

4-15-1942

Lecture notes taken of Frank Knight's Course

Hyman P. Minsky Ph.D.

Follow this and additional works at: https://digitalcommons.bard.edu/hm_archive

 Part of the [Macroeconomics Commons](#)

Recommended Citation

Minsky, Hyman P. Ph.D., "Lecture notes taken of Frank Knight's Course" (1942). *Hyman P. Minsky Archive*. 483.

https://digitalcommons.bard.edu/hm_archive/483

This Open Access is brought to you for free and open access by the Levy Economics Institute of Bard College at Bard Digital Commons. It has been accepted for inclusion in Hyman P. Minsky Archive by an authorized administrator of Bard Digital Commons. For more information, please contact digitalcommons@bard.edu.

Knight L.P.
April 15, 1942

Knight

III 1770 Capitalism Early	Diff in women	IV Credit Economy	III Capital Economy	III Capital Economy	III Capital Economy
III 1770 Capitalism Early	Diff in women	IV Credit Economy	III Capital Economy	III Capital Economy	III Capital Economy
III 1770 Capitalism Early	Diff in women	IV Credit Economy	III Capital Economy	III Capital Economy	III Capital Economy
III 1770 Capitalism Early	Diff in women	IV Credit Economy	III Capital Economy	III Capital Economy	III Capital Economy
III 1770 Capitalism Early	Diff in women	IV Credit Economy	III Capital Economy	III Capital Economy	III Capital Economy
III 1770 Capitalism Early	Diff in women	IV Credit Economy	III Capital Economy	III Capital Economy	III Capital Economy
III 1770 Capitalism Early	Diff in women	IV Credit Economy	III Capital Economy	III Capital Economy	III Capital Economy
III 1770 Capitalism Early	Diff in women	IV Credit Economy	III Capital Economy	III Capital Economy	III Capital Economy
III 1770 Capitalism Early	Diff in women	IV Credit Economy	III Capital Economy	III Capital Economy	III Capital Economy
III 1770 Capitalism Early	Diff in women	IV Credit Economy	III Capital Economy	III Capital Economy	III Capital Economy

Knight 6 P₂

Muelber-Leyu
History of Social Development

Gras: 1922 Int to Econ. History

- Collectional
- Cultural Nomadic
- Settled village
- Town
- Metropolitan

Gras: 1930 v Industrial Evolution

- Manufacture 4 phases
- Detail Handicraft 2 phases:
 - a. to order
 - b. chance sale

- Wholesale Handicraft
 - a. Independent: Craftsman sells to dealer
 - b. dependent phase: Craftsman who for Ent.

1 Knight 263

Burke: 5 stages

Household.
Itinerant Craftsman
putting out
Craftsman
Factory

Egleston: Transitive Civilization

Turner: Role of Frontier in American History
The U.S. as a frontier

Stages as a method of Classification; you cannot discuss society without breaking it up into stages [J. H. K.]

The evolution of Frontier:
Eng as Frontier:
Eng got its culture + civilization from Germany France + Especially Italy, Provence, Catalonia

Even Hist of West Mediterranean

Knights Ps

a. Transitory of culture
from Byzantine + East
Saracens / ^{East-crusades} ~~North Africa~~ ^{Spain}

Continuity School vs.
Critical school.

References regarding History
Jones + Becker. Social
Thought from Love to Science
History

The whole idea of progress
in the primitive approach has
been the fall + degeneracy of
man] is a ^{strategic} change
thing.

of Berry: The idea of
progress in 18th century
education

Herodotus + Polybius go back
that all men did
not have the arts +
for which they possess
higher interpretations of
human history after the
fall of classicism

Knight 26 P₆

History: Some things
which I can be pointed
out as why they went
the way they did

Weber: General
Economic History

recognizes complete
difference between
order, civilization &
other things

uniqueness of Mod
which has to be explained

idea of progress is
modern & the natural
tendency to assume it
is so great that we
have to look upon
it as evidence.

