

# INDUSTRIAL EVOLUTION

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*TRANSLATED FROM THE THIRD GERMAN EDITION*

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## PREFATORY NOTE.

THE writings of Professor Bücher, in their German dress, require no introduction to economists. His admirable work *The Population of Frankfurt in the Fourteenth and Fifteenth Centuries*, published in 1886, gave him immediate celebrity with economic historians, and left him without a rival in the field of historical statistics. In his treatment of economic theory he stands midway between the "younger historical school" of economists and the psychological Austrians.<sup>1</sup> A full list of his writings need not be given.<sup>2</sup> But I may recall his amplified German edition of Laveleye's *Primitive Property*, his little volume *The Insurrections of the Slave Labourers, 143-129 B.C.*, his original and suggestive *Labour and Rhythm*, discussing the relation between the

<sup>1</sup> A few facts and dates regarding Professor Bücher's career may not be uninteresting. Professor Bücher was born in Prussian Rhineland in 1847. He completed his undergraduate studies at Bonn and Göttingen (1866-69). His rapid rise in the German scholastic world is evident from his academic appointments: special lecturer at Göttingen (1869-72), lecturer at Dortmund (1872-73), at Frankfurt Technical School (1873-78), and at Munich (1881); Professor of Statistics at Dorpat, Russia (1882), of Political Economy and Finance at Basel (1883-90), at Karlsruhe (1890-93), and at Leipzig (1893 to present). From 1878 to the close of 1880 he was Industrial and Social Editor of the *Frankfurter Zeitung*.

<sup>2</sup> This may be found in the *Handwörterbuch d. Staatswiss.*

physiology and the psychology of labour, his investigations into trusts, and his co-editorship of Wagner's *Handbook of Political Economy* (the section *Industry* being in his charge) as indicating the general direction and scope of his researches. The present stimulating volume, which in the original bears the title *Die Entstehung der Volkswirtschaft* (The Rise of National Economy), gives the author's conclusions on general industrial development. Somewhat similar ground has been worked over, among recent economic publications, alone by Professor Schmoller's comprehensive *Grundriss der allgemeinen Volkswirtschaftslehre*, Pt. I. But the method of treatment and the results of the present work allow it to maintain its unique position.

Chapters I. and II. outline the prominent features of primitive economic life in the tropical zone. These realistic accounts of the "pre-economic stage of industrial evolution," preceding the dawn of civilization, ably emphasize the kinship of economics and ethnology. In chapter III. he presents brilliantly and concisely the suggestive series of economic developmental stages of household, town and national economy, based on the industrial relation of producer to consumer; and Chapter IV. offers a masterly survey of industrial systems—domestic work, wage-work, handicraft, commission work (house industry), and the factory. With these chapters may be classed Chapter V. *The Decline of the Handicrafts*. The remaining chapters analyze more specifically, from the viewpoints of the individual and society, some of the great processes of industrial evolution: union and division of labour; the intellectual integration of society as effected by the press; the formation of social classes; and the further adjustment of labour through internal migrations of population. At the same time they enrich economic terminology with many telling expressions.

"The worst use of theory is to make men insensible to fact," Lord Acton remarked in the opening number of the *English Historical Review*. Our author, with his store of minute facts, his keen analysis and his broad and refreshing generalizations, has known how to avoid the snare. His historical attitude is indicated by his advice that "our young political economists" be sent on journeys of investigation to the Russians, the Roumanians and the southern Slavs rather than to England and America. In the following pages, which in their present form I trust do not entirely obliterate the pleasing style of the original, his attention is, of course, devoted primarily to economic rather than to social and other considerations.

The volume has had in Germany an unusually influential circulation, and has recently been translated into French, Russian and Bohemian. As the preface notes, it has done extensive service as a general introduction to "economic thinking." Its use for this purpose, through the medium of special transcriptions, has already been remarked at some American universities. The hope may be indulged that its merits will now receive wider recognition, and in some measure impart to the reader the stimulus felt by the writer during a two years' attendance on the author's lectures in 1895-97. Editorial annotations, it may be added, have been confined to the narrowest limits.

