

# Where History and Theory Interact: Frederic C. Lane on the Emergence of Capitalism

By Melissa Meriam Bullard, S. R. Epstein,  
Benjamin G. Kohl, and Susan Mosher Stuard

## PREFACE

When do scholars transcend the locus of their research and their centuries of concentration? Frederic Chapin Lane (1900–1984) was as devoted a Venetianist as any native son but refused to limit his interests to Venetian history. In his day he was an honored medievalist, but he is equally celebrated as an early modernist today; indeed he might be perplexed by our need to demarcate the two eras, regarding such hard distinctions as untenable for the Italy he knew well. His publications span sixty years—more than a generation in terms of scholarship. He published his first scholarly article in 1924, just two years after the Belgian historian Henri Pirenne (1862–1935) introduced his famous thesis on the origins of the West.<sup>1</sup> Lane was reading proofs for his last book, *Money and Banking in Medieval and Renaissance Venice*, volume 1: *Coins and Moneys of Account*, co-authored with his former student Reinhold C. Mueller, at the time of his death in 1984.<sup>2</sup> Over the six decades of his professional life he joined with other economists and historians to rethink—indeed, reconceive—patterns of European economic

This combined article has grown out of a session entitled "The Role of Frederic C. Lane in European Historiography: A Centennial Retrospective," sponsored by the Medieval Academy of America at the annual meeting of the American Historical Association in Boston on January 6, 2001. Omitted from this essay is the paper of Giuliana Gemelli, "Leadership and Mind: Frederic C. Lane as a Scientific Entrepreneur and a Cultural Diplomat," on Lane's work in the early 1950s at the Rockefeller Foundation in Paris, which will appear in extended form in a special issue of *Minerva: A Review of Science, Learning and Policy* devoted to the presence of American foundations in postwar Europe. Benjamin G. Kohl chaired the session, which included papers by S. R. Epstein and Susan Mosher Stuard, with comment by Melissa Meriam Bullard. In this essay we have consciously departed from the conference format. Susan Stuard wrote the Preface and Part 3; Benjamin Kohl, Part 1; Larry Epstein, Part 2; and Melissa Bullard, the Conclusion. Our work throughout has profited (via e-mail) from discussion and mutual criticism, while each author has retained his or her particular point of view. We wish to thank *Speculum's* anonymous reader, whose helpful criticism and suggestions have enabled us to improve greatly this combined essay, and *Speculum's* Editor, Richard Emmerson, for his persistent guidance in making our assembled effort into a publishable article.

<sup>1</sup> Henri Pirenne argued first in 1922, then in his lectures given in 1925, *Medieval Cities: Their Origins and the Revival of Trade*, trans. Frank D. Halsey (Princeton, N.J., 1927), and in *Mohammed and Charlemagne*, trans. Bernard Miall (New York, 1939), that the invasions of the fourth and fifth centuries did not topple Rome; rather Germanic and Islamic invaders replaced Roman authority in western Europe. The classical world disappeared with the invasions of the seventh and eighth centuries. He asserted that without Mohammed Charlemagne would have been inconceivable.

<sup>2</sup> Baltimore, 1985.

growth. In doing so this generation altered central ideas about culture and society, and they set our understanding of economic change on new footings. As a major player in that endeavor Lane deserves our attention.

The reasons why he remains relevant to the concerns of medievalists today depend not only on his transcending his specialization but also upon his taking the ideals of interdisciplinary medieval scholarship with him as he moved forward in time. Careful adherence to multidisciplinary principles remained with Lane for a lifetime. As the following biographical sketch makes clear, Lane's training encompassed economic theory, history of technology, and historiography as well as the more traditional concerns of political and legal history. Lane's archival work branched out into the conditions of material life and business history and into the textual challenges of unpublished diaries and journals. His theoretical work demonstrates a breadth of interest that moved beyond Europe to embrace global analysis while it was still a nascent field of investigation. As an administrator at the Rockefeller Foundation in Paris, he engaged with scholars from all disciplines and many different schools of thought and learned from them. Throughout his career Lane took his responsibility for teaching seriously, a trait that further confirmed him as a generalist; this was particularly the case when he championed the Johns Hopkins University two-year history survey.

In speaking to high school teachers in 1937 Lane gave his answer to the perennial question about where to begin the history survey this way: First, and with a probable debt to his own teacher Carl Becker, he commented on the mythmaking proclivities of the human mind and stated flatly that we make up our beginnings out of thin air when history does not supply them. He asserted that good history shapes answers by avoiding the fragmentary bits that encourage misrepresentation of the whole. Third, careful study makes us conscious of the sources, and an evidence-based discipline supplies correctives for various kinds of misunderstandings. Developing a critical habit of mind inoculates us against uncritical acceptance. "Readiness to ask . . . is one of the best tests for distinguishing the intelligent from the gullible," Lane stated.<sup>3</sup>

"How did it start?" elicited from Lane the "adventures" of Adam and Eve in the Garden of Eden. That story, he noted, fixed certain interpretations on the whole of human experience for all subsequent time.<sup>4</sup> This was not merely the case for students in introductory courses but for his own scholarly research, and it helps to explain his long abiding search for origins. Marc Bloch (1886–1944), among the most influential French historians of Lane's earlier years, eschewed the quest for origins in favor of a comparative history of medieval Europe; in contrast Lane pursued origins wherever he could. He delved into the earliest in any extant sequence of archival records in order to understand institutions from the ground up, began his survey with the earliest written records, and remained convinced that sound theory was based on interpretations of origins that colored all further extrapolations.

<sup>3</sup> Frederic Chapin Lane, "Why Begin at the Beginning?" *Proceedings of the Middle States Association of History and Social Science Teachers* 25 (1937), 73–77, reprinted in *Venice and History: The Collected Papers of Frederic C. Lane* (Baltimore, 1966), pp. 431–37, quotation on p. 436.

<sup>4</sup> *Venice and History*, p. 436.



The quest for origins was accompanied by a strong determination to pull back from the close consideration of empirical evidence and address long-term questions, often ones that were theoretical in nature. Again, comparisons with the French Annalists of Lane's own generation, particularly with Lane's friend Fernand Braudel (1902–85), come to mind. As S. R. Epstein argues in Part 2, Lane's understanding of the long term is every bit as influential today as Braudel's, and may reward study even more. This helps to explain why today Lane is just as likely, perhaps even more likely, to be cited by early modernists as by medievalists. *Histoire totale*, promoted by the French Annalists as an ideal for all investigators, should incorporate geography, economics, demography, and the entire range of the social sciences. Lane concurred but proceeded in his own fashion to concoct a mix of disciplines that he regarded as adequate for explaining long-term change, his own *esprit de système* in a positivist mode. Phased economic growth provided him with a substructure for long-term interpretations. He sought to identify and explain transitions; it is likely he would have approved the 2003 Economic History Association meeting's theme of transitions, grand or small, in economies around the world. As he worked out his own schema, Lane read the work of his contemporaries with greater than passing interest; he was willing to amend his understanding of the periodicity of phased change if called upon to do so by a compelling argument presented in the work of a fellow scholar. He made a concerted effort to reconcile his own understandings with the swiftly evolving field of economic theory.

This practice placed Lane in dialogue with numerous thinkers, some of whom have survived him; otherwise his scholarship might have remained sequestered away as reference points for early Venetian and Italian history. World systems analysis picked up what he had to say in an attempt to explain the emergence of capitalism. With wide access to the reading public, Lane's almost exact contemporary Fernand Braudel publicized Lane's Venetian scholarship. Immanuel Wallerstein incorporated Lane's work into his analysis of global capitalism, perhaps more than the work of any other authority on the early European economy; that is certainly the case in Wallerstein's first chapter in *The Modern World-System*.<sup>5</sup> The New Institutional Economists, the economist Douglass North and his coauthor Robert Paul Thomas in particular, consulted Lane's scholarship to identify the institutions that undergirded the rise of the West.<sup>6</sup>

This use of Lane's work allowed it to influence applied theory and policy studies for economies caught in the painful throes of modernizing. One step removed from any direct encounter with Lane's scholarship, Timur Kuran argues in "The Islamic Commercial Crisis: Institutional Roots of the Delay in the Middle East's Economic Modernization" that Western business firms acquired longevity based

<sup>5</sup> Immanuel Wallerstein, *The Modern World-System, 1: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century* (New York, 1974), p. 16, "An empire is a mechanism for collecting tribute, which in Frederic Lane's pregnant image, 'means payments received for protection, but payments in excess of the cost of producing the protection.'" Seven of Lane's works are cited in the bibliography of this volume (p. 372).

<sup>6</sup> Douglass C. North and Robert Paul Thomas, *The Rise of the Western World: A New Economic History* (Cambridge, Eng., 1973).

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<sup>7</sup> Timur Kuran, "The Islamic Commercial Crisis: Institutional Roots of the Delay in the Middle East's Economic Modernization," *Journal of Economic Organization*, 15 (1995), 1–25. See also the electronic library.

<sup>8</sup> Frederic C. Lane, *Festschrift für* (Tübingen, 1973).

<sup>9</sup> See Peter Hall, *The Professional* (Cambridge, 1973).



on enduring partnerships and inheritance laws favorable to them. Since Islamic inheritance laws require the breakup of firms to settle family claims, Kuran contends that the Middle East has been slower to build lasting business and banking institutions.<sup>7</sup> Lane's studies of banking, finance, merchant companies, and maritime trade play into Kuran's arguments largely because they have been well assimilated into the literature on the rise of the West that Kuran consults.

Lane's career shadowed the most momentous events of the twentieth century, inclining him to engage in public life and policy debate. He believed his grounding in earlier centuries of European institution building was a valuable platform from which to confront the contemporary world. He advised policy makers and other scholars in assessing the growing power of fascism and the military buildup in the European state system during the 1930s. Confronting issues of power and state formation very directly, he produced what may be the most enduring of his intellectual contributions to modern thought, his cost-of-protection arguments. Lane was anything but an ivory tower scholar. His assessment of costs of protection relied on the study of emerging state systems, the early Venetian republic prominent among them. He assumed Venetian ventures in the Mediterranean, Portuguese explorations on the high seas, and Colbert's expansionist goals for France were directly relevant to wielding power and practicing statecraft in his own generation. Carrying on debates with policy makers continued through his time in Paris in the early 1950s working for the Rockefeller Foundation. The interplay of theory and history, in particular where relevant to policy decisions, provided Lane with the stimulus of active engagement with his world, and he relished it.

Lane's activism in the public sphere, his series of presidencies in professional organizations, and his roles as editor, reviewer, and reader for scholarly publications caught him in the snares of the impassioned debates between objectivists and relativists that came to dominate American letters over the course of the century. As the following biographical section indicates, Lane received his education from men in both camps. He was committed to empiricism yet was deeply intrigued by the relativist arguments of Carl Becker that each generation requires its own history and indulges in its own mythmaking. He was also intrigued by the economist Walter Eucken's contention that capitalism, the very touchstone of his own scholarly inquiry, might well be a "mental construct" that had been misleadingly reified into an agent for change.<sup>8</sup> Lane never resolved his own internal debates over the claims of those contending positions. He seems to have been suspended on a contested ground throughout his career.<sup>9</sup> Richard Bernstein defines the dilemma Lane encountered in this way: "At the heart of the objectivist's vision, and what makes sense of his or her passion, is the belief that there are or must be

<sup>7</sup> Timur Kuran, "The Islamic Commercial Crisis: Institutional Roots of the Delay in the Middle East's Economic Modernization," University of Southern California, Center for Law, Economics and Organization; Research Paper COI-12, available through the Social Science Research Network electronic library at [http://papers.ssrn.com/abstract\\_id=276377](http://papers.ssrn.com/abstract_id=276377).

<sup>8</sup> Frederic C. Lane, "Some Heirs of Gustav von Schmoller," in *Architects and Craftsmen in History: Festschrift für Abbott Payson Usher*, ed. Joseph T. Lambie, Veröffentlichungen der List Gesellschaft 2 (Tübingen, 1956), pp. 9-39, reprinted in *Venice and History*, pp. 462-95, quotation on p. 489.