Test of any theory of History
whether it makes
evidence tenable.

What Veblen's Philosophy
of History is: Meaning of Cumulative
Evolution

Knight J. P.
April 2, 1942

The Outline of 'Economic Institutions'

Knight doesn't agree that modern society is acquisitive + that getting wealth is aim.

Essence of modern spirit is 'competition' and 'satisfying activity'

A stinty - satisfying - not treadmill getting ahead: not necessary & useful.

Great change in attitude toward life: from passive acceptance to modern spirit of 'getting ahead' - Prestige; prominence; cut down golf scores.

Goal.

Sport one of great things.

Religion Δ 'Non-conformism' a part of modern life

Knights 12/12

Technology

↳ books about Technology

Arts + crafts handed down
from Master to Apprentice
Easier for Technique to be
lost. ^{an early} ^{storage thing}

Utilization of Men (Slaves)

↳ Special significance of
↳ transportation

Was: Great importance
in bringing about
modern world,

Science & Magic:

Science is 'analytical'

Distinction between
'analytical' and 'empirical'
science

Relation between Knights & P
magic & science

magic didn't play such
a large roll in
Christian - Judea
tradition

SM

The religious motif &
the 'economic' motif

What people life for:

People never are without a
'religion'

Material accomplishment

Esthetic, intellectual, religious
& spiritual -

Economic aspect of activity
is the 'efficient' use of
means: the economy of
means.

Technology of Religion

Thought 27/14

Does the achievement of religious ends 'operate' efficiently?

Religion is one field in which human beings lie.

God is a spirit & yet they spend all their wealth worshipping it.

Facts are antithetical to the pretenses

D. Organization & Control

General Sweep of History from Middle Ages:

Foreign trade comes ahead of domestic trade.

Trade is the great enzyme leading to modern civilization

Primitive attitude Mo. J. 185

anti-trade

& any such thing as
fair established values.

Sea borne trade Piracy

Trade never become
quite respectable.

Trade respectable in
U. S.

H. Pirenne

American Hist. Review

1917

Historical Epochs in the
Social History of Capitalism

Middle Ages people wanted
wealth to enjoy.

Modern man a

Romanticist

Wright & P.

Wealth a form of achievement
a romantic notion of wealth.

Spirit Business from where
Foreign commerce was the
ferment - transforming agent
which led from a
stereotyped culture [perhaps
a more satisfying life]
Wanting what you get v.
getting what you want

Thomas A Kempis to
Chicago

(Epochs + Periods)

Start with Dark Ages.

9th 10th & 11th stages.

Medieval Society more stable.
Wandering trader

(Knight J, P)

made was never ritualized & never
segregated to a Trading Caste.
Medieval society you had the
Jews Caesars (played same role
as Jews) Near to being a caste.

Law Merchant. Merchants in
later Medieval age had own
Law: \approx of similar to a separate
caste:

With the incorporation of the
Law merchant into the common
Law modern society
began D.N.K.

Prima ~~Prima~~ VIII

Why did things happen the
way they did.

Some of things which did
happen. 1) certain fundamental
Technological improvements
which were not European
inventions

- 11/11/19
1. Compass. - East
 2. Gunpowder: Independently developed in Western Europe. 12th century
 3. Printing: Came from east?

Not certain

4. Arabic system of Arithmetic - Foundation of Modern Science + Business;

Arabic
} Columnar Notation
+ cipher

5. Paper: Brought into Europe from east by Arabs.

Europeans took these applications + applied them.

Chinese Had Gunpowder + Printing

Application of Arabic Notation to Business

Max Weber | Knight 27/19

Emphasizes the National State

Max Weber Remarks casually
that there never would have
been capitalism without the
Modern National State.

From the church on one
hand to the individual
on the other hand,
individual both

A grandized & diminished
by the National State.

Family & individual
Institutional chaos problems.

Start from where we
are:

problem: relation between
the institutions of
individual, family, state, +
Some kind of World order

Knight of P. 10

Superficial relations between
individual & state

The individual in any
society is a myth.