In translating it I have had the valuable assistance of my colleague, Dr. G. H. Needler, Lecturer on German, University College, to whom I wish to express my deep obligations. My thanks are also due Professor Bücher for his patient answers to the many queries sent over the water to him, to Professor Mavor for varied aid during the work of revision, and to Mr. H. H. Langton and Mr. D. R. Keys for help in correcting proofs.

For the convenience of the general reader a short supplementary bibliography of recent works in English is appended.

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Haddon, *Evolution of Art* (1895); Lloyd Morgan, *Animal Life and Intelligence* (1891), *Habit and Instinct* (1896); Keane, *Man Past and Present* (1899); Spencer and Gillen, *The Native Tribes of Central Australia* (1899); Mackenzie, *An Introduction to Social Philosophy* (2d ed., 1895); Giddings, *Principles of Sociology* (1896), Gumpłowicz, *Outlines of Sociology* (trans. 1899); Loria, *Economic Foundations of Society* (trans. 1899); Ashley, *Economic History* (2 pts., 1888-92), *Surveys Historic and Economic* (1900); Gomme, *The Village Community* (1890); Cunningham, *Growth of English Industry and Commerce* (2 vols., 1890-92), *Western Civilization* (1898); Booth, *Life and Labours of the People* (9 vols., 1889-97); Mayo-Smith, *Emigration and Immigration* (1890); Weber, *The Growth of Cities* (1899); Hobson, *The Evolution of Modern Capitalism* (1894).

## FROM THE PREFACES TO THE FIRST AND SECOND GERMAN EDITIONS.

(April 1893 and November 1897.)

THE lectures in this volume were originally delivered before audiences that were not composed of specialists exclusively. . . . Each lecture is complete in itself; the same trains of thought are indeed occasionally repeated, but in a different setting.

Yet it will readily be perceived that the different parts have an inner connection, and supplement each other both in subject and method. The fundamental idea running through them all is expressed in the third. As need scarcely be remarked, the lecture is not printed in the summary form in which it was delivered. I trust that the gain in accuracy and fulness of statement has not been at the expense of clearness.

The lectures are dominated by a uniform conception of the orderly nature of economic development, and by a similarity in the method of treating material. In both respects this accords with the practice which I have consistently followed ever since the inception of my academic activity and which during continued scientific work has become more and more clearly and firmly established. With the present publication I accede to the wish expressed by many of my former auditors in the only form at present possible, a form of whose insufficiency I myself am fully conscious.

In preparing a second edition one thing was clear: the























hardness of heart which "enables husbands to refuse food to their wives, and fathers, to deny it to their starving children, when they themselves would but feast upon it."

This same trait of unbounded selfishness is manifest in the regardlessness with which many primitive peoples leave behind them on the march, or expose in solitary places, the *sick* and the *aged* who might be an impediment to the vigorous.<sup>19</sup> This trait has often been interpreted as a sign of superstition, as due to the fear of evil powers to whom the illnesses are ascribed. And in fact in the case of tribes that have become settled and whose means of subsistence would admit of the care of the sick, appearances favour such an explanation. But at the same time it is forgotten that customs, once firmly rooted, perpetuate themselves with great persistence, even when the causes that gave rise to them have long since passed away.

From exposure to intentional killing is only a short step. Indeed we find even among peoples on a higher plane of civilization that old age is deplored as a state of extreme joylessness. Barbarism had no affection between relatives to alleviate this condition, but it had it in its power to shorten it; and so, along with exposure, we find the burying, or the killing, or even the devouring of the aged and sick, as numberless examples from Herodotus down to modern times attest. Indeed primitive man was able to look upon the solemn performance of this horrible act as a behest of piety.<sup>20</sup>

When we see how this unbroken nomadic life forced man to devote his whole activity to the securing of food,

<sup>19</sup> Lippert, as above, pp. 229 ff., has treated the subject so exhaustively that I may refrain from citing examples. Comp also Fritsch, pp. 116, 334, 351; Waitz, as above, II, p. 401

<sup>20</sup> Comp. the examples cited by Lippert, p. 232, and Martius, as above, p. 126. Also Ehrenreich, *Beiträge z. Volkerkunde Brasil.*, pp. 69-70; Waitz, as above, I, p. 189—*Introd to Anthropol* (trans.), p. 161.

