidence that anyone opposed cotton gin. Less resistance to changes in relations of man to nature than man-man relations - (a violent generalization)

The Poverty of Philosophy is only part of Marx that he stuck to. But others kept returning to Manifesto, to keep it simple, rigid party line.

4 Ground rent source of 'Primitive Accumulation', Sombart died, 1901. Former socialist. Austrian school anti-socialist, an obsession.

Jevons' marginalism, 1871, so clever & popular materialist exposition, discouraged Marx from finishing vol 2 & 3. Much of econ.

became attempt to dispute Marx, without mentioning Marx. (or was it H.G.?) Jevons' explanations worked for short run problems, hence was popular - had static assumptions. Thinks marginalism ignores long run - meaning inst. changes. - criticizes Schumpeter for analyzing long run change without considering inst. changes.

Change is impulsive, not 'gradual'. Planck.

Fairchild, E.C. :Labor & ind. rev. London, Allen & Unwin, 1923

34 Early Eng ag, 2 field system, fallow & wheat altern. 18th, 3 field, fallow-wheat-oats. Many variations. Open or common field system

(my study must have two main ideas: availability of land; & of capital; 3 & of investment; 4, & of markets?)

2 36 1713-64, wheat cheap. Bounty on exported corn, even so its price low. Poor rates fell because prices fell so poor better off. Export bounty caused some pasture to be plowed up. 1760, George III started, & eve of ind rev, pp of money wage higher than since Henry 6. Much better off then than in 1800. - but pop had increased 40% & what he calls "wage" maybe partly rent

36-8 But system of common pasturage on wasteland attacked as inefficient. Jethro Tull & turnip Townshend showed methods of plowing, seeding, using root crops instead of fallow. Tull pleaded to pulverize soil, get rid of weeds. *indur Rudalyn*

(Needn't necessarily make this a study of unemployment, but of increasing complements to labor (which is object of ec. art), i.e. of the institutions concerning availability of land, capital, investment, trade, of whose lack unemployment is only one manifestation. Still, unempl is also due to keeping factors apart by guilds etc. Keeping compl. factors separated or uncreated institutionally is core. (medieval int. restrictions relevant) (& borrowing by kings etc)

3, 4 39 Open fields occupiers ruled by custom. Had to use all kinds of soil alike, conform to local regulations on sowing, reaping. & it was usually custom, I gather, to crop them in summer, let cattle run from Sept-Feb, so in that time no individual could experiment. This semi-open-range system led to many disputes among users, this was why they had no collective strength to oppose enclosures. Was a "partnership of the majority of villagers".

40-1 1700-1886 enclosures, mainly 1760-1820. 6-8 macres.

Hedge or fende to keep out animals, symbol of ownership. (just like fencing in our range)

42 Before 1801, special Act for each one; then first general Enclosure Act.

I'm not so sure any more enclosures did, per se, make land less available. Perhaps they allowed it to be turned to less complementary uses, but my impression is they turned it to more compl uses.

Chap 6 The food supply. 47

Before 1700, suggests that open field crops were better than enclosed ones, meaning by enclosed on lord's demesne.

Thru 18th, enclosures contemp with turning more to meat production from corn, perhaps as demand for it increased, & corn became scarcer, whatever that means here.

1772, laws vs engrossers etc repealed, wheat growers demanding freedom.

Pop, 1760 6-7m; 1808, 10m. Production of wheat didn't increase prop, whatever that proves. Production of foods in general probly did, but laboring people didn't get them. In other words it increased production but lowered "wages". But was it wages, before? It was partly rent. So let's say it redistributed land & thereby increased production but lowered condition of dispossessed landowners. To know about wages one must cf. landless laborers of 1760 with those of later days. Not clear if this is what he did way above. p. 48-50.

Promised increase of production didn't come in many enclosed places because they were held idle for monop reasons, or other. (described by other sources)

A good little book for further study, on more modern items.

In France, says Ellis, rentier groups have
sometimes dominated politics. Probly a general
bias from them vs creating new imm. opp, Δ i. r.

& on other hand, bias toward ΔM & cheap
M.

See, Modern Capitalism

1928. Vanderblue xlated.

First: glanced thru Usher's history of mechanical inventions. Mostly technical on physics. Leonardo gets great praise, & for his practical influence. Direct in building canals. (c. 1500, Florence) His physical ideas, just notes, were circulated, & tho incomplete & sketchy, influenced many who later put them together, with other things. Usher stresses that those who pioneer seldom synthesize gloriously, ultimate synthesizer gets more credit.

Sombart, "Der Moderne Kapitalismus", the giant in field.

Ancient World, only small craftsmen, local markets, Greece & Rome. Slave labor provided most household needs in Greece (instead of industries, see?/2) & on latifundia of Rome.

After Charlemagne, Eur. ec life solely rural. (evidently before him things were a little better) Crusades allowed Genoa, Pisa, "& esp. Venice" to accumulate great wealth. (this might be a tribute to Venetian institutions as vs. others) Distinguishes modern capitalism from others in more int trade, big factories, machinery, financial houses, union of all these.

13th, Low Countries & Italy esp active, "commercial capitalism". It started to reach out & take over production too. (the farmers who produced things for them were probly capitalists, but maybe were just seigneurial clods?) Commercial cap. didn't become industrial until great changes had taken place in labor, relations of employer to employees. p. 3. Which occurred in 19th, "most profound change in social classes which had yet occurred".

4 c. 1500, accumulation of cap. really got going.

Chap II: First manifestations of cap-ism

Greece, Hellenic, Rome, slave labor, landed prop dominated, household economy. (meaning production was in household units I guess, slaves worked for master directly, little exchange among units.) Cannot est. quantitative importance of trade.

4 Tax farming, land trading, money lending, sources of investment. Rude money changers, financial societies. But no negotiable securities, bills of exch, etc. What was, was only in a few large centers. Hired workmen hardly known, slaves common. (BC, how about small farmers?) Some organizations of artisans in towns.

When empire tumbled, only institution of landed prop survived. (how persistent it is!) (how about slavery?)

Until Charlemagne, some trade lived on. Arab conquests etc stopped even that. But feudalism which emerged broke down "some of the more rigid regulations of the old system", allowed greater elasticity, scope for improvements. (what old system? Remnants of Roman stagnation?)

4 Anarchy preceded feudalism. 9th-11th. Great lords recruited knights, who had to equip selves, with or w/o land. Knight might have been born serf -- (expansion pd.) For services, got a fief of land. Became hereditary. Nobility kept growing for some time.

Slavery disappeared, serfdom replaced. Serfs gradually got exemptions, serfdom disappeared. Beginning 1100, clearings of land became numerous, often by runaway serfs, lords evidently competed among selves to get land occupants, didn't kick them off, offered better conditions.

13th, exemptions so numerous broke down class barriers. Many classes. Serfs often rose.

4 Florentine cloth merchants developed bills of exchange, then banking. Biggest revenues from public finance. Pope farmed out his revenues to them for loans often -- religious revenues. (analogous to Fugger - Habsburg?)

See, 2

Charles of Anjou, king of Naples etc, borrowed, farmed out commercial privileges & state monopos to them.--exporting wheat & wine, salt taxes, iron mines. i.r. at thistime, 14-25%.

14th, Templars fell, Florentines rose. 15th, Medici outdistanced others. First "real financial capitalism". Brought industry under their domination.--parallel in Netherlands. I'm not convinced of domination. 14th, trading fell, replaced by cloth manuf.; 15th, that fell, replaced by silk; 16th, that fell to France, Italy never first in industry again.

Before Norman invasions, Bruges, Liege, Ghent, Brussels, Douai, Ypres, founded as entrepots of commerce. Immigrants settled there, p. 10

12th. Merchants not specialists. Form guilds for military protection, these buy & sell in common. Credit instruments develop.

Commercial expansion increases money stock, this raises prices in countryside, stimulates freeing peasants from feudal obligations.(fixed in money?)

Exporting trader is one for whom local workmen in export trade work.

(I suppose this is natural, instead of export ~~monopolies~~ developing & then dominating producers

merchants, since merchants must exist first, in higher organization contemporaneous therefore.) Domestic putting out system. Small % pop involved.

