The Historians

Frederic C. Lane

Hermann Kellenbenz
University of Erlangen - Nuremberg

1. Frederic Chapin Lane died on 14 October 1984 at the age of 83 in hospital at Worcester near Westminster (US), where his daughter and one of his two sons live. He had retired to this north-eastern corner of the United States close to Harvard University where he had received his doctorate after 34 years as a member of the History Department at Johns Hopkins University in Baltimore. His family was from Massachusetts, and it was there that he spent his last years, although he continued to pay a weekly visit to Harvard and the Widener Library to pursue his research. The field to which he had dedicated his professional life was European economic history in the late Middle Ages and the Renaissance period, and his central subject was Venice. It is fitting therefore that this journal should pay tribute to him and seek to evaluate Lane's outstanding contributions in the field of European economic history.[1]

Lane was born at Lansing in the American Mid-West in 1900. His father, Alfred Church Lane, was a federal geologist in the relatively small state capital of Michigan, but his subsequent career as Professor of Geology at Tufts College in Boston meant that the young Frederic Lane grew up in the city where his father had been born and where his mother, Susanne Lauriat, also had strong roots since she was from a well known Boston family of booksellers of French ancestry. After graduating from Cornell University at Ithaca in New York State in 1921, Lane obtained his Master at Tufts College and then in 1923 and 1924 studied at the Universities of Bordeaux and Vienna. At Bor-

[1] Cf the obituaries by Richard R. Goldthwaite in *Journal of Economic History* 1986, No 1, and by Reinhold C. Mueller, Frederic C. Lane, 1900-1984. Un profilo con bibliografia aggiornata, in: *Ateneo Veneto*, anno CLXXI (XXII, N.S.), vol. 22, 1984 (1986), pp. 269-275. For a bibliography of Lane's work, see: F.C. Lane, Venice and History (cf. note 28), pp. 543-549. For other references and documents I wish to express my thanks to the Department of History at Johns Hopkins University (Baltimore), and to Professors Richard R. Goldthwaite and Reinhold C. Mueller.

deaux he worked on the effects of Colbert's policies on the city's trade, drawing on sources in the Departmental Archive of the Gironde and in the Bordeaux City Archive, and the resulting essay was published in the 1924 issue of the *Revue Historique de Bordeaux*.[2] At Vienna he studied with Alphons Dopsch, and developed an interest in Karl Menger's theory of marginal utility and the rival theories put forward by the proponents of the German National Economists.[3]

Lane's interests were already beginning to follow other paths, however, and he began to turn his attention seriously to Venice. Although he felt himself to be an "inlander", his boyhood in Boston had aroused a fascination for the sea. This had been further stimulated at Cornell where George Lincoln Burr and Abbot Payson Usher had been amongst his tutors. Burr always held that no historical understanding could be achieved without a deep knowledge of place as well as time. His favourite dictum was: "History has two eyes, chronology and geography". Usher, who later taught at Harvard, was a specialist in the history of technology and of the culture of the medieval Mediterranean world. His history of the French grain trade was published just before the First World War in 1913, while his later books on the history of mechanical inventions (1929) and on the first public bank in Europe, which appeared in the same year, together with his studies on Spain, reflected the growing interest shown by a number of American scholars at that time in the history of the Mediterranean world in the medieval period. Amongst these were Earl J. Hamilton, Florence Edler, Raymond de Roover, Robert S. Lopez and O. Herlihy.

This was the direction that Lane himself followed, and after a short stint in 1926 as an instructor at the University of Minnesota he was elected to the Kirkland Fellowship at Harvard University in 1927. In the autumn of the same year he began his archival research in Venice, accompanied by his future wife, Harriet Witney Mirick. He chose the important subject of ship-building for his research, despite the great technical difficulties that this posed. This was to take him not only into totally unexplored territory, but which was beset by all manner of problems quite apart from that of a new language. The sources were difficult to locate and consult, particularly those that had survived in the Frati monastery, and the work was long and demanded great patience.

Some earlier studies of Venetian history had already been attempted. In 1887, Henry L. Simonsfeld had published a two volume study on the *Fondaco dei Tedeschi*, and another multi-volume history of Venice had been written

[2] F.C. Lane, Colbert et le commerce de Bordeaux, in: *Revue Historique de Bordeaux*, XVII, 1924, pp. 169-190.

[3] Cf. especially F.C. Lane, Some Heirs of Gustav von Schmoller, in: *Architects and Craftsmen in History*, Festschrift für Abbot Payson Usher, Tübingen 1956, pp. 7-39.

by Heinrich Kretschmayr. In Italy, first Roberto Cessi and then Gino Luzzato had published studies on different aspects of the city's economic history, but no-one previously had attempted to study Venetian ship-building.

Lane set about reconstructing even the most technical aspects of the means and methods by which those galleys that so fully embodied the spirit of the city were built. He placed particular importance on the previously neglected round-ships and described the careers of a sequence of leading ship-builders from Demetrio Nadal to Bressan and Vettor Fausto, at the same time reconstructing the life and work of the craftsmen they employed. He explored where the ships were built, and the different practices employed in the private yards where the merchantmen were built and in the Arsenal complex where the great warships were constructed. The latter had been growing continuously from the XIIth century onwards and Lane carefully analysed the ways in which the management of the Arsenal and its yards developed, as well as the organization of the *Arsenalotti* who were estimated to number about 2,000 in 1560, although in times of war they exceeded 3,000. Lane also gave a detailed description of how the ship-building industry obtained its supplies of timber, which included conifers from the Alps, oak from Friuli, Treviso and Istria, and beechwood from Dalmatia. This was a critical issue, since the shortage of timber in the course of the XVIth century was an important factor in the new supremacy of the Dutch ship-builders, who were able to obtain abundant supplies of timber from the forests of the Baltic.

In 1928 Lane moved to Johns Hopkins University. He received his doctorate from Harvard in 1930, and his thesis was published four years later by Johns Hopkins Press.[4] The study quickly became a standard work, and a French edition was later published in 1965 by the *Ecole Pratique des Hautes Etudes*.[5]

Lane continued to expand his research and interests. In 1944 he published a book on a Venetian merchant named Andrea Barbarigo [6] who had died in 1449. Although he left only a small estate, Barbarigo was a particularly interesting subject since he was the first Venetian merchant of the period whose journal and ledger have survived. Barbarigo provided a relatively late example of a new phase in the development of Venetian trade and was similar in many ways to Giacomo Badoer who has been studied by Umberto Dorini and

[4] F.C. LANE, *Venetian Ships and Shipbuilders of the Renaissance*, Baltimore, The Johns Hopkins Press, 1934, repr. Octagon Books, N.Y., 1967.

[5] F.C. LANE, *Navires et constructeurs à Venise pendant la Renaissance*, Ecole Pratique des Hautes Etudes, VI[e] Section, Centre de Recherches Historiques, Oeuvres Etrangères V, Paris, S.E.V.P.E.N. 1965.

[6] F.C. LANE, *Andrea Barbarigo, Merchant of Venice, 1418-1449*, The Johns Hopkins University Studies in Historical and Political Science, Ser. LXII, No 1, Baltimore, The Johns Hopkins Press, 1944.

Tommaso Bertele.[7] As a young man Barbarigo travelled abroad, and the experience which he gained stood him in good stead when he established himself as a merchant in his native city. He was mainly engaged in trade in such typically Venetian commodities as cotton, wool, spices, copper and cloth which he exported on the merchant fleets that sailed regularly rom the city. He had a team of agents abroad, some of whom were relatives. He also bought and sold bills of exchange, so that the Rialto was as much his business place as his own house. Here he collected not only money but also news which in addition to the letters from his agents provided him with a constant flow of information. His book-keeping also provided a model of the double-entry system that had been developed in Venice.