<sup>9</sup> See Peter Novick, *That Noble Dream: The "Objectivity Question" and the American Historical Profession* (Cambridge, Eng., 1988), pp. 105-7.



some fixed, permanent constraints to which we can appeal and which are secure and stable. At its most profound level the relativist's message is that there are no such basic constraints except those that we invent or temporally (and temporarily) accept."<sup>10</sup> Realizing he played anchorman in a chain of interpretation that provided answers to major questions about the rise of capitalism and economic growth, policy implications hanging from the very stroke of his pen, Lane believed it necessary to create as "objective" a picture of the past as possible. Yet he recognized the limitations of thought constructs, including his own, and he periodically attempted to rethink them.<sup>11</sup> In the last analysis Lane was a scholar who critiqued his own corpus of work as he proceeded, and this, too, added to his stature and wider relevance in the world of letters.

### 1. BIOGRAPHICAL SKETCH

Frederic Chapin Lane was one of the last of those progressive American students of the European past who combined painstaking archival research with a concern for larger issues of historical interpretation and who pursued careers that took for granted a stint of public service to their profession and the nation. He became, at times self-consciously perhaps, a major native American heir to the revolution in medieval economic history wrought in the first half of the twentieth century by such great European historians as Henri Pirenne, Marc Bloch, and, most especially, Gino Luzzatto.<sup>12</sup> Of equal importance is the fact that Lane was a quintessential New England Brahmin, linked by family ties, intellectual interests, and civic values to the academic and cultural leaders of the Bay State and particularly of the larger Harvard community. It is revealing that, at the end of his days, Lane referred to one of his greatest intellectual heroes, the Harvard historian Samuel Eliot Morison, as simply "Cousin Sam." The following biographical sketch, which attempts to place Lane's life and work in the context of twentieth-century historiography of an earlier European past, is followed by more analytical contributions on Lane's use of theory and Lane the empiricist, who used Venice as a means of understanding the transition from the medieval to modern economy.

Born in Lansing, Michigan, where his father, Alfred Church Lane, was serving as the state geologist, into a family of briefly transplanted New Englanders, Lane grew up in Cambridge, Massachusetts, and was educated at the prestigious Cam-

<sup>10</sup> Richard Bernstein, *Beyond Objectivism and Relativism: Science, Hermeneutics, and Praxis* (Philadelphia, 1983), p. 19.

<sup>11</sup> Frederic Chapin Lane, "Menschliche Geschichte und Naturgeschichte," in Hugo Hantsch, Eric Voegelin, and Franco Valsecchi, eds., *Historica: Studien zum geschichtlichen Denken und Forschen* (Vienna, 1965), pp. 19-35, translated as "Human History and Natural History" in *Venice and History*, pp. 505-19.

<sup>12</sup> In a memoir of Luzzatto, written with Gaines Post and Robert S. Lopez, Lane bracketed the revered Venetian historian with Pirenne and Bloch as one of the three founders of the modern study of the medieval economy: *Speculum* 40 (1965), 583-84.

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bridge High and Latin School.<sup>15</sup> His father was a Harvard-educated geologist of national reputation who taught for many years at Tufts College, while his mother, Suzanne, was a daughter of the Boston bookseller Charles E. Lauriat, whose publishing firm and bookstore, Este and Lauriat, was as much a debating society as it was a bookshop. In 1917 Lane enrolled at Cornell University, where he studied with Carl Becker, George Lincoln Burr, and the historian of ancient Greek and Roman economy and slavery William Linn Westermann. Upon graduation in June 1921, Lane revealed his restless, adventurous spirit by hitchhiking across the United States but returned home that autumn to take an M.A. at Tufts, where under the direction of A. I. Angers he investigated the history of Venice, utilizing, for the first time, the diaries of Marino Sanudo in his master's thesis. In 1922 Lane continued postgraduate work at Cornell, where under the supervision of Preserved Smith he prepared a study on strikes in Lyons in the sixteenth century. On a traveling fellowship, Lane studied early-modern French history at the University of Bordeaux in 1923–24 and medieval economic history under Alfons Dopsch in Vienna in the fall of 1924. Returning to the United States, Lane entered the history doctoral program at Harvard, where he served as teaching assistant to Robert Howard Lord and Charles Homer Haskins. At Harvard he also worked closely with Abbott Payson Usher, a professor of economics whose interests in the history of prices, the development of mechanical inventions and technology, and the origins of banking were all to be reflected in Lane's later work. After a year as instructor in history at the University of Minnesota, where he found a mentor in the historian and academic administrator Guy Stanton Ford, Lane was awarded a Kirkland Fellowship to conduct research in Venice in 1927–28. There he was guided in his archival work by Gino Luzzatto, who was to become Lane's lifelong confidant, adviser, and friend. His dissertation on shipbuilding in fifteenth- and sixteenth-century Venice, directed by Usher and submitted for the Ph.D. from Harvard in 1930, was published as his first book, *Venetian Ships and Shipbuilders of the Renaissance* (Baltimore, 1934).

Thus, by the time Lane joined the history faculty at the Johns Hopkins University in the fall of 1928, he had enjoyed the tutelage of some of the major historians of Progressive America. Significantly, three of his mentors, Haskins, Lord, and Westermann, had been members of the United States delegation to the Versailles Peace Conference, while another, George Lincoln Burr, was the major American diplomat responsible for settling the boundary dispute between Venezuela, Great Britain, and the Netherlands in 1895 as well as the foremost exponent of the rationalist interpretation of witchcraft. Two other Cornell professors, Preserved Smith and Carl Becker, were giants in the study of the Reformation and the En-

<sup>15</sup> The standard account of Lane's life remains the "Biographical Note" found in *Venice and History*, pp. xv–xviii, on which this sketch draws heavily. Major assessments of Lane's achievement are Fernand Braudel's preface to *Venice and History*, pp. v–xiii; the memoir in *Speculum* 60 (1985), 769–70; and Reinhold C. Mueller's entry "Lane, Frederic Chapin," in the *Oxford Encyclopedia of Economic History*, 5 vols. (Oxford, 2003), 3:277–78. A bibliography of his writings from 1924 to 1966 is published in *Venice and History*, pp. 543–49; this is completed by a "Bibliography of Frederic C. Lane, 1966–1987," in his *Studies in Venetian Social and Economic History*, ed. Benjamin G. Kohl and Reinhold C. Mueller, Collected Studies Series 254 (London, 1987), pp. xv–xviii.



lightenment respectively. Becker was wrestling with the problem of detachment in the writing of history and at work on his classic study of the Declaration of Independence precisely when Lane was his pupil in Ithaca. Guy Stanton Ford, the dean of graduate studies and later president of the University of Minnesota, was in the thirties a member of the editorial board of the *American Historical Review*, where Lane published his pathbreaking early papers, "Venetian Shipping during the Commercial Revolution" and "The Mediterranean Spice Trade."<sup>14</sup> At Hopkins Lane found a lifelong mentor in Kent Roberts Greenfield, who shared his field of Italian history and carefully critiqued his early essays and books.

Educated by historians whose interests stretched from the ancient Greek economy to nineteenth-century European diplomacy, Lane took the long view of the European past in much of his writing and reviewing and especially in curricular development at Johns Hopkins. Dissatisfied with the superficial nature of most history surveys, Lane instituted and often taught at Hopkins a four-semester sequence of Occidental civilization, with the first year (History 1-2) stretching from prehistory to early-modern Europe, and the second year (History 3-4) from the Enlightenment to the present. Lane urged his curricular views on others with an almost missionary zeal, as in his insistence on the study of early history in an address "Why Begin at the Beginning?" to the Middle States Association of History and Social Science Teachers in May 1937.<sup>15</sup> Here Lane argued that the study of the more remote past enabled students to appreciate such basic economic issues as food supply and other forms of democracy that flourished in Athens and Rome. Instead of mistaking the modern for the typical, Lane's ideal college students, by studying ancient and medieval history, would have the perspective to challenge modern myths about nationalism and appreciate how a paucity of evidence requires some guesswork in answering the question "How do we know?"

Lane's implicit belief in the impossibility of a sure and complete knowledge of the whole range of human history gave rise to a distrust of "sweeping developmental laws," whether expressed in the works of Karl Marx and Arnold Toynbee or in Edward Cheney's more naive assertion of six laws of history in his presidential address of 1923 to the American Historical Association. In a paper entitled "The Social Sciences and the Humanities" read in February 1948 at the Symposium of Research Frontiers in Human Relations, Lane wrestled with the borders between fact and theory and found that such developmental laws as set forth by Toynbee and Marx were ultimately ethical systems, or simply products of wishful thinking.<sup>16</sup> Lane's preference was for what he termed "structural propositions"—akin to what an economist calls analytical models or a sociologist ideal types, for these allowed for uncertainties and contingencies, which he believed endemic to

<sup>14</sup> First published in the *American Historical Review* 38 (1933), 219-39, and 45 (1940), 581-90, and reprinted in *Venice and History*, pp. 3-34.

<sup>15</sup> See above, n. 3.

<sup>16</sup> First published in the *Proceedings of the American Philosophical Society* 92 (1948), 356-62, and reprinted in *Venice and History*, pp. 437-48. The term "sweeping developmental laws" appears on p. 447. Though Lane firmly rejected any Marxist interpretation of history, he did not repudiate the work of Marxist historians. For example, he regularly assigned works of the Marxist prehistorian V. Gordon Childe, such as *Man Makes Himself* (London, 1936), to his students at Hopkins and viewed favorably Oliver C. Cox's Marxian *The Foundations of Capitalism* (London, 1959).

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all historical change. While Lane remained ever alert to the important social-science constructs of his day, from Talcott Parsons's theory of social actions to Carl Hempel's "covering-law" model, he ultimately found his greatest satisfaction in the archival work that would test received opinion and current generalization about the history of Venice. In his most important theoretical statement, he held that "[h]istorical interest is thus a consumer, rather than a producer of broad generalizations. Consequently, the historian . . . does not bear the producer's responsibility for the quality of the generalizations in use. But he does have a consumer's responsibility for the quality of the particular products he uses. He deserves to be reproached, if he treats as sound, generalizations which have proved unsound."<sup>17</sup>

Thus, during his first decade as an instructor at Johns Hopkins, the tasks Lane set for himself alternated between curricular development and the completion and elaboration of studies, based largely on a single year of archival research, on early-modern Venetian ships, shipping, trade, and banking. With these topics exhausted for the moment, Lane returned to Venice in 1939 to examine the account books of the Barbarigo family, and other archival sources, under the guidance of Gino Luzzatto. This research led to his second monograph, a biography of the fifteenth-century Venetian merchant Andrea Barbarigo. Using the several extant account books and a letter book of this middling businessman, Lane saw his work as a case study of the sedentary merchant, a figure of that medieval commercial revolution the characteristics of which had recently been formulated by Raymond de Roover.<sup>18</sup>

Lane returned to the United States as war broke out in Europe; and while he continued to work on the Barbarigo material, largely preserved on microfilm, his career and activities were transformed by the onset of the Second World War. In a paper read at the meeting of the American Historical Association in December 1940, Lane developed for the first time his famous theory of "protection rents." His reflections on the economic consequences of war and violence grew out of his early writings explaining the failure of the Portuguese discovery of an all-water route to India to secure for them a monopoly in the spice trade. Now Lane developed these insights in a series of essays that traced a history of an emergent capitalist economy through the way war and organized violence spawned the more structured economy of the early-modern world.<sup>19</sup>

Lane's service as editor of the *Journal of Economic History* (1943–51) required him to broaden his vision of economic history by considering work from all periods and perspectives. When his friend Thomas C. Cochran joined him as coeditor of the journal from 1947 onward, Lane was able to concentrate his energy

<sup>17</sup> "Conclusion," in *Enterprise and Secular Change: Readings in Economic History*, ed. F. C. Lane and J. C. Riemersma (Homewood, Ill., 1953), p. 529.

<sup>18</sup> *Andrea Barbarigo, Merchant of Venice, 1418–1449*, Johns Hopkins University Studies in Historical and Political Science 62/1 (Baltimore, 1944).