Merchants & urban landowners became patriciate, controlled city govts. Revolts often, handicapped development, but still by 15th were where others were in 18th.

Episcopal cities were just to supply bishop etc, including financial services.

Netherland had little local produce, save merchant services, forexport. But Flanders produced much?

France, few merchants early, but from artisans developed wholesalers who, esp mercers(textile dealer) accumulated capital. Mercers were somehow organized, & in 1413 exempted from inspection by trade examiners (jure des metiers) Bordeaux, Marseilles, Loire merchants, developed, but not really in France. Guienne held by British until c. 1453. Terrible ravages of 100 yrs war held back. Louis XI, 1461-83, fostered commerce more than any. Mercantilist, established cloth industry to stop import. Established luxury industries, to stop import of luxuries. Silk, failed at Lyons, succeeded at Tours. So French industry started at initiative of state, & specialized in luxuries from start. Commercial capitalism in France was also destined to be state sponsored -- Louis anticipated Colbert by wanting to form Levantine trade co.

England was rural, with no sea power or trade save by foreigners, until 14th, "staplers" started to export wool. Mercers, grocers, drapers, started to stand out from others by 15th in wealth. Flemish & Brabantine (n.Belguim, S.Holland) refugees strengthened. Woolen industry causes enclosure, which breaks down manorialism. Then commercial capitalists started putting out system, incountry. This system meant interruption of export meant unemployment for artisans employed.(p. 17) (specialization lends itself to divorce from land, dependence on compl. markets for empl)

c.c. 1575, 2d Flemish emigration to Eng, following religious persecutions.

Norwich important center. of textiles.

Lending to princes in Eur. brought 20-60%.

Many varieties of specie circulated, causing money changers to arise.

(Aha: did I not theorize once that existence of different sorts of m necessitated extra capit. in for. exch?)

Fairs, ~~markets~~ bills of exch developed, & clearings of them. Champagne (NE France), Lyons, Genoa, Spain.

c. 1490, Antwerp came to fore.

Monop. of money lending was one that princes sometimes gave in return for loans. (book is disorganized)

17th, jointstock co.s "as we know them" developed.

Maritime loans & insurance grew in Italy & Portugal.

4 Crespins & Loucharts of Arras, big lenders, locally. Wealth accumulated from commerce & ground rents.

sh 4 14th, Duvenvoorde of Holland, income from exch operations, "speculation in ground rents" (meaning what? Growing cities hindered by land spec? try Mumford on this.) lending to princes, & lending on "lucrative mortgages".

Jews: until 13th, mostly merchandising.

Church had to trade for itself, to sell its great products. Took to trading for others. & lending.

4 Teutonic Order as commercial as military. Philip Fair (c. 1300) broke up Templars on pretext to get their money.

sh 4 Sombart says capitalism developed from properties of lords, & increase of urban rents. (read this man!) See minimizes.

sh-land 4 buying Descendants of those who got rich as merchants bought land, retired. (interesting evolutionary note. Those who are rich tend to turn wealth into seemingly secure form, but others come along, make progress, create greater wealth in new ways. Modern securities make this less likely, but still -- bondholders lose in inflation, etc.)

2 med. monop. 3, 2, 4 Trade guilds existed everywhere in middle ages, prevented competition, limited number of apprentices (I hear now they limit the number admitted to med school) (I dare say most doctors don't think of themselves as supporting monop when they enforce such policies. They rationalize about keeping up standards, about keeping misinformed enthusiasts out of an "overcrowded" field where they can't make a decent living, & they force others not to make decent livings, etc) In most towns regime of ~~xxxx~~ craft guilds prevented anything but small industries well into modern times.

Merchant guilds, capital accumulated, masters were distinguished from each other, "very significant". (?)

III The beginnings of modern times

4 Sombart collected data showing that early commercial profit was too small to allow cap. accumulation. See doubts. Was one source. Administering taxes another, royal monops, mining. / See stresses just plain commerce. It was undoubtedly a profitable employment of capital, multiplying it, etc. But with wages very low, I suspect ground rent in some form was start -- or taxes, church fees, plunder, etc. & many profits from commerce would be urban ground rents.

Lyons, made into banking center by borrowin kings of France. finally lost this importance, became a industrial center.

3, 4 Bourses, trading in commodities year round. 1531, Antwerp bourse founded, great importance in history of capitalism.

4, 3, 1 Insurance spread from Italy to Portugal, great development in Antwerp, 16th. 1559, sovereign attempted to regulate insurance (signifies end of freedom in Antwerp?)

4 Speculation in Antwerp developed. Gambling widespread. Capital became mobilized, even land, thru mortgages.

4 4 In 16th, International Financial Crises first appear.--but due to defaults on loans by kings, Lyons etc. Religious wars ruined bourses at Antwerp & Lyons, which had gone for reformation: Successive Spanish bankruptcies, each a financial crisis. Hurt Spanish fairs (by dissipating capital?) (so princes demands on capitalists took capital from productive pursuits, must have reduced production etc.)

3, 2 Town artisans fought monarchs because monarchs favored free merchants over "town exclusivism". (guilds?) Antwerp favored by Philip, 1477, caused

mostly a matter of defining profit.

So Genoa, like Florence, kept its prosperity after decline of Levant trades by financial 'industries'.

See, 4

revolt of Ghent; Bruges, & brabant & Flemish cloth industry injured by Antwerp trading, revolted.

Horrible book.

4 → After fall of Antwerp Genoa fairs became important. ^{remember Genoa had more freedom than Venice.} But only financial trades occurred. Spanish crown borrowed there. But no permanent base. Frankfort, on other hand, grew slower than Genoa, but more substantially, financial & goods trading. I.r. rarely over 5-6%. By 18th, Amsterdam taking over.

4 money thing London becoming important as wool exports grew, 16th. "Dry exchange", i.e. speculation on exchange & money changing, an important use for capital. (it would be necessary to accumulate much coin or gold for this purpose, a real waste of capital) (with paper money or banks, one must accumulate money, another waste of capital, but less so since only the money holder loses, society gets more, tho it consumes more than if he invested money)

3, 4 Church first allowed equity "loans" (I suppose because they aren't loans, but direct investment)

4 → 16th, int became legal in Eng. ^{As Eng. lenders replaced foreign.} (I wonder if church prohibition ever was actually a barrier to lending? I believe so, from Dorset book on the conflict of science & religion)

3, 4 Calvin condoned interest. Moral virtues & individualism of Puritans were ec. virtues. Ultra-democratic too, 17th cent. Eng. Commercial towns esp were attracted to Calvinism -- Antwerp & Lyons.

Individualism of Renaissance, as well as its wealth, contributed to flowering of artistry. Artists ~~xxxxxxxxxxxx~~ free from guild regulations now, for some reason.

IV Maritime commerce & colonial expansion.

(how about inclosure plunder as source of accumulation?)

Cotton, silk, spices, sugar from east, Eur. searching for them. & new products: dyewoods, cabinet woods, tobacco, coffee, indigo.

4 First dealings with natives were nearer piracy than trade. Then forced labor, slavery, enormous profits, source of capital.

Low countries produced wool, linen, art, etc, which entered Antwerp trade. Became suburbs of Antwerp. (Livre -- lb. of Ag.) Span. & Portuguese at Antwerp in droves.

3 c. 1500, Au & Ag very scarce. Louis XII, 1506, objected to their export.

3 Spain tried monop. of New World trade. Seville, then Cadiz, sole port. other ports object for a while, Phil. 2 finally settles on ~~Sadix~~ Seville, then Cadiz. "Casa de contraximientacion" organization running colonial trade. Duties on new world trade, but mostly evaded, so replaced by fixed charges. Sp. king couldn't stop trading intercolonial, or by EngFrDutch whose shipments were main exports leaving Cadiz.

4 Holland revolted successfully. Philip II took over Portugal, then Dutch took over Portuguese trade. All 16th. France third after Eng Holland. Spaniards were mainly just carriers, others shipped to Cadiz with Sp. accomplices, got gold. Changing exchanges etc. led many merchants etc to go into money changing business. (this required great capital, was needed for international trade, hence a natural thing for capital to go into.