The painstaking attention to detail that had been one of the great qualities of Lane's study of Venetian ship-building was once again needed to interpret Barbarigo's diaries, which were full of technical terms and complex abbreviations and written in a barely legible XVth century script. By these labours Lane succeeded in reconstructing the portrait and activities of a man who was in many ways a typical example of a XVth century Venetian merchant, and the more recent publication of Barbarigo's commercial correspondence by Salvatore Sassi has in no way lessened the value of Lane's study.[8]

In the meantime, Lane had also published a range of specialist studies and papers that laid the basis for his later general work on Venetian history. In his essay on Venetian shipping during the "Commercial Revolution", Lane did not use this concept to refer to what in Raymond de Roover and Robert S. Lopez termed the definitive change that resulted from the adoption of written accounting techniques. For Lane, the "Commercial Revolution" resulted from the changes that occurred in the course of the XVIth century. Working from his detailed knowledge of Venetian ship-building, Lane showed how the contribution of the round ships — as opposed to galleys — had been under-estimated. The opening of the route around the Cape was only one factor in the demise of the galleys, he argued, since from the mid-XVth century the round ships had out-numbered the galleys and had developed into three-masted vessels capable of carrying artillery. By 1514 they had replaced the galleys to carry spices to Alexandria. Between 1540 and 1570, he claimed, Venetian shipping was once again expanding and by 1560 the fleet of round ships reached its greatest size in the history of the Republic. But this process of expansion was interrupted by the war with the Turks between 1570 and 1577, and also by the growing shortage of oak for ship-building. The transfer of economic hegemony from the Mediterranean to

[7] Umberto Dorini e Tommaso Bertele', *Il libro dei conti di Giacomo Badoer*, Rome 1956.

[8] Salvatore Sassi (ed.), *Lettere di commercio di Andrea Barbarigo, mercante veneziano del 1400*, Naples 1951.

North-West Europe was in part caused by the transfer of technical knowledge, by the shifting axes of the great international trade routes and centres, and by changing political circumstances. But for Lane the over-riding factor lay in the exhaustion of the raw materials needed for ship-building in the Mediterranean region.[9]

In a study published in 1940 Lane examined the revival of the Venetian spice trade in the XVIth century, and showed that in the 1560s the exports of pepper from Alexandria to Venice had almost regained the levels of the period prior to the opening up of the Cape route by the Portuguese. He did this by complementing the sources in the *Museo Civico* in Venice with sources that had not survived in Europe but were preserved in the Folger Shakespeare Library in Washington D.C. which described the journeys of a young Venetian nobleman who travelled from Alexandria to Venice in 1561. These enabled Lane to show that although the revival of the spice trade reached its peak in the years between 1560 and 1566, Venice continued to import spices from Alexandria and Aleppo until after the end of the century when the Dutch gained control of the direct routes to Asia. In his conclusion, his interpretation of the wider trends that were at work becomes clear and he argued that in the context of the wider forces that were bringing out the shift towards North-Western Europe the spice trade was of relatively minor importance: "The spectacular vicissitudes of the spice trade have attracted so much attention that there is a real danger of over-emphasizing their influence".[10]

In 1944 Lane published a study based on the account books and other commercial records kept by the Vendramin, Pisani, Priuli and Da Lezze families in which he examined the *fraterna* or family enterprise that was the typical form of Venetian private entrepreneurship. The *fraterna* was not just a business partnership but extended to the families' private wealth in houses, land, furnishings, and jewellery. Families often invested in joint ventures of limited duration, but the zest for diversification and flexibility was best expressed in the way the family partnerships invested in *maone* or collective partnerships in the lease of a whole fleet of galleys from the state on an annual basis. This was also an example of the supervisory role assumed by the Venetian state in an attempt to maintain the maximum flexibility in the organization of Mediterranean trade. Nonetheless, Lane also agreed that the system of share-holding in public galleys served to retard the development of more permanent trading companies or something resembling modern joint-

[9] F.C. Lane, Venetian Shipping during the Commercial Revolution, in: *American Historical Review* XXXVIII, 1933, pp. 219-239, repr. in: *Venice and History*, pp. 3-24.

[10] F.C. Lane, The Mediterranean Spice Trade, Further Evidence of its Revival in the Sixteenth Century XLV, in: *American Historical Review* XLV, 1940, pp. 581-590, repr. in: *Venice and History*, pp. 25-34.

stock companies — developments that were already taking place, but not in Venice.[11]

In another essay Lane used his wide and detailed knowledge of the Venetian economy and society to demonstrate how moral objections to usurious lending contributed to commercial development, especially in the later period when the Church was most outspoken in its denunciations of usurers. Until the XIIth century interest rates of 20% had been the norm, but although interpreters of canon law were implacably opposed to fixed rates of interest they did make exception for purely commercial transactions given the uncertainties that attended them. Those with capital to invest were encouraged therefore to invest in commercial transactions, which in contrast to simple credit operations were seen to be productive. This in turn encouraged economic development and the establishment of new institutions like the *colleganza*. Although the development of the system of overseas agents displaced the *colleganza* as an international institution, it continued in different form as a contract entered into by individuals at the Rialto.[12]

Venetian bankers in the early XVth century were the subject of another short monograph. In addition to the legal sources that were traditionally used to study the development of banking, Lane once again made use of surviving journals and diaries, in particular the diary of Marino Sanuto. The ten banks to which Sanuto referred were engaged primarily in local activities. These activities were varied, but related essentially to deposit account transactions, and Lane estimated that over 4,000 individuals were depositors. Venice lagged behind other banking centres in developing the use of cheques and in requiring a depositor to appear in person to conduct a transaction, but was progressive in the sense that the introduction of bank money, known as the bank ducat, in the years after 1520 established a system of payment similar to paper money and enabled the Venetian state to meet its current commitments by means of the *Banco del Giro*.[13]

The Venetian Republic's funded debts that were consolidated in the *Monte Vecchio* from 1262 to 1482 when a new series was begun were the sub-

[11] F.C. Lane, Family Partnerships and Joint Ventures in the Venetian Republic, in: *Journal of Economic History* IV, 1944, pp. 178-196, repr. in: *Venice and History*, pp. 36-55.

[12] F.C. Lane, *Investment and Usury*, in: Explorations in Entrepreneurial History II, ser. 2, 1964, pp. 3-15, repr. in: *Venice and History*, pp. 56-68.

[13] F.C. Lane, Venetian Bankers, in: *Journal of Political Economy* XLV, 1937, pp. 187-206, repr. in: *Venice and History*, pp. 69-86.

ject of another detailed and technically demanding study. Individual citizens were obliged to subscribe to the *Monte* on the basis of an *estimo* or assessment of their wealth.[14] In another essay, Lane compared the Florentine and Venetian systems of book-keeping, in which he argued that a comparison of the systems of double-entry book-keeping and the regular determination of profit from balance sheets in about 1320 showed that Venetian techniques were inferior to the Genoese and above all to the Florentine. But Venice was already renowned for its teachers of book-keeping, and it was here that the first manual on double-entry book-keeping was published. Although Venice may have lagged behind Florence, its book-keeping techniques were well suited to the needs of primarily seaborne trade and dealings on commission. Here the long-established families continued to predominate and seaborne trade formed only a part of their investments, which also included land and state annuities. The most common transaction was a single shipment, and this was adequately suited by the accounting methods that Lane described as venture accounting. But the fact that no account book from a short-term business partnership has survived may distort the picture and means that more research is needed on this matter.[15]

In his fine study of the rhythm and rapidity of turnover in Venetian trade, Lane demonstrated that the account books only supplement the information that can be derived from the statements made by the merchants themselves. Examples of this came from a letter written by Andrea Barbarigo to one of his most important agents, and the Senate decrees that were designed to ensure a speedy turnover of the *muda*.[16] The *muda* was the subject of a separate study. Earlier studies had dwelt mainly on the final forms that this system took at the end of its development, and the *muda* was generally taken to mean a fleet of merchant ships that came together for mutual protection with or without an escort of warships. Lane's analysis delved much deeper to show that the term also had a second meaning that referred to the different times at which ships were loaded for the Levantine trade — the first between December and January, the second between June and August. The *muda* lay at the basis of a complex system of regulations, and Lane argued that while

[14] F.C. Lane, The Funded Debt of the Venetian Republic, 1262-1482. It.: Sull' ammontare del Monte Vecchio di Venezia, in: Gino Luzzatto (ed.), *Il debito pubblico della Repubblica di Venezia*, Milano 1963, pp. 275-292, repr. in: *Venice and History*, pp. 87-98.