and forbade the concurrent development of those feelings which we regard as the most natural, and how it even succeeded in giving the appearance of religious duty to what we consider the most abominable crime, we begin to conceive how loose must have been the personal bond that held together those little roving groups of human beings. Sexual intercourse could not grow to be such a bond; for what we call love was entirely wanting in it.<sup>21</sup> Domestic life, the conception of property and labour in common were as good as non-existent. These could originate only when the circle of wants advanced beyond the mere food requirement. But this took a much longer time than the majority are willing to admit. The needs of primitive peoples with regard to clothing and house-shelter are most markedly of an altogether secondary nature.

Turning now to the no less common characteristic of *improvidence*, we must certainly at first glance be struck with astonishment. One would think that hunger, which often brings such great torture to the savage, would of itself have been sufficient to induce him to store up for future use the food that at times he possesses in superabundance. But the observations that have been made all indicate that he never thinks of that. "They are not accustomed," says Heckewelder<sup>22</sup> of the North American Indians, "to laying in stores of provisions except some Indian corn, dry beans, and a few other articles. Hence they are sometimes reduced to great straits, and are not seldom in absolute want of the necessaries of life, especially

<sup>21</sup> The many writers who write nowadays about the family pay altogether too little attention to this point, to which prominence has justly been given by Lubbock, as above, pp. 72 ff. In the same way they overlooked the connection between the family and the economy of the home [Comp p. 10 above.—ED]

<sup>22</sup> Heckewelder, *Indian Nations*, etc. New edition (Phil., 1881), pp. 198, 212 (Memoirs of Hist Soc of Penn., vol. 12)















































































































Where a direct state tax arose, it was regularly a tax on wealth, generally a species of land-tax. Such was the Athenian *εισφορά*, the Roman *tributum civium*, and the scot or the bede of the Middle Ages. Along with these demand was made upon the wealth of the individual for direct services to the State or community, such as the furnishing of ships, the institution of festivals and entertainments (liturgies). The idea of taxing income, however natural and self-evident it may appear to us, would have been simply inconceivable to our ancestors.

By a process extending over centuries this independent household economy is transformed into the *system of direct exchange*; in the place of production solely for domestic use steps custom production. We have designated this stage *town economy*, because it reached its typical development in the towns of the Germanic and Latin countries during the Middle Ages. Still it must not be forgotten that even in ancient times beginnings of such a development are perceptible, and that at a later date they also appeared in the more advanced Slavic countries, albeit in considerably divergent form.

The transition to this economic stage is seen at the stage of domestic economy itself in the loss by the separate household, founded upon the cultivation of the soil, of a part of its independence through inability longer to satisfy all its needs with its own labour, and through the necessity of permanent and regular reinforcement from the products of other estates. Yet there do not spring up at once establishments independent of the soil, whose members would derive their income entirely from the working up of industrial commodities for others, or the professional performance of services, or the conducting of exchange. On the contrary, each proprietor still seeks, as far as possible, to gain his livelihood from the land; if

his wants go beyond this, he calls into requisition any special manual skill he may possess, or any particular productive advantage of his district, whether in field, forest, or water, in order to produce a surplus of some particular article. One will produce grain, another wine, a third salt, a fourth fish, a fifth linen or some other product of domestic industry. In this manner separate establishments come into existence specially developed in some one direction, and dependent upon a regular, reciprocal barter of their surplus products. This exchange does not at first demand an organized system of trade. But it does require more flexible commercial methods than were offered by the early laws. These are furnished by *markets* which still arise, in the main, under the household system.

A market is the coming together of a large number of buyers and sellers in a definite place and at a definite time. Whether this occur in connection with religious feasts and other popular gatherings, or whether it owes its origin to the favourable commercial situation of a locality, it is always an opportunity for producer and consumer to meet with their mutual trade requirements; and such in its general features it has remained down to the present day. Markets and fixed trade are mutually exclusive. Where a merchant class exists, no markets are needed; where there are markets, merchants are superfluous. Only in cases where a country must import articles for which there is a demand and which it does not itself produce can there be developed at the early stage of household economy a distinct though not very numerous class, uniting under their control the purchase, transport, and sale of these goods, and utilizing for this last purpose the trade opportunities presented by the markets.