<sup>19</sup> The essays "National Wealth and Protection Costs" (1941), "Economic Meaning of War and Protection" (1942), and "Oceanic Expansion: Force and Enterprise in the Creation of Oceanic Commerce" (1950) and his presidential address to the Economic History Association, "Economic Consequences of Organized Violence" (1958), are available in *Venice and History*, pp. 373–428.



on the European papers submitted to the journal and on a new project as the head of the historical section of the Federal Maritime Commission. While Lane strove to maintain a balance in articles and reviews between various periods and areas, the *Journal* published under his editorship some of the most significant papers of contemporary students of medieval and early-modern economic history, including Robert S. Lopez, John U. Nef, Benjamin Nelson, Robert L. Reynolds, and his mentor Abbott Payson Usher. Lane made a special effort to include the new work of the de Roovers, publishing Raymond de Roover's first study of the Medici bank in three long articles and Florence Edler de Roover's paper on early marine insurance. In 1951 Lane brought to completion the task of writing a history of the construction of merchant ships during the Second World War with the publication of his *Ships for Victory: A History of Shipbuilding under the U.S. Maritime Commission in World War II* (Baltimore, 1951; reprinted with a new preface by Arthur Donovan, 2001) and accepted appointment as assistant director of the Division of Social Sciences of the Rockefeller Foundation, with headquarters in Paris. During his two years in Europe, Lane continued his study of economic theory and historiography, concentrating on such scholars as Arthur Spiethoff, Gustav von Schmoller, and Walter Eucken. His work on the German and Austrian schools was incorporated into a book he coedited under the auspices of the Economic History Association, *Enterprise and Secular Change: Readings in Economic History*. Here and in his teaching Lane continued to investigate various theories about the stages of economic development, but he rarely tried to fit his study of medieval and early-modern Venice into such molds.

Thus, for the first half of his career, Lane's research interests largely centered on the early modern period (mainly the fifteenth and sixteenth centuries, with emphasis on Venice and the effects of oceanic expansion) and issues of economic growth and theory. Only after he returned to Johns Hopkins in 1954 from his stint as an officer for the Rockefeller Foundation in Paris did he begin to turn his attention to medieval Venice. When the call to Harvard to teach economic history as a visiting professor in 1956 did not result in a permanent position as he had perhaps hoped, Lane returned to Johns Hopkins to start work on his general history of Venice, viewed from the sea. He retooled his research skills during two extended periods of archival work in Venice on a Guggenheim Fellowship in the spring and summer of 1959 and 1961. Lane was now able to consider the earlier period of Venetian history in a new and more expert fashion. The result of this research was a remarkable series of articles on the economic history of medieval Venice (some of which are analyzed below) that Lane published from the early sixties on. At the same time, Lane became an active reviewer of books in the economic, political, and social history of medieval Venice for *Speculum* and other journals, ranging from essays on the century of Marco Polo and Robert Cessi's editions of early Senate deliberations to Fredi Thiriet's study of the Venetian Romania, Silvio Borsari's of medieval Crete, and Giorgio Cracco's provocative interpretation of the medieval Venetian state. His many publications, including his path-breaking essay on Venetian merchant galleys, 1300–1334, in *Speculum* in 1963, earned him the honor of election as a Fellow of the Medieval Academy in 1964.

His general history of Venice and later work on money and banking provided significant, but controlled, areas of research in which to unmask the unsound

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generalization and provide newer, more accurate interpretations. This penchant for using the particular to test the general and the tensions between the concrete and the theoretical informed all of Lane's work and help to account for the healthy disagreements among the authors of this combined essay. Whatever else one may say about Lane and his work, he was, of the medievalists of his generation, the one most in love with the rewarding daily discoveries of archival research and with investigating the larger implications of human motivation and action.

## 2. LANE AND THEORY

Lane's work gives rise to surprisingly discordant views.<sup>20</sup> For some he was a perfectionist and meticulous craftsman who savored archival research patiently and with control, for whom Venetian "ships and shipping, moneys and banking were from the beginning and remained [his] twin research interests";<sup>21</sup> for others he was a visionary thinker who sketched research agendas in political economy and economic history that have yet to be fulfilled.<sup>22</sup> Yet few today doubt that he was one of the greatest economic historians of the twentieth century. Even though—or, possibly, because—economic history is no longer much practiced by medievalists, and because the kind of long-run history at which Lane excelled is generally spurned as positivistic or, worse, tarnished with essentialism, Lane's combination of meticulous scholarship and broad thinking—whereby he turned even the most seemingly local and fragmentary stories into generalizing, comparative history—has much to teach historians today. This essay focuses on Lane as historical speculator and theoretician, on the understanding that the two aspects of Lane's thought are inseparable and that an interpretation that excludes either one is reductionist and truncated.<sup>23</sup>

Lane's more speculative work, on which he reflected most fully in his presidential addresses to the Economic History Association in 1958 and to the American Historical Association in 1965, combined two well-established historiographical themes: the interaction between state building and economic development and the

<sup>20</sup> See Fernand Braudel's somewhat ambivalent statement: "The difficulty is . . . to distinguish the general line that his thought has traced" (Fernand Braudel, "Foreword," in *Venice and History*, p. vii). See the comments on Lane and Braudel's relationship by Stuard in Part 3, below. I warmly thank Reinhold Mueller for his comments on an earlier version of this article; he bears no responsibility for the views expressed here.

<sup>21</sup> Kohl and Mueller, "Preface," in *Studies in Venetian Social and Economic History*, p. ix.

<sup>22</sup> See Niels Steensgaard, "Violence and the Rise of Capitalism: Frederic C. Lane's Theory of Protection and Tribute," *Review* 5 (1981), 247–73, which to my knowledge offers the only detailed analysis of Lane's theoretical work and to which these pages are greatly indebted; and Lance E. Davis, "It's a Long, Long Road to Tipperary, or Reflections on Organized Violence, Protection Rates and Related Topics: The New Political History," *Journal of Economic History* 40 (1980), 1–16.

<sup>23</sup> As Lane himself implies in his "Conclusion" to *Enterprise and Secular Change: Readings in Economic History*, pp. 522–34. For a recent survey of the current hegemony of postmodernism in North American medieval studies, with a sensitive discussion of the intellectual milieu in which Lane was shaped as a practicing historian, see Paul Freedman and Gabrielle M. Spiegel, "Medievalisms Old and New: The Rediscovery of Alterity in North American Medieval Studies," *American Historical Review* 103 (1998), 677–704.



medieval Italian origins of modern republican democracy.<sup>24</sup> Although the inaugural lectures set out the issues independently, in Lane's mind Renaissance Venice supplied the necessary joining link. Venice was the birthplace of capitalism, the first European city "to become capitalistic in the sense that its ruling class made their livelihood by employing wealth in the form of commercial capital . . . and used their control of government to increase their profits."<sup>25</sup> Indeed, Lane's life's work, like that of his friend Fernand Braudel, could be viewed retrospectively as a program to reestablish the rightful place of the Mediterranean, and specifically of Renaissance Venice, at the source of modern Western civilization. Such a program led Lane to engage concurrently rather than sequentially in "grand" or meta-historical theory and in detailed archive-based "archaeology."<sup>26</sup>

Lane's long-standing concern with Venetian history arose from a view that capitalism—defined as the systematic and single-minded pursuit of profit through "roundabout methods" of production and mediation<sup>27</sup>—required particular institutional arrangements to emerge and that Venice's unusual form of government was the first and perhaps best suited to the purpose. These views expressed two significant intellectual influences. The Venetian genealogy of modern republicanism and North American democracy descended from one of the founding fathers of North American Renaissance historiography, William Roscoe Thayer,<sup>28</sup> whereas Lane's concern with violence as a source of capital accumulation, with state building, tribute taking, and organized violence—which he famously defined as the economic costs of protection and tribute—and with merchant capitalist rationality arose from a close reading of nineteenth-century German social science and particularly of the German Historical School. The views of Gustav von Schmoller on mercantilism and those of Werner Sombart on the character of early-merchant capitalism seem to have been especially influential, while the impact of Max Weber is less apparent.<sup>29</sup>

Lane's major theoretical contribution was to sketch a theory of economic development in which systematic violence exerted a central, positive effect.<sup>30</sup> His theory, developed in a series of essays published between 1940 and 1958, is de-

<sup>24</sup> "Economic Consequences of Organized Violence," *Journal of Economic History* 18 (1958), 401–17; reprinted in *Venice and History*, pp. 412–28; "At the Roots of Republicanism," *American Historical Review* 71 (1966), 403–20, reprinted in *Venice and History*, pp. 520–38. Lane is the only twentieth-century scholar to have been elected to both honors.

<sup>25</sup> "Investment and Usury," *Explorations in Entrepreneurial History*, 2nd ser., 2 (1964), 3–15; reprinted in *Venice and History*, pp. 56–68, quotation at p. 57, with reference to Cox, *The Foundations of Capitalism*, chaps. 1–6.

<sup>26</sup> For this interpretation of Braudel's work, see Giuliana Gemelli, *Fernand Braudel e l'Europa universale* (Venice, 1990), pp. 158–69; and Stuard, Part 3, below.

<sup>27</sup> "Meanings of Capitalism," *Journal of Economic History* 29 (1969), 6. Lane may have taken this definition of capitalism as a "roundabout" system of production from Allyn A. Young, "Increasing Returns and Economic Progress," *Economic Journal* 38 (1928), 531; see also n. 39 below.

<sup>28</sup> Edward Muir, "The Italian Renaissance in America," *American Historical Review* 100 (1995), esp. 1104–5, referring to William Roscoe Thayer, *A Short History of Venice* (New York, 1908).

<sup>29</sup> See "Some Heirs of Gustav von Schmoller," in *Venice and History*, pp. 462–95; and *Enterprise and Secular Change*. Weber may have influenced Lane's theory of consumption; see below, n. 39.

<sup>30</sup> Davis, "It's a Long, Long Road."

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<sup>34</sup> See *Profits* Charles Tilly, " ed. Peter B. Eva cion, Capital, an of States in Eur 1994).



ceptively simple.<sup>31</sup> Violence is not just a means to destroy or redistribute wealth; it can also generate a benefit, which we call protection. States can be viewed in this light as enterprises that "sell" protection and justice to "consumers," for example, subjects or citizens. Lane suggested that some premodern states protected their subjects at significantly lower cost than others; these differences in cost generated *protection rents*, which individuals could either consume or reinvest. Thus, how efficiently a state met its subjects' defense or "protection costs" made a real difference to their economic well-being and performance.<sup>32</sup>

Lane seems to have thought that his theory applied more readily to international than to domestic trade. By the thirteenth century at the latest, long-distance merchants appear to have profited far more from protection rents than from advantages in technology or organization.<sup>33</sup> Protection rents might arise because a state offered its merchants more efficient military, judicial, and institutional protection or because it forced higher tariffs on foreign competitors. Lane, however, never said much about why some states were more efficient protectors than others. He noted that large states benefit from economies of scale, and are therefore likely to demand lower taxes from their subjects, but he did not address the possibility that a state might try to extort its own merchants. He may have believed that states were held in check by the fact that merchants could shift their wealth elsewhere if they were mistreated, but he stopped short from articulating this point explicitly; like other elements of Lane's thought, several decades would go by before the theory of state violence would be developed more fully and consistently by Charles Tilly and others.<sup>34</sup>

The lack of a theory of state violence also explains why Lane ignored the effects of state protection on the *domestic* economy, although he implies that they would

<sup>31</sup> The theory is first outlined in "Colbert et le commerce de Bordeaux," *Revue historique de Bordeaux* 17 (1924), 169–90, translated as "Colbert and the Commerce of Bordeaux," in *Venice and History*, pp. 311–30; the main essays on "protection rents" (published between 1941 and 1958) were reprinted in *Venice and History* and, following Wallerstein's suggestion, in Frederic C. Lane, *Profits from Power: Readings in Protection Rent and Violence-Controlling Enterprises* (Albany, N.Y., 1979). The latter also includes Lane's perceptive essay "Economic Growth in Wallerstein's Social Systems: A Review Article," previously published in *Comparative Studies in Society and History* 18 (1976), 517–32. For the remark that Lane's concepts are "deceptively simple," see Steensgaard, "Violence," p. 249.

<sup>32</sup> It is readily apparent that this theory applies as well, if not better, to early-modern than to late-medieval states. I return to this point below, p. 101.