[15] F.C. Lane, Venture Accounting in Medieval Business Management, in: *Bulletin of the Business Historical Society* XIX, 1945, pp. 164-172, repr. in: *Venice and History*, pp. 99-108.

[16] F.C. Lane, Rhythm and Turnover in Venetian Trade of the Fifteenth Century, it.: Ritmo e rapidità di giro d'affari nel commercio veneziano del quattrocento, in: *Studi in onore di Gino Luzzatto*, Milano 1949, I, pp. 154-273, repr. in: *Venice and History*, pp. 109-127.

these had originated during the difficult circumstances of the war against the Genoese they only became fully effective after 1328. His analysis raises the question as to whether the term *muda* (*muta*, *mudua*) was originally connected with the exchange of goods, and only subsequently came to refer to the ships that were used for this, reflecting a specific sequence that starts with the act of exchange and then involves the time taken to effect the exchange which was in turn determined by the timing of the arrival and departure of the ships. If this is indeed the history of the term, then the restrictions that applied to loading times must have preceeded the organization of convoy sailing, in which case the origins of the regulations on the times of loading should probably be sought in earlier Byzantine or Muslim regulations.[17]

Lane did not abandon his interest in ship-building. Theodoro de Nicolo was one of the very few ship-builders whose plans and drawings have survived. He was one of the construction chiefs in the Arsenal in the mid-XVIth century, and his hand-written and often almost undecipherable notes provided Lane with the material to study the development of the great galleys that had first been introduced in the late XIIIth century and were later fitted out with artillery and finally in about 1549 reached their maximum length (137 1/2 feet). Lane also described an alternative design contained in a treatise by Matteo Bressan, and more particularly the development of the roundships (*navi*) that were built in private yards for trade.[18] Another essay was dedicated to the transition from the bireme to the trireme after 1290,[19] a process that was too complicated to be precisely dated but which according to the information provided by Marino Sanuto became irreversible from this time. The fact that Venice began to lease its galleys all year round to private entrepreneurs after 1329 makes a striking contrast with Genoese practice where private entrepreneurs like the Zaccaria, the Grimaldi and later the Doria placed their galleys at the disposal of the state in time of war. The Venetian system left the Republic less vulnerable to disruption by powerful factions, however, and the system of year-long leases of galleys continued until 1534 so that the *Serenissima* was able to combine ownership of and control over the galley fleets with the benefits of private entrepreneurship. It was this, Lane believed, that gave the Venetian state its strength and stability in contrast to other Italian city states.[20]

[17] F.C. Lane, Fleets and Fairs, in: *Studi in onore di Armando Sapori*, Milano 1957, I, pp. 651-653, repr. in: *Venice and History*, pp. 128-141.

[18] F.C. Lane, Naval Architecture about 1550, in: *The Mariner's Mirror* XX, 1934, pp. 24-49, repr. in: *Venice and History*, pp. 163-188.

[19] F.C. Lane, From Biremes to Triremes, in: *The Mariner's Mirror*, XLIX, 1963, pp. 48-50, repr. in: *Venice and History*, pp. 189-192.

[20] F.C. Lane, Merchant Galleys, 1300-34, Private and Communal Operation, in: *Speculum* XXXVIII, 1963, pp. 179-205, repr. in: *Venice and History*, pp. 193-226.

These and many other studies illustrate how Lane was able to combine a mastery of detail with the exploration of the broader issues raised by the development of the Venetian Republic. An excellent example of this is the essay on the regulations affecting the round ships that were introduced in 1255 by Doge Zeno.[21] The regulations were subsequently up-dated down to 1350 in the light of changing circumstances, and new restrictions on over-loading were imposed as a result of the increase in the number of cotton shipments coming from the Levant.[22] Lane also wrote on seamens' wages and diets in the early XIVth century,[23] and on the state-run rope factory in the XVth and XVIth centuries and the attempts to break Bologna's monopoly by encouraging production at Montagnano.[24]

In his observations on the Venetian constitution, which reached its final form with the *Serrata* or "closing" of the Great Council in 1297, Lane argued that contemporary political thinkers like Thomas Aquinas, Marsilius of Padua, Tolomeo of Lucca, Egidius Colon, Fra Paolino, or Bartolus of Sassoferrato did not directly influence Venetian practice except in so far as they emphasized the importance of controlling factions in order to promote peace. But the realities of Venetian politics were more fully revealed by chroniclers like Andrea Dandolo and by the Republic's official sources.[25]

Lane's concern to explore the wider comparative historical insights that might be drawn from detailed local studies was also well demonstrated in the essay on the economic meaning of the invention of the compass. Before discussing developments in the Mediterranean, Lane prefaced the essay with a detailed summary of the development of the navigational techniques used by the Chinese and then by the Atlantic sailors. He argued that the rapid extension between 1280 and 1290 as the period during which navigation was attempted in the Mediterranean and the first voyages of Mediterranean galleys out into the Bay of Biscay and towards England were evidence of the in-

[21] F.C. LANE, Maritime Law and Administration, 1250-1350, in: *Studi in onore di Amintore Fanfani*, Milano 1962, vol. III, pp. 21-50, repr. in: *Venice and History*, pp. 227-252.

[22] F.C. LANE, Cotton Cargoes and Regulations against Overloading, Translated as: Cargaisons de coton et réglementations mediévales contre la surcharge des navires à Venise, in: *Revue d'histoire économique et sociale* XL, 1962, pp. 21-31, repr. in: *Venice and History*, pp. 253-262.

[23] F.C. LANE, Diet and Wages of Seamen in the Early Fourteenth Century, Translated as: Salaires et régime alimentaire des marins au début du XIV^{e} siècle, vie matérielle et comportements biologiques, in: *Annales (E.S.C.)* 1963, pp. 133-138, repr. in: *Venice and History*, pp. 263-268.

[24] F.C. LANE, The Rope Factory and Hemp Trade in the Fifteenth and Sixteenth Centuries, in: *Journal of Economic and Business History* IV, 1932, pp. 830-847, repr. in: *Venice and History*, pp. 269-284.