Call our society

individualistic, it really
familistic but it is a
free family Man +

Woman select each other
on non utilitarian
grounds.

In religious
communities today the
family is not a free
family on romantic
grounds.

State responsible
for individual

old family was responsible
for individual

Kingd. P.

Trying to get up to the
dating of a turning point
around the Reformation

The fall of Constantinople's
~~was important~~ importance
was overrated

The discovery of America
was terribly important

French invasion of Italy

The Medicis marriages

The Hapsburg Marriages
16th Century Beginning

3 remarkable men come
to the throne. ^{Henry VII of Eng.}
~~Extinguished~~
Feudal Power

Henry VIII of England - Tudor

Francis I of France

Charles ^{Inherited Austrian Dominion}
King of Spain; Elected Emperor.

1494 Sets the stage for a century of Dynastic Wars

1494 The Invasion of Italy

Can't leave the Church out of it
& De Medici.

Lorenzo de' Medici
Died in 1492.

Papacy: Alexander VI.
Divided world between
Portugal & Spain

Had been very much affected
by the Humanistic Renaissance

Rome took the place of
Florence.

Papacy: A temporal power.
Church in Rome took up the
Renaissance lit & Art.

Further: Started that century
of wars.

Benvenuto Cellini: Autobiography

Change in Renaissance
The epoch of Michelangelo

Knight, P. 13

18th century: Age of
Reason + Enlightenment.

Late 18th century the
Establishment of Democracy.

The Fr. Revolution
plays too great a role in the
thinking of Historians

English Anxiety of Fr.

Revolution:

Civil War.

Glorious Revolution 1688-1689

Established a Parliamentary
Principle of Government
Government.

Thinking as a
physiological
function - 123

Wright L & P,
April 28, 1942

Causality
in relation to history & preference
to actions

No instinctive interests.

On part of human: All
such elaborate behavior
patterns are institutional.
Activities by which we realize
our interests are institutional

Put some sense into
history - Different from
~~science into history~~ scientific
causality: History deals with
what happened - Science
tells you what happens if
so + when it happens.
e.g. what would happen
under given conditions.

Historical causality does
not deal with hypothesis
deals with a unique
sequence - e.g. a, b, c
c happen

Science - scientific / Knight 12
Historical events
non-inventable

Science
What is really happening is
rearrangement of atoms in space

~~What we do to make up
the rearrangement of atoms~~

all change is movement

Physical causality has
nothing to do with History

What are we trying to
explain in History. Inst.
Economics tries to explain
people's wants and the
way they explain the
satisfy the wants. 2

Inst economics: { wants
resources.
technology

What you can do to
explain them: Go
into historical process
that of institutional
causality.

What people want to know
and well / content of history
mental, spiritual
processes of same
kind.

Idea of Freedom:
Meaning of Romanticism

Freedom a scientific
paradox: Science
eliminates freedom.

Freedom a contradictory
reality: Makes freedom
a Romantic idea.

Different meanings
to Freedom:

Romantic idea
but many different
kinds of Romantic
idea.

Uses of word Thought 28 Py

freedom.. not very old
freedom / not being in jail
" " a slave
No freedom in Roman
empire,

You shall know the truth
and the truth shall
make you free.

Freedom from life

Freedom of Action
as a social added

Crucial: Human being
outside of society

Freedom a relation
between power +
resistance.

Freedom as an absence
of interference by other
people.

Knight 1970

Restriction which is obviously
right & necessary not
a restriction of freedom

Freedom includes the
right to have the power to
act

Movement of liberation: the
establishment of Human Freedom.

Freedom from custom & authority.

Prescribes a course of action

Right to do as you will with
your own. - Negative Freedom

The only true meaning of Freedom

Freedom from want: Right to
be relieved from extreme
destitution by the state

Why didn't people like the
regime of custom & authority

Until Ancient Greece:

Freedom for an Elite

© Modern Capitalism

K. L. P.
Knights of P.

From 200 B.C. Redeemer
God religions from the
East: Great Mother Cult.
Cults from Asia Minor
Egypt + Greece Mysteries.

