

Landmarks in The Development of Social Theory from The Stand-point of The Relations of Economic and Sociological Theory.

—Synopsis of Professor Lehmann's Lectures—

Lecture I. The Eighteenth—Century Scottish Contribution

Premiss: (1) Theory not idle speculation but genuinely practical in the long run; (2) Theories never completely understandable out of the context of their historical background and development; (3) All scientific advance, especially in the social sciences, a response to human need and "issues" as well as intellectual curiosity, and conditioned by cultural background; (4) Economics and sociology need always to complement each other.

Scottish Awakening (mid- and late 18th century) unique in the history of Western thought and culture, Major 'seminal' contributions to the development of the social sciences. Secularized, empirical, historical.

David Hume: Economist and pre-sociologist as well as historian and philosopher. Revolt against theological and 'contractualist' mind.

Many of the economic doctrines of Adam Smith and the Classical Economists anticipated in his Essays. Wrote on commerce, the industrial arts, money, banking, interest, taxes, public finance, public credit, balance of trade; strongly anti-mercantilist; favored agrarian over commercial economy.

Anticipated many ideas basic to modern sociology: the social character of human nature; dynamic view of human society; imitation and the principle of sympathy; human nature and culture; custom, habit, communication and the transmission of the social heritage; occupations and personal character; status and social values; economy and culture; society and the state; utility vs. authority as basis of politics; government based on opinion; of national characters. Quotations.

Adam Smith: His economic doctrines taken for granted here; moral, political, jurisprudential and socio psychological basis of his thinking and writings;

Sociological aspects even of his *Wealth of Nations*; the nature of economic wants; influence of the desire for approval of one's fellows on living standards and on economic consumption; the principle of sympathy; the role of custom and habit; comparative viewpoint; the dynamic and evolutionary nature of society and economy; satisfaction of consumer wants the only rational justification of production; the supremacy of the general welfare; middle-class and labor sympathies.

Mutuality, social solidarity, human interdependence and historical continuity the core of his thinking. Anticipations of the German historical school of economics.

Henry Home, Lord Kames: Historical Law Tracts; British Antiquities; Principles of Equity;

Sketches of the History of Mankind—pioneering in comparative jurisprudence and ‘theoretical history’.

Adam Ferguson: History of Civil Society, perhaps the first attempt at a ‘natural history’ of human society and of social institutions from an evolutionary standpoint. Highly rated by German contemporaries and by Marx.

John Millar, Professor of Civil Law at Glasgow: Pupil, colleague and intimate friend of Adam Smith and transmitter of many of his ideas; his Origin of the Distinction of Ranks; or Inquiry into the Distribution of Power in the Various Members of Society. Strong emphasis on economic basis of society and social institutions and the dominant role of property. Thoroughgoing evolutionary viewpoint. Werner Sombart’s appraisal. Reference to author’s volume recently issued by Cambridge University Press.

Dugald Stewart’s ‘theoretical history’, and continuance of the Scottish tradition by the elder and the younger Mills and by McCulloch briefly referred to.

Lecture II. The Marxian Contribution

Hazardous venture to speak on Marx and Marxian theory before a Japanese university audience.

Marx’s recognition of the Scottish contribution; his marked influence, in part by negative provocation, on the Historical School of Economics.

Extremes of reaction to Marx, pro and con; need for objective approach.

Distinguishing; political revolutionary, ideological and genuinely theoretical or analytical elements in his thought.

Wissenssociological basis of his ideology; seeming discrepancies; our emphasis on analytical element.

Appraisal of significance of his thought by Professors Small, Schmoller and Schumpeter.

Schumpeter’s synopsis of basic elements of his theory.

Semantic cautions. The ‘tyranny of words’; danger of misunderstandings.

Commentary on Schumpeter’s synopsis. Correction of misinterpretations of his concepts and theories:

- A. Historical materialism—actually a plea for an empirical, historical, as contrasted with a merely speculative, idealistic, dogmatic, or even ‘theological’ approach to social and economic reality. Sociological realism.
- B. Economic determinism—‘Economic’ very broadly interpreted; basic importance of economic, esp. production factors, and property institutions insisted upon, but not to the exclusion of other institutions insisted upon, but not to the exclusion of other factors.
- C. Meaning of ‘dialectical materialism’—dynamic view of society and economy; dominant role of conflict, esp. class conflict, action, counter-action and resultant reaction in the historical process; thoroughgoing evolutionistic conception of social ‘progress’; pioneer in the more intensive development of this interpretation. Li-m

- ... limitations of his prophecy no invalidation of theory as such.
- D. Marx's conception of basic drives, adaptability and perfectability on human nature. Quotations on confirmation of position as stated.