[25] F.C. LANE, Medieval Political Ideas and the Venetian Constitution, in: *Venice and History*, pp. 285-308.

vention of the compass which was in general use by 1300 — exactly the same period in which important progress was also being made in the compilation of navigational tables (*tavole di marteloio*).[26] The essay on medieval and modern tonnages used a similar comparative approach and provides future students of late medieval maritime trade with an impressive array of technical data and measurements.[27]

In 1966, colleagues and former students worked to bring about the publication of these essays in a single volume that was appropriately titled *Venice and History*. The Foreword to the collection was written by Fernand Braudel, who had come to know Lane during his many visits to Venice in the course of his own researches on the history of the Mediterranean. Braudel paid tribute to his contemporary's exacting and painstaking scholarship, praised the passion for his subject that was expressed in his work, and above all his integrity both as a scholar and a man. He concluded with the hope that Lane would not delay in turning his unsurpassed knowledge of the economic and technological history of Venice and his unstinting appetite for difficult and time-consuming archival research to writing a general economic history of the city of the Doges. There was not long to wait.[28]

All the studies to which we have already referred served to provide the foundations for the great work of scholarship that portrayed the history of the maritime republic over the centuries. The Foreword was written during the Spring of 1973 at Westminster, Lane's Massachusets home, and the book was published by his own university press at Johns Hopkins, where he had in the meantime been elected to an Emeritus Professorship. In thirty chapters Lane's study retraced the history of the *Serenissima* and the empire over which it had presided from its earliest beginnings in the area delimited by the lagoons to the time when the Republic achieved its greatest mercantile and political power and finally triumphed over its age-old rival, Genoa. Venetian domination overseas extended from Istria and the Dalmatian coast to Greece, Crete and Cyprus, and then on to the Bosporus and the Black Sea, while on the Italian mainland, the *Terraferma*, it reached south to the gates of Mantua and Ferrara, pushing westwards as far as Brescia and Bergamo and deep into the Alpine hinterland short of the river Adige.

[26] F.C. Lane, The Economic Meaning of the Invention of the Compass, in: *American Historical Review* LXVIII, 1963, pp. 605-617, repr. in: *Venice and History*, pp. 331-344.

[27] F.C. Lane, Tonnages, Medieval and Modern, in: *Economic History Review*, Sec. Series XVII, 1964, pp. 213-233, repr. in: *Venice and History*, pp. 345-370.

[28] *Venice and History*. The Collected Papers of Frederic C. Lane, Edited by a Committee of Colleagues and Former Students. Foreword by Fernand Braudel. Baltimore, The Johns Hopkins Press, 1966 (Italian translation 1978 German translation 1986).

The central theme of Lane's study was not only the development of Venice as a leading maritime power but also the evolution of a state in which trade and production, especially ship-building, was combined with skilful financial management — a combination which Lane considered to be the key to the city's success. The complex political institutions and practices of this ingeniously constructed and skilfully managed Republic of noblemen are portrayed with as much clarity and insight as the city's social and demographic features.

The chapters which describe the ascendancy towards the period of the Republic's greatest power in the XVth century, which for Lane was symbolized by the death-bed speech of Doge Tommaso Mocenigo in 1423, are followed by a superb analysis of the ways in which the *Serenissima* set out to acquire possessions overseas and to offset its declining share in international trade through new investments in trade and agriculture. Even in the years of the Republic's political decline it continued to enjoy the status of a cultural centre of internationally recognised prestige, and the author's deep emotional commitment to his subject emerges clearly in the final chapter devoted to "The Death of the Republic". In this phase, the *Serenissima* experienced a final eighty years of peace at a moment when the major European states were at war, when music, literature and the fine arts continued to flourish, so that despite the growing challenges posed by the expansion of the Habsburg port of Trieste the Venetian *Zecchino* retained the prestige and importance that it had enjoyed since 1284.[29]

After the publication of this major work, Lane once more returned to the more detailed questions posed by Venice's history. For the *Festschrift* that was presented to Fernand Braudel in 1973 he contributed an essay on public debt and private wealth in XVIth century Venice. Although by the end of the century Venice was still one of the richest cities, Lane argued that this was in large part because of the ways in which the *Serenissima* handled its debts. The system of raising debts through forced loans that had originated with the XIIIth century *Monte Vecchio* and its successors worked in such a way that except when war brought sudden or unexpected burdens the rich citizens of the Republic paid less in direct taxes than they received through their annuities on the funded debt. Even in the face of the massive burdens caused by the war in Cyprus, the Republic was still able to meet its commitment without touching the special war reserves, and between 1577 and 1600 10 million ducats were paid to those who held shares in the Republic's consolidated debt, enabling wealthy Venetian citizens to invest in land and villas. However, at least half of these interest payments were funded from indirect taxes and from the taxes paid by the cities of the *Terraferma*.[30]

[29] F.C. Lane, *Venice, A Maritime Republic*, Baltimore, The Johns Hopkins Press 1973.

[30] F.C. Lane, Public Debt and Private Wealth, Particularly in Sixteenth Century

In a subsequent study Lane returned to the subject of Venetian galleys in Alexandria in 1344 which provided an opportunity for exploring the closely related issue of the Republic's gold supply. The scarcity of gold between 1320 and 1350 brought about a change in bimetallic values that had no precedent since the IXth century, and did not reoccur until American silver began to flow back into the mints of the Old World. An indication of this change in the XIVth century was provided by the first official galley convoy that returned to Venice from Alexandria in 1344 laden with African gold. This directly infringed the ban which the Church had placed on trade with the Islamic world, but meant that Venice had assured herself of new supplies of gold.[31]

This essay was part of a wider research programme, the first results of which had already been published in the important first volume of the history of *Money and Banking in Medieval and Renaissance Venice*. This appeared at a moment when major steps forward were being made in the quantitative history of money, particularly in the Netherlands, and when a number of large-scale projects had been launched to promote research in this field. A number of these had been undertaken in Italy under the direction of Carlo Cipolla, with studies on Genoa by Pesce-Felloni and on Florence by Bernocchi. Unfortunately Frederic Lane was not to see the fruits of his work with his former assistant Reinhold C. Mueller (of the University of Venice), since the volume was published a few months after his death,[32] meaning that Mueller is now left with the massive task of organizing the second volume alone. The work involved is enormous because unlike the study by Papadopoulos their research seeks not only to reconstruct the history of Venetian coinage (and through it the history of Venetian banking) but to do so in the light of the most recent developments and techniques in this field of historical research. The task is all the more exacting because so many of the archival series are incomplete or missing, while the data that has survived is often widely dispersed and difficult to interpret.

2. If Lane's work as a historian was principally concerned with the history of Venice, he also played an active role in the development of historical studies in his native America. In the course of a long academic career he held many positions. From 1943 to 1951 he was editor in chief of the *Journal of Economic History*, and in 1947-7 he was also a member of the US Maritime Com-

Venice, in: *Mélanges en l'honneur de Fernand Braudel*, Toulouse 1973, vol. I, pp. 317-325, repr. in: *Profits from Power* (see note 50).

[31] F.C. Lane, The Venetian Galleys to Alexandria, 1344, in: J. Schneider et al., *Wirtschaftskräfte und Wirtschaftswege*, Stuttgart 1978, vol. I, pp. 431-440, it. Le navi di Venezia, Torino 1983.

[32] F.C. Lane and Reinhold C. Mueller, *Money and Banking in Medieval and Renaissance Venice*, vol. I, Coins and Moneys of Account, Baltimore, London, The Johns Hopkins University Press, 1985.

mission, then Assistant Director of the Social Sciences Division of the Rockefeller Foundation in Paris from 1951-4, with special responsibility for Europe. This took him to Paris and brought the opportunity for close collaboration with the famous VIe Section of the *Ecole Pratique des Hautes Etudes* which was directed at that time by Fernand Braudel. In 1956 he was elected president of the Economic History Association, in 1962 president of the Society for Italian Historical Studies, then in 1965 president of the American Historical Society. In 1968 he became president of the International Economic History Association and its Fourth Congress which was held at Bloomington (Indiana), where he succeeded in overcoming the financial difficulties that threatened publication of the proceedings.[33]

Lane was also prepared to raise wider historical issues in seminar papers and addresses, in which he used his wide empirical knowledge to seek more universal historical truths and generalizations that reached out beyond his specialist audience to a wider public. A good example of this was an address given to an association of teachers of history and the social sciences with the title "Why Begin at the Beginning?".[34] Drawing on the example of the course in the History of Western Civilization that he taught at the College of Arts and Science at Johns Hopkins, Lane argued that the teaching of history should not be hemmed in by conventional starting points like 1648, 1450 or the fall of Rome, but should seek to embrace the historical process as a whole. Whereas history courses in most American universities ran for only a single year, Lane was allowed to teach his own course over two years. As a result he began with prehistory, and devoted a full quarter of his course to ancient history. This reflected his belief that the more distant a period the easier it was to appreciate the importance of problems like the ways of finding food in the Stone Age or the market structures of medieval towns and the political systems of Ancient Greece or Rome which were not part of the direct experience of the modern world. But to study history only from the moment in the XVth and XVIth centuries when the modern nation states came into being risked inculcating the false assumption that nationalism had from the start been the driving force in history. To break up the historical process in this manner, he warned, carried the danger of mistaking the part for the whole.