What changes, then, were wrought in this condition of things by the mediæval town, and in what does the eco-







called in a skilled master workman from outside and induced him to settle by exemption from taxation and other privileges. If he required considerable initial capital, the town itself came to his aid, and at its own expense built work- and sale-shops and established mills, grinding-works, cloth-frames, bleaching-places, dye-houses, fulling-mills, etc.,—all with a view to satisfying the greatest possible variety of wants by home production.

Although direct dealing with the consumer of his wares<sup>25</sup> tended necessarily to keep alive in the artisan a sense of personal responsibility, an effort was made to brace this moral relationship by special ordinances. Hand-work is an office that must be administered for the general welfare. The master shall furnish "honest" work. So far as the personal services of the craftsman remained available to his customers, a regular rate was fixed governing the amount he could claim in wages and board while on his itinerancy. In cases where the customer furnished him with the raw material in his own home, as, for instance, tin to the pewterer, silver and gold to the goldsmith, or yarn to the weaver, provision was made that it should not be adulterated. Where, on the contrary, the artisan supplied the material there were erected in the market, about the churches, at the town gates, or in particular streets, public sale-booths which often served also as work-shops (bread-stands, meat-stalls, drapers' and cloth shops, furriers' booths, shoemakers' benches, etc.). It was a market rule that those vending the same wares should do their selling alongside one another in open and mutual competition and under the supervision of the market wardens and over-

<sup>25</sup> Here and there this was further secured by the regulation that not even the wife of the craftsman might represent him in selling. Comp. Gramich, *Verf. u. Verw. d. St. Würzburg vom. XIII. bis XV. Jhd.*, pp. 38 f.

seers, and this rule was extended to craftsmen who merely worked at home on orders, in that for the most part they lived side by side on the same street. Many cities have preserved to the present day the remembrance of this condition of things in the names of their streets (such as Shoemaker, Turner, Weaver, Cooper, Butcher, Fisher Streets), many of which led directly into the old market square. In this way the greatest part of the town, or even the whole of it, bore the outward aspect of one large market. It is well known that the many prescriptions regarding the raw material to be used, the method of doing work, the length and breadth of cloths, and the direct regulation of prices must have served for the protection of the consumer.<sup>26</sup>

Just as the urban craftsman enjoyed within the town and the extramural judicial district (*Bannmeile*) the exclusive right of selling the products of his handicraft, so the urban consumer possessed for the same area the exclusive right to purchase imported commodities. This right can be exercised, to be sure, only when the imported goods actually come to market and stand on sale for the proper length of time. To effect this a law of staple is introduced; foreselling in the country places or before the town gates is forbidden; selling to middlemen, artisans, and strangers is permitted only after the consumers are supplied, and then usually with the limitation that the latter, if they so wish, may have a share; and lastly, the withdrawing of goods once brought to market was forbidden, or permitted only after they had remained three days unsold.<sup>27</sup>

<sup>26</sup> For the sake of brevity we refer for all details in this connection to Stieda in the *Jhb. f. N.-Ök. u. Statistik*, XXVII, pp. 91 ff.

<sup>27</sup> These ordinances were most carefully wrought out for the corn trade. See Schmoller, *Jhb. f. Gesetzg. Verw. u. Volksw.*, XX, pp. 708 ff.

















































































































































ers. More accurate does it seem, especially in view of the varieties of this process to be mentioned later, to employ the expression *labour in common*.<sup>14</sup> In this phrase the personal element, which here comes into prominence, is more clearly expressed.

*Union of labour is then the union of different classes of work in one person; labour in common is the concurrent employment of several workers in the accomplishment of one task.* In union of labour the same producer turns out various products or combines production with trading or with personal service; in labour in common various labourers produce in common the like product. In the one case the uniting point is in the subject of the work, the labourer, in the other the community lies in the object of the labour.

