

of the Stuarts disappeared along with those of the western continental states and those of Russia later. It follows that the capitalistic development was not an outgrowth of national mercantilism; rather capitalism developed at first in England alongside the fiscal monopoly policy. The course of events was that a stratum of entrepreneurs which had developed in independence of the political administration secured the systematic support of Parliament in the 18th century, after the collapse of the fiscal monopoly policy of the Stuarts. Here for the first time irrational and rational capitalism faced each other in conflict, that is, capitalism in the field of fiscal and colonial privileges and public monopolies, and capitalism oriented in relation to market opportunities which were developed from within by business interests themselves on the basis of saleable services.

The point of collision of the two types was at the Bank of England. The bank was founded by Paterson, a Scotchman, a capitalist adventurer of the type called forth by the Stuarts' policy of granting monopolies. But Puritan business men also belonged to the bank. The last time the bank turned aside in the direction of speculative capitalism was in connection with the South Sea Company. Aside from this venture we can trace step by step the process by which the influence of Paterson and his kind lost ground in favor of the rationalistic type of bank members who were all directly or indirectly of Puritan origin or influenced by Puritanism.

Mercantilism also played the role familiar in economic history. In England it finally disappeared when free trade was established, an achievement of the Puritan dissenters Cobden and Bright and their league with the industrial interests, which were now in a position to dispense with mercantilistic support.

of population in the west made most rapid progress from the beginning of the 18th century to the end of the 19th. In the same period China experienced a population growth of at least equal extent—from 60 or 70 to 400 millions, allowing for the inevitable exaggerations; this corresponds approximately with the increase in the west. In spite of this fact, capitalism went backward in China and not forward. The increase in the population took place there in different strata than with us. It made China the seat of a swarming mass of small peasants; the increase of a class corresponding to our proletariat was involved only to the extent that a foreign market made possible the employment of coolies ("coolie" is originally an Indian expression, and signifies neighbor or fellow member of a clan). The growth of population in Europe did indeed favor the development of capitalism, to the extent that in a small population the system would have been unable to secure the necessary labor force, but in itself it never called forth that development.

Nor can the inflow of precious metals be regarded, as Sombart suggests, as the primary cause of the appearance of capitalism. It is certainly true that in a given situation an increase in the supply of precious metals may give rise to price revolutions, such as that which took place after 1530 in Europe, and when other favorable conditions are present, as when a certain form of labor organization is in process of development, the progress may be stimulated by the fact that large stocks of cash come into the hands of certain groups. But the case of India proves that such an importation of precious metal will not alone bring about capitalism. In India in the period of the Roman power, an enormous mass of precious metal—some twenty-five million *sesterii* annually—came in in exchange for domestic goods, but this inflow gave rise to commercial capitalism to only a slight extent. The greater part of the precious metal disappeared in the hoards of the rajahs instead of being converted into cash and applied in the establishment of enterprises of a rational capitalistic character. This fact proves that it depends entirely upon the nature of the labor system what tendency will result from an inflow of precious metal. The gold and silver from America, after the discovery, flowed in the first place to Spain; but in that country a recession of capitalistic development took place parallel with the importation. There followed, on the one hand, the suppression of the *communeros* and the destruction of the commercial interests of the Spanish grandees, and, on the other hand, the employment of the money for military ends. Consequently, the stream of precious metal flowed through

Chapter 30

The Evolution of the Capitalistic Spirit

It is a widespread error that the increase of population is to be included as a really crucial agent in the evolution of western capitalism. In opposition to this view, Karl Marx made the assertion that every economic epoch has its own law of population, and although this proposition is untenable in so general a form, it is justified in the present case. The growth

Spain, scarcely touching it, and fertilized other countries, which in the 15th century were already undergoing a process of transformation in labor relations which was favorable to capitalism.

Hence neither the growth of population nor the importation of precious metal called forth western capitalism. The external conditions for the development of capitalism are rather, first, geographical in character. In China and India the enormous costs of transportation, connected with the decisively inland commerce of the regions, necessarily formed serious obstructions for the classes who were in a position to make profits through trade and to use trading capital in the construction of a capitalistic system, while in the west the position of the Mediterranean as an inland sea, and the abundant interconnections through the rivers, favored the opposite development of international commerce. But this factor in its turn must not be overestimated. The civilization of antiquity was distinctively coastal. Here the opportunities for commerce were very favorable, (thanks to the character of the Mediterranean Sea,) in contrast with the Chinese waters with their typhoons, and yet no capitalism arose in antiquity. Even in the modern period the capitalistic development was much more intense in Florence than in Genoa or in Venice. Capitalism in the west was born in the industrial cities of the interior, not in the cities which were centers of sea trade.