"Even in French countryside", great spec in land & agric products, as prices rose. 100-200% price rise p. 50. Price control attempted, failed. Few understood why prices were rising.

4 France traded ag to Eng, & other things to Sp for specie only. (I suspect mercantilism was an overgeneralization of a situation dependent on Spanish gold. Everyone but Spain was to accumulate gold for war, thus be indep of

See, 5

bank loans, etc. A way of accumulating national capital, in war chest form. Idea of continuous net imports of gold could only last while a country existed to supply the net exports: Spain)

1536, France got monop of Mameluke trade, squeezed out Venice.

16th, Dutch shipyards famous; replaced Hanse in trade.; & Portuguese, being forced to when Philip 2 took Lisbon, 1580, would have choked them off.

3 c. 1550, Eng started to expand into overseas trade. Tudor nat. policy, fostered commerce. Burleigh encouraged navy, by building up port facilities, "encouraging" cultivation of naval stores. (how?)

1597, Hanse kicked from London for good. 1611, Eng est in Hamburg, took over much trade.

1554, Muscovy Co, first great stock co. 79 Eastland Co for Baltic, lost out to Dutch. Muscovy successful, got most Rus trade. 1581 Levant Co. (Hudson Bay Co, EI Co?)

Joint stock co.s in Eng c. 1600 became important. Merchant adventurers had begun ~~in~~ 1400, but a sort of guild, each merchant traded with own capital. 1553, got joint stock idea, just for one voyage at a time to Muscovy. Holland developed new form to highest degree. (wasn't so new as I recall from Ehrenberg)

Chap 5: Commercial & financial capitalism, 17th.

17th, Amsterdam became financial center Eur, due to Dutch trade thru Cadiz. After 1648 Dutch trade increased greatly, tho had been maintained in war. After 1672-8 war with France, supplanted French share in Cadiz trade too. Sp. enmity to ~~Spain~~ Fr caused Sp to favor Dutch.

Holland got so much specie she started to export it, contrary to mercantilism.

17th, direct trade with Sp colonies by NW Eur common, Cadiz dodge unneeded.

1713, Utrecht treaty, Asiento for Eng.

3 17th, mercantilism everywhere triumphed, partly due to inflow of gold etc. Colbert tried to hurt Holland; lower wages & int.; protect domestic industry; import gold etc. 1651-60, Eng Navigation Acts, protective 1664-7, French protective tariffs.

18th, "liberal school" fought mercantile ideas. (so it wasn't dominant for more than a century, really) *& she was exporting gold.*

17th, Holland dominant in commerce. Pepper monop., general e. indian dominance, Baltic monop.

4 1602, Dutch EIndia Co, joint stock, monop renewed each 19 yrs. Great trading in shares, etc, all modern problems.

3,4 1608, Bank of Amsterdam, under city govt. Didn't create deposits at first, but took specie deposits, loaned. Designed to replace private money changers -- a giro or exchange bank. To pay you had to go to bank with payee. To have credit had to use bank almost.

c. 1600, Brit began colonizing. Took some Indies, started in N. Am. Slave trade to Indies. Went to India, E. Indies. Navigation Acts helped defend selves vs. Dutch aggression (how?) Utrecht marked end of Dutch, 1713.

140 stock co.s in Eng. Largest: EIndia, Africa or Guinea, Hudson Bay, New River, B of Eng, Million Bank.

4 1678-80, ir as low as 5%.

Capitalism developed less vigorously in France. (even back in 17th, eh?)

3 New businessmen not subject d to heavy burdens imposed on guilds. They entered nobility freely. Wholesalers, esp mercers. Mercers were expanding, always conflicting with other trades which disputed their right to

3 enter. Became higher than other artisans. Foreign commerce developed more than domestic, despite mercantilism. Commercial rivalry became more important cause of war. 1660, Colbert est Marseilles as free port, thus entered Levant trade. Formed various trading companies, but none very succe sful, being

See, 6

3 state monopolies. c. 1700, monops threatened everywhereby growing competition.
3.4 France dependent on Dutch banking & shipping, etc, backward commercially
4 in every way. Borrowing by state drained capital -- & entrepreneurs--
from other enterprises. Most investment in govt bonds, or tax farming.
Munitions profiteers, etc. Louis 14 ruined the country. Repudiated
freely.

Chap 6: 18th century. skip.

Chap 10: Social repercussions.

2, # Netherlands, 13th-14th, artisans dependent on export, blamed capitalists
(as usual) when they were unemployed, revolted. Liege & Flemish towns,
revolts. King of France allied to urban patriciate, fought them.
1302 rebels won at Courtrai; 1328, King won at Caëssel. 1382, he beat them
again.

2, \$ Patricate finally dislodged, from town govt control, craftsmen took over.
Guild spirit, not class spirit, dominated. But merchants still dominated.
Same evolution in Florence.

Cap. growth in Eng, typical, meant xmuting to money payments, freeing
peasants from obligations. Eng, esp S & E, system of farm rents replaced
2 ~~xxxx~~ old system --enclosures. In France, no such change, seigneurial
system, small holdings, remained. No export trade in agric products developed,
3 as in Eng., until 1800. -- wheat export verboten. Some changes, a little
concentration of landholding, large scale farming, etc.

2, # c. 16th, on eve of peasant emancipation in w. Eur., formerly free
peasants were being made into serfs in Poland, Russia, etc, where cereal
2 was produced for export. 1848 etc serf emancipation in Central Europe
really allowed big estates to expand more. Serfdom prevented ag progress, &
its abolition also created labor supply for towns.

3 p. 168. Eng. workers were conservatives, objecting to introduction
of machines, innovations, etc. 1811-12, Luddites. Workmen sought to have
2 enforced Elizabethan Statue of 1563 which preserved apprenticeship requirements
limited apprentices, wages fixed by JPs. (which workmen wanted this? Just the
privileged I venture) 1813-4, regulations on wages & apprenticeship were
abrogated. Doubts if masery increased by industr. revl. Guilds were never
2 too widespread. (sd?) c. 1839, mill workers were making 8 times as much
as household laborers who wouldn't change their ways. They were strength of
Chartism, which was forsaken by millworkers.

2 France, 1789, 3d estate had demanded admission of all to all employments,
along with general destruction of seigneurialism.

Bernstein noted that increased specialization & progress delayed
concentration.

Book not worth further study.

Survey of Medieval Europe - Stephenson.

961, Otto Great of Saxony conquers Gy, Italy, ~~takes~~ forms HRE, crowned by profligate pope.

10th cent feudalization of church. Bishops became just feudal lords. Sacraments just a means of paying rent. Marriage of clerics, etc.

Cluny reform movement; again to get them under central authority & discipline. Henry 3, HRE 1039, ~~not~~ regarded church as dept of state, as had Charlemagne & Otto. So 12th cent was really a peak, from both front & back. & crusades must have done it.

1054, final e-w split. Leo 9. stern reformer.

Gregory 7 went even further, forbade Gm religious practices, as lay investiture. So movement preceded Xades. 1076 Canossa humiliation of Henry 4 of Gy, popes weapon being encouraging barons to revolt. Later he sacked Rome. But popes came back in Xades.

Urban 2 d 1100. Innocent 3 elected 1200. All states drawn to church motion.

Progressive monarchs of the day, as Louis 6, issued charters of liberty to those who would settle his wastelands & build towns. subordinated nobles. Greg 7 had similar troubles in Eng & Fr., no great success. It must have been Xades.

Phil Aug drove Eng from Normandy, etc. Innoc. 3 supported ~~and~~ Hohenstaufen HRE vs Guelts. Pope, Phil Aug & Hohen, vs Angevins & Guelts, former won. (214 Barons)
Innocent absolute monarch of church, temporal power too; Kings called selves his vassal, he helped make HRE. But actually he was disobeyed often, as in 4th Xade 1204, his HRE turned on him, etc. His genius & fortune made temporary great strength, no more.

Am. Const.

Marbury vs Madison said ^{supr court} ~~just~~ could declare Cong Acts unconst.

Charter is contract - Dartmouth College Case.

McCulloch vs Md. - state cannot tax nat bank.