All thought the same
thing: accept the
universe in Action

Root of whole modern
point of view: The
modern world point
of view is the anthropocentric
of the religious.

Religion Qualitative
conform themselves
to the conditions of
life.

Technological advance
has been mainly
unconscious.

Different theory of Knights
History of the
~~medieval~~ religious theory: Differ
from modern.



Progress & instrumental
rationality taken for
granted:

Progress seems inevitable -
to the modern point of view

All that is necessary is
that people should
prefer the better to the
worse: A theory of History

has to explain decadence

When you look at history you
see the decline & decay
of societies

Rise & Fall of civilizations

Veblen's Phases Marxist 1899
Cumulative changes

Was



DARWINISM
DARWINISM

Veblen's Darwinism

DARWINISM: FAVORABLE
VARIATION HAD BETTER
CHANCE OF SURVIVAL.

VEBLENIUM: TRIES TO EXPLAIN
HISTORY IN TERMS OF NECESSARY
PROGRESS + EVOLUTION.

CAN EXPLAIN TECHNOLOGY
TO A GREAT EXTENT BY
MEANS OF UNCONSCIOUS
EVOLUTION.

~~CANNOT~~ evaluate human
institutions + motives
on basis of survival
value.

MAN IS A DISSATISFIED
ANIMAL.

MAN SURVIVES IN SPITE
OF HIS CHARACTERISTIC
DIFFERENCES FROM THE
OTHER ANIMALS

Knight L & P

Instrumental Intelligence.
on part of men

Man is a destructive animal
Modern economic life

Economic Theory assumes
economic rationality
assumes desire to
maximize returns from
given J. of resources.

People are interested
in conformity &
restrictions

Competitive motive
will not fit into a
economic patterns.

Insofar as ^{economic} ends
are arbitrary ~~interests~~
rationality is blown up

What made modern
civilization happen?

K P P
Knights & P

Modern world view comes from
the 17th century on
with: Modern Capitalism,
Individualism, Science.

It is an awakening of
life as never again
a continuation of living.
Cannot be natural
in sense of a foreseen
result.

Rational activity
has to include an
element of surprise

When a society thinks it
is in a crisis a Romantic
Movement arises

Romanticism of Rousseau
was a reaction to Classicism

Knight & P.

~~common~~ Knight & P.

What we have in our
world now is a sad
exhibition of Romanticism.

Knight & P.
May 5, 1942

Term Paper: Get Going:

Institutional Economics

Veblen,

Commons,

Mitchell

Hamilton

As M. Clark: Clark is not an institutionalist

F. M. K.

Clark ~ supplements theory
with institutional trainings

Anthropological Economics.
Historiographical Economics.

Commons an institutionalist
in a different sense.

Institution: as the
unconscious.

creative phenomena.

Institution & mechanism
in Hughes: created
for purposive

Knights 1912

Vidkun: Proposes to have a
theory of history: Vidkun as
a Manifesto,

Economic life the product
of cumulative change.

Mitchell's quantitative
economic something else.

Price System: Market Mechanism:
"Automatic allocation of
production through
primary demand. State
interference operates
through the primary
process. As long as allocation
of resources is not arbitrary
then the price system
may be said to operate."

Historiographical problems:

Not interested in political
process's. Negotiated relationships
Doesn't feel that there is
much to say about it.

Negotiated relations not important

Knights 1913

mechanics of Social Relationship

Impossibility of Demonstrating
any thing to any one who
doesn't want to believe it.

People don't negotiate agreements
without any standards: The
standards in our life are
the market.

Productive capacity not
distributed equally!