Military requirements were also favorable, though not as such but because of the special nature of the particular needs of the western armies. Favorable also was the luxury demand, though again not in itself. In many cases rather it led to the development of irrational forms, such as small work shops in France and compulsory settlements of workers in connection with the courts of many German princes. In the last resort the factor which produced capitalism is the rational permanent enterprise, rational accounting, rational technology and rational law, but again not these alone. Necessary complementary factors were the rational spirit, the rationalization of the conduct of life in general, and a rationalistic economic ethic.¹

At the beginning of all ethics and the economic relations which result, is traditionalism, the sanctity of tradition, the exclusive reliance upon such trade and industry as have come down from the fathers. This traditionalism survives far down into the present; only a human lifetime in the past it was futile to double the wages of an agricultural laborer in Silesia who mowed a certain tract of land on a contract, in the hope of inducing him to increase his exertions. He would simply have

reduced by half the work expended because with this half he would have been able to earn twice as much as before (sic). This general incapacity and indisposition to depart from the beaten paths is the motive for the maintenance of tradition.

Primitive traditionalism may, however, undergo essential intensification through two circumstances. In the first place, material interests may be tied up with the maintenance of the tradition. When for example in China, the attempt was made to change certain roads or to introduce more rational means or routes of transportation, the perquisites of certain officials were threatened; and the same was the case in the middle ages in the west, and in modern times when railroads were introduced. Such special interests of officials, landholders and merchants assisted decisively in restricting a tendency toward rationalization. Stronger still is the effect of the stereotyping of trade on magical grounds, the deep repugnance to undertaking any change in the established conduct of life because supernatural evils are feared. Generally some injury to economic privilege is concealed in this opposition, but its effectiveness depends on a general belief in the potency of the magical processes which are feared.

Traditional obstructions are not overcome by the economic impulse alone. The notion that our rationalistic and capitalistic age is characterized by a stronger economic interest than other periods is childish; the moving spirits of modern capitalism are not possessed of a stronger economic impulse than, for example, an oriental trader. The unchaining of the economic interest merely as such has produced only irrational results; such men as Cortez and Pizarro, who were perhaps its strongest embodiment, were far from having an idea of a rationalistic economic life. If the economic impulse in itself is universal, it is an interesting question as to the relations under which it becomes rationalized and rationally tempered in such fashion as to produce rational institutions of the character of capitalistic enterprise.

Originally, two opposite attitudes toward the pursuit of gain exist in combination. Internally, there is attachment to tradition and to the pietistic relations of fellow members of tribe, clan, and house-community, with the exclusion of the unrestricted quest of gain within the circle of those bound together by religious ties; externally, there is absolutely unrestricted play of the gain spirit in economic relations, every foreigner being originally an enemy in relation to whom no ethical restrictions apply; that is, the ethics of internal and external relations are categorically distinct. The course of development involves on the one hand the bringing in of calculation into the traditional

brotherhood, displacing the old religious relationship. As soon as accountability is established within the family community, and economic relations are no longer strictly communistic, there is an end of the naive piety and its repression of the economic impulse. This side of the development is especially characteristic in the west. At the same time there is a tempering of the unrestricted quest of gain with the adoption of the economic principle into the internal economy. The result is a regulated economic life with the economic impulse functioning within bounds.

In detail, the course of development has been varied. In India, the restrictions upon gain-seeking apply only to the two uppermost strata, the Brahmins and the Rajputs. A member of these castes is forbidden to practice certain callings. A Brahmin may conduct an eating house, as he alone has clean hands; but he, like the Rajput, would be unclassified if he were to lend money for interest. The latter, however, is permitted to the mercantile castes, and within it we find a degree of unscrupulousness in trade which is unmatched anywhere in the world. Finally, antiquity had only legal limitations on interest, and the proposition *carveat emptor* characterizes Roman economic ethics. Nevertheless no modern capitalism developed there.