The two processes are independent of each other and of division of labour. They, of course, play their chief rôle during primitive stages of development and in the lower strata of economically organized society. Two great stages in the economic life of nations might indeed be distinguished: a lower one, in which the principle of union of labour and labour in common comes preëminently into play; and a higher one, with the principle of division of labour predominant. In the same way two spheres of social existence may be distinguished in contemporary economic life: one with pronounced division of labour, the other with union of labour and labour in common.

In a separate consideration of each of these two phenomena we had better begin with *union of labour*. It appears early in the history of peoples. It is universally met with directly the stage of individual search for food is passed,

“subjective” (personal) union of labour; while the first case would be designated as “objective” (material) union of labour

<sup>14</sup> *Arbeitsgemeinschaft*.

and when economic motives, be they even of the crudest kind, become discernible in men's transactions. For at that point we everywhere notice the sharp separation of two distinct spheres of production, each of which again contains many subdepartments. One embraces men's work, the other women's work.<sup>15</sup> Essentially the same arrangement, with unimportant variations in detail, is found among all more advanced primitive peoples, and we cannot deny that there is a certain instinctive system about it. Of a *division* of labour between man and wife one cannot seriously speak, for from all we know none of the occupations assigned to either of the two sexes has ever been carried on by the other.

It must be assumed that this condition of things developed quite naturally. In any case the statement is false that the stronger man “imposed” upon the woman the tasks falling to him. Much rather is it correct to say that each sex has of its own impulse—it might perhaps be said under the stress of environment—created in the course of time its own department of production, developed the technical details connected with it, collected the experiences, and transmitted them to the following generation of the same sex. Thus these two combinations of tasks, through continued hereditary transmission within the same sex, have almost been evolved into sexual characteristics or functions. The hereditary task of the woman, in which the man was not instructed, formed a species of natural equipment that made her valued by the man and gave her a price. Though it is true that from this grew the conception of the wife as property of the husband, it is none the less true that the important part played by the wife in production has been not the least important

<sup>15</sup> A detailed discussion of these, pp. 30 ff., 55.























































































































therefore find no expression in a change in the number of inhabitants of individual localities.

If we take a collective view of the internal migrations of a *large country*, without regard to their effect on the distribution of the inhabitants over the surface, their routes appear to us as a close variegated web in which the interwoven threads cross and recross continually. Into the rather simple warp stretched from the country places and towns to the large cities and industrial centres is woven a many-coloured woof whose threads run hither and thither between the smaller centres of population. Or, to use a different figure, the broad and majestically surging surface-current, which alone we see, is not the only one; beneath it numerous lesser currents sport at will.

Up to the present these latter have received scarcely any attention, certainly not so much as they deserve, even in cases where they happen to have been statistically ascertained. The Bavarian census of 1871 shows the following situation:

	Residents native to Locality of Enumeration.	Born Elsewhere.	Total.
In the self-governing cities.....	301,494	361,899	663,393
In other places of over 2,000 population.	205,887	157,000	362,887
Total .....	507,381	518,899	1,026,280
In the rural municipalities.....	2,467,765	1,357,981	3,825,746
Grand total.....	2,975,146	1,876,880	4,852,026

From these figures it is plainly evident that the absolute number of persons who during the last generation migrated into rural municipalities is far more than twice as great as the number who had migrated to the cities. The same relation probably holds good for all larger countries.

But the significant feature in this connection is not that

the country places receive as well as give in this interchange of population; it lies in two other considerations. The one is that they give out a larger population than they receive; the other, that their additions are made chiefly from the rural municipalities, while those leaving them find their way in part to the more distant cities. The excess of decrease over increase thus accrues to the benefit of communities of higher order; so much of the population enters into a sphere of life economically and socially different.