Distributes income
with respect to productive
capacity

LEVY TAXES AS
EQUILIBRIUM

FACTOR IN

MARKET VALUE

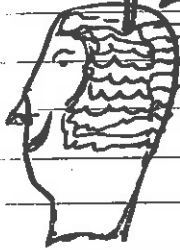
Knights 29/4

Distribution of Economic Power
vs. Political Power.

Power of any cohesive
minority is something
terrible.

March. Econ. Review Supplement:

Public Policy toward
restraints of Trade by
labor organizations



Δ

→ Debs was interference
with mails.

Pullman Strike:

H. B. Strike:

Stopped Mail

& believed by

members of

am. of

infrastructure

1/1 Knight 2, P5

Problem
Raising

General Reflections.

Professor Vaf:

"Early Industrial
Revolution in England
from 1540 to 1640"

J.P.F. June } 1956
August }
Oct }

The Class in Background.

Montoux Montoux.

The Industrial Revolution in
England in 19th century.

Ch 1 on Agriculture

Preparatory changes Pt I.

Montoux doesn't go
into general cultural
changes.

Knights 29/6

Doesn't go into role of
corporate as a ferment.

Roots of Modern Business
corporations

Involves 2 main
things

① Associations with
transferable
fractional ownership

② Existence of a
corporation as an
individual before
the law.

The issue of
interest bearing
securities.

Maitland: Trace history of
Corporations of Trusteeship.

Modern corporations grew
out of Regulated Company.
English East India Company.
Regulated Company 1600 &
combinations of individual
traders

Company began to trade for
the company

Wright 1967

Early efforts at company
trade were a mess
1620 Gradually abolished
individual trading:

Greek: Andronikos:

Account of the Bubble
1720

South Sea Company: Crash +
Turn: Parliament clamped
down on chartering
companies, ~~was~~ especially
the limited liability clause.
Eng. didn't grant
limited liability again
till after civil war.

Limited Company
(Incorporation)

Special chartering vs.
general chartering
provisions

Knight 29/68

History of corporations:

The Anti-Trust Period.

Common law of companies in England did not allow one company to own stock in another.

Trusteeship

Trusteeship outlawed by Supreme Court

New Jersey's Holding Company provision

Delaware came out on top. That of more or less shady companies are Delaware corporations

Competition between states

Knock out old provisions

Make it possible for corp.

to write their own laws

Talk about Federal Incorporation across the states

Hyman P. Minsky

1st of Knight of Pio

Religion & the Origin of

Capitalism

Walker - 4 or 5 years ago

Econ. Hist. Review.

Refers to 4 or 5 books

Read Veblen's 'Imperial
Germany & Industrial Revolution'

Tawney 3 articles in J. P. F.
around 1926

Religion & Ethics in
England in 17th cent.

✓ Knight R. P.
✓ May 13, 1942

The Age of the Tuggers: A great
banking family.

Tuggers: South Germans.

14th Century: Florentine Bankers.
Lombards North Italy.

South Germany
Law Countries
England

Capital & Finance in the Age of
the Renaissance.

Deals with the
continent: South
Germany.

30p 2. development of the
exchanges.

One of objectives: A
picture of transition
from Medieval Europe
to Modern Era: which
is Yrigere.

Knight 10 P2

Duggers: Made money from
state finance & operating
concessions

Mining & Shipping tie
in with the
technological revolution

Shipping & Venetian's
improvements

Venice a great shipping and

Transition from wood to
coal & iron: Heart of
the technological revolution
which = industrial
revolution.

Transition from organic
to inorganic world.

Organization of work:
The revolutionary

change in the organization
of work came before
the 10th century.

The Enterprise economy:
Entrepreneur's central role

Knight d. P.

Wage systems in contrast
with a handcraft
system the independent
producer.

Really no more
independent than now

Domestic systems.
Putting out systems.
Not factory systems.

Revolution in organization
is \equiv to technological
revolution.

The entrepreneur economy
is the revolution in
organization.

Talking about industry.
1) changes in agriculture
agriculture organized in
sizeable units - larger
units than now.

Wage system was \odot send down
a rigid status relation.