The final result is the peculiar fact that the germs of modern capitalism must be sought in a region where officially a theory was dominant which was distinct from that of the east and of classical antiquity and in principle strongly hostile to capitalism. The *ethos* of the classical economic morality is summed up in the old judgment passed on the merchant, which was probably taken from primitive Arianism: *homo mercator vix aut numquam potest Deo placere*; he may conduct himself without sin but cannot be pleasing to God. This proposition was valid down to the 15th century, and the first attempt to modify it slowly matured in Florence under pressure of the shift in economic relations.

The typical antipathy of Catholic ethics, and following that the Lutheran, to every capitalistic tendency, rests essentially on the repugnance of the impersonality of relations within a capitalist economy. It is this fact of impersonal relations which places certain human affairs outside the church and its influence, and prevents the latter from penetrating them and transforming them along ethical lines. The relations between master and slave could be subjected to immediate ethical regulation; but the relations between the mortgage creditor and the property which was pledged for the debt, or between an endorser and

the bill of exchange, would at least be exceedingly difficult if not impossible to moralize.² The final consequence of the resulting position assumed by the church was that medieval economic ethics excluded higgling, overpricing and free competition, and were based on the principle of just price and the assurance to everyone of a chance to live.

For the breaking up of this circle of ideas the Jews cannot be made responsible as Sombart does.³ The position of the Jews during the middle ages may be compared sociologically with that of an Indian caste in a world otherwise free from castes; they were an outcast people. However, there is the distinction that according to the promise of the Indian religion the caste system is valid for eternity. The individual may in the course of time reach heaven through a course of reincarnations, the time depending upon his deserts; but this is possible only within the caste system. The caste organization is eternal, and one who attempted to leave it would be accursed and condemned to pass in hell into the bowels of a dog. The Jewish promise, on the contrary, points toward a reversal of caste relations in the future world as compared with this. In the present world the Jews are stamped as an outcast people, either as punishment for the sins of their fathers, as Deutero-Isaiah holds, or for the salvation of the world, which is the presupposition of the mission of Jesus of Nazareth; from this position they are to be released by a social revolution. In the middle ages the Jews were a guest-people standing outside of political society; they could not be received into any town citizenship group because they could not participate in the communion of the Lord's Supper, and hence could not belong to the *conturatio*.

The Jews were not the only guest people (see pages 151, 166); besides them the Caurines, for example, occupied a similar position. These were Christian merchants who dealt in money and in consequence were, like the Jews, under the protection of the princes and on consideration of a payment enjoyed the privilege of carrying on monetary dealings. What distinguished the Jews in a striking way from the Christian guest-peoples was the impossibility in their case of entering into *commercium* and *convivium* with the Christians. Originally the Christians did not hesitate to accept Jewish hospitality, in contrast with the Jews themselves who feared that their ritualistic prescriptions as to food would not be observed by their hosts. On the occasion of the first outbreak of medieval anti-semitism the faithful were warned by the synods not to conduct themselves unworthily and hence not to accept entertainment from the Jews who on their

side despised the hospitality of the Christians. Marriage with Christians was strictly impossible, going back to Ezra and Nehemiah.

A further ground for the outcast position of the Jews arose from the fact that Jewish craftsmen existed; in Syria there had even been a Jewish knightly class, though only exceptionally Jewish peasants, for the conduct of agriculture was not to be reconciled with the requirements of the ritual. Ritualistic considerations were responsible for the concentration of Jewish economic life in monetary dealings (cf. above page 152). Jewish piety set a premium on the knowledge of the law and continuous study was very much easier to combine with exchange dealings than with other occupations. In addition, the prohibition against usury on the part of the church condemned exchange dealings, yet the trade was indispensable and the Jews were not subject to the ecclesiastical law.