[33] *Fourth International Conference of Economic History*, Bloomington 1968, edited by F.C. Lane, Ecole Pratique des Hautes Etudes-Sorbonne, Sixième Section, Sciences Economiques et Sociales, Paris-La Haye, Mouton, 1973.

[34] F.C. Lane, Why begin at the Beginning?, in: *Proceedings of the Middle States Association of History and Social Science Teachers*, An Address to the Middle Atlantic Association of History and Social Science Teachers at Philadelphia, May 7, 1937, XXV, 1937, pp. 73-77, repr. in: Venice and History, pp. 431-436. In: *The World's History*, a text book for Secondary Schools, which Lane wrote with Erling M. Hunt and Eric F. Goldmann and published in 1947.

This in turn led Lane to assert the central importance of the meaning of progress and civilization in history:

> "If we, the professional dealers in second-hand memories, do not respond, the answers of such sooth-sayers as the politicians, the novelists and the Sunday Supplements will be accepted... Most popular misrepresentations of ancient history have a racial or nationalistic thesis which agrees very well with the preoccupations by limiting historical schooling to modern times... It is our task to outline the whole story in accordance with the best evidence available. We are falling down on our jobs if we give only a small fragment which encourages misrepresentation of the whole".

In this context, Lane chose frequently to refer to archaeology, which he believed always raised unavoidably the question: how did it begin? Unlike the myth-maker, the historian's task was to "make the facts speak for themselves, or at least to show that there is evidence supporting the facts through which we speak". The myth-maker's success depends heavily on the fact that for most people it is easier to accept information than to question it, and Lane fervently believed that one of the principal functions of the social sciences was to encourage students to adopt a doubting and questioning attitude, particular in regard to recent and contemporary events.

Lane was also deeply interested in the relationship between the humanities and the social sciences.[35] History, he believed, lay across the frontiers of the two like a sort of buffer state, and was able therefore to break down the barriers between the humanities and the social sciences, and to draw in particular on the methodologies evolved in the latter. But this did not mean adopting simplistic or crude theories of development, but rather the development of models and theories that closely reflected historical realities.

Lane's arguments reflected the influence of Arthur Spiethoff and Fritz Redlich, who had worked to adapt Weber's "Ideal Type" to historical reality. But despite both the status of a best-seller that was achieved by the Committee Report of the Social Science Research Council published in 1946 with its emphasis on the role of theory in history and the contemporary interest aroused by theories of development (most notably those of Arnold Toynbee), Lane remained sceptical. He continued to believe that the essential issue for the historian was analysis, and that changing forms of development could not be properly understood without appropriate models. Taking up Talcott Parson's concept of "social action", Lane's guiding concept was what he called "structural propositions" which he claimed can "explain the process of change by stating the relations between the different attributes or elements in various types of action... As time passes actual behaviour becomes more and more like one type, which finally ceases altogether to be relevant and dis-

[35] F.C. Lane, The Social Sciences and the Humanities, in: Proceedings of the American Philosophical Society XCII, 1948, 356-362, reprint: in: Venice and History, 437-448.

appears, as the feudal lord has disappeared. Analysis in terms of one model would not be history, for it would not permit analysis of developmental change".

In another essay Lane explored the conflict between theoretical interest and historical interest. This appeared in a collection first published in 1953 with Jelle C. Riemersma and was a result of his work in the Research Center in Entrepreneurial History that had been founded by Joseph Schumpeter and was directed by Arthur H. Cole. The essays had both a theoretical and an empirical historical content, and were contributed by a mixture of European and American authors.[36] The idea had come jointly from the American Economic Association and the American Economic History Association, and the collection appeared under the title: *Enterprise and Secular Change*. The subject was approached in the twin perspectives of the development of the European economy since the Middle Ages and the interpretations advanced by economic historians from the late 19th century onwards. Fritz Redlich collaborated as translator.

In the conclusion to the volume, Lane discussed the nature of the contrasts between theoretical and historical interest in the field of economic history.[37] He argued that generalization was desirable and was itself a product of historical knowledge, since this inevitably added to the general stock of knowledge. But the particular nature of the historical fact was also something quite different, although the particular and the general might be complementary. The theoretician is interested in historical facts only in so far as they further the generalization, Lane argued, whereas generalizations serve to help the historian find out what he wants to know about particular past events.

As an example Lane took something that happened to an American ship during the Second World War to show that when studying occurrences in the physical world, theoretical interests generally dominate. The example was the break-up of the newly built steel tanker "Schenectady" while at its out-fitting dock at Portland, Oregon, at 11.00 pm on 16 January, 1943.[38] A committee of engineering experts came to the conclusion that purely physical occurrences had caused the catastrophe. Following further similar accidents and

[36] *Enterprise and Secular Change. Readings in Economic History*. Edited for the American Economic Asociation and the Economic History Association by Frederic C. Lane, Editor (and) Jelle C. Riemersma, Assistant Editor, Homewood, Illinois, Richard D. Irwin Inc., 1953.

[37] F.C. LANE, Conclusion, I CRAL, pp. 552-534. Repr. with the title Theoretical and Historical Interests, in: *Venice and History*, 449-461.

[38] Cf. F.C. LANE, Human History and Natural History, German: Menschliche Geschichte und Naturgeschichte, in: Hugo Hantsch, Eric Voegelin und Franco Valsecchi (eds.), *Historica, Studien zum geschichtlichen Denken und Forschen*, Wien 1965, 19-35, repr. in: Venice and History, 505-519.

more experiments, new specifications were laid down for steel plate and ship design. The event that had occurred on 16 January 1943 and triggered off the process then passed into history.

To explore the role of theory in the human sciences Lane discussed Simiand's theories of historical cause and effect which relied on generalizations about human motives, interests and attitudes. But for Lane the historian, and especially the economic historian, theoretical interest meant the connection of as many generalizations as possible with historical facts by means of selected "test cases". As an example, he cited the application of the quantity theory of money to the history of prices, in which new discoveries, new facts and comparisons had continually modified and reshaped the original theories. Here the contrast between predominantly theoretical and predominantly historical interests were at once apparent. The investigator with predominantly theoretical interests will start from the general relations between a rise in prices and the increase of money in circulation to seek test cases that would verify and improve the quantity theory of money. Where the interest is predominantly historical, however, the problem would always be tied to a particular time and place: How did London become the financial centre of the world? To explain this the historian needs to know what the best generalizations are which the theorists have attained with reference to the relations between financial settlements, trade balances, government finances and the flow of precious metals. In this respect, Lane argued, the historian is a consumer rather than a producer of broad generalizations.

Lane was also convinced that historians seeking to explain events in the distant past should seek to participate in the intellectual and theoretical knowledge of the time, that is to adopt the German concept of "understanding" (*Verstehen*), while at the same time drawing on the theoretical armoury of his own times. This constituted what Lane described as an "intermediate degree of generality". To explain this he referred to Arthur Spiethoff's concept of "illustrative theory" *anschauliche Theorie*, arguing that Spiethoff's historical generalizations were worth while because they satisfied the historical interest and not simply because they were stepping-stones towards broader generalizations.