\odot became
a wage system.

Knight 2.10 P4

Tradition of Free Towns.

Town air makes free

Towns were dominantly
free: didn't work in
agriculture

Manorial life transformed from
a serf-system to a
wage system:

England by end of 16th century.
Serfdom was practically
gone

~~back~~ ²⁰⁰ you from black
death to Elizabeth's reign
the serfdom system.

Free commerce
in a serf. General rule
was Entails till end of
Middle Ages but it
wasn't a universally
followed phenomenon.
Free use & rental
of land was necessary to

entrepreneurial function

Knight d. 10 P. 15
~~1111~~ III 1111

Capital & Interest:

Lending at interest is
not essential to
modern organization
≡ lease or rental of
real property.

By historical
development of
modern world
lending at
interest is
essential.

Loans replaced
by lease.

Speculative aspect of
arrangement.

Anticipation reg. future
value of land.

Industrial property the
mining of capital goods
becomes an important
phenomenon.

3 Knight 21. P6

History of development of Capital Market.

Middle ages the question of interest amounted to very little.

Wasn't any serious action against it.

there were 3 or 4 centuries when it was controversial

Broke down to the Protestant Reformation

Taurey's int. to Thomas Wilson's discourse on Usury. Trans controversy on interest taking.

Usury laws never enforced effectively in Italy.

Church Borrowing + lending of money

Eng.: First formal act of Parliament legalizing interest ^{about} 1548 - about same time in France.

Knights

Elizabeth's silly repeated
usury laws

Dutch: established
secure credit.

Connection in which
money lending developed
was an incident
in the development
of capital: Connection
with foreign trade.

Evasion of usury laws.

Period of the Renaissance
called the Commercial
Revolution:

Eng. after confiscation
of monasteries there was
a development of trade.

Putting out system of

Organization: Developed
in Eng. ~~with~~ in connection
with textiles but also
in leather + iron:

Contract on a great
variety of terms

Developed chiefly in
country + villages

Some craftsmen's tight monopolies

Knight 2.10.18

Industrial organization of
Towns: R. Green: Medieval Towns

Early Towns first

developed as ① trading
centres or ② political
or religious centres.
(military)

Somewhat claims
religious, political &
military factors
important in early
history of towns.

Some developed in
early times.

Town military post
religious center
political capital

trading center
industrial center
first industries those
needed by traveling
merchants.

Specialties & know-how of
the merchant urban
important.

Knight Lio Pg

Industry developed on basis
of distant trade: Tribute
not exchange relations
between towns & countries

Putting out industry

Towns went through
a commercial period
which preceded manufact.
Merchant guild included
everybody - M. guilds split
up into craft guilds
which were specialized
trade organizations

Many craft guilds were
traders.

Towns as things developed
the trading guilds
tended to become
dominant over local
production.

Early craft guilds were
traders + producers of
own wares

later the craft guilds
specialized between
producer + marketer

Knights to Pio

The Guild Wars: Traders
became dominant.

Trade easier concentrated
in England +
centralized control.

Marketing sections got
rich: Craftsmen
didn't. There actually
were bloody clothes!

England

12 great companies:
The Livery Companies

guilds split 3 ways.

- 1 Livery companies
- 2 Employers.
- 3 Employee's

Craftsmen

Apprentices - regulating
apprentices: biggest
% of apprentices never
became masters.

After industry had
gone out they got statutory
regulation:

Knight 2.10 P.11

Industrial e.g.
Technological
Revolution

Technical inventions go
back to middle ages
Many introduced from
east. Gunpowder
Printing, paper, navigation
Arabic notations.

Early 13th century
Crusades; Conquest
of Constantinople
Venice 13th
Turks 15th

2 Root of Social Attitudes
| Commercial interest
| Intellectual Interest
Geographical interest etc.
~~Interest of interest~~

Increased use of iron.
Cutting of forests to make
charcoal. Tried to use
coal.