Finally, Judaism had maintained the originally universal dualism of internal and external moral attitudes, under which it was permissible to accept interest from foreigners who did not belong to the brotherhood or established association. Out of this dualism followed the sanctioning of other irrational economic affairs, especially tax farming and political financing of all sorts. In the course of the centuries the Jews acquired a special skill in these matters which made them useful and in demand. But all this was parish capitalism, not rational capitalism such as originated in the west. In consequence, hardly a Jew is found among the creators of the modern economic situation, the large entrepreneurs; this type was Christian and only conceivable in the field of Christianity. The Jewish manufacturer, on the contrary, is a modern phenomenon. If for no other reason, it was impossible for the Jews to have a part in the establishment of rational capitalism because they were outside the craft organizations. But even alongside the guilds they could hardly maintain themselves, even where, as in Poland, they had command over a numerous proletariat which they might have organized in the capacity of entrepreneurs in domestic industry or as manufacturers. After all, the genuine Jewish ethic is specifically traditionalism, as the Talmud shows. The horror of the pious Jew in the face of any innovation is quite as great as that of an individual among any primitive people with institutions fixed by the belief in magic.

However, Judaism was none the less of notable significance for modern rational capitalism, insofar as it transmitted to Christianity the latter's hostility to magic. Apart from Judaism and Christianity, and two or three oriental sects (one of which

is in Japan), there is no religion with the character of outspoken hostility to magic. Probably this hostility arose through the circumstance that what the Israelites found in Canaan was the magic of the agricultural god Baal, while Jahveh was a god of volcanoes, earthquakes, and pestilences. The hostility between the two priesthoods and the victory of the priests of Jahveh discredited the fertility magic of the priests of Baal and stigmatized it with a character of decadence and godlessness. Since Judaism made Christianity possible and gave it the character of a religion essentially free from magic, it rendered an important service from the point of view of economic history. For the dominance of magic outside the sphere in which Christianity has prevailed is one of the most serious obstructions to the rationalization of economic life. Magic involves a stereotyping of technology and economic relations. When attempts were made in China to inaugurate the building of railroads and factories a conflict with geomancy ensued. The latter demanded that in the location of structures on certain mountains, forests, rivers, and cemetery hills, foresight should be exercised in order not to disturb the rest of the spirits.⁴

Similar is the relation to capitalism of the castes in India. Every new technical process which an Indian employs signifies for him first of all that he leaves his caste and falls into another, necessarily lower. Since he believes in the transmigration of souls, the immediate significance of this is that his chance of purification is put off until another re-birth. He will hardly consent to such a change. An additional fact is that every caste makes every other impure. In consequence, workmen who dare not accept a vessel filled with water from each other's hands, cannot be employed together in the same factory room. Not until the present time, after the possession of the country by the English for almost a century, could this obstacle be overcome. Obviously, capitalism could not develop in an economic group thus bound hand and foot by magical beliefs.

In all times there has been but one means of breaking down the power of magic and establishing a rational conduct of life; this means is great rational prophecy. Not every prophecy by any means destroys the power of magic; but it is possible for a prophet who furnishes credentials in the shape of miracles and otherwise, to break down the traditional sacred rules. Prophecies have released the world from magic and in doing so have created the basis for our modern science and technology, and for capitalism. In China such prophecy has been wanting. What prophecy there was has come from the outside as in the case of Lao-Tse and Taoism. India, however, produced a religion of

salvation; in contrast with China it has known great prophetic missions. But were prophecies by example; that is, the typical Hindu prophet, such as Buddha, lives before the world the life which leads to salvation, but does not regard himself as one sent from God to insist upon the obligation to lead it; he takes the position that whoever wishes salvation, as an end freely chosen, should lead the life. However, one may reject salvation, as it is not the destiny of everyone to enter at death into Nirvana, and only philosophers in the strictest sense are prepared by hatred of this world to adopt the stoical resolution and withdraw from life.

The result was that Hindu prophecy was of immediate significance for the intellectual classes. These became forest dwellers and poor monks. For the masses, however, the significance of the founding of a Buddhist sect was quite different, namely the opportunity of praying to the saints. There came to be holy men who were believed to work miracles, who must be well fed so that they would repay this good deed by guaranteeing a better reincarnation or through granting wealth, long life, and the like, that is, this world's goods. Hence Buddhism in its pure form was restricted to a thin stratum of monks. The laity found no ethical precepts according to which life should be molded; Buddhism indeed had its decalogue, but in distinction from that of the Jews it gave no binding commands but only recommendations. The most important act of service was and remained the physical maintenance of the monks. Such a religious spirit could never be in a position to displace magic but at best could only put another magic in its place.