As a historian Lane was also well aware of the boundaries that distinguished history from antiquarianism, even though he believed that the line of demarcation was not easy to draw. He also touched briefly on the question of prediction, an issue that had attracted renewed interest amongst economic historians in particular. But Lane remained sceptical and pointed to the failure of attempts to predict future events in various branches of the social sciences, concluding that the will to make predictions was based on faith and "not on the amount of success already attained in making such predictions".

As an economic historian, Lane was particularly interested in the role of institutional structures and organization in economic development. This was one of the subjects explored in the essay on "The Social Sciences and the

Humanities" that he published in 1948, and which had an important influence on subsequent debates in America. Referring to Frederick Teggart's theory of "correlations" and the question of prediction, Lane wrote:

> "The predictions which are soundest and most restrained are based not simply on the brute facts of correlation, as for example between changes in prices and in quantity of money, but also on knowledge of the process which created a relation between them; for the study of the process gives some understanding of the purposes and forms of action without which the correlation would be unlikely to occur. In other words, a correlation holds true only within a certain institutional framework. Study of the structure of action discovers what institutions are so essential that their absence would make the recurrence of the correlation unlikely. Then it becomes pertinent to study the transition from one institution to another".[39]

During the war, Lane had begun to develop his own stage theory which he first aired in a paper given in 1940 to the American Historical Association on the relations between national wealth and protection costs.[40] In this he outlined what he described as "protection rent", a term that he compared with ground rent and which he used for measuring the economic return on state expenditure on defence. Taking Colbert's strategy against the Dutch as his example, he argued that Colbert forced the Dutch to increase their expenditure on defence and thereby assured the French the advantage of a protection rent that made trade with the West Indies profitable. At the time of Colbert's death, 200 French ships were receiving passports each year for voyages to the French West Indies where the Dutch had previously predominated.

A more complicated example of this was provided by Portugal's temporary capture of the East Indies spice trade. Using Venetian sources he showed that the banker Girolamo Priuli had been wrong to fear that the Portuguese would be able to undersell the Venetians because the Cape route would demand lower protection costs than those paid in taxes for transit through Egypt. In fact, Lane showed that the fall in the price of spices was very short-lived, and soon rose again. The main profit from the trade finished in the coffers of the Portuguese king, who made the spice trade into a monopoly which had to support the costs of defending the Cape route with warships and soldiers, as well as those of Portuguese rule in India. The growing weakness of Portuguese rule in India and the corruption that went with it caused the protection costs of the Red Sea route to fall with the result that by the mid-XVIth century Venice and other Mediterranean ports had regained a substan-

[39] F.C. Lane, Social Sciences and Humanities, in: *Venice and History*, p. 448. Cf., also F.C. Lane, Review of Rome and China, A Study of Correlations in Historical Events by Frederick J. Teggart, in: *American Journal of Philology*, LXIII, 1942, pp. 355-358.

[40] F.C. Lane, National Wealth and Protection Costs, in: *War as a Social Institution*, New York 1941, pp. 32-43, repr. in: *Profits from Power*, pp. 12-21.

tial share of the spice trade. While the Portuguese sought to increase the protection costs of their rivals, they diverted labour and capital away from the development of trade with India instead of making Portugal richer. Lane pointed to the contrast with Colbert's policies towards the West Indies trade which had, he argued, fostered the development in France of a certain type of labour and capital which proved in the long run of a hundred years exceptionally productive.

Lane took up a similar theme in another essay published in the *Journal of Social Philosophy and Jurisprudence* in 1942.[41] His subject was the privileges which the Venetians obtained in 1082 from Byzantium, when they offered their fleet to the Byzantine emperor for use in his war against the Norman king of Sicily. This marked the beginning of a policy which for over a century brought the Venetians important advantages over their chief competitors, the ports of Amalfi, Genoa and Pisa. If in this early period tributes and taxes played an important role in financing warfare, in the Age of Mercantilism protection rent would become an even more important objective of warfare, for it opened up new markets for national trade and production.

Lane also examined the respective roles of the state and private enterprise in the creation of oceanic commerce.[42] Taking the case of the Portuguese voyages around the Cape, Lane argued that profit and loss in Portuguese trade with India was not determined by the technical advantages of this route over others but by the amount of military power that was needed to maintain a monopoly over it. In the longer run, Portuguese trade with South America was more profitable because it required less military expenditure and relied more heavily on private enterprise. The colonial proprietors who were appointed to the position of *donatario* with wide administrative and political functions proved from the time of Martim Afonso da Sousa and Duarte Coelho to be creative entrepreneurs in Schumpeter's meaning of the term, and established new supplies of sugar for European markets. But as a result of the struggles with the native Indians military costs increased, and these functions were later transferred to a newly created governor-general at Bahia. But the planters who had received lands from the *donatarios* formed another level of private enterprise, and were protected by the governor-general.

In Spain this development had taken place even earlier with the formation of specialized agencies after the early expeditions by Columbus and Ovando. Through the *Casa de la Contratacion* (and the *Consejo de Indias*) a system of

[41] F.C. Lane, The Economic Meaning of War and Protection, in: *Journal of Social Philosophy and Jurisprudence* VII, 1942, pp. 254-270, repr. in: *Profits from Power*, pp. 22-36.

[42] F.C. Lane, Oceanic Expansion: Force and Enterprise in the Creation of Oceanic Commerce, in: *Tasks of Economic History*, Supplement to the *Journal of Economic History* X, 1950, pp. 19-31, repr. in: *Profits from Power*, pp. 36-49.

state controls was created in Spain and a structure of governors, viceroys, captains-general and *audiencias* was established overseas, although there was greater scope for private initiative in the organization of the *Carrera de Indias* (ships and merchants) and the activities of the *conquistadores*.

3. Lane was primarily interested in distinguishing how the use of force contributed to economic growth and when it did not. Allyn A. Young had argued that the main dynamic of progress lay in the increasing returns that result from the extension of the market and the external economies this generated, above all with the development of specialized service industries which made it easier for industry to supply expanding markets. Lane argued that this thesis could also be applied to the early stages of colonial enterprise. In a first phase, trade, transport, administration, agriculture and mining were all grouped under a single form of management, but when administration was hived off an important step forward in the division of labour was achieved that increased economic returns.

These three essays also reflected Lane's growing interest in the economic function of warfare, as did his study of American shipbuilding during the Second World War that was published in 1951.[43] In the following years Lane returned to the economic consequences of what he termed "organized violence". He argued that earlier economic writers from Adam Smith to Karl Marx and from Gustav Schmoller to Richard Tawney had been concerned primarily with justice and injustice in economic life, and while hoping that the search for more perfect justice would continue he drew attention to the need to study more carefully the nature of the goods and services provided by governments, and in particular the service of protection, which he believed economic historians had been wrong to neglect as a major factor in economic progress.

As his earlier work had already shewn, Lane believed that the use of violence (in certain cases, at least) might have positive economic consequences. The argument was best expressed in the concept of "protection rent", which could take the form of expenditure on military escorts for merchant shipping, the payment of tributes to pirates, the higher insurance premiums payable for voyages in regions infested with pirates, bribes to customs officials and administrators and for the cost of military forces to police colonial properties. Taking his cue from Schumpeter's sequence of capitalism, democracy and socialism, Lane evolved his own theory of historical stages. An initial phase of anarchy and plunder (the Viking period) was followed by a second phase when small regional or provincial monopolies of power and protection came into being. The high military costs needed to maintain these monopolistic cartels meant that the surplus remained relatively low. During a later phase of

[43] F.C. Lane, *Ships for Victory*: A History of Shipbuilding under the U.S. Maritime Commission of World War II, Baltimore, The Johns Hopkins Press, 1951.

the feudal period many tribute takers sought to attract customers by special offers to agricultural and commercial enterprises by offering protection to those who brought new lands into cultivation or who travelled to the Champagne fairs. The third stage was achieved when the merchants who collected protection rents and the landowners who collected land rents were getting more of the economy's surplus than fief holders and monarchs. Successful merchants devoted much of their income to capital accumulation so that a higher proportion of the surplus could be invested in expanding commercial enterprises, in agricultural improvements and in new industries.