<sup>33</sup> This view seems confirmed by Lane's dating of the "commercial revolution" to either the late thirteenth or the sixteenth century (see Stuard below, n. 76)—a chronology that seems implicitly to place more weight on institutional than technological changes in trading practice, in sharp contrast with Robert S. Lopez's famous thesis in *The Commercial Revolution of the Middle Ages, 950–1350* (New York, 1971). On the other hand, most of Lane's empirical work on Venetian history addressed technological and institutional change, and he offered little documentary evidence for the effects of Venetian "protection rents."

<sup>34</sup> See *Profits from Power*, p. 51 (states have a weaker monopoly over violence at sea than on land); Charles Tilly, "War Making and State Making as Organized Crime," in *Bringing the State Back In*, ed. Peter B. Evans, Dietrich Rueschmeyer, and Theda Skocpol (Cambridge, Eng., 1985); idem, *Coercion, Capital, and European States, AD 990–1990* (Cambridge, Mass., 1990); and *Cities and the Rise of States in Europe, A.D. 1000 to 1800*, ed. Charles Tilly and Wim P. Blockmans (Boulder, Colo., 1994).



be contradictory.<sup>35</sup> On the one hand, as noted above, larger, more centralized states should be able to sell cheaper protection, or exact lower taxes, than smaller, jurisdictionally fragmented states, with obvious long-term economic benefits to the former. On the other hand, Lane recognized that premodern states did not supply protection for free and that the *tribute* they asked from their subject "consumers" was commensurate to their force; thus the larger, and presumably the stronger, the state, the greater was the likelihood that it would divert domestic resources to unproductive ends.

In 1973 two "cliometric" economic historians, Douglass North and Robert Thomas, published a short history of western Europe between 900 and the Industrial Revolution that offered a solution to Lane's problem by identifying autocratic, predatory states and the absence of parliamentary regimes as the main obstacle to premodern economic growth.<sup>36</sup> In reviewing the book for the main North American economic-history journal, however, Lane objected strongly to what he regarded as a crude simplification.<sup>37</sup> The authors had got "bogged down in traditional conclusions or controversies" about the ill effects of government interference, he suggested; they had ignored the fact that states were not simply rent-seeking machines but offered protection as well—including implicitly both defense against external threats and justice for the domestic population—and that some "autocratic" premodern states offered better protection than others. Thus, a more plausible explanation for lower rates of growth in sixteenth-century France than England—which North and Thomas identified as the *origo et fons* of economic modernity—is that "during that period England was almost continually at peace and France was almost continually at war"; that, rather than alleged differences in political organization, would have caused huge differences in the rate of taxation and, thus, in available investment for growth.<sup>38</sup>

Lane's views were certainly closer to those of the German Historical School, which depicted the early-modern state as struggling, often unsuccessfully, to supply public goods (protection) efficiently against smaller territorial and jurisdictional entities, than to North's and other "neo-institutional" economists' portrayals of all-powerful Leviathans. Lane was less concerned with the motives and constraints on government action than with the limits to government power that made protection more costly and that made it less likely that premodern governments could exploit their subjects with impunity. Here Lane displayed a sophisticated historical understanding and a resistance to the anachronistic applications

<sup>35</sup> *Profits from Power*, p. 51.

<sup>36</sup> See above, n. 6. Highly controversial at the time, the book launched North's version of "neo-institutionalist" economics that emphasized the effect of property rights, institutions, and transaction costs on economic development; for this work North received the 1993 Nobel Prize in economics.

<sup>37</sup> Lane, "The Role of Governments in Economic Growth in Early Modern Times," *Journal of Economic History* 35 (1975), 8–17, reprinted in *Profits from Power*, pp. 82–90 (see also p. 9).

<sup>38</sup> *Ibid.*, pp. 87–88; Lane was quoting Charles W. Cole. Lane's appeal for studies of the productivity of warfare (p. 90) is partially met by recent literature on medieval and early-modern taxation; see *Economic Systems and State Finance*, ed. Richard Bonney (Oxford, 1995); *The Rise of the Fiscal State in Europe c. 1200–1815*, ed. Richard Bonney (Oxford, 1999); and S. R. Epstein, "The Rise of the West," in *An Anatomy of Power: The Social Theory of Michael Mann*, ed. J. Hall (Cambridge, Eng., forthcoming).

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of modern theories, but his writings also point to other, more contingent reasons why he disavowed the concerns of mainstream political economy with the nature and consequences of different political regimes.

A clue to why Lane refused this challenge comes from his most striking and controversial argument, that state violence can create new wealth instead of just being a means for wasteful redistribution. He defended the theory under three headings. Firstly, he drew a distinction between "protection" as mere theft or plunder and protection that offers internal legal and external military support in exchange; secondly, he argued that violence could redistribute wealth toward individuals and social classes that would invest the proceeds for the future rather than simply consume them; and thirdly, he suggested that violence could shift wealth from less productive to more productive activities.

Lane began by contrasting plunder, which "kills the goose that lays the golden eggs," to protection through the rule of law, which, following Schmoller, he derived from jurisdictional integration (one law is better than many); but he did not specify the distinction more clearly, nor did he explain how to distinguish between states that acted toward their subjects as "stationary bandits" and states that exerted violence benignly. Lane's second line of defense harked back to an alternative tradition of political economy that argued that social classes differ in their preferences for consumption; some prefer to spend their income immediately, whereas others prefer to delay gratification and invest for the future. In this view, since feudal lords and military elites were more likely to squander their wealth on unproductive baubles, the secret of medieval growth was to transfer what was surplus to society's basic needs from the unproductive elites to individuals with a greater willingness to save.<sup>39</sup> Like Adam Smith, Max Weber, and Werner Sombart before him, Lane identified this progressive group with the international merchants; but again he never tried to find empirical support for the argument, and toward the end of his life he disavowed it on the rather puzzling grounds (given the theory's eighteenth-century intellectual antecedents) of the "inadequacy of such a crude class formulation."<sup>40</sup>

Lane's third line of argument was that under certain circumstances the long-term benefits of war could significantly outweigh its costs. Warfare—he referred explicitly to Colbertian mercantilism, but he may have also had in mind the United States' Second World War effort, which he had personally studied—could be a way to raise national prosperity.<sup>41</sup> Drawing on the recent work of two economists, Alfred Marshall and Allyn A. Young, Lane suggested that a simple static calculus of the costs and benefits of warfare, in which whatever is gained by one party is therefore lost by the other, did not take into account the potential for longer-term

<sup>39</sup> See, e.g., Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, ed. Edwin Cannan (London, 1904), book 3; Max Weber, *Die protestantische Ethik und der "Geist" des Kapitalismus* (Tübingen, 1904); and Werner Sombart, *Die Juden und das Wirtschaftsleben* (Leipzig, 1911), who all make analogous claims about the revolutionary effects of saving over immediate gratification.

<sup>40</sup> See "Role of Governments," p. 87, referring to the argument by Ruth Pike, *Aristocrats and Traders: Sevillian Society in the Sixteenth Century* (Ithaca, N.Y., 1972), that Seville merchants had a higher propensity to consume than did landowners.

<sup>41</sup> His book on American merchant shipbuilding during World War II, written in collaboration with Blanche D. Coll and others, appeared in 1951 as *Ships for Victory*.



(dynamic) gains. War, for example, could divert scarce resources from "conspicuous consumption and agricultural investments which were subject to the law of decreasing returns" to commercial and industrial activities in which constant technological innovation raised productivity over time.<sup>42</sup> War could be a good investment for a country—not simply as a way to transfer resources between countries through pillage or benefit better-protected traders with protection rent, but because it could shift investment capital to more innovative economic sectors and permanently raise economic performance. Although Lane did not develop this point any further, it is arguably his most significant theoretical contribution to understanding the origins of the modern economic world, as global comparative historians and economists once again tackle these great historical questions.<sup>43</sup>

Lane's silence on these several issues suggests a degree of ambivalence concerning relations between political and economic power. A major uncertainty concerned the genealogy of Western modernity. Lane's early research on seventeenth-century Bordeaux, which imbued him with a long-standing admiration for Colbert and Colbertism and which may have made him receptive to Schmoller's assessment of Continental state mercantilism as the route to the modern sovereign state, generated a deep-seated skepticism toward Whiggish narratives of premodern institutional history.<sup>44</sup> Yet Lane's interpretation of Venetian history, largely based on archival research, also appears to have been shaped by a more established view of Venetian republican liberties as the source of the city's economic success and political longevity.

Lane's contradictions—which seem to have split rather neatly between his theoretical and his empirical work and which help explain the disagreements so apparent in this essay—emerge quite clearly from his exploration of the causes of Venetian economic "success" and "failure." Lane offered two distinct explanations for the rise of Venetian capitalism, one political and sociological and the other economic. The political explanation came in two versions. In addition to the general argument that strong social mobility and lack of class conflict were key to Italian city-states' success, Lane's presidential address to the American Historical Association drew a more specific contrast between the Venetian variety of republicanism and the more conflict-ridden forms that developed in Florence and Genoa. The Venetian mixed constitution created a system of institutional checks and balances that restricted opportunities for private monopoly, provided effective

<sup>42</sup> "National Wealth and Protection Costs," in *War as a Social Institution: The Historian's Perspective*, ed. Jesse Clarkson and Thomas C. Cochran (New York, 1941), pp. 32–43, reprinted in *Venice and History*, pp. 373–82; "Oceanic Expansion: Force and Enterprise in the Creation of Oceanic Commerce," in *The Tasks of Economic History*, suppl. to the *Journal of Economic History* 10 (1950), 19–31, reprinted (with modified title) in *Venice and History*, pp. 399–411, referring at pp. 409–10, n. 15, to Allyn Young (above, n. 27); Young built on Marshall's work.

<sup>43</sup> See, e.g., Kenneth Pomeranz, *The Great Divergence: China, Europe, and the Making of the Modern World Economy* (Princeton, N.J., 2000); Masahisa Fujita, Paul R. Krugman, and Anthony J. Venables, *The Spatial Economy: Cities, Regions, and International Trade* (Cambridge, Mass., 1999); and Elhanan Helpman and Paul R. Krugman, *Market Structure and Foreign Trade: Increasing Returns, Imperfect Competition, and the International Economy* (Cambridge, Mass., 2000).

<sup>44</sup> See "Colbert" (above, n. 31) and "National Wealth" (above, n. 19). Lane's experiences in Vienna in 1924, where he studied under Alfons Dopsch, may also have played a part.

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public defense, and kept the burden of government light by aligning mercantile and state interests and carefully mingling public and private interests.<sup>45</sup> Lane recognized that patrician rule and the early exclusion of craft guilds and artisans from government might have made Venice less "democratic" than Florence, but he drew attention to the fact that they protected the city from the rule by faction and the competitive individualism that were the bane of other Italian communes.<sup>46</sup> Venice's *arcanum imperii*, the key to its political and economic longevity, was its "respect for the integrity of state power which distinguished [it] from other medieval Italian cities."<sup>47</sup> "In Venice . . . private enterprise was mixed with a tradition of state supremacy, and a readiness to adopt communal management of any activity which those in power thought necessary and individual enterprise was not supplying satisfactorily." In this fuller rendition of the "myth of Venice," the city benefited from an optimal balance between full state sovereignty and rule for the common good, which Lane identified with the merchants' interests.<sup>48</sup> This and other descriptions of the Venetian political system are strikingly analogous to republican interpretations of the American Constitution, a fact Lane was aware of.<sup>49</sup>

Lane's address to the American Historical Association has been seen as offering an outdated view of European history as a stage in American ascendancy, in counterpoint to the ideals of contemporary student rebels.<sup>50</sup> At a greater distance of time, the analysis seems somewhat insensitive, as the address also casts doubt—albeit less overtly—on the economic superiority of Western liberal regimes and on traditional liberal nostrums. By identifying the sources of modern political freedom in three ideological and political traditions—Italian city-state republicanism, royal parliamentarianism, and Christian individualism—that bear no evident institutional or economic relation to each other, Lane seems implicitly to deny any a priori link between constitutional process, political regime, and economic performance. For if, as he stated, political freedom is a value in itself that can be

<sup>45</sup> "Venetian Merchant Galleys, 1300–1334: Private and Communal Operation," *Speculum* 38 (1963), 179–205, reprinted (with modified title) in *Venice and History*, pp. 193–96; "Medieval Political Ideas and the Venetian Constitution," first published in *Venice and History*, pp. 285–308 (see p. 290).