In contrast with the ascetic religion of salvation of India and its defective action upon the masses, are Judaism and Christianity, which from the beginning have been plebeian religions and have deliberately remained such. The struggle of the ancient church against the Gnostics was nothing else than a struggle against the aristocracy of the intellectuals, such as is common to ascetic religions, with the object of preventing their seizing the leadership in the church. This struggle was crucial for the success of Christianity among the masses, and hence for the fact that magic was suppressed among the general population to the greatest possible extent. True, it has not been possible even down to today to overcome it entirely, but it was reduced to the character of something unholy, something diabolic.

The germ of this development as regards magic is found far back in ancient Jewish ethics, which is much concerned with views such as we also meet with in the proverbs and the so-called prophetic texts of the Egyptians. But the most important

prescriptions of Egyptian ethics were futile when by laying a scarab on the region of the heart one could prepare the dead man to successfully conceal the sins committed, deceive the judge of the dead, and thus get into paradise. The Jewish ethics knows no such sophisticated subtleties and as little does Christianity. In the Eucharist the latter has indeed sublimated magic into the form of a sacrament, but it gave its adherents no such means for evading the final judgment as were contained in Egyptian religion. If one wishes to study at all the influence of a religion on life one must distinguish between its official teachings and this sort of actual procedure upon which in reality, perhaps against its own will, it places a premium, in this world or the next.

It is also necessary to distinguish between the virtuoso religion of adepts and the religion of the masses. Virtuoso religion is significant for everyday life only as a pattern; its claims are of the highest, but they fail to determine everyday ethics. The relation between the two is different in different religions. In Catholicism, they are brought into harmonious union insofar as the claims of the religious virtuoso are held up alongside the duties of the laymen as *consilia evangelica*. The really complete Christian is the monk; but his mode of life is not required of everyone, although some of his virtues in a qualified form are held up as ideals. The advantage of this combination was that ethics was not split asunder as in Buddhism. After all the distinction between monk ethics and mass ethics meant that the most worthy individuals in the religious sense withdrew from the world and established a separate community.

Christianity was not alone in this phenomenon, which rather recurs frequently in the history of religions, as is shown by the powerful influence of asceticism, which signifies the carrying out of a definite, methodical conduct of life. Asceticism has always worked in this sense. The enormous achievements possible to such an ascetically determined methodical conduct of life are demonstrated by the example of Tibet. The country seems condemned by nature to be an eternal desert; but a community of celibate ascetics has carried out colossal construction works in Lhasa and saturated the country with the religious doctrines of Buddhism. An analogous phenomenon is present in the middle ages in the west. In that epoch the monk is the first human being who lives rationally, who works methodically and by rational means toward a goal, namely the future life. Only for him did the clock strike, only for him were the hours of the day divided—for prayer. The economic life of the monastic communities was also rational. The monks in part furnished the

officialdom for the early middle ages; the power of the doges of Venice collapsed when the investiture struggle deprived them of the possibility of employing churchmen for oversea enterprises.

But the rational mode of life remained restricted to the monastic circles. The Franciscan movement indeed attempted through the institution of the tertiaries to extend it to the laity, but the institution of the confessional was a barrier to such an extension. The church domesticated medieval Europe by means of its system of confession and penance, but for the men of the middle ages the possibility of unburdening themselves through the channel of the confessional, when they had rendered themselves liable to punishment, meant a release from the consciousness of sin which the teachings of the church had called into being. The unity and strength of the methodical conduct of life were thus in fact broken up. In its knowledge of human nature the church did not reckon with the fact that the individual is a closed unitary ethical personality, but steadfastly held to the view that in spite of the warnings of the confessional and of penances, however strong, he would again fall away morally; that is, it shed its grace on the just and the unjust.

The Reformation made a decisive break with this system. The dropping of the *concordia evangelica* by the Lutheran Reformation meant the disappearance of the dualistic ethics, of the distinction between a universally binding morality and a specifically advantageous code for virtuos. The other-worldly asceticism came to an end. The stern religious characters who had previously gone into monasteries had now to practice their religion in the life of the world. For such an asceticism within the world the ascetic dogmas of protestantism created an adequate ethics. Celibacy was not required, marriage being viewed simply as an institution for the rational bringing up of children. Poverty was not required, but the pursuit of riches must not lead one astray into reckless enjoyment. Thus Sebastian Franck was correct in summing up the spirit of the Reformation in the words, "you think you have escaped from the monastery, but everyone must now be a monk throughout his life."