Modern regul. commissions, with legist, exec & jud. c. power, a '4th branch'!

14th 15 & 16th amendments were vaguely worded in heated debate, & judicial interp has meant all.

Usherxx2

Briefly noted, in article by Mason Hammond in same volume.
as Usher, i.e. JEH, 1946-7.

Ptolemies had a state controlled economy, Romans
conquered, returned things more to private ownership.

? Says Roman era notable for no advances in productive
technique. I doubt. Says when west first conquered, it was
agric., took mfrs. from east, but during empire these handicraft
mfrs. spread west.

/ Transport very expensive, even with political problems solved,
and this itself may have been what prevented growth of industry.

(not to mention slavery state contr l, etc

PROSPEROUS SWITZERLAND, PERCAPITA WEALTH OF \$3,126. IN 1928, U.S. HAD \$2,098. FARMERS IN SUMMER WORK IN FACTORIES IN WINTER. COOPS, BUT VOLUNTARY--NO ENFORCED STATE SOCIALISM. ANNO 930 PATENTS PER MILLION POP, 3 TIMES MORE THAN IN U.S.

Totalitarianism leads to democracy,
because it breeds universal opinions, &
where people agree on most things, ~~they~~
& progress has stopped so everyone
understands all institutions, & all agree
about what should be done, democracy
becomes possible. But after a few centuries
of change, people get confused, social
problems multiply with the change wrought
by progress, people delegate more power to

administrative, get enmeshed in the
bureaucracy, thus slow down progress
until minds can catch up.

(Is this cycle real, or a figment
of my imagination?)

Then, when all think same, democracy
possible again

*Knight
Syllabus*

Pulp paper began to spread rapidly in Christian world c. 1200.
Had been widely used by Moslems for 5 centuries before.

Fustian the common cheap hard finish textile. Cotton woof, linen
warp. Ratisbon a greatest center.

Mines in s. Gy important. Run on enterprise basis, hired
labor, some with transferable shares. Germans first in metallurgy,
hired all over Europe, & copied.

Galbraith, The German Economy.

Blasts incompetency of reporting. ~~Main~~ Dismantling has been minor. Frankfurt zonal govt a mess - governors of Lands join, & use own adm. machinery to effect national policies! Mon. reform delayed until 1948, many didn't have to work.

NOTES ON "THE CRUSADES" BY HAROLD LAMB

1930

THE JEWS OF THIS TIME WERE PEDDLERS, MERCHANTS. THEY EVIDENTLY HAD TIES WITH OTHER JEWS OVER THE WORLD. KINGS BORROWED FROM THEM; MOBS OFTEN PILLAGED THEM, AS THEY DID OTHERS WHO WERE FOREIGN. AS THEY WERE TRADERS WE MUST COUNT THEM THE MOST HIGHLY CIVILIZED PEOPLE OF THE TIMES, BUT EVIDENTLY LACKING IN ABILITY OR NUMBERS FOR POLITICAL ORGANIZATION. POLITICAL ORGANIZATION SEEMS TO BE THE VIRTUE OF THE WARLIKE TYPE, NOT LIKE MYSELF. A GREAT NATIONAL ORGANISM MUST HAVE POLITICAL ORGANIZATION, SOME WARLIKE PERSONS TO FIGHT, MANY ENTERPRISING ONES TO TRADE AND PRODUCE. ONE OF THESE VIRTUES WITHOUT THE OTHER TWO MAY MAKE A SPLASH IN HISTORY, BUT THE GREAT NATIONS HAVE HAD ALL.

FEUDAL SYSTEM WAS A STATIC EXPRESSION OF OLD CLAN TIES. FEUDAL KNIGHTS HAD LITTLE MORE THAN THE PSYCHOLOGY OF CLANSMEN. THEY DID HAVE CHRISTIANITY AND IT MADE SOME DIFFERENCE AS A UNIFYING FACTOR. IT ALSO DOUBTLESS HAD SOME INFLUENCE TOWARDS STOPPING INCESSANT WARFARE, WHICH IS PART OF THE SAME IDEA. DID IT KNOW THAT BY SO DOING IT WAS ENCOURAGING TRADE, WHICH IT HAD EARLIER PROHIBITED TO MEMBERS? PROBABLY IT BEGAN TO SEE THE LIGHT ABOUT THIS TIME.

THE ABILITY OF AN ORGANIZED MONOTHEISTIC RELIGION TO SWAY PAGANS HAS BEEN DEMONSTRATED AGAIN AND AGAIN. SOMETHING ABOUT IT MUST GRIP THE HUMAN MIND. ALEXIS THE GREEK EMPEROR, AND ALL HIS ILK, MIGHT FIGHT NOW WITH CHRISTIANS, NOW WITH MOSLEMS, AS NATIONAL INTEREST DICTATED, BUT WHEN FRANKS FOUGHT EACH OTHER IT WAS IN SINCERE FLAREUPS OF PRIMITIVE PASSION. THEY WOULD NEVER ALLY WITH INFIDELS. WHATEVER INTELLECTUAL LIFE THEY HAD WAS DEVOTED TO CHRISTIANITY, AND THEIR POLITICAL SYSTEM. THEY KNEW NO OTHER LOYALTIES. THERE WAS A PRETTY DEFINITE RACIAL DISTINCTION BETWEEN THE NORTHERNERS AND THE SOUTHERNERS, THAT IS CHRISTIANS AND MOSLEMS, ALSO, BUT WHAT OF THE ANCIENT INHABITANTS OF THE ROMAN EMPIRE, THEY WERE EVENLY DIVIDED BETWEEN THE TWO, WERE THEY NOT? AT ANY RATE IT WAS CHRISTIANITY, OF WHICH THE CRUSADES WERE AN EMPHATIC EXPRESSION (AS THEY WERE ALSO OF THE MILITARY AND CONQUERING SPIRIT) WHICH, MORE THAN ANYTHING, WESTERN EUROPEANS HAD IN COMMON.

IS IT THAT CHRISTIANITY HAPPENED TO BE THE RELIGION OF WESTERN EUROPE AND WESTERN EUROPE HAPPENED, FOR OTHER CAUSES, TO COME TO RULE THE WORLD? OR IS IT THAT CHRISTIANITY CAUSED WESTERN EUROPE TO COME TO RULE THE WORLD? I'M INCLINED TO THE ~~LATTER~~ VIEW, AND GEOGRAPHIC AND CLIMATIC DETERMINISM.
FORMER

HOWEVER, SINCE RELIGION MEANT SO MUCH TO THESE FELLOWS IT IS PROBABLE THAT THE DETAILS HAD SOME SIGNIFICANCE. THE HUMILITY AND HONESTY AND OTHER DESIRABLE PEACABLE TRAITS OF JESUS PROBABLY HAD A BENIGN INFLUENCE ON SOME THAT MIGHT NOT HAVE BEEN FOUND IN OTHER GODS, RELIGIONS. ALL THESE FACTORS ADD UP.

C. 1025 THE CHURCH TRIED TO ENFORCE "THE PEACE OF GOD", PROTECTING TRAVELLERS AND MANY OTHERS FROM ARMED BANDITS. THEY FAILED. THE "TRUCE OF GOD", LATER ON, WORKED BETTER: NO FIGHTING FROM WEDNESDAY TILL MONDAY.

DURING THIS 11TH CENTURY PAPACY HAD BECOME HOPELESSLY CORRUPT, WAS SOLD FOR CASH. MONASTERY OF CLUNY, A CENTER OF REFORM. GERMAN EMPEROR BECOMES ENEMY OF POPES WHEN LATTER, IN REFORMING SPIRIT, TRY TO TAKE AWAY LANDS OF BISHOPS.

SAVAGE TURNKS AND BERBERS REPLACED TOLERANT ARABS. POPE URBAN II, NEEDING SUPPORT, BECAME LEADER OF A MOVEMENT TO FIGHT A RELIGIOUS WAR AGAINST THESE DIFFICULT ENEMIES.

PREVIOUSLY, BEFORE THE TEUTONS WERE UNITED SOMEWHAT IN RELIGION, THEY HAD, AS TRIBES, BEEN DRIVEN BEFORE ASIATIC SCOURGES SUCH AS THE HUNS.