<sup>46</sup> For a comparison between Florentine factionalism and Venetian rule by consent, see "Medieval Political Ideas" and "The Enlargement of the Great Council of Venice," reprinted in *Studies in Venetian Social and Economic History* (above, n. 13), pp. 259–60. In "Merchant Galleys," p. 226, Lane suggests that by contrast with "communal ownership of galleys, [which] expressed the solidarity of the Venetian nobility and strengthened that solidarity," private ownership of Genoese galleys "made it easier for factions to tear the state apart."

<sup>47</sup> "Family Partnerships and Joint Ventures," *Journal of Economic History* 4 (1944), 178–96, reprinted in *Venice and History*, pp. 36–55, at p. 54. In "Medieval Political Ideas" Lane explicitly took Venice's political longevity as evidence of the regime's success.

<sup>48</sup> "Merchant Galleys," p. 194. See also p. 216: "There was in Venice no separation between a class of business executives and a class of government bureaucrats. . . . The profit of its merchants was professedly the aim of Venetian policy." For a dissection of the "myth of Venice," see James S. Grubb, "When Myths Lose Power: Four Decades of Venetian Historiography," *Journal of Modern History* 58 (1986), 43–94, with references to Lane at p. 50.

<sup>49</sup> *Venice: A Maritime Republic* (Baltimore, 1973), chap. 26.

<sup>50</sup> Eric Cochrane and Julius Kirshner, "Deconstructing Lane's Venice," *Journal of Modern History* 47 (1975), 321–34; see also Muir, "The Italian Renaissance" (above, n. 28), p. 1106.



achieved independently of economic growth, it must follow that economic growth can also occur independently of modern Western liberal freedom. On this reading, both Lane's critics and those who praise the "humanism" of his detailed historical studies ignore his political economy at their peril.<sup>51</sup>

Some years before, in a study of the fifteenth-century merchant Andrea Barbarigo, Lane had offered an explanation of Venetian greatness that was more consistent with such an agnostic view of the premodern state. It was both a variation on and a departure from the theory of protection rents he was then starting to develop. The main advantage of the kind of collective protection organized by the Venetian Senate, he argued, was to foster competition between large and small merchants.<sup>52</sup> Cheap protection made it easier to invest in trade and gave rise to a kind of decentralized commercial firm based on short-term joint ventures that differed from the private companies common elsewhere in northern Italy. Although technically less complex ("primitive") by contemporary Italian standards, the Venetian type of merchant firm enabled Venetians to respond more flexibly to rapid changes in trade conditions.<sup>53</sup> Venetian commercial policy was also subject to a great variety of competing interests and allowed for wide-ranging individual choice.<sup>54</sup> The secret of Venetian success was a politico-economic regime based around the Senate that ensured strong internal competition and took on the "entrepreneurial responsibility" of external safety.<sup>55</sup>

Some of Lane's ambivalence with regard to Whiggish claims about the institutional origins of the modern state can be traced back to his difficulty in engaging with what he termed (following convention) the "economic interpretation" of history, namely, Marxism.<sup>56</sup> Lane was well read in nineteenth-century German historiography and sociological theory, including Marx, and made a concerted effort as president of the International Economic History Association and convenor of its 1968 congress to bring Eastern European and Western historians to the same intellectual table, but his engagement with Marxism was mostly circuitous and tardy.<sup>57</sup> He thought highly of Oliver Cox's *Foundations of Capitalism*, which acknowledged the Marxist Paul Sweezy prominently, and was close to Fernand Braudel, who would be latterly and incorrectly tarred with a Marxist

<sup>51</sup> See Cochrane and Kirshner, "Deconstructing," p. 332, who describe *Venice* as "written in a prose style more appropriate to the *Journal of Political Economy*."

<sup>52</sup> *Andrea Barbarigo* (above, n. 18), pp. 82–84.

<sup>53</sup> For further elaboration of the comparison, see Frederic C. Lane, "Double Entry Bookkeeping and Resident Merchants," *Journal of European Economic History* 6 (1977), 177–91. The argument was consistent with Lane's view—subsequently adopted by Braudel and developed further by Wallerstein—that successful premodern capitalism relied on monopolistic competition: *Andrea Barbarigo*, pp. 79 and 86–89.

<sup>54</sup> *Ibid.*, pp. 49 and 79.

<sup>55</sup> *Ibid.*, pp. 133–36.

<sup>56</sup> Other evidence of uncertainty in dating the origins of economic "modernity" comes from Lane's views on the origins of the "commercial revolution"; see above, n. 33.

<sup>57</sup> Lane owned an annotated copy of *Capital*, inherited from his father and still kept in the library at the Lane family home in Westminister, Mass. (I owe this information to Reinhold Mueller.)

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brush.<sup>58</sup> Yet I have noted how he jettisoned—misguidedly, as it happens—his economic theory of distribution as being excessively “materialistic”; elsewhere he trivialized the “economic interpretation” with some throwaway remarks on the contradiction between economic depression and cultural efflorescence in Renaissance Italy that signally ignored his own research on the economic expansion of fifteenth-century Venice.<sup>59</sup> His sole direct engagement with the problem occurred a few years before his death in 1984 through an informed and sympathetic review of the first volume of Immanuel Wallerstein’s *Modern World-System*.<sup>60</sup>

What was surely a deliberate omission may have also borne some relation to Lane’s lack of interest in “genetic” or developmental propositions, what Melissa Bullard calls his “non-developmental orientation.”<sup>61</sup> I noted previously how little effort he made to test his “structural” arguments empirically, perhaps surprisingly given his strong claims as a historian’s historian, “an empiricist practitioner in the grand tradition.”<sup>62</sup> Lane’s stage theories acted more as great cartoons, sketchy backdrops to investigations on the inner workings of a sociopolitical regime, than as comparative frameworks for evolving historical formations.<sup>63</sup> This “non-” (rather than “anti-”) determinism can perhaps explain an anticlimactic reduction of the causes of Venetian decline to the scarcity of shipping timber and the city’s opposition to employing foreign ships, but Lane’s reductionism may also have resulted from a more general unwillingness to address the central political development in Renaissance Venice, the transition from maritime city-state to contested territorial state, and its relations with the Italian mainland.<sup>64</sup> Although Lane’s unit of historical analysis was for the most part politico-territorial (the state) rather than sociological (class—with the qualifications set out previously), his view of

<sup>58</sup> Above, n. 16. I view Cox as a progressive rather than a Marxist, who argued like Lane that capitalism “required a suitable government with which to control public policy” (H. E. Barnes, “Foreword,” in Cox, *Foundations of Capitalism*, pp. 7–8). Lane may have been referring to Cox when stating that “as the birthplace of capitalism, Venice has been assigned a leading role in a semi-Marxist scheme of world history” (“Recent Studies in the Economic History of Venice,” *Journal of Economic History* 23 [1963], 312; Cox is cited at p. 319, n. 23). Lane employed the Marxian terms “proletarianization” and “wage-slavery” in an essay published in 1973 (“Venetian Seamen in the Nautical Revolution of the Middle Ages,” reprinted in *Studies in Venetian Social and Economic History*, p. 416).

<sup>59</sup> “Recent Studies,” p. 325; “Roots of Republicanism” (above, n. 24), p. 521.

<sup>60</sup> “Economic Growth” (originally published in 1976), reviewing Wallerstein, *The Modern World-System*, I (cited above, n. 5).

<sup>61</sup> See “Roots of Republicanism,” p. 521, for an acknowledgment of the anti-Marxism of postwar American historiography, which he shared.

<sup>62</sup> For Lane’s distinction between the “developmental,” the “correlative,” and the “structural” propositions used by historians and social scientists, see his “The Social Sciences and the Humanities” (above, n. 16). The quotation comes from Steensgard, “Violence,” p. 247.

<sup>63</sup> See “Economic Consequences of Organized Violence,” pp. 422–24; Lane’s review of John Hicks, *A Theory of Economic History* (Oxford, 1969), in *Journal of Economic Literature* 8 (1970), 821–23; and “Introduction” to *Profits from Power*. Lane was of course aware of the comparative method advocated by Marc Bloch, whose essay “Toward a Comparative History of European Societies” was translated in *Enterprise and Secular Change* (above, n. 17), pp. 494–521.

<sup>64</sup> “Recent Studies,” p. 328. The further factors mentioned in *Venice*, chaps. 27–28 (military inefficiency, economic decline, and poor navigational skills), are symptoms rather than causes of decline. Lane’s lack of interest in Venetian relations with the rest of Italy is noted by Cochrane and Kirshner, “Deconstructing,” pp. 330–32.



Venice was consistently maritime and barely touched upon the city's relations with the *Terraferma*. Consideration of those relations would no doubt have challenged the traditional portrait of the city's good government (*buon governo*), and it would also have pointed to the importance of territorial (as opposed to naval) size and power in the rise of north European mercantilist states.

This brief essay has sketched some of Lane's contributions to social-science history based entirely on his published work. His most abiding methodological lesson is a concern for the long run, which spurned traditional chronological divides between medieval and "early modern" (including any attempt at linkage through the idea of a Renaissance), but he was equally critical of the Annalist-style *longue durée* practiced by his colleague Braudel. Yet this analysis of Lane's theoretical statements also hints at a more complex, frequently ambivalent set of personal and professional motives and inspirations, which may reflect longer-standing tensions between the instinctive allegiances of a New England patrician and the more radical intuitions of a historicizing political agnostic. Some may see him as a procrastinator of the day of theoretical reckoning, fearful perhaps of where his thoughts might lead him, but Lane himself would have probably identified more closely with Georg von Below's "characterization of Gustav von Schmoller as eclectic. Below considered eclecticism to be bad; Schmoller considered premature system-making to be worse."<sup>65</sup>

### 3. LANE THE EMPIRICIST

I have begun to think of Frederic Chapin Lane as a reformed thinker with the role of reformer taken by the Venetian archives. Lane had studied economic history under Alfons Dopsch in Vienna before he entered the archives, and he paid respect to German economic theory throughout his long career. He discussed in print the influence of Gustav von Schmoller and his school and made sure that no graduate student under his tutelage escaped without learning about the German theorists.<sup>66</sup> Lane embraced stage or phase theory for explaining the evolution of European capitalism; near the end of his career he attempted to reconcile stage theory abstracted from Western historic time with the quest to understand the spatial distribution of wealth and development represented by world-systems analysis.<sup>67</sup> But once Lane entered the Venetian archives he became something of a skeptic about theoretical constructs because what theory told him about the general course of history could not be reconciled with the evidence before his eyes on

<sup>65</sup> "Some Heirs of Gustav von Schmoller," in *Venice and History*, p. 464. I owe the view of Lane as a postponder of theoretical synthesis to Susan Mosher Stuard.

<sup>66</sup> See "Some Heirs of Gustav von Schmoller." Benjamin Kohl and Reinhold Mueller kindly agreed to be interviewed on Lane as graduate teacher and lifelong mentor. On perceived differences among historians, political scientists, and economists see Lane's review of *Industrial Mobilization for War*, Historical Reports on War Administration, War Production Board, General Study 1 (Washington, D.C., 1947), in the *Journal of Economic History* 8 (1949), 213-15.

<sup>67</sup> "Economic Growth in Wallerstein's Social Systems: A Review Article," pp. 91-107, and other essays in the volume *Profits from Power* deal at length with Lane's opinion on developmental stages of growth.

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how matters had come to pass. Lane became a historical empiricist as intrigued by the balky evidence that defied stage theory as he was by examples that supported it. The earlier the evidence, the greater the disparity, so Lane took on a defining characteristic of a medievalist; that is to say, he regarded the tentative and experimental early phases of European development as less easily reconciled to theoretical constructs than the later, more confident developments that marked the onset of modern times. He could be, if not antiprogressive, then counterprogressive in evaluating outcomes, sometimes arguing that the initial hesitant steps in building trade and industry were more freighted with historical consequence than their triumphant actualization in some subsequent golden age.