People interested in
making money &
doing things. The
Coal for fuel etc

1812

Pumping water out
of coal mines:
Steam pumps.
fire pumps.

Coking coal

Development of
metallurgy before
people knew anything
about chemistry.
They didn't know
what was happening.

Ancients didn't have any
soap.

Steam engine develops
slowly

Early Industrial revolution
developed on basis of
water power

(Water: History of Mechanical
Invention)

Development of Machine Tools

Invention of Interchangeable
parts - Eli Whitney

Knight 210 P 13

Brown: (American Machine
Builders)

Craftsmanship vs machine
production:

Took Capital

Sombart & where capital
came from to finance
the enormous q. of
experimental work

Sombart had theory that the
capital came from
Taxes & surpluses from
land. That it was
not primarily profit

England it was ① confiscation
of Monasteries ② Industry
was financed out
of profits

Arkwright
was most successful
builders of spinning
machines. Was not
an inventor at all.
His patents were finally
invalidated

Knight May 1932
12 P.

J. P. E. Dec 1940. Allen & Zuckey
Article on John R. Commons
Concept of 20th century economics

Refers to + is based upon
article in Journal of Democracy
1939

20th century Economics:
J. R. Commons
Journal of Social Philosophy 1939

Journal of Social Philosophy
Oct 1935 - 1935 - Place of Economics
4 J. R. Commons

1st issue or Volume

Commons: scarcity

Read some Commons
willingness concept
of Knight

Sovereignty - Gov't.
Working Rule - Association
+ other rules

Economic Theory: A concept
which has a meaning

Wright 2/2

Man's Body + Man's Behavior
Man's Culture + " " "

Bravilovsky Oct 1941

Journal Not in Library

Both were lectures at some
symposium: Science Versus
Man: March 1941

Social Research -
Karl Myer: Intellectual
Origins of National Socialism

~~Protestant~~
Luther's Theology Among Sun
F.H.K.

~~German Romanticism~~
German Idealistic Philosophy
Nietzsche

(Theology & History: Theology
hasn't any real influence
in Western History.
Perhaps in India.
Hobbes)

(Dream on Language or
some other important)

Knights 12/3

Amid attempt to
escape life

| Life is an Evil

Lutheran Theology can't
get anyone to say
anything about it
without my ties

| Argument which is
one prejudice against
another

To begin with Luther was
an individualist/ Never
really believed it. He
believed in The Church.
Catholic View: Church is
the intermediary
between God & Man.

Luther to get barbaric tied
up the state & church

Find the premises to justify
the conclusion

[Knight Lic P4]

Journal of History of Ideas:
3 articles on Causality
in History January 1942

~~Journal of History of Ideas~~

Journal of Ethics April 1942.

F.H. Knight.

Philosophical Basis of Democracy.
S. Hook.

(Northrup: Dept of Philosophy at Yale.

Prof at U.C.L.A.

The Decline of Liberalism

Liberalism

View of History:

Liberalism is one aspect of
a Sociological Environment

No differentiation between
Independent + Dependent
variables.

Individualism:

Liberalism is a name rather
than something different.

Wright L.P.

Distinction Between
Cause & effect. Come out
with an E. course
interpretation.

Can you say some of factors
in historical change are
causal.

Trading - Commercial interests
& pure intellectual interests
go back beyond Crusades

Go back to a customary
Society. Individualism
is a conflict. A difference
of opinions. Antithesis
is where everyone
accepts his position
[status].

Didn't really have ^{complete} status
Society in Eng.

Got interested in things.
Changes occur.

Travel breaking up the
crust of custom.

1/11/1976

Italian interests in
Crusades was Commercial

Real beginning of
Colonizing movement in
Europe started with
Crusades: Venetians +
Genoese.

Commercial interests

Intellectual Curiosity
Geography
Astronomy for navigation

They all tie together: How
can you separate
independent + dependent
variables.

Gunpowder: Printing Press
Had ideas western
didn't have

Interactive: Reaction
Cumulative change.