GODFREY OF BOUILLON, RHINELAND LORD WHO, AFTER A BLOODY EARLY CAREER AS A WARRIOR BECAME INTERESTED IN HIS PEASANTS' WELFARE AND PENSIVE. HISTORY OWES MUCH TO SUCH CHARACTERS---PROGRESS DOES, I SHOULD SAY.

GOLD AND SILVER, UP TO THIS TIME, HAD BEEN USED NOT SO MUCH AS MEDIUM OF EXCHANGE BUT AS HOARD OF VALUE, IN TIME OF NEED. BARTER WAS COMMON. BUT CRUSADERS WANTED THE PRECIOUS METALS TO CARRY WITH THEM; THEIR DEMAND BROUGHT IT INTO THE OPEN, INCREASED ITS PRICE AND REDUCED PRICES OF GOODS. SO IN THIS WAY, AS IN SEVERAL OTHERS, THE CRUSADES ENCOURAGED TRADE.

MONASTERIES, WITH THE GREATEST HOARDS OF THE METALS, GREATLY INCREASED THEIR LANDHOLDINGS AND WEALTH AT THIS TIME.

BETTER DISTRIBUTION AFFORDED BY THIS UNHOARDING OF GOODS PREVENTED AN IMPENDING FAMINE.

100,000 TO 250,000 WENT ON THE FIRST CRUSADE.

GRADUALLY, IN THE HEAT OF COMMON BATTLE, THESE CRUSADERS GREW TO TRUST ONE ANOTHER, ETC.

SERFS LEFT THE LAND TO JOIN THE CRUSADE, OR RAN AWAY WHEN THEIR MASTERS LEFT. ANOTHER BENEFICIAL EFFECT.

BYZANTINE, OR GREEK, EMPIRE WAS WEALTHY, OR AT LEAST ITS RULERS HAD GREAT WEALTH AT THEIR COMMAND. WHENEVER THERE IS WEALTH THERE IS A P.E. SYSTEM THAT PERMITS, OR ENCOURAGES, ITS PRODUCTION, AND BYZANTIUM MUST HAVE HAD SUCH AN ONE. IT OBVIOUSLY, LIKE AUGUSTINE ROME, WAS HIGHLY EXPLOITATIVE ALSO, AND THE CORRUPT EMPIRE WENT DOWN TO THE TURKS. THIS EMPIRE WAS REALLY A GREEK CULTURE. THE GREEKS WERE UNITED BY ALEXANDER AND, AFTER HIS DEATH MAINTAINED A BRILLIANT PROGRESSIVE HELLENISTIC CULTURE FOR SOME TIME. BYZANTIUM WAS THE GREEK SURVIVAL OF ROME. THE GREEKS EACH TIME HAD TO HAVE UNITY IMPOSED FROM THE OUTSIDE AND, UNDER IT, THROVE MIGHTILY.

THE CRUSADERS IMPOSED TORTURES ON THE CONQUERED, KILLED FOR LUST, AND SO FORTH. WERE THEY WORSE IN THIS RESPECT THAN OTHERS? I DON'T YET KNOW.

JEWISH CHURCH A UNIVERSAL PEACE ORGANIZATION WHICH THEREBY ENHANCED TRADING AMONG ITS MEMBERS.

GREEK FIRE, A POTENT BYZANTINE WEAPON, USED BY THEIR POWERFUL NAVY. THEY WERE GREAT TRADERS, WITH VENETIANS ETC. SUN TELEGRAPH, AND OTHER REMARKABLE BYZANTINE DEVELOPMENTS.

PROBABLY BYZANTIUM INHERITED THE ROMAN P.E. SOMEWHAT BEHIND THE WEST, AND WERE THEREFORE LATER IN THEIR CLIMAX AND IN THEIR FALL.

EMPERORS USED GREEK SOLDIERS ON FRONTIERS AND FRONTIER MERCENARIES TO GUARD THE GREEKS AT HOME.

BOHEMUND, A NORMAN FROM SICILY, WITH AN OFFENSIVE EMPIRE BUILDING SPIRIT. TODAY EVERY NATION HAS A DEFENSIVE PSYCHOLOGY, OR AT LEAST PLAYS ONE UP. IT IS PEACEFUL UNTIL IMPOSED UPON. THAT INDICATES THE GREATER DOMINANCE TODAY OF PEACEFUL ELEMENTS, WHICH ARE NECESSARY IN MODERN TRADING AND ORGANIZED NATIONS. BUT MUCH OF THE OLD SPIRIT STILL REMAINS, A FEELING OF PLEASURE IN BEING MIGHTY, EXPANDING. BOHEMUND WAS FRANKLY OUT TO DEFEAT NATIVES AND TAKE THEIR LAND.---OR RATHER THE RENT FROM IT.

CLEVER BYZANTINES GOT ENERGETIC CLANSMEN TO WORK FOR THEM, I SHOULD SAY TO FIGHT FOR THEM. BYZANTINES ADVANTAGE LAY IN THEIR ORGANIZATION, PEACEFUL SPIRIT. THEY FOLLOWED CRUSADERS THRU ASIA MINOR AND TRICKED THEM OUT OF THEIR CONQUESTS. BUT THEY OVERDID IT AND IN THE END THE 4TH CRUSADE TURNED ON THE GREEKS.

CRUSADERS HAD NO RESOURCES, NO ORGANIZATION, JUST ENERGY AND A COMMON RELIGION AND "CAUSE", A DESIRE TO GET AWAY FROM HOME'S BAD CONDITIONS.

ANTIOCH, A RICH CITY, SURROUNDED BY AND FILLED WITH RICH AGRICULTURE. CRUSADERS MUST HAVE LEFT MUCH OF THEIR "SEED" IN THIS AREA, COURTING SYRIAN GIRLS.

ARMENIAN TRADERS SUPPLIED CRUSADERS AT HIGH PRICES, STOLE FROM THEM. FATIMITES OF EGYPT WERE QUARRELLING WITH TURKS, TOOK JERUSALEM FROM THEM ABOUT THIS TIME.

THE CHRISTIAN INVASION UNITED THE ARABS AND ISLAM, AND THEY RETOOK JERUSALEM SHORTLY UNDER SALADIN.

THE CRUSADERS SIMPLY REPLACED A RULING CLASS OF TURKS AND CONTINUED TO LEVY TRIBUTES AND RENT FROM THE POPULATION.

VENETIANS AIDED CRUSADERS WITH FLEET AND SUPPLIES, ASKED TO BE ALLOWED FREE TRADE. WE MUST BE THE EC. CULTURAL HEIRS OF THE VENETIANS. THEIR HISTORY, AND BYZANTIUMS, SHOULD BE MORE STUDIED THAN I HAVE, JUST FOR WESTERN EUROPEAN INFLUENCE.

THERE WERE ELEMENTS OF MIGRATION IN CRUSADES, AND MANY EUROPEANS FLOCKED TO POPULATE LEVANT.

FIRST CRUSADE WAS MOSTLY FRENCH AND NORMANS. LATER ENGLISH AND GERMANS JOINED MORE, WITH THEIR KINGS, BUT NEVER GOT AS FAR AS THE FIRST ONE DID. THEY LACKED THE UNITY AND SELFLESSNESS OF THE FIRST, LITTLE AS THAT WAS.

ALEXIS' VARANGIAN GUARDS WERE DANES. HE HAD ALL MANNER OF MERCENARIES. THESE ARE THE EVIDENCE OF A CULTURE WHICH HAS CEASED TO PRODUCE SOLDIERS BUT STILL PRODUCES WEALTH.; WHICH HAS BY TRADITION A RELATIVE SATISFACTORY P.E. WHICH PROBABLY IS OVER EXPLOITATIVE. WHY ARE ITS PEOPLE NO LONGER FIGHTERS? BECAUSE OF THE DESTRUCTION OF THE MIDDLE CLASS, OR BECAUSE OF TOO LONG AN ERA OF PEACE AND BOTTOM BREEDING? OR EXHAUSTED LANDS?--MINERAL DEPLETION THAT IS.