The wide significance of this transformation of the ascetic ideal can be followed down to the present in the classical lands of protestant ascetic religiosity. It is especially discernible in the import of the religious denominations in America. Although state and church are separated, still, as late as fifteen or twenty years ago no banker or physician took up a residence or established connections without being asked to what religious community he belonged, and his prospects were good or bad accord-

ing to the character of his answer. Acceptance into a sect was conditioned upon a strict inquiry into one's ethical conduct. Membership in a sect which did not recognize the Jewish distinction between internal and external moral codes guaranteed one's business honor and reliability and this in turn guaranteed success. Hence the principle "honesty is the best policy" and hence among Quakers, Baptists, and Methodists the ceaseless repetition of the proposition based on experience that God would take care of his own. "The Godless cannot trust each other across the road; they turn to us when they want to do business; piety is the surest road to wealth." This is by no means "cant," but a combination of religiosity with consequences which were originally unknown to it and which were never intended.

It is true that the acquisition of wealth, attributed to piety, led to a dilemma, in all respects similar to that into which the medieval monasteries constantly fell; the religious guild led to wealth, wealth to fall from grace, and this again to the necessity of re-constitution. Calvinism sought to avoid this difficulty through the idea that man was only an administrator of what God had given him; it condemned enjoyment, yet permitted no flight from the world but rather regarded working together, with its rational discipline, as the religious task of the individual. Out of this system of thought came our word "calling," which is known only to the languages influenced by the Protestant translations of the Bible.⁸ It expresses the value placed upon rational activity carried on according to the rational capitalistic principle, as the fulfillment of a God-given task. Here lay also in the last analysis the basis of the contrast between the Puritans and the Stuarts. The ideas of both were capitalistically directed; but in a characteristic way the Jew was for the Puritan the embodiment of everything repugnant because he devoted himself to irrational and illegal occupations such as war loans, tax farming, and leasing of offices, in the fashion of the court favorite.⁹

This development of the concept of the calling quickly gave to the modern entrepreneur a fabulously clear conscience, and also industrious workers; he gave to his employees as the wages of their ascetic devotion to the calling and of co-operation in his ruthless exploitation of them through capitalism the prospect of eternal salvation, which in an age when ecclesiastical discipline took control of the whole of life to an extent inconceivable to us now, represented a reality quite different from any it has today. The Catholic and Lutheran churches also recognized and practiced ecclesiastical discipline. But in the Protestant ascetic communities admission to the Lord's Supper

was conditioned on ethical fitness, which again was identified with business honor, while into the content of one's faith no one inquired. Such a powerful, unconsciously refined organization for the production of capitalistic individuals has never existed in any other church or religion, and in comparison with it what the Renaissance did for capitalism shrinks into insignificance. Its practitioners occupied themselves with technical problems and were experimenters of the first rank. From art and mining experimentation was taken over into science.

The world-view of the Renaissance, however, determined the policy of rulers in a large measure, though it did not transform the soul of man as did the innovations of the Reformation. Almost all the great scientific discoveries of the 16th and even the beginning of the 17th century were made against the background of Catholicism. Copernicus was a Catholic, while Luther and Melancthon repudiated his discoveries. Scientific progress and Protestantism must not all be unquestioningly identified. The Catholic church has indeed occasionally obstructed scientific progress; but the ascetic sects of Protestantism have also been disposed to have nothing to do with science, except in a situation where material requirements of everyday life were involved. On the other hand it is its specific contribution to have placed science in the service of technology and economics.⁷

The religious root of modern economic humanity is dead; today the concept of the calling is a *caput mortuum* in the world. Ascetic religiosity has been displaced by a pessimistic though by no means ascetic view of the world, such as that portrayed in Mandeville's *Fable of the Bees*, which teaches that private vices may under certain conditions be for the good of the public. With the complete disappearance of all the remains of the original enormous religious pathos of the sects, the optimism of the Enlightenment which believed in the harmony of interests, appeared as the heir of Protestant asceticism in the field of economic ideas; it guided the hands of the princes, statesmen, and writers of the later 18th and early 19th century. Economic ethics arose against the background of the ascetic ideal; now it has been stripped of its religious import. It was possible for the working class to accept its lot as long as the promise of eternal happiness could be held out to it. When this consolation fell away it was inevitable that those strains and stresses should appear in economic society which since then have grown so rapidly. This point had been reached at the end of the early period of capitalism, at the beginning of the age of iron, in the 19th century.