If we call the total population born in a given place and domiciled anywhere within the borders of the country that locality's *native population*, then according to the conditions of interchange of population just presented the native population of the country places is greater than their actual population, that of the cities, smaller. Thus in Bavaria, according to the census of 1871, the native population of the rural municipalities amounted to 103.5 per cent. of the enumerated population, that of the cities to only 61 per cent.<sup>11</sup> In the Grand Duchy of Oldenburg<sup>12</sup> according to the census of December 1st, 1880,

The influx from other places amounted in the cities	to 25,370 persons
The exodus to " " " " " cities	" 10,208 "
The influx from " " " " " country	" 57,366 "
The exodus to " " " " " country	" 72,528 "

A balancing of the account of the internal migrations thus gives the cities a surplus, and the country municipalities a deficit, of 15,162 persons. In the economy of population one is the complement of the other, just as in the case of two brothers of different temperament, one of whom regularly spends what the other has laboriously

<sup>11</sup> Mayr, as above, pp. 53, 54 of the introduction.

<sup>12</sup> Comp. *Statist. Nachrichten über d. Groszh. Oldenburg*, XIX, p. 64.





















in accord with the designs of a greater whole, namely, of a state-regulated national economy.

This process begins with the development of the modern State and modern national administration. Hitherto each city had developed within itself all the branches of city life not forbidden by local conditions; now one city becomes a permanent royal residence, others become seats of district and provincial administrations, of prisons, of higher educational institutions and of all kinds of special branches of administration, while still others become garrison cities, border fortresses, fair-towns, watering-places, junction-points of commercial routes, etc. They take over definite functions for the whole country and for all other places, though these functions are not always specifically urban. The cities may also form alliances with rural residence centres. This process has been especially prominent since the fuller development of city industry on a large scale and the extraordinary increase and perfection of the means of communication. In this new national era the total national production endeavours so to distribute itself over the territory controlled by it that each of its branches may find the location best suited to it. Factory and house-industry districts arise, and separate valleys and whole regions take on a semi-urban character. Certain cities develop special branches of industry and trade reaching out far beyond the local, and often even the national, demand. In others, again, all industry and business life decline; they sink down to the level of villages, so that the historical rights of burgess that still attach to their name appear in striking contrast with their position as places of trade and with the number of their inhabitants. The distinctions between city and country are blotted out. This happens in the neighbourhood of rising industrial cities through the

planting of factories and workmen's dwellings in the suburbs and beyond; in the neighbourhood of the declining "rural cities" through the approach of the latter to the condition of surrounding country places, and through the rise of populous industrial towns. On the whole, however, the number of centres of population and of objective points for internal migrations is to-day relatively much smaller than in the second half of the Middle Ages.<sup>36</sup>

But in still another respect does the redistribution of population resulting from the internal migrations of the present time differ from that witnessed by our ancestors from the tenth to the fifteenth centuries. In consequence of the greater certainty of a living and of far-reaching measures for the health of the people the increase in population is to-day more rapid than in mediæval times. It

<sup>36</sup> The German Empire had in 1890 a total of 2,285 "cities." Of these there were 26 with more than 100,000 inhabitants, 22 with from 50,000 to 100,000, 104 with from 20,000 to 50,000, and 169 with between 10,000 and 20,000. Besides these there were 56 villages and suburban municipalities with from 10,000 to 50,000 inhabitants, 11 of them with more than 20,000.—In Prussia there were in that year 46 "cities" with less than 1,000 inhabitants, 14 of these being in the Province of Posen, 12 in Silesia, 10 in Hesse-Nassau, 3 in Brandenburg, 2 each in West Prussia and Westphalia, 1 each in Saxony, Hanover and the Rhineland (Schleiden with 515 inhabitants). Alongside these dwarflike cities there were 37 rural municipalities with more than 10,000 inhabitants.—How far some of the old cities have declined is shown by the following figures for the Grand Duchy of Baden. There the census of 1885 gave 114 "cities," only 63 of these having a population of over 2,000, and 9 with over 10,000. Of the remaining 51 "cities" 42 had from 1,000 to 2,000 inhabitants, 4 had from 500 to 1,000, and 5 below 500 (among these last being Kleinlaufenburg with 441, Neufreistett with 427, Blumenfeld with 349, Fürstenberg with 341, Hauenstein with 157). For every city there were on an average 14 villages. On the other hand, there were altogether 129 municipalities with over 2,000 inhabitants, 66 of these being "villages." Of the old cities only 55 are thus cities according to the modern idea, and of the villages four per cent are from the point of view of population to be reckoned in with the cities.