CRUSADERS ACQUIRED EASTERN HABITS, SETTLED DOWN TO COMFORTABLE LIFE.. AS THERE WAS PEACE AMONG THE CHRISTIANS THIS LAND, OUTREMER AS IT WAS CALLED, WAS PROBABLY THE HIGHEST CULTURE THESE PEOPLE HAD FOR MAN CENTURIES. CERTAINLY THE MEMORY OF IT MUST HAVE AFFECT EUROPE WHEN SOME OF THEM RETURNED. THEY WERE ALSO FRIENDLY WITH SURROUNDING MOSLEMS, IN DAMASCUS. 1187, SALADIN TOOK JERUSALEM, INSPIRED 3D CRUSADE, A FAILURE DESPITE MANY KINGS INVOLVED.

TEMPLARS AND HOSPITALERS WERE A MILITARY VERSION OF THE STRICT, GOD-FEARING MONASTIC ORDERS. OWNED VAST PROPERTIES EVENTUALLY, DOUBTLESS BECAME CORRUPT. IN THESE ORGANIZATIONS, WHICH WERE OFTEN INDEPENDENT STATES, ONE CAN DOUBTLESS STUDY COMMUNISM.

THESE ORDERS HELD POWER IN JERUSALEM AFTER THE FIRST INDIVIDUAL LEADERS DIED. WHAT WERE THE ECONOMICS? THERE WAS ALSO A FEUDAL TENDENCY, SURELY.

THE CHRISTIANS MADE OUTREMER A MUCH MORE PLEASANT LAND THAN IT WAS BEFORE. THAT IS ODD, SUGGESTS THEY WERE MORE SETTLED PEOPLE THAN THE TURKS WHICH IS TRUE.

BYZANTIUM HAD AS MUCH TROUBLE WITH THE RUSSIAN BARBARIANS AS WITH THE TURKS, AT THIS TIME. OF COURSE IT WAS THE TURKS WHO EVENTUALLY TOOK CONSTANTINOPLE.

THE CRUSADERS WERE READY TO GO HOME OFTEN, INDICATING THAT CONDITIONS AT HOME WERE NOT SO BAD; OF COURSE IT IS BAD HOME CONDITIONS THAT DRIVE PEOPLE OUT TO WAR, OFTEN.

TEMPLARS TOOK TO TRADING, EMPIRE BUILDING, HAD LARGE BANK IN FRANCE.

MUCH OF THIS HISTORY, AND ALL HISTORY THAT WE ARE EXPOSED TO, COMES FROM PRIMITIVE UNRELIABLE AND SHORT SIGHTED MANUSCRIPTS WHICH THE MODERN AUTHORS HAVE INTERPRETED. I SUSPECT THAT GERMANY HAS BEEN UNDERPLAYED AND FRANCE OVER, IN MOST OF THESE.

Derry, T. K., Repeal of Apprenticeship clauses of
the Statute of Apprentices

Nef: Prices & Industrial Revolution.

Usher: The Origins of Banking, 1200-1600

Northwestern University

Name _____ Date _____

Subject _____ Grade _____

Derry, T.K.

1814, repealed Elizabethan apprenticeship clauses.
Landmark for *l'ancien-régime*. But was way after the
fact. Woolen workers appealed to it, so it was repealed.

Was not part of any coherent program, but
just a matter of immediate response to
pressure.

Nef - Prices & Industrial Capitalism, #1540-1640

Hamilton said in Spain, wages kept pace with
prices, hence no ind. rev. -- while in Eng, ^{prices} they got
way ahead of wages, inflating profits, causing
Eng. development. But Nef shows in France,
prices also over-tripped wages, tho was no
development there comparable to Eng.

Besides, figures claiming to show lag of wages
are dubious. They understate rise of m. wages of
unit of employment. (probably do not take in to account
that new people coming in from country &
competing previously made much less indifferent

— traders, etc.) Hamilton (& Keynes, who agrees) figures take certain grain prices. But these grains, on going up, were used less. & this ignores technological advances in grain processing, so cost to labor may have been much lower etc.

I agree that each new influx of metal caused real wages to fall a little, but not much, & they boomed right up. was probably only a minor stimulant. In France, it did no good.

George, M.D. The Combination Act.

1799-1800, Act passed forbidding workmen to combine. I guess why he wants us to read this is to get idea that no one particular law is very important. This one had little particular effect, was just an incident in general temper of times.

Usher:

He is vague on
when 'banking'
begins.

Banking doesn't begin until banks lend "bank credit".
~~create deposits~~, he defines, I disagree: when you
accept deposits, & allow them to be transferred,
you have A.M. ~~But he means that, not 'create dep.' ... or is it same?~~

He agrees it starts when banker can transfer
accounts. For then he can make loans in bank
credit w/o inconveniencing customers. I guess we agree

12th, 13th, Italian banks, had to invest
directly in trades was no 'paper'. Continued long, 15th, made many
failures. ^{due to church?}
Were Roman & Moslem banks, probably on

continuity, save in Roman law.

Netherlands behind Italy.

Stage preceding deposit banking was accepting
deposits & making loans, but not transferring them.

Templars held accounts, & were some overdrafts
(but this not nec. dep. creation)

12th c. Italy, were definitely transfers.

Champagne fairs, clearing arranged thru
money changer. Those who bought before they
sold needed this. Then were over & over loans for all

year.

(By a bank's only lending out what it took in, could at most double the money supply. So is a stability here)

Barcelonal Valencia, public banks of deposit.

Conservative.

Verbal contract dominant in primitive banks.

So no checks; & no bills of exchange, notes, bonds, etc.

14th. bills of exchange. ^{but not negotiable.} But still much im. in trade, some of weakness.

c. 1400, out-of-towners could use cheques.
Venice, elsewhere in Med. it.

c. 1700, paper becomes fully negotiable. -- often used for cash directly. "Pay to the bearer" -- this legalized some time after it was practised.

16th c. Venice ultra-conservative. Discouraged lending banks. c. ¹⁶⁰⁰~~1700~~ formed Giro bank -- just clearing

Spanish municipal banks loaned to towns only, private banks for trade.

Pirenne, Encyclop. of Soc. Sci., ~~M~~ Communes, Medieval.

All med. cities org. as communes. They built walls & defence works, taxed 'beneficiaries' (landowners?).

At first just a personal group, then territorial -- all in area had to join up.

✓✓✓

In Fy, as cities were more purely commercial, commercial elements kept control straight thru, no artisans revolts. Elsewhere, esp. Gm. & Italy, producing towns, artisans had to join in.

