

## GENERAL ECONOMIC HISTORY

### INTRODUCTION

The subject we are proposing to study - General Economic History - is on the threshold of an advance as important as that which has revolutionised in the past generation the disciplines of physics or biology, psychology or economics. No true science ever stands still.

I am going to deal in this introductory lecture with (1) the broad scope of this advance, ~~which will be discussed in greater detail in the history~~, (2) the reasons for this comprehensive change, and (3) the definite direction in which it points.

#### I. The scope of the advance

Economic history cannot be confined any more to the study of the economic data of the past together with their changing background, but must comprise the place occupied by the economy in society as a whole, i.e. the changing <sup>Sphere</sup> relation of the economic to the non-economic institutions in society. Amongst these latter we should primarily mention (a) the political or governmental sphere and (b) that of man's culture, including religion, technology and so on.

Several disciplines may serve this purpose in the future.

(1) Sociology may offer a study of the manner in which the structure and the functioning of society as a whole is related to the economy and its various institutions. Such a study might roughly follow the lines on which Spencer, Marx, Durkheim, Veblen, Pareto or Max Weber approached the question of the sociology of the human economy.

(2) Comparative economics focuses on the contemporary economy and its main institutions, analyzing their similarities and differences as observed under varying circumstances. (I mention only Colin Clark, the statistician, J.B. Condliffe of the League of Nations Surveys, or Professor A.R. Burns of Columbia.)

(3) Anthropology allows a different approach again. By inquiring into the economies of primitive societies, it tries to discover the manner in which the livelihood of man is bound up with the totality of his motivations and valuations as organized in his culture (Malinowski, Thurnwald, Ruth Benedict).

Finally, I come to (4) the institutional and historical approach, which is the one to which my present course is dedicated. Through an analysis of economic institutions as they present themselves in the societies of the past, we should be able to gain worthwhile indications concerning the general nature of the mechanism and the structure of economic institutions, as well as of ~~the conditions of~~ their shifting place in the society as a whole. Among the economic historians who came nearest to such an approach in the past, we would have to mention Cunningham in England, Pirenne in Belgium, Rostovtzeff in Russia, Gustav Schmoller, Carl Buecher, and Max Weber in Germany. Of these authors, it is ~~classis~~ Max Weber whose General Economic History is nearest to my own starting point, ~~development and of~~ and I regard the work done here as a continuation of the line inaugurated by him.

Let me now briefly point out the main difference between the present period and that at which Max Weber made his memorable attempt at a recasting of Economic History.

(1) Weber nourished an unshaken belief in the viability and vitality of the market economy. He attached no special significance to Bolshevism and Fascism, which had just made their appearance. The Russian Revolution seemed at that time to most observers as a mere continuation of the march of the French Revolution toward the East, overthrowing absolute monarchy, emancipating the peasant from semi-feudal landlordism, and liberating racial minorities oppressed by a dominant nationalism. Fascism was still restricted to Italy. Max Weber's own life experience was thus limited to the Nineteenth Century type of