An early theoretical orientation did shape Lane's historical investigations in one important way: it kept his attention fixed firmly on material life and its organization, deflecting him from engaging with other prominent traditions of Venetian historiography. There is almost no mention of the myth of Venice in Lane's output. He does not refer to Venice as *la Serenissima* either in praise of the city or in ironic reference; the term entered his discussion rarely and then in a precise constitutional sense identifying the fifteenth-century regime that succeeded the republic.<sup>68</sup> In Venice he could hardly overlook the grand tradition in which an embodied and sentient *la Serenissima* glides through the ages, acting always with restrained grace and steadfast integrity. But to satisfy his particular interests Lane was drawn, not forward in celebratory mode, but back into early history and origins—to consider the first fleets sent east, or the first documented trace of the Arsenale's rope factory, where "[t]he state had not faith enough in human nature to let this rope maker go unwatched," because "in some storm [merchants' lives] depend on the strength of a single anchor line."<sup>69</sup>

Nor did Lane invoke exceptionalist arguments to explain Venetian success over the long term. Instead he let us know about the uses of organized violence in early ages, when its manifestations had been selfish, blatant, and fierce, particularly so since the line between private and public was often blurred. The early life of Venice served Lane as a theater for viewing exercises in force since Venetian authorities confronted the relation of profits to "protection" or power very early and head-on. Venetian fortunes were made and unmade on the high seas, where the distinction between those that produce protection and are called governments and those that produce goods or other services and pay governments for protection was noticeable by its absence (his famous blurring of the line between public and private; see below, p. 109). Lowering protection costs at an early date gave Venetians a competitive edge. Simply put, early inhabitants of Venice grappled with the knotty problems related to costs of protection before many of their neighbors did. Thereafter Venetians compounded their advantages by pyramiding new so-

<sup>68</sup> *Venice: A Maritime Republic*, pp. 252, 256, and 457, refers to the constitutional changes of the fifteenth century, when the commune of Venice was superseded by *la Serenissima*, in only the most subdued terms.

<sup>69</sup> As first published, Lane, "The Rope Factory and Hemp Trade in the Fifteenth and Sixteenth Centuries," *Journal of Economic and Business History* 4 (1932), 830-47, reprinted in *Venice and History*, pp. 269-84, with quotation on p. 269. Lane claimed the origins of the modern factory system for the medieval Venetian rope factory.



lutions on the foundations of older ones. On the basis of lowered costs of protection, they organized their material life with efficiency; the predictable outcome was opportunity to innovate in many different venues.<sup>70</sup> One could characterize Lane's history as alternating between a focus on the doge's palace in the Piazza San Marco, where the Signoria held sway, and a focus on the Arsenale with its record of innovations. Lane weighed long and often the deliberations of the Senate and of other governing bodies, as "differentiation of enterprises" (his terms) between the state and economic endeavors proceeded. Then he turned to matters at the Arsenale, which were far more congenial explorations: decisions like adding one archer to each bench of galley oarsmen in 1290, creating triremes out of biremes, and in that way insuring a vessel some protection while adding speed over the course of a voyage.<sup>71</sup>

Not all concur with this opinion. James Grubb believed Lane's presidential address to the American Historical Association in 1965 "locate[d] in Venice a republicanism characterized by capitalist economy, broadly based government, freedom from outside domination, guarantees of personal liberties, wide popular participation"; that is, Lane presented Venice as the Good Republic.<sup>72</sup> But in that address Lane drew most of his examples from Italy outside Venice. He defined republicanism cautiously as a "rejection of hereditary kingship in order to devise other forms of government that their creators believed would permit and encourage more men to participate more actively in making laws and choosing leaders."<sup>73</sup> Republicanism was more an ideal than an experience here, although Lane did credit the Venetian Signoria with absorbing the new rich into the ruling class without destroying that class's solidarity at least until the fourteenth century. S. R. Epstein makes the case for the medieval Italian origins of modern republican democracy in Lane's work. I am less certain because I find Lane wrestled often, and at times grimly, with the phenomenon of an entrenched Venetian elite that provided protection only out of self-interest. Their organized physical violence might have resulted in plunder (for Lane a simple transfer of wealth from one person to another that does not promote economic growth); but as historical forces conspired at Venice, it resulted instead in creating the rule of law. This development brought to trade the utility Lane labeled protection but not necessarily through good republican intentions on the part of the perpetrators of violence. In other words a Good Republic had very little to do with the outcome.<sup>74</sup>

Lane reflected the concerns of his generation of economic historians in the importance he placed on the protection of law. It had become axiomatic by his day that in the central Middle Ages more peaceful conditions permitted agriculture to produce a surplus, trade to develop, and towns to emerge. For the Mediterranean

<sup>70</sup> See Lane, *Profits from Power*, pp. 1-11.

<sup>71</sup> Lane, "From Biremes to Tritemes," *Mariner's Mirror* 49 (1963), 48-50, reprinted in *Venice and History*, pp. 189-92.

<sup>72</sup> Grubb, "When Myths Lose Power" (above, n. 48), at p. 50.

<sup>73</sup> Lane, "Roots of Republicanism" (above, n. 24), p. 522 for quotation, pp. 522-24 for further examples.

<sup>74</sup> Lane would apply this thinking to European expansion overseas in "Oceanic Expansion" (above, n. 42).

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region Robert Lopez, a more outspoken economic historian, asserted that a legal instrument of trade, the *collegantia*, was a historical "milestone comparable in importance to the Magna Charta or the Concordat of Worms." Direct descent linked modern bills of exchange to medieval contracts, our accounting practices to medieval innovations, and our corporations to medieval partnerships. Lopez would argue that the economic life of the Middle Ages held more direct connections to modern times than the feudal system or the Holy Roman Empire.<sup>75</sup>

Lane tended to avoid competing claims of this nature. Because he kept current on the work of other medieval economic historians, Lane wrestled with the issue of European exceptionalism, and he was self-conscious about his historiographical stance. For example, he changed his mind on the timing of Europe's commercial revolution, placing it first in the sixteenth century, later identifying it as three centuries earlier.<sup>76</sup> In a sense he inoculated himself against viewing Venice as a perennial exception to a common European experience through engaging in this debate on Europe's exceptional history. Venice was important to Lane insofar as its early records afforded a window onto how a people took up the challenge of the lawless high seas and fared over the course of the commercial revolution. Lane acknowledged that Venice was not unique—that the Genoese succeeded early as well, sometimes better than the Venetians, depending on time and place. In the final analysis Lane was most intrigued by the advantages gained through continuity that allowed a community to base later solutions on the precedent of earlier ones. Later in his career he would apply this sort of analysis to Portuguese oceanic commerce in the age of Prince Henry the Navigator. He was particularly intrigued by those moments when "differentiation of enterprises" had yet to occur or, better yet, when documentation permitted a glimpse of the process of differentiation as it was occurring.<sup>77</sup>

In regard to medieval Venice Lane pointed out more than once that where governments served the interest of a cohesive circle, it was possible for men to pass with relative ease from private enterprise to public agency because the same persons dominated decision making and guided policy in both instances.<sup>78</sup> If it was advantageous, such men might also turn around and move in the opposite direction, from public agency to private enterprise, with little or no dislocation of their interests, an enviable position in which to be. Now it follows that under these circumstances modern-day distinctions between public and private would be blurred—in such a way in medieval Venice that those in power gained distinct

<sup>75</sup> In Robert S. Lopez and Irving W. Raymond, *Medieval Trade in the Mediterranean World* (New York, 1955), at p. 3.

<sup>76</sup> "For Lane, the 'Commercial Revolution' resulted from the changes that occurred in the course of the XVI century": Hermann Kellenbenz, "Frederic C. Lane," *Journal of European Economic History* 17 (1988), 162. Kellenbenz cites as a case in point Lane's "Venetian Shipping during the Commercial Revolution." In *Venice: A Maritime Republic*, pp. 137, 166, and 174, Lane refers to a commercial revolution in about 1300.

<sup>77</sup> "Oceanic Expansion," in *Venice and History*, pp. 406–8. In addition to works cited above see the obituary of Lane by Richard A. Goldthwaite in the *Journal of Economic History* 46 (1986), 236–38, and Reinhold C. Mueller, "Frederic C. Lane, 1900–1984: Un profilo con bibliografia aggiornata," *Ateneo veneto* 171, n.s., 22 (1984–86), 269–75.

<sup>78</sup> "Merchant Galleys," in *Venice and History*, p. 216.



advantages, insuring their profits and perpetuating their control by both state agency and private enterprise, sometimes alternately. S. R. Epstein argues that tribute achieved through state monopoly of force or violence "is generally consumed unproductively." This may be true generally, but Lane had found an unusual variant on the theme: monopoly of force or violence is a somewhat different phenomenon when a state readily gives up its monopoly powers by returning to private hands state-run endeavors. Modern distinctions between public and private emerge when states maintain monopolistic controls as vested interests.

Lane devoted much attention to how elites obtain their goals, and he interpreted this quest as an exploration of rational economic behavior. In "Meanings of Capitalism," published in 1969, Lane noted that "rational" is most often interpreted as maximization of output with the least possible cost, but he goes on to say that "it is just as rational to maintain a desired level of income while minimizing input of effort."<sup>79</sup> From his empirical research he had determined that the merchant elite in medieval Venice had traveled this alternate route often, judged by their fluid transitions from public to private and the minimizing of effort that accompanied those transits: "If to all these considerations is added the general principle that governments do not readily give up functions they have taken over, it will seem surprising indeed that communal operation [of galleys] was ever abandoned. But there was in Venice no separation between a class of business executives and a class of government bureaucrats. The same individuals operated the fleets whether they did so separately ('per divisum') or by common action ('per comune'). . . . On this principle they decided that year in favor of communal operation. Later, communal operation was abandoned, partly in order to increase private profits and partly because of administrative difficulties."<sup>80</sup> In this instance Venetian particularity challenged theoretical definitions of rational economic behavior. Lane admired this feature of Venetian economic life, but he remained wary of an elite so clear-sighted in furthering its own self-interest.

My second example draws from the other side of Lane's interests. Lane's *Arsenale* intrigues his readers, perhaps more than his doge's palace in St. Mark's Square, where achieving success often appears to be so chillingly efficient. Lane's Tana, or rope factory, serves as an example of how a researcher comes to understand the mechanics of a trade. To pose Clifford Geertz's question about social scientists' authority with readers: why do we trust Lane's expertise when we are unacquainted with his sources and have little, if any, knowledge of medieval rope production?<sup>81</sup> The answer appears to be that Lane of the rope factory is convincing because he measures records against the practical demands of production: he considers the actual length of the rope walk, paced out no doubt. He provides continuous coverage of, not one, but five centuries of production, with full attention to long-term change. He tells us how the exorbitant prices of private monopolists prompted the government to regulate trade in hemp by the fifteenth century. His long-term interpretation hangs together—it does not unravel into inconclusiveness—so we tend to believe Lane when he tells us that to use a spindle that bore

<sup>79</sup> See Lane, *Profits from Power*, p. 70.

<sup>80</sup> "Merchant Galleys," p. 216.

<sup>81</sup> Clifford Geertz, *Works and Lives: The Anthropologist as Author* (Stanford, Calif., 1988).



another's mark was punished harshly by whipping and banishment from the craft for ten years. Lane was a master at using cordage as his metaphor for joining policy making to private entrepreneurship and the technical demands of rope production.

Lane was also judgmental: "[By 1591] state interference appears to have been beneficent in reviving the [cordage] industry, but when [later] corrupted by the fiscal exigencies of the government such interference became a nuisance and an oppression. The constructive work of educating the farmers proved more lasting, however, than the disruption resulting from the abuse of the marketing machinery." This passage contains harsh words: "corrupted," "interference," "nuisance," "oppression," "disruption," "abuse." Lane could be hard on a Venetian elite when it failed to use its wealth and power productively to build and sustain lasting institutions. Lane saw the Tana as a hybrid of industrial organization, a mixture of craft tradition and state supervision. He compared it to a "vertical trust" in an industrial economy because it eliminated rehandling and reselling.<sup>82</sup>

"Diet and Wages of Venetian Seamen in the Early Fourteenth Century" is an even more spirited, if brief, foray into the conditions of material life.<sup>83</sup> It pioneered medieval cost-of-living studies, since taken up by his colleagues in the Venetian archives. Initially it was a by-product of his work on the organization of merchant galleys and the fleets that visited the Levant. Lane totaled up provisioning of the fleet from the accounts of Marino Sanudo the elder (called Torsello), not only in regard to variety of provisions, but since he understood requirements for manning the oars, by deducing a trustworthy figure for caloric intake (about four thousand a day) for a complement of oarsmen. He figured the balance of nutrients to calories, which meant contextualizing his data by reference to the literature on nutrition. This analysis allowed Lane to demolish some myths about the assumed inadequacy of premodern diets. He garnered a bit of respect for medieval understandings of nutritional requirements, and he challenged assumptions about the treatment of "galley slaves," who, of course, were not slaves at all but earned wages in the early fourteenth century. Lane seemed to enjoy writing a historical note like "Diet and Wages" that kept him worrying away at the ratio of beans to cheese to salt pork. In general he steered clear of the history of Venetian private life, as a needlessly congratulatory literature about the famous local capacity of Venetians to invent and consume luxuries. Seamen's diets allowed him to take a glancing blow at those lacking nuanced understanding of "rational" self-interest as well. He posed a compelling example of fourteenth-century rational self-interest on the part of the governing elite, who arranged provisioning, against the easy, and over-theorized, assumption that squeezing laborers to the edge of starvation was the be-all and end-all of rational self-interest for an elite in power.