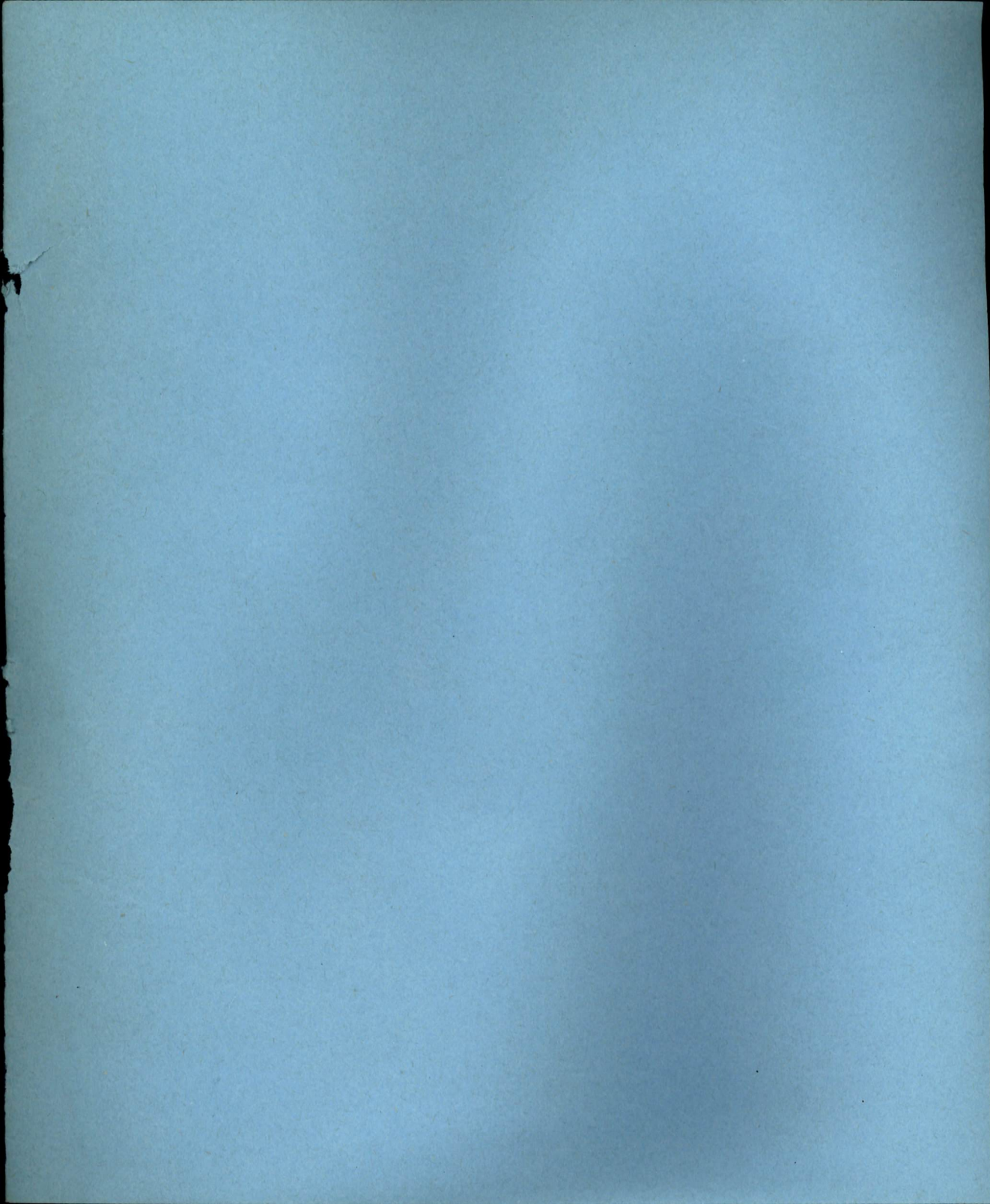
✓✓

But artisans fought each other (being all monopolists), weakened towns, so kings took back their overine autonomy. (Except in Fy. So lack of artisans made Gm. towns stronger, but this then made state weaker)

Elected officials.

13th, ~~Fy~~ Fy & Italy, towns independent, as central power weakened.

Eng. no. of free towns always minimized. France, allied with king, but after he got power he sat on them.



Tolstoy, War & Peace

p. 1

The genius of one man is ineffectual in moving great jobs of history. The numbers of the men & their spirit determine their power. (Civil war might better be explained thus than by incompetent generals.) French defeated selves in Russia by their low spirits, bad discipline, etc. Nap. was powerless. Kutuzov merely avoided a big engagement. In each individual engagement the Russian, with better spirits, was apt to win. Napoleon's genius no factor in winning battles.

Part II

1) To Ancients, history was one man ruling a nation. Will of God 1) Controlled the kings 2) Made people obey them. Modern historians substitute nationalism for will of God. (& that seems ok) (Central Eur.s were pushed 1st by French, then Russians. Some historians explain this in terms of kings, & mistresses, & writers. But wherein is their power?)

2) What is the force that moves nations? Historians of different nations see it very differently, ascribing to their nation the origin. Moving force is resultant of many causes, say historians. of every cause, says Tolstoy, so that no one leader has much power. A few people do not make 40 million Frenchmen submit to Bonapartes - but ~~other~~ millions of wills. (Events produce events. "Power" is a momentarily staticized way of looking at this) Some historians attribute ~~merits~~ merits to intellectuals (& of course it is what happens in men's minds that makes them do things - these historians just pick a few intellectuals, or the wrong ones, & are off the beam) No doubt all living people are connected.

(A thought for Part I - U.S. should never have jumped aggressors early, as many think, because people's spirit would not have been in it, & we

would have accomplished nothing)

(My idea of causation - ^{some} ideas determine ^{some} economics; ^{some} ec. determines ^{some} ideas; & so for ^{some} wars, marriages, ~~even~~ ship wrecks & all human processes. But in the infinitely complex associations of human beings every conceivable idea may be struck. The biological necessity for humans to STGT DWT LPE, & their ability to see the best way, leads to change)

III) Buckle rejected power of one over many as good historical cause, but had nothing with which to replace it. All historians revert to it. Essential question of history - what is power? (Answer - it is acceptance by those who obey of a leader who will, ~~they~~ get them what they want. & they think what they want will gain them what they desire)

IV) Not physical, nor due to superior mind of ruler.

(e.g., our "leaders" here at cadet school are not the best men, but those who, thru some psych. quirk, like to give orders, be out in front, etc., when really they are less free than anyone) (Perhaps the same is true of most "leaders" in most fields. They like to be conspicuous. They pay with their freedom. I would do well to remain inconspicuous, if not incognito, for a long time)

Source of power is attribute him who wields it. Masses transfer their will to leaders that is his power. Thus Nap. III changes from criminal to ruler. (Power is delegated under hazy conditions, so there may be a palace revolution & no one will bitch, if things go ~~gone~~ fairly well) - T. ^{the conspiracy} Tolstoy says successor will not suffer from sins of predecessor (& this is bull. successor very much affected by predecessor, always, for good & bad) (Of course the conditions on which power is granted will vary with energies of people.)

→ T. says there is no particular understanding between ruler & ruled, he just moves in when demanded. (But I say, let him try to do something people do not want & he'll be thrown out) (Tolstoy says he often does

p. 2

tell people to do what they do not want to, & his commands are not carried out. Perhaps he's right.) Historians take some abstract word, say it is goal of humanity, because their type of reasoning requires some such goal. Crusades not caused by leaders, for they kept on pleading, after the Crusades to no avail. Cause unknown - too complex

Uniting "political" & "cultural" history, we get a history of things & writers, not of all. (Is our proposition true, that "those who think guide those who do not"? Or does the same mysterious power, pushing from below, cause the thinkers to just elaborate on the rude perceptions of the masses? Everyone influences everyone else, so top influences bottom, & vice versa. Probly top gets the new ideas, & bottom is inertia which they tug at, & which holds them back - or which drags them along as they pull back. The grand force which moves the entire mass may be quite outside it. Analogy - a drop of water, falling & viewed molecularly.) (In every movement we find the writers of ponderous books, like Korzybski, Keynes, who appear to be the originators - but are they? Then there are the popularizers - Hayakawa, Chase. & the more vulgar popularizers, petty school teachers. Where do the ideas originate? Perhaps many get them, on different intellectual levels, at the same time, & fall into a hierarchy as they respect each others' comprehension. Or did Korzybski & Keynes convert them all? If I convert people on my intellectual level, will they convert those on lower? Can you find examples where certain truths were accepted by one intellectual level, & rejected by another? For any length of time? Look into this.)

Flocks of sheep move to greener pastures, not just to follow leaders. The "course of events" moves on, despite leaders' commands, which may or may not correctly anticipate events, ~~do~~ not cause them. Nap. gave many commands, only certain ones were followed. - battle of Borodino, e.g., they did nothing he said, just advanced. Man giving command participates in event, this differs from Deity. Hierarchy in all human activities, the higher ones having the less actual physical contact.

VII) He who does most physically can do least intellectually, & $\therefore$ must take commands. (??) This moral responsibility is off the doers, on the speakers. Every event that occurs has been previously ~~been~~ desired by someone - but he did not command, & so. We think they lead because we are moving too, see them out in front.

Power is a relation in which wielder says more, does less. Movements of peoples are caused by activities of all the people. (but what causes the activities?)

VIII) No one is "free"; - if no one were ever compelled by necessity, there can be no law in human affairs. All men's efforts are to increase their freedom. Life is interaction of free will against necessities of life. 3 considerations make an act seem ~~less~~ free: 1) Seeing external relations of man to other men 2) Seeing act long time after 3) Seeing chain of causation. In all laws, these 3 act to mitigate offenses

IX) There is never either complete free will, nor complete necessity. He fails to disprove complete necessity. To be perfectly free, a man must be outside of space, time, & free from all dependence on cause. Free will is the subject of consciousness. Free will is an expression for that in history for which we cannot find cause - i.e., a fiction, like religion, in physics. It is difficult to overcome the feeling that you are free, as the feeling that earth stands still.