NOTES

Part One

CHAPTER 1

1. General References.—A. Meitzen, *Siedlung und Agrarwesen der West- und Ostgermanen, der Kelten, Römer, Finnen und Slaven*, 4 vols. Berlin, 1896; G. F. Knapp, "Siedlung und Agrarwesen nach A. Meitzen," in his *Grundriss der Ethnologie und Rassenkunde* (Meitzen); Max Weber, Article, "Agrargeschichte, Altertum," in the *Handwörterbuch der Staatswissenschaften*, 3d ed., I, 52 ff. Jena, 1909.

2. See G. Hausen, "Ansichten über das Agrarwesen der Voralpen" in *Neues sozialökonomisches Magazin*, vol. III (1835) and vol. VI (1837)—reprinted in his *Agrarhistorischen Abhandlungen*, 2 vols., Leipzig, 1880-1884; also, G. von Maurer, *Einführung zur Markt-, Hof- und Stadtvirtschaft*, Munich, 1854; E. de Lavoley, *De la propriété et de ses formes primitives*, Paris, 1874 (English translation, *Primitive Property*, London, 1878).

For orientation as to the origin and course of the controversy, see G. von Below, "Das kurze Leben einer vielgenannten Theorie," in the volume, *Probleme der Wirtschaftsgeschichte*, Tübingen, 1920; also, Max Weber, "Der Streit um den Charakter der altgermanischen Sozialverfassung," in *Jahrb. f. National-Ökonomie und Statistik*, vol. LXXXIII (1904).

3. The idea of organization has recently been the subject of a controversy closely connected with that regarding the theory of primitive communism. The older view saw in it a result and expression of the communal field system, but later writers contend for a manorial origin. Ribbel, again, maintains that it was an institution originally peculiar to the Sallan Franks and was spread over all Germany by the Frankish kingdom.

4. Cp. in general, Max Weber, *Genetische Anfänge zur Religionssoziologie*, Tübingen, 1920, I, 350, and references there cited.

5. But it is not these arrangements which explain the stability of Indian conditions, as Karl Marx affirmed, but rather the caste system, just as in China it is the clan economy.

6. The principal contrast in agrarian

economy between Europe and specifically Asiatic regions goes back to the fact that neither the Chinese nor Japanese peoples knew the use of milk from animals, while on European soil milking is met with as far back as Homer. On the other hand, in India since the middle ages, cattle cannot be slaughtered, and even today the upper castes condemn the eating of meat. Hence milk animals and meat animals are both absent in Asia over wide areas.

CHAPTER 2

1. Cp. the right to bear arms, which existed to the time of the Peasants' War. It will be seen that there is a right corresponding to the duty of the freeman to participate in the juridical community.

2. This investigation goes back to J. Bachofen, *Das Mutterrecht*, Stuttgart, 1861. The "matrifocal" (*mutterrechtliche*) origin of the family asserted by Bachofen was taken over into the works of L. H. Morgan (especially *Ancient Society*, New York, 1871), and of H. S. Malin (*Ancient Law*, London, 1861), and became the foundation of the sociological theory. Cp. the works of Rebet, Engels, and Cunow. E. Gross (*Die Formen der Familie und die Formen der Wirtschaft*, Freiburg and Leipzig, 1896) represents the reaction against a one-sided mother-right theory. Indicating the present state of knowledge, and in general free from bias, is Marianne Weber, *Ehefrau und Mutter in der Rechtsentwicklung*, Tübingen, 1907.

3. Cp. J. G. Frazer, *Totemism and Exogamy*, London, 1910.

4. Cp. Genesis, 34, 8 ff.

CHAPTER 3

1. The fate of the Israelites in Egypt is thus explained.

2. Cp. Max Weber, *Gesammelte Aufsätze zur Religionssoziologie*, II, 69 ff.

3. Cp. A. Hops, *The Spanish Conquest in America*, 4 vols. London, 1855-1861. The encomienda presupposes the system of *respartimiento*, or distribution of the Indians among the lords on a basis of number of individuals.