Some limitations of Marx's analysis:

- In some respects eminently prophetic; in others a poor prophet; Frequently unrealistic, Utopian, unhistorical, his protest to the contrary notwithstanding; judging and evaluating situations out of historical context;
- His gospel essentially a gospel of *hatred*: a poor chance of success;
- His own responsibility for misunderstanding of his doctrines, because of his emotionally charged style of writing.
- Impact of his work on social thought generally; impact on 'historical school'.
- Impact on *Wissenssoziologie*.
- Provocative impact on methodological conflicts; 'natural science vs. cultural science approach; value-oriented vs. value-free science.
- Impact on Max Weber's discussion of relation of religious ideas and rise of capitalistic spirit.

Lecture III. Contributions of the Younger Historical School of Economics

- The 'younger' school of historical economics in Germany; its principal representatives.
- Reasons for choice of this group; relation to previous discussion.
- General characterization: reaction against 'naturalism', excessive individualism, lack of historical realism and of ethical norms and values in the 'classical' economics; insistence on community and national character of modern economics; insistence on realistic, real-life and 'historical' approach and on the essentially societal, and institutional nature of "Wirtschaften" or economic behavior; and on the claims of ethical norms, political action and the responsibility of the state for the general welfare as economically conditioned.
- Brief analysis of the work of *Albert Schaeffle* pioneer in this movement. (1831—1903; Tübingen and Vienna) *Ethical Aspect of the Economic Doctrine of Value* (1862); *The Societal Character of the Human Economy* (1861 ff.); *The Quintessence of Socialism* (1875); *Structure and Life of the Body Social* (1875 ff.); *The Wide Range of Human Wants*.
- Brief analysis of work of *Karl Buecher*, youngest and 'peripheral' member of this school (1847—1930 : Munich, Basel, Leipzig). Concern with population analysis; human mobility and migration; interest in primitive economics, early forms of exchange, and the evolution of economic life generally; esp. evolution of the modern national economy. The evolution and differential economic and social character of cities.
- Lujo Brentano*: (1844—1931) Professor of Vienna, Leipzig and Munich. Wrote *Principles of Economics*; *The Concrete Conditions of a National Economy*; *The Classical Economics*

(sharply critical); *The Economic Man*; *Modern Trade Unions*; *Ethics and Economics*; Strong emphasis on human wants as basic of the economy. Demand for an adequate social policy along moderately socialistic lines.

Gustav Schmoller (1838—1917; Halle, Berlin); central figure in this movement; author of many monographs in economic history and responsible for many others by his students; greatly interested in contemporary social and economic problems.

Brief summary of scope and character of his *Principles of Economics*: broadly sociological orientation; major emphasis on social stratification and on 'Die soziale Frage', meaning principally the problem of labor-capital relations.

Critical of sweeping philosophies of history and of abstract speculation in economic theory. Essentially a historically minded sociologist (Schumpeter). Leader in the organization and conduct of the Verein fuer Sozialpolitik and of the Archiv fuer Sozialwissenschaft und Sozialpolitik, and of Schmoller's *Jahrbuch*. A 'socialist of the chair'.

Adolf Wagner (1835—1917; Vienna; chiefly Berlin). Wrote and lectured on banking, public finance, general economic theory. His *Principles of Political Economy* strongly emphasizes the socio-economic, socio-juridical basis of the economy, the origin, nature and forms of property; vigorous insistence on the responsibility of the state for the promotion as well as the protection of the general welfare.

Famous address before the national congress of Evangelical clergyman and layman. Member of the Christian Socialist Party.

Was all this economic theory or was it sociology and politics?

Economics in the original Aristotelian meaning, and to some extent also in Adam Smith's meaning of the term, his moral philosophy concept; but strong departure from the Classical Economists' conception. Strong interest in ethical values, public policy and political action as well as historical research and economic analysis, but without confusing value-judgements and scientific objectivity. Knowledge for what?

Relation to later development of sociology in Germany. Strong influence on the development of economics, political science, sociology and a broader conception of history in American universities, and on the founding of graduate schools and new universities stimulated by returning students who had studied under these men.