"Diet and Wages" capped a three-decade engagement with shipping, medieval and modern. From 1941 Lane's "National Wealth and Protection Costs" reveals how deeply his concern over the United States' decision to enter World War II

<sup>82</sup> "The Rope Factory," in *Venice and History*, p. 284. Vertical trust is discussed on p. 281.

<sup>83</sup> "Salaires et régime alimentaire des marins au début du XIV<sup>e</sup> siècle: Vie matérielle et comportements biologiques," *Annales: Economies, sociétés, civilisations* 18 (1963), 133-38, translated in *Venice and History*, pp. 263-68.



influenced his history.<sup>84</sup> With his friend and colleague Blanche Coll to handle shipyard labor records, Lane contracted with the federal government to write a history of merchant shipbuilding in World War II.<sup>85</sup> Medieval ships informed his study of contemporary shipbuilding, which in turn rebounded back on his research on medieval Venice. After World War II and his years administering foundation funds in Paris during the Cold War, Lane returned to the archives to write about maritime law, on biremes to triremes, and on the private and communal operation of merchant galleys.<sup>86</sup> His career represents a long engagement with the historical consequence of war, particularly maritime war, and the impact of violence and protection costs on economic development.

Engaging with the conditions of material life could not help but recommend him to his contemporary researcher at the Frari Fernand Braudel.<sup>87</sup> Of a venture into measurement, Lane's "Tonnages, Medieval and Modern," Braudel opined it was cunning "because great cunning is necessary when one is at grips with metrology."<sup>88</sup> Braudel relied on Lane's archival diligence and cited his studies, but he believed Lane should have tackled the "immense subjects [of history] for which his sympathy was evident." No doubt the long conversations between these two frequenters of the archives formed the basis of Braudel's assertion. A critical note was sounded when Braudel said of Lane that he proceeds "by establish[ing] a route of which [he is] sure, then advances as far as possible to discover the underlying reasons for traffic, rhythm, exchange, and the social and institutional relations involved in the life of the businessman."<sup>89</sup> Lane contextualized but proceeded to reason in very careful linear fashion, which Braudel found wanting.

The well-read Lane, who kept up with the work of most, if not all, contemporary economic historians, could give as well as he got with Braudel, in terms of both compliments and pointed rejoinders. In a festschrift for Braudel he noted generously, in 1973, that the spice trade was "brilliantly pictured" in *The Mediterranean in the Age of Philip II*.<sup>90</sup> But much earlier in his own career Lane had documented a Red Sea spice trade with Venice that revived at the end of the sixteenth century. Lane also asserted that Portugal never made of its Atlantic trade in spices what it could in these years, leaving Venice free to continue its lucrative role as importer to Europe. Lane's remarks were direct challenges to Braudel's thesis on late-sixteenth-century Mediterranean decline, presented in 1949,

<sup>84</sup> Above, n. 42.

<sup>85</sup> *Ships for Victory* (above, p. 96). On Lane's collaboration with Coll, see *The Johns Hopkins University Graduate History Newsletter* 12 (December, 1995), 21–22, for Coll's "The Woman Question at Hopkins, 1936–1948." I am grateful to Coll for private correspondence, September 13, 2000, explaining her role in the project before she became a researcher and writer for the Department of Health and Human Services (formerly the Department of Health, Education, and Welfare).

<sup>86</sup> There is not space here to relate the splitting in two of the *Schenectady* and the use Lane made of it in his study of the past, which is a shame. See Lane, *Ships for Victory*, pp. 544–47 and plates facing p. 523. For the collected essays on shipping, see *Venice and History*, pp. 143–268.

<sup>87</sup> The name applied to the Archivio de Stato, Venice, because of its current home in a former Franciscan convent.

<sup>88</sup> Braudel, "Foreword" to *Venice and History*, p. vii.

<sup>89</sup> *Ibid.*, p. xi.

<sup>90</sup> First published in French as *La Méditerranée et le monde méditerranéen à l'époque de Philippe II* (Paris, 1949).

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pp. 87–9



whereas Lane had published his findings in 1940. The makings of a serious debate about empirical evidence lay here.

I have no idea how Braudel responded to Lane's blunt comment, first made in 1969, that Frenchmen of the current generation wrote "motionless" history, but Lane did not intend it as a compliment. In 1979, when he reprinted his contribution to the 1973 festschrift honoring Braudel, Lane explained why he did not include this detailed, technical analysis of the nature of Venice's public finance in his general book, *Venice: A Maritime Republic*. He wrote that "such analysis would not have been appropriate in a historical narrative: in that time-honored form of composition, the effort to avoid doctrinal clichés, jargon, and words requiring explanatory definitions prevented clarification of basic assumptions and conceptual distinctions." Lane of the careful definition was at odds with the *Annales* on expository writing as well as method.<sup>91</sup>

Lane was more accepting of the theoretical stances of other historians and economists. He took Sir John Hicks's phased economic development seriously because Hicks took organized violence seriously; he responded in print to both Richard Rapp and Edward Ames.<sup>92</sup> Douglass North and Robert Paul Thomas received prompt attention when the *Rise of the Western World* appeared, although Lane may not have anticipated the future award of a Nobel Prize in economics to North.<sup>93</sup> Lane grappled most seriously of all with Immanuel Wallerstein's *Modern World-System*, recognizing that "Wallerstein offers one possible bridge between the Europocentric stage theories and the needed systematic analysis of both enduring and transitory elements in globe-circling contrasts."<sup>94</sup> Lane never gave up attempts to reconcile empirical history with general theories. Debate with social scientists of different stripes continued throughout his career; of course it was often demanded of him as his honors and offices increased.

Above all Lane remained loyal to the concerns of economic historians of his own generation, men who, as he said, eschewed theory for the most part because it was too sweeping.<sup>95</sup> He represents as well his generation's efforts to make medieval records yield more than just qualitative data that describe economic developments. He led the charge to acquire trustworthy quantitative information that gives some indication of the scale of the medieval economy. This was parlous sport, and only a most established and trusted researcher could aspire to it, because only the most unimpeachable interpreter would be accepted as reliable. For that reason "The Funded Debt of the Venetian Republic, 1262-1482," published in 1963, remains for me Lane's most significant achievement.<sup>96</sup> In that paper Lane explained the Venetian reliance on long-term government obligations known as forced loans or *imprestati*. These government bonds (although no actual bond was

<sup>91</sup> Lane, *Profits from Power*, p. 3.

<sup>92</sup> Among other works, Hicks, *A Theory of Economic History* (above, n. 63).

<sup>93</sup> North and Thomas, *Rise of the Western World* (above, n. 6).

<sup>94</sup> *Profits from Power*, p. 11.

<sup>95</sup> "The Social Sciences and the Humanities," in *Venice and History*, p. 440.

<sup>96</sup> First published as "Sull'ammontare del 'Monte Vecchio' di Venezia," in Gino Luzzatto, *Il debito pubblico della Repubblica di Venezia* (Milan, 1963) pp. 275-92, translated in *Venice and History*, pp. 87-98.



issued) were Lane's key for computing the size of the accumulated debt from 1255 until 1482 (actually he provided estimates up to 1521). For some of these years accounts from the Bond Office provided a total for the debt; for others Lane relied on three separate strategies for arriving at the size of the yearly funded debt. The three methods, each explained, could be tested against known figures from the Bond Office, for documented 1279 or 1386, for example. Lane had located a reliable comparison to use as a check for his long-term estimates of the size of the economy. His resulting study fills a scant twelve printed pages, most of the text in notes, but this brief paper served as the foundation for the assured voice that speaks in *Venice: A Maritime Republic*, in his article "Public Debt and Private Wealth," in arguments about the costs of protection, and in his final project, *Money and Banking in Medieval and Renaissance Venice*.<sup>97</sup> For any given year within this range conclusions could be measured against the size of the long-term funded debt of medieval Venice. Lane completed this work in collaboration with his good friend Gino Luzzatto. Thereafter he spoke with confidence when he discussed the size of a banking venture, or compared expenditures and profits from the sailing of the fleet, or estimated the impact from proceeds of a new tax. In his mind's eye he measured each against the size of the funded debt year by year.

Lane's fellow historians had begun to demand reliable quantitative measures as well. As early as 1926 Armando Sapori figured a capitalization for the Bardi and Peruzzi bank; later Raymond de Roover would do the same for the Medici bank based on the *libri segreti*.<sup>98</sup> In 1978 David Herlihy and Christiane Klapisch-Zuber would place the records of the Florentine Catasto of 1427 on computer for the purposes of statistical analysis; Anthony Molho and Julius Kirshner examined the Monte delle doti of Florence for a measures of Florentine wealth.<sup>99</sup> Lane was a pioneer in finding reliable quantitative measures, without computers or devices other than paper, pencil, and, I presume, a calculator.

In turn, reliable quantitative measures demand accurate knowledge of ghost moneys: the infamously complex moneys of account in use in medieval Venice. The *lira a grossi*, employed by the Senate for levying forced loans, would be used as well by the Loan Office in collecting repayment, Lane presumed. He followed Gino Luzzatto's logic that the accounting lira employed in levying individual forced loans must be the same lira as that in which assessments were later expressed. But the nimble minds of fourteenth-century bureaucrats had no need for such uniformity of practice. Apparently they employed the money of account most comprehensible to their various constituencies with little inconvenience in their own accounting practices. It is only the modern researcher who must wrestle with the ensuing problems of conversion.

<sup>97</sup> Above, p. 88.

<sup>98</sup> Armando Sapori, *La crisi delle compagnie mercantili dei Bardi e dei Peruzzi* (Florence, 1926); Raymond de Roover, *The Rise and Decline of the Medici Bank, 1397-1494* (Cambridge, Mass., 1963).

<sup>99</sup> David Herlihy and Christiane Klapisch-Zuber, *Les Toscans et leurs familles: Une étude du "catasto" florentin de 1427* (Paris, 1978); Julius Kirshner, "Pursuing Honor while Avoiding Sin: The Monte delle doti of Florence," *Studi senesi* 89, 3rd ser., 26/2 (1977), 177-258; and Anthony Molho, *Marriage Alliances in Late Medieval Florence* (Cambridge, Mass., 1994).

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In 1404 the Senate's deliberations were carried out in percentages of undefined and unequal units (*lira a grossi* per one hundred *lire d'estimo*), presumably to facilitate debate. The Senate's directives to the Loan Office would then need to be converted into a money of account that the public could comprehend. As a result Lane's estimates of the funded debt require adjusting, and they may be found corrected, with the difficulty explained, in Reinhold Mueller's *Venetian Money Market*.<sup>100</sup> The problem warrants mention here only because it highlights how difficult it has been for economic historians to obtain accurate quantitative data, given early merchants' propensity to juggle in their heads the scales of their numerous ghost monies. It helps to explain why Lane, who avoided most mistakes with moneys of account, was committed to carrying out empirical studies with care before considering greater historical questions and formulating grand theory.

This point brings me to the question of Lane's strict adherence to the self-imposed task of writing empirical history. As Braudel contended, Lane often refused to offer general conclusions about the "immense" questions of history despite a deep interest in them. On the basis of what he knew of the archives, he believed we were not yet ready for many of the great questions because we lack the documented and carefully interpreted history on which to formulate theory, and that difficulty is compounded many times over as we travel back in time. Imposing any theory based on a highly evolved modern economy back onto early centuries was too ahistorical to win Lane's approval.