The transition from the third to the fourth stage occurred — Lane argued — when technological improvements and industrial innovations became more important than protection rent as a source of business profits, while democratic forms of government and improved forms of credit organization came into being in response to the needs of protection-producing enterprises and industrial innovators. At this point the capitalist phase as described by Schumpeter had been reached.

Lane conceded that the attempt to capsule a thousand years of history into four paragraphs contained both "some grains of satire", but also "some grains of truth". But if we look at the two centuries of industrialization it is difficult not to be struck by the reduction in the proportion of resources devoted to war and police. This also led him to reassert his argument that the economic interpretation of history was mistaken since it implies that economics is the all-important causal factor of growth and its all-important result. Knowledge of changes in output and in techniques was vital — he argued — but the most important thing was to understand the social structures of production and the way men have dealt with each other in producing material goods, since this was more important than the goods themselves. Knowledge of the economic life of any society is fundamental to understanding that society, he argued, not because the process of production has a unique causal importance shaping all other aspects of culture, but because the qualities expressed in economic activities constitute the largest part of what life has been. He concluded that historians who where concerned with justice, freedom or any other qualities of social life have reason to give primary attention to human relations entered into during the process of production and distribution.[44]

A decade later, at the International History Congress at Bloomington in September 1968, Lane once again returned to this subject in the context of the debate on the nature of capitalism. He argued that the maximization of profit was too simple a formula to encapsulate the ultimate objectives of capitalism, and he called for the need to distinguish between a capitalist mode of

[44] F.C. Lane, Economic Consequences of Organized Violence, in: *The Journal of Economic History* XVIII, 1958, pp. 401-417, repr. in: *Profits from Power*, pp. 50-65.

production, on one hand, and capitalism as a social and political system on the other. For Lane, capitalist production could only be said to exist when capital was in the hands of private entrepreneurs and was used in a market economy, so that the term could not be used to describe a household or clan-based economy, nor a state-dominated economy, be it a war-economy, the economy of a modern socialist state or even the form of state enterprise that had produced the pyramids of Ancient Egypt. To meet the requirements of a capitalist system, accumulated wealth must be reinvested. While many earlier economic writers, in particular Karl Marx, had identified capitalism with the presence of a mass labour market, Lane argued that the crucial transition occurred during the preceding period of mercantile capitalism when capital accumulation had been achieved through commercial and banking activities. A second critical feature of this phase lay in the growth of rationalization, evident not only in the desire to maximize profits but also in a more general willingness to innovate and maximize assets. Lane understood capitalism, therefore, as a social system in which all forms of economic activity were persued along capitalist lines and within the framework of political and administrative institutions that favoured the development of a capitalist mentality.[45]

Lane later bemoaned the fact that in contrast to the fashion for quantitative studies, the comparative historical approach pioneered by Max Weber and Marc Bloch had been neglected, and he stressed the need to pay greater attention to the institutional contexts of economic activity and the human qualities that enabled certain structures to take shape. He placed particular emphasis on the role of government, a topic which he had discussed in his address of 1958.[46] But while he reiterated the view that the protection of enterprise was an economic utility provided by the state, for which private enterprise should in return make some payment, he did not fully concur with the position adopted by Douglass North and R.P. Thomas on the subject of property rights.[47] Lane argued that the formulation of the role of property rights in economic progress put forward by North and Thomas had taken the analysis of the role of institutions in economic development forward and had drawn attention to the fact that property rights helped stimulate economic activity, thereby contributing to economic growth. But while he welcomed the emphasis that North and Thomas had placed on those institutional determinants of economic growth which economists so often ignored, he believed

[45] F.C. Lane, Meanings of Capitalism, in: *The Journal of Economic History* XXIX, pp. 1929, 1-12, repr. in: Profits from Power, pp. 66-71.

[46] F.C. Lane, *The Role of Government in Economic Growth in Early Modern Times*, in: *The Journal of Economic History* XXXV, 1975, pp. 8-17, repr. in: *Profits from Power*, pp. 82-90.

[47] Douglass C. North and Robert Paul Thomas, *The Rise of the Western World: A New Economic History*, Cambridge, University Press, 1973.

that they had not gone far enough. He was enthusiastic about their work, however, if only because it would "incline economists to pay more attention to what historians regard as realities". He continued to criticize what he called "purely economic interpretations of economic development" and to argue that the relevance of economic models "for the particular case should always be doubted".

These arguments were of course closely related to his central concern, which was the ways in which the actions of government affected the formation of the capital and potential capital, which in turn generated social surplus. This surplus he defined as that part of future growth which was available for reinvestment in production. In other words, a net increase that provided not only for capital investment but also permitted an expansion in luxury consumption and unnecessary or unproductive expenditure, such as that on warfare.

Lane argued that the way in which the surplus was distributed was determined in part by property rights, which only governments could protect. In the early modern period, merchants received varying degrees of protection for which they paid according to the organization of international trade. In addition to receipts for protection and what Ricardo described as ground rent, the state also received revenues or tributes from tolls. Whenever a government established a monopoly over the exercise of protection, it could demand higher payments than the monopoly alone justified. If we look on the state as an enterprise, it becomes clear, therefore, that it could appropriate for itself from those whose property rights it was protecting a large share of the social surplus through what Lane described as tribute money. Like Simon Kuznets, Lane believed that it was necessary, therefore, to pay greater attention to the functional impact of what he called government consumption. In the context of the early modern period he was particularly interested to evaluate the respective scales of government expenditures on policing, on the one hand, and on wasteful activities such as the court, on the other. If warfare was also to be seen as a form of capital investment, then the problem was to identify what part of expenditure on warfare was productive and at the same time to identify the ways in which misguided military expenditure diverted capital away from more productive investment. Citing Gregory King, who calculated that about one-fifth of the peacetime revenues of the French monarchy was available as "a yearly surplus applicable to the Increase of Shipping and to Naval and Military Store, or to lay up in Money", Lane concluded by appealing to the "New Economic History" to adopt more sensitive techniques for measuring such factors.

In the meantime, the first volume of Immanuel Wallerstein's study of the formation of the capitalist world system had been published,[48] and the en-

[48] IMMANUEL WALLERSTEIN, *The Modern World System*, Vol. I, Capitalist Agri-

suing debates provided Lane with further opportunities to set out his own position. Wallerstein's approach was deeply influenced by his work on Africa, both on individual peoples and colonies and on the continent's place in the world economy. He concluded that the process of economic growth in any single part of the world could only be studied in the context of the world economy as a whole in terms that were in many ways comparable to those of Arnold Toynbee, except that Wallerstein used the concept of world systems in place of culture. Distinguishing between core and periphery, his analysis was conducted in terms of mini-systems, empires and world-systems. His insistence that capitalism was a stage in historical development which would give way to a system that would be capable of distributing material goods and personal freedoms in a more equal way echoed Karl Marx, and Wallerstein acknowledged the strengths of Marx's comprehensive and critical approach to social analysis. He also followed Marx's argument that class develops only within the context of class struggle, so that at any given moment no more than two classes can be in existence.