End

NOTES ON HOGBEN, LANCELOT, MATH FOR THE MILLION

CHAP 12, STATISTICS

HE FOLLOWS THE SAME LINE AS SOKOLNIKOFF, SAME SEQUENCE, BUT IN MORE POPULAR VEIN.

I would emphasize opportunity over need.

HE EMPHASIZES THE ECONOMIC NEED AS INSPIRING MANY INVENTIONS, SUCH AS LOGARITHMS.

INSURANCE OF FLEMISH SHIPPING BEGAN C. 1300; WELL ESTABLISHED IN ENGLAND, 1500. NOW IT IS POSSIBLE THAT INSURANCE IS A SIGN OF DECLINE RATHER THAN PROGRESS; IT GROWS WHEN PARASITICS HAVE MADE BUSINESS INSECURE, SAVINGS MEAGER (OF MASSES).

INFLATION WILL TAKE A WAY PEOPLE'S MONEY, IT'S TRUE; AND BY SO DOING IT WILL FORCE THEM TO GO TO WORK, MORE QUICKLY THAN PRICE CONTROL. IT IS PARTLY BECAUSE PEOPLE HAVE SO MUCH MONEY THAT THEY ARE NOT WORKING HARDER. PRICE CONTROL PROLONGS INFLATION PRESSURE. BUT, LIKE OTHER SOCIALISTIC MEASURES, IT HAS JUSTIFICATIONS IN THAT IT PREVENTS POVERTY, SLOWS THE TRENDS WHICH CAUSE DEPRESSION.

(KNOW HOW TO FIGURE COMPOUND INTEREST, PROBABILITY THRU BINOMIAL THEOREM.)

IF SO, IT IS LIKELY THAT INSURANCE DECLINED IN 19TH CENTURY, EARLY PART. DID IT?

1665, PASCAL DID SOME WORK ON THEORY OF PROBABILITY. 1693 HALLEY MADE A STUDY OF Breslau LIFE AND DEATH FOR INSURANCE CO., TO ASCERTAIN THE PRICE OF "ANNUITIES UPON LIVES".

"FINANCE" BECAME VERY POWERFUL IN 14TH AND 15TH CENTURYS, WHICH WERE TIMES OF DECLINE. PRINCES WERE BORROWING HEAVILY, JUST AS STATES ARE NOW. BETTING WAS HEAVY, ON ALL MANNER OF FANTASTIC THINGS. BETTING TIES UP PURCHASING POWER FOR A TIME; IT IS ENGAGED IN BY THOSE WITH SURPLUSES AND NO LEGITIMATE WAY TO SPEND THEM, HENCE IS A SYMPTOM OF BAD TIMES. ONCE THE RICH START DOING IT THE POOR PROBABLY FOLLOW FOR EMULATION. DOUBTLESS THE DARKIES ROLLING THE BONES ARE TRYING IN PART TO SHOW HOW LITTLE MONEY MEANS TO THEM.

1500-1600, FREQUENT "RESTRICTIVE REFORM LEGISLATION" ATTEMPTING TO PREVENT ILLEGITIMATE GAMBLING ON EXCHANGES. REMINISCENT OF TODAY.

C. 1500, ANTWERP SUPPLANTED BRUGES AS NETHERLANDS CHIEF TRADING CENTER, AND WAS THE FINANCIAL CENTER OF THE WORLD, AS COMPLETELY AS ANY OTHER BEFORE OR SINCE HAS EVER BEEN.

EHRENBERGER, CAPITAL AND FINANCE IN THE RENAISSANCE
TRADING WAS VERY SPECULATIVE, ASTROLOGERS FLOURISHED (PROBABLY ENCOURAGED BY THE RICH TO DELUDE THE POOR, AS SOME POPULAR KNOWLEDGE IS ALSO TODAY. ASTROLOGY, MOVIES OF SUPPOSEDLY POWERFULLY MINDED HYPNOTISTS, ETC, GIVE COMMON PERSON A FEELING OF INSIGHT & DEEP THOUGHT, MAKE HIM FEEL WISER THAN HE IS, AND MAKE THE ERRORS CERTAIN PERSONS WANT HIM TO---ALTHO THAT IS MORE ACCIDENTAL THAN INTENTIONAL)

PRODUCTION AND TRADE WERE NEGLECTED WHILE SURPLUSES WERE DEVOTED TO STERILE PRACTICES LIKE GAMBLING, 1500-1600. THERE WERE "MERCHANTS AND PRINCES" OF GREAT WEALTH WHO GAMBLLED ON NON-PRODUCTIVE EVENTS.

IN GAMBLING IF ONE RISKS HIS ENTIRE FORTUNE ON ONE PLAY HE OBVIOUSLY WILL FREQUENTLY GO BUSTED. GAMBLING LEADS TO GREAT DISCREPANCIES IN WEALTH, BUT NOT PER SE. IT IS TRUE THAT THE LITTLE MAN CANNOT GAMBLE SUCCESSFULLY AGAINST THE BIG; BUT HE CAN PROBABLY PRODUCE MORE SUCCESSFULLY.

THE KINETIC THEORY OF MATTER AND THE GENE THEORY OF HEREDITY BOTH INVOLVE PARTICLES TOO SMALL TO OBSERVE DIRECTLY. THEIR EXISTENCE IS INFERRERED FROM OBSERVED FACTS WHICH IMPLY THEIR EXISTENCE. THE INHERITANCE OF

WITH ELEMENTS A SIMILAR UNIT IS IMPLIED BECAUSE THEY COMBINE IN DEFINITE RATIOS NO MATTER WHAT THE AMOUNTS; SO A SOMETHING MUST EXIST WHICH CAUSES THE COMBINING AND YET IS SO SMALL WE CANNOT DETECT IT. BUT NOTHING PRECLUDES THE POSSIBILITY THAT ELEMENTS ARE UNIFORM DOWN TO ANY DEGREE OF SMALLNESS, ; NO FUNDAMENTAL UNIT IS NECESSARY.

H.G. WELLS AND G.B. SHAW DOMINATED THE POPULARIZATION OF SCIENTIFIC
THOUGHT IN ENGLAND. THEY WERE BOTH SOCIALISTS I THINK.

q , the improbability, $= 1 - p$; $(q = \frac{N}{n} = \frac{n + N - n}{n} = \frac{n}{n} + \frac{N}{n} = p + \frac{N}{n})$
 $(q = \frac{N - n}{N} = 1 - \frac{n}{N} = 1 - p)$ 1 simultaneous occurrence

2. Rule of independent & mutually exclusive events: Prob of occurrence of one or the other is sum of 2

Probability of performance ^{out of} ~~in~~ ^{of} ~~n~~ occasions ~~n~~ $n, n-1, n-2 \dots 3, 2, 1, 0$
~~number of~~ ~~desired~~ times as desired is given by successive terms of binomial
 series: $(p+q)^n = p^n + n p^{n-1} q + \frac{n(n-1)}{2 \cdot 1} p^{n-2} q^2 + \frac{n(n-1)(n-2)}{3 \cdot 2 \cdot 1} p^{n-3} q^3$

AT TIME OF THALES, MATH WAS POPULARIZED AND USEFUL; THEN PYTHAGORAS INTRODUCED MYSTICISM, WHICH GREW INTO COMPLETE CABALISTIC USELESSNESS. MORE OF IN EREST IN THIS BOOK.

AM. MIL GOVT IN GERMANY, TO EASE THE FOOD SHORTAGE, SUGGESTED TO GERMAN
BREAKING UP LARGE ESTATES OF CHURCHES, SCHOOLS, AND CHARITABLE INSTITUTIONS.
OPPOSITION EXPECTED.

GREECE AND ALBANIA, THE PEOPLE STARVING, PREPARE TO FIGHT EACH OTHER,
BOTH ARMIES WELL EQUIPPED WITH MODERN WEAPONS.