Lane's last project was a vast one, of which he lived to see the first volume, *Money and Banking in Medieval and Renaissance Venice, 1: Coins and Moneys of Account*, coauthored with Reinhold Mueller. This massive undertaking was a foundational study, comparable to figuring the funded debt of Venice, and much larger in scope. *Money and Banking* required knowledge of public and private fortunes as well as the monetary and fiscal policies of Venice as a financial center. Perhaps the "immense" historical issues could begin to be addressed once this work on exchange rates, coins, and moneys of account, that is, the foundational work, was complete, which it was at Lane's death in 1984.

The sequel, *The Venetian Money Market: Banks, Panics, and the Public Debt, 1200-1500*, appeared in 1997, authored by Mueller. I asked Professor Mueller if Lane had been aware what the second volume's conclusions would be. Did Lane know the extent to which Venice was Europe's "city of finance" in five areas: with a system of local deposit and *giro* or transfer banks; as a center for maritime insurance; as a money market for short-term loans; as a financial market for "forced" loans or long-term government bonds that were negotiable; and as Europe's premier bullion market? Had Lane understood that values from all five sectors of this integrated financial market were quoted daily at the Rialto, rendering Venice a hub for European finance? Mueller answered mildly, "Oh yes."<sup>101</sup>

<sup>100</sup> Reinhold C. Mueller, *The Venetian Money Market: Banks, Panics, and the Public Debt, 1200-1500* (Baltimore, 1997), appendix D, pp. 610-25. See also Gino Luzzatto, *Studi di storia economica veneziana* (Padua, 1954).

<sup>101</sup> Mueller, "Foreign Investment in Venetian Government Bonds and the Case of Paolo Guinigi, Lord of Lucca, Early 15th Century," in *Cities of Finance*, ed. Herman Diederiks and David Reeder, Koninklijke Nederlandse Akademie van Wetenschappen, *Verhandelingen*, n.s., 165 (Amsterdam, 1996), p. 69, for the "city of finance" paraphrase.



It strikes me that knowing this placed Lane in a position to finally begin addressing the "immense" questions of history. He had learned the lesson well that it was necessary to document and write empirical history first. For Lane, to generalize, or theorize, without telling the story of Venetian finance would have been tantamount to omitting New York from the equation when theorizing about today's global financial markets. So I picture Frederic Lane of an evening sitting on the Zattere outside the Pensione Seguso, with John Ruskin's view of Il Redentore before him, the shipping that still plied the waters of the Giudecca Canal for his diversion, and close enough to the vast Venetian salt warehouses to almost touch them. The story was in his mind that could begin to answer the vast questions, but he was convinced that empirical history should be constructed first. Immense issues could wait.

#### CONCLUSION

The preceding discussion highlights two distinct faces of Frederic C. Lane, the theorist and the empiricist. As an economic thinker of remarkable range and perspicacity, Lane's theories of protection rents and interconnected global economies, while open to contest, as Epstein has shown, continue to influence our understanding of European economic growth since the Middle Ages. On the other hand, in Stuard's analysis, Lane was at his best mining the Venetian archives painstakingly to reconstruct aspects of material life in the maritime republic, from rope making to ghost monies, information that he then used as a basis for his larger speculations about the growth of European capitalism and the commercial practices and political institutions undergirding it. The roots of Lane's divergent interests in both the specificity of archival data and the willingness to pose the big questions about past, and, by implication, present, economies surface from his intellectual *iter* in the United States and Europe, ably presented by Kohl.

Lane himself was aware of the creative tension in his work and paid tribute to it in his methodological essay "Theoretical and Historical Interests," first published in 1953 and most likely written while he was still working at the Rockefeller Foundation in Paris. In his usual circumspect way, he did not write about the development of his own orientation to economic history directly but indirectly, by considering an abstract "theoretical interest and a historical interest."<sup>102</sup> He couched them, not as two irreconcilable and divergent approaches, but as equally important, related aspects of the same historical enterprise, which he felt to be particularly relevant in the subdiscipline of economic history, for it "depends, as its very name suggests, on the *interaction* [italics mine] of the two interests."<sup>103</sup> Making history and theory interact thus distinguished the economic historian from the economist; and quoting John Clapham, Lane argued that the historian finds that "the tangled variety of human life is attractive in itself, . . . even when his information is such that he can never hope to pick out with assurance the forces

<sup>102</sup> The essay formed the concluding chapter of Lane's *Enterprise and Secular Change* (above, n. 17), pp. 522–34, reprinted in *Venice and History*, pp. 449–61, quotation at p. 449.

<sup>103</sup> *Ibid.*

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and paid tribute to "interests," first published at the Rockefeller Institute to write about the subject but indirectly, of great interest."<sup>102</sup> He writes, but as equally which he felt to be for it "depends, as the two interests."<sup>103</sup> As an economic historian from the historian finds ... even when his assurance the forces

at work, or measure exactly the changes brought about by the aggregate of them."<sup>104</sup> Here speaks the theorist chastened by the complex and seemingly inextricable web of data on manufacture, money, and banking that he drew from Venetian archives. But the data in themselves lack significance until synthesized and used to venture generalizations, an act, Lane averred, that "leads to the feeling that intellectual progress consists in perfecting generalizations, that every body of knowledge advances by being formulated more and more in general terms."<sup>105</sup> Note that Lane said *intellectual*, not *economic*, progress, and *progress*, not *explication*, for he was too much a student of Carl Becker to ignore how one generation's truths often become subsequent whipping boys in the light of new data and more refined theories.

In exploring the beginnings of modern capitalism and rational self-interest in the medieval past, Lane was more properly searching for early potentialities and evidence of contingencies, not roots in a developmental sense. In fact, he maintained a nondevelopmental stance in regard to economic history, envisioning a past ripe with potential and uncertainty and lacking predictability. Even though his grand survey "Occidental Civilization," as he titled his innovative European history course at Johns Hopkins, encompassed economic rises and declines, he saw nothing inevitable about them. His skepticism of developmental models may also explain why Lane gave scant attention to Marxist explanations for preindustrial European economies, since he questioned development as a frame for understanding economic history and found economic models inadequate explanatory tools for history, precisely because they cannot take contingency into account. Still for Lane, theories, perhaps as distinct from models, had great value as useful organizers of data, for how we think about them, and for opening possibilities for comparisons across space and time, of the sort that led him very early to appreciate the nearly global reach of the Venetian economy.

Lane's nondeterminist stance and his belief in contingency as a powerful force in history opened the way to new and creative interpretations of the past such as in his theory of protection rents, which Epstein perceptively calls "state violence." That label may slide over one of the more perceptive aspects of Lane's approach to war and government-sanctioned use of force, namely, the theoretical insight that led him to distinguish between offensive and defensive protection costs. Many historians of his era regarded war and privateering as part of a mercantilist zero-sum game and failed to make Lane's distinction about how offensive protection costs raised defensive costs to other states, as the French did to the Dutch in the West Indies, ultimately driving the Dutch out of the carrying trade. Lane concluded that such offensive state violence could create capitalistic value, a subject Wallerstein would examine in terms of the global implications of European expansionism. In Lane's case, however, I cannot help but speculate whether his contemporary observations of Hitler's destructive campaigns and the high protection costs of both the offensive and the defensive kind that the Führer incurred might have stimulated his historian's curiosity about the subject in a late-medieval/early-

<sup>102</sup> Ibid.

<sup>103</sup> Ibid., p. 450.



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<sup>104</sup> Ibid.

<sup>105</sup> Ibid., p. 450.



modern context. Stuard observed that the issue of protection rents was particularly visible in the late-medieval and early-modern world because government and private interests were still blurred and malleable, long before the advent of national states with their ability to coerce and exploit on a grand scale, such as in the exemplary case of King Leopold's Congo in the nineteenth century. For all his clear-eyed, intellectual interest in organized conflict as an aspect of human economic behavior, and true to his studies of the Venetian commercial empire, Lane felt that ultimately trade and exchange had greater potential to generate economic value than war.

Although usually remembered as a distinguished medievalist in historical circles, Lane cultivated a broad range of interests and audiences beyond the academy as a scholar engaged actively in contemporary political and intellectual issues. In a fascinating forthcoming study of Lane's work for the Rockefeller Foundation in Paris, Giuliana Gemelli illuminates another side, distinct, yet intimately linked to his work as an economic historian of late-medieval and early-modern Europe.<sup>106</sup> Lane the historian conceived his task as the study of human relationships in the material world of the past, and at the foundation he sought to foster intellectual relationships among his contemporary academics and other culturally informed leaders. As a cultural diplomat with an international and interdisciplinary agenda, he moved effortlessly from the premodern economy of late-medieval Venice into his contemporary twentieth century, where his friendship with Italian industrialist Adriano Olivetti must have suggested to him a modern version of his beloved Renaissance entrepreneur Andrea Barbarigo.

Lane promoted communications among American and European intellectuals, so that together, out of the disillusionment of war-torn Europe, they might develop a renewed commitment to ideals that reached beyond ideologies and politics. But his optimism about the future was tempered, as revealed in the suggestive passage in a letter to his friend and fellow economic historian Gino Luzzatto expressing serious concern that the American postwar presence in Europe might follow the earlier European path of capitalistic entrepreneurship and lead to undue American exploitation and overweening world influence,<sup>107</sup> a lament being voiced even more loudly today, a half century later. The Marshall Plan, which began rebuilding Europe, must have seemed consonant with Lane's intellectual orientation toward enlightened republicanism and capitalist initiatives, and we might wonder the extent to which his service for Rockefeller provided a practical foundation for the maturation of his later historical views on the same subjects in the premodern world. Like the Rockefeller Foundation president Raymond Fosdick, Lane had a vision of how the social sciences could best serve humanity if imbued with humanistic values. Lane's active networking among European and American intellectuals placed him in a position to advocate for the common underpinnings of all the social sciences precisely in a period in which those disciplines, especially economics, seemed to be distancing themselves from the humanities. The medievalist in Lane struggled to span the widening gap between himself and those who

<sup>106</sup> See the unnumbered note at the beginning of this essay.

<sup>107</sup> Cited in Gemelli's forthcoming "Leadership and Mind."

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considered the social sciences to be "hard" science that embraced quantitative and statistical methods, a view that threatened to sideline the ethical questions traditionally posed by the humanities. As Lane emphasized in the conclusion to his essay "Economic Consequences of Organized Violence," "[H]ow men have dealt with each other in the process of production is more important than how they dealt with soil, plants, or tools. 'Knowing what men were like' means, above all, knowing how they behaved toward other men. How much they produced was one factor in determining how they behaved, but only one. The economic interpretation of history is a mistake, I think, because it declares that economics is the all-important cause. Concentration on economic growth would be a mistake if it were to imply that the quantity of material goods is the all-important result. . . . In ultimate interest, the way men have dealt with each other in producing material goods is more important than the goods themselves."<sup>108</sup>

Lane's admonition leads to a final, brief consideration, namely, his perspective on economics and economic history as social systems, social systems in the ancient and medieval tradition of Aristotle, who made a clear distinction between *oikonomia*, household management, which was natural and good, and *chrematistika*, unrestrained, and hence unnatural, profit making and excess. A key difference between *oikonomia* and *chrematistika* lay in the underlying purpose of household management to promote the common good of society and its collective members, a dimension lacking in self-interested *chrematistika*. Although Lane was an early explorer of rational self-interest and state-supported entrepreneurial activity in European history, ironically, or perhaps consequently, his view of history, like Aristotle's *oikonomia*, became increasingly informed by concern for the commonweal. Perhaps he owed his greatest debt to the culture of the Middle Ages itself for the integrated vision that led him to write economic history that remained sensitive to the moral dimensions resident even in the material side of life.

As an intercontinental historical entrepreneur, dedicated to invigorating conversation, rigorous investigation, and, most of all, the pursuit of expanding historical understandings, Lane was definitely a visionary, both of and before his time. Although best remembered for his publications on Venice and late-medieval/early-modern economic history, Lane's broad intellectual horizons, engagement with the contemporary world, and commitment to make both the empirical and the theoretical aspects of his discipline interact fruitfully distinguish him as one of the most provocative medievalists America and Europe produced in the twentieth century.

<sup>108</sup> *Venice and History*, p. 428.

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