Although he voiced a number of critical objections, Lane was essentially in sympathy with this approach which he believed set Europe in its proper context, while at the same time drawing Africa, Asia, the Americas and many other regions as well into the picture yet without resorting to a mechanical model of stages to explain the development of social systems (eg slavery, feudalism, capitalism). Lane also approved of the way in which Wallerstein sought to explain the development of capitalism not by comparing individual nations but by analysing the development of different social systems, which in turn involved examining the uses that they made of surplus-value. Lane expressed regret that the term surplus-value had generally become taboo amongst orthodox economists because of its associations with Marx's theory of value and with socialist utopias. He claimed that they avoided the issue because they were accustomed to dealing with societies in which production exceeds demand, which enabled them to concentrate on savings and investment. But Lane also felt that Wallerstein's use of the term surplus-value was not sufficiently clear and that greater attention needed to be paid to the ways in which surplus-value was controlled in order to reveal how it was transformed into social capital capable of both increasing production and at the same time generating further surplus-value. He might have invoked Schumpeter's argument that taxation and public debt would have increased surplus-value had it not been for the fact that in practice they were spent on destructive wars so that in the end they contributed less to economic growth than private trade. Lane also commented on Wallerstein's concepts of empire and the world economy, of the core and the periphery, which he considered to be Weberian

culture and the Origins of the European World Economy in the Sixteenth Century, New York and London, Academic Press, 1974.

"Ideal Types" or models that only approximate to the changing historical realities of place and time, and argued that these "composite ideal types" needed to be disaggregated in order to prove or disprove the relations between core and periphery in any given situation.[49]

Lane's review of Wallerstein's work appeared in a collection of essays that was published in 1979 under the title *Profits From Power. Readings in Protection Rent and Violence Controlling Enterprises*.[50] He set out the main themes of the essays in his Introduction, the most important being the concept of "protection rent" that had already occupied a central place in his analysis of the success of Venetian maritime policies and galley voyages. This had provided the basis for Lane's own theory of stages of development, which differed from Marx's stages that were determined by class war. It also differed from the stages of the German economists like Gustav Schmoller who had emphasized the role of state power, and those like Bücher who stressed the role of market institutions and industrial organization. It differed likewise from the Liberal economic tradition going back to Adam Smith that gave priority to the expansion of the market and the corresponding division of labour, as well as from Weber's sociological approach with its emphasis on growing rationalization and the consequent victory of Western capitalism over traditionalism and superstition, as well as from Werner Sombart's variant of the stage theory. Lane's theory also differed from that of Joseph Schumpeter who had moved from a Liberal stance to adopt the Marxian sequence of feudalism, capitalism and socialism to define changing social structures. Like Schumpeter, Lane's theory was eclectic. He took the idea of state institutions from the German School, the concept of the division of surplus value from the Socialists, and from the Liberals the theory of how surplus-value came to be divided.

He believed that his most original contribution lay in showing how the use of power was the critical factor in determining the transition from one stage to another. In the first stage plunder had been predominant, and no surplus value could be accumulated. In the second, the predominant factor was the raising of taxes and tributes. In the third stage surplus-value was distributed by means of protection rents as well as land rents. The fourth and final stage saw the establishment of protection at lower cost, thereby enabling surplus value to be distributed through the free market to the advantage of those with the most advanced technology.

4. The full breadth of Frederic C. Lane's vision as a historian can only be

[49] F.C. Lane, Economic Growth in Wallerstein's Social System, A Review Article, in: *Comparative Studies in Society and History*, XVIII, 1976, pp. 517-532, repr. in: *Profits from Power*, pp. 91-107.

[50] F.C. Lane, *Profits from Power*, Readings in Protection Rent and Violence-Controlling Enterprises, Albany, State University of New York Press, 1979.

appreciated when the massive research volume on Venice is set alongside the essays in which he explored the theoretical dimensions of the role of institutions in economic development and which provided the basis for his own theory of the stages of growth. He was motivated as a historian not only by his tireless ambition to understand and reconstruct the history of the Venetian empire and the mass of complex issues which it raised, but also by the determination to draw from this remarkably rich experience wider and more general conclusions about the nature of historical development and of man in history.

From his chosen vantage point, Lane observed critically and self-critically the principal trends in historical writing in his own day. In a review of *Profits from Power*, Lance E. Davis remarked that the volume offered a fascinating glimpse of the development of an intellectual position: "How much of the work of Buchanan, Davis, North, Thomas, Tullock etc. was anticipated by Lane several decades ago?" he asked, concluding that Lane had concisely summed up a complex and important set of problems in a manner that fruitfully opened the way for future research.

Although these remarks were addressed primarily to American historians, we in the Old World can fully concur with the sentiment. No other American economic historian of our time has made a comparable effort to understand and draw on the European traditions of historical research and develop them within an American context. The collection of essays on *Enterprise and Secular Change* is an excellent example of this, and probably no other American historian has analysed more finely how American republicanism grew from European roots.[51] For Lane, these roots lay in the medieval Italian city-states, themselves in some form continuators of the tradition of the classical city-states. He believed that it was the capitalism that flourished in Italy in the XIIth and XIIIth centuries that had given birth to new social forces, a new commercial environment, and new political ideas, but unlike Marx he did not see these in terms of the rise of a new class. On the contrary, he argued that political ideas and programmes caused individuals of the same economic class (or stratum) to come into conflict, while at the same time bringing people of different economic backgrounds together in the pursuit of common aims.

What better example could be found than his beloved Venice? For Lane, Venice offered a paradigm of the decisive factors in the creation of a republican tradition where the achievement of independence from Byzantium and the transformation of the *Doge* into a republican official were to be the decisive preconditions of the city's subsequent development. A similar process was later repeated in the struggles between the city-states of Northern Italy

[51] F.C. Lane, At the Roots of Republicanism, in: *American Historical Review*, LXXI, 1966; repr. in: *Venice and History*, pp. 520-539.

and the Hohenstaufen dynasty. This is not the place to explain why Lane believed that the reform of the Great Council with the *Serrata* of 1297 gave Venetian republicanism an edge over its more democratic but also more corrupt rival, Florence, although it is worth mentioning that he did accept that the humanism of Leonardo Bruni and the revival of interest in Cicero and Brutus (in contrast to Dante) served to give new vigour to republican and egalitarian ideals. The republican tradition that had been handed down from the Italian city-states constituted for Lane one of the central themes of modern history, and was imbued with an importance that transcended chronological divisions, spanning a single epoch of pre-industrial republicanism that stretched from Sebastiano Zani to George Washington.

Granted that one of the historian's tasks is to explore his own cultural traditions, Frederic C. Lane demonstrated that most cultural traditions lead the American historian back to Europe. But for this the republican and literary traditions of the city-states were only one of many sources. Another lay in the parliamentary institutions that had first developed during the feudal era, placing important constraints on monarchy and establishing the habit of government by representation. Most important of all was belief in the rights and worth of every human being. This conception of the dignity of human nature was cultivated by the ancient Stoics, by the early Christian divines and by XVIIIth century rationalists. Even if the ideal has not been realized it still serves, Lane argued, as a programme for the future.

Our appraisal of the historical achievement of Frederic C. Lane is deeply influenced by the respect and admiration we feel for his ethical commitment, which makes him a model to which future generations of historians should aspire. Anyone who met Lane, be it somewhere in the United States, at his office in the Rockefeller Foundation in Paris, or in the Frari Archive, the Museo Correr, the Marciana, or the Palazzo Stampaglia Querini in Venice, will never forget the impression created by this tall gentleman from New England who although economical with words was not short of avuncular humour, and for whom honours and distinctions were no distraction from his vocation until the very end.[52]

[52] In addition to his American honours which have been mentioned, Lane was also elected in 1955 to the American Philosophical Society. In 1961 he became an honorary member of the *Diputazione di Storia Patria per la Venezia*. In 1980 he received the International Galileo Galilei Prize which is awarded annually to non-Italian scholars for outstanding contributions to Italian cultural history, and in 1984 he was awarded the International Award of the Francesco Saverio Nitti Prize which is conferred by the Accademia Nazionale dei Lincei.