One element is not a
product + others is
not a product.

Knights 17

U.S.A.'s Article: Journal of Ethics
Reasons why liberalism is on its way out.

Factors contributing to liberalism's decline:

Influence of Positivism:
Belief in Autonomous individual
Undermined by the scientific
interpretation of Human
Nature: ^{behav}

Decline of individualism
in Social relations.

3 school of psych } interpretation
 of Human
 Behaviors.
Behaviorism: Man a machine
Psycho Analysis: Mind myst. mechanism
Cultural Determinism: Socially
 determined individual
Psycho-Physical Parallelism

Hutch Adler: Positivism is the
bogey which is going to
out us all up.

F.N.K. Skeptical regarding Creeds

149

Knight 12 P8

All interpretations of History
are denied & nullified by
people who advocate
them.

Mechanical Process.

Belief in positivism may
make people discouraged
etc. but people
don't act that way.

People don't believe ^{what} ~~they~~
they say they do

Growth of positivism.

Gradual disappearance of
individual autonomy in
Social-Economic life.

Modern Civilization a
more integrated mechanical
organism.

Increasing production efficiency

Decline in organized systems:

Bad Times:

Not things weren't thought
about & known about till

Wright 1939

the economic depression
of the 30's

Rest of the paper is an
elaboration of those ideas.

He is talking around
somewhere near a
point. as F. N. K. sees
it.

Last section on Germany &
National Socialism

Historical Causality:

3 Articles in

J. of Hist of Ideas
J. 1941

Read Thoughtfully.

Social data are not
physical facts.

Cannot manipulate
them successfully.

Articles state many
common places.

1/11 night 6.10

Repetitiveness of History:
| event is like
| another: only
| slightly different
| one

What is a process, a
course of events, the
other is things behaving

Causality: $y = f(x)$

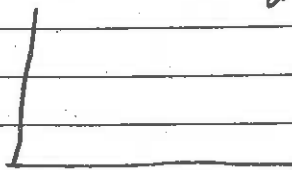
| Way things behave
| under given conditions.

Blamed Aristotle for
thingifying experience.

Aristotelian logic classifies
things.

Causality is a stream
measured by magnitudes

q



$q = \delta(p)^P$

what is behaving: people
law of demand explains how

Knights & P.

people behave

Philosophical act
in what sense
there is causality
in History

Do not think of
people behaving:
Are thinking in
terms of mathematical
behavior.

Significance & is the most
intellectually satisfying of
the sciences

Can detach from human
beings + find laws of
its subject matters
behavior.

Cannot separate political
History from people
behaving.

New History tried to
write History of & in
institutions, ideas
& etc.

Knights in Pi

History tied up with
people I know.
Concept of
Causality.

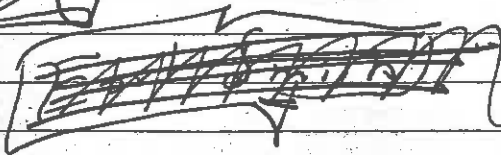
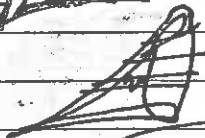
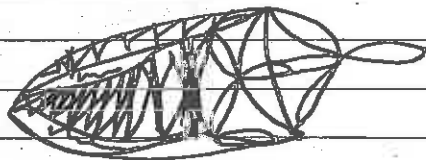
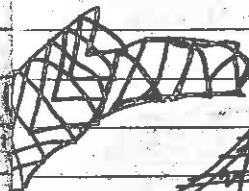
No ~~pre-~~existing~~ causality~~

Attempts to find a
pattern - sequence of
events.

~~R~~

Harper May 1937.

Bernard DeVoto in
The Easy Chair



Suggested Term paper

E. H. Knight. - Econ 305

Property and the problem
of Freedom.

18th / + 19th / Cent. Liberalism

What did they think
How far were they right

Classical Economist

Both J. & James Mill

Spencer - Ethics

Bentham -