

# MAX WEBER: FAMILY HISTORY, ECONOMIC POLICY, EXCHANGE REFORM\*

Guenther Roth

**Abstract:** This article suggests that Weber's cosmopolitan dimension has much to do with his extended family history, which has been relatively neglected even though it influenced his world view and oeuvre in significant respects. It first sketches the cosmopolitan family context and then turns to Weber's political and scholarly agenda, especially the little-known story of his strong political and professional engagement in the battle over exchange reform in the eighteen-nineties.

**Key-words:** Weber family history, Economic Sociology, economic policy, exchange reform

Max Weber became one of the most influential social scientists of the 20<sup>th</sup> century in large measure because of the intellectual interests and professional needs of successive generations of social scientists. A great many misreadings, that is, readings out of context and more or less “creative misinterpretations,” were necessary for an international success that he never anticipated. But there were also some inherent qualities of work and person that facilitated the reception especially in the English-speaking world. His major sociological writings, *Economy and Society*, *The Economic Ethics of the World Religions* and *Wissenschaftslehre* are relatively “denationalized.” They have, of course, a specifically German intellectual context, but in contrast to the works of many contemporaries they lack the special pleading for the superiority of *Deutschtum* and the fashionable anti-western *Kulturpessimismus*. “The Protestant Ethic and the Spirit of Capitalism,” in particular, has an important anglophile dimension, which was connected with his cosmopolitan family background.<sup>1</sup>

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In the historiography of Imperial Germany Weber has been treated mainly as a liberal imperialist, social imperialist or, in his own words, an “economic nationalist.”<sup>2</sup> But if one wants to use labels at all, I prefer to call him a “cosmopolitan nationalist” because he never wavered in his support of Germany’s peaceful integration into the world economy, even during the First World War. The cosmopolitan dimension, I suggest, has much to do with his extended family history, which has been relatively neglected even though it influenced his world view and oeuvre in significant respects.<sup>3</sup> It had a bearing not only on his economic policy views but also on his career expectations, which were oriented toward commercial law for a longer time than has been perceived up until now. This reconsideration is facilitated by Knut Borchardt’s recent edition of Weber’s writings on the functioning and reform of securities and commodity exchanges; this part of the oeuvre has been very much overlooked in the literature.<sup>4</sup>

My purpose, then, is twofold: I will first sketch the cosmopolitan family context and then turn to Weber’s political and scholarly agenda, especially the little-known story of his strong political and professional engagement in the battle over exchange reform in the nineteen-nineties.

## **The Cosmopolitan Family Context**

Weber was a scion of the cosmopolitan bourgeoisie that created the capitalist world economy of the 19<sup>th</sup> century. On both sides he descended from merchant families that were engaged worldwide. On the maternal side the Frankfurt Souchay clan, based mainly in London and Manchester, was one of the wealthiest Anglo-German families in the middle of the 19<sup>th</sup> century; on the paternal side the Bielefeld Weber clan gained international importance especially through its trading and shipping firms in Hamburg. (The 150-year-old Hamburg firm “Weber & Schaer” is still one of the most important importers of natural rubber and also a major exporter of machinery.) Again on the maternal side, there was the Fallenstein linkage with the Bunge family in Antwerp and South America; the Bunge firms are still among the richest privately held companies in the world, active in cereal production and shipping. Within Weber’s far-flung family, the

opposition but also overlap of cosmopolitan and nationalist attitudes come into sharp focus.

From early on Weber was familiar with the details of his family history, including the English and Dutch-Belgian lines. At Christmas 1879, Fritz Baumgarten made “his dear cousin Max Weber” the present of a Goethe calendar, in which the vital dates of many members were listed, but when he also let Max read the G. F. Fallenstein biography by the famous historian Georg Gottfried Gervinus, father Weber protested “that I was so lacking in pedagogical acumen as to let grandfather’s biography fall into little Max’s hands – for the big family tree he was busy drawing.”<sup>5</sup> At any rate Max jun. realized early that his Heidelberg grandmother, Frau Geheime Finanzrat (Privy Councilor) Emilie Souchay Fallenstein was the daughter of the Anglo-German business founder Carl Cornelius Souchay; the sister of the Frankfurt senator and mayor Eduard Souchay und of the two English “patrician merchants” (*Handelsherren*) Charles and John Souchay in Manchester; the sister-in-law of Friedrich Wilhelm Benecke, head of Benecke, Souchay & Co. in London; and the mother-in-law of the Baden prime minister Julius Jolly, the political writer and historian Hermann Baumgarten, the politically active theologian and novelist Adolf Hausrath, the Alsatian geologist Ernst Wilhelm Benecke, the leading Antwerp businessman Karl Gustav Bunge, as well as of his own father, the Berlin city councillor in charge of public construction and member of the Reichstag and Prussian diet.

For a number of reasons, Weber could not realize his ambition to pursue a “practical” vocation. After finishing dissertation and *Habilitation*, he hoped in vain “to learn the practice of the import/export trade for several years.”<sup>6</sup> His first academic choice was commercial law, but he chose an academic career with great ambivalence and abandoned teaching after only seven years in the wake of his extended illness. Taking the option of living as a capitalist rentier and gentleman scholar, he could henceforth afford to be “undisciplined” in both senses of the word: he was free to ignore academic boundary lines and to indulge in a pattern of “stop and go” scholarship. He made the most of his unstructured situation and succeeded despite his lingering illness in composing his cosmopolitan

sociology and developmental history – largely in the Heidelberg family mansion that had been built with profits from world trade.

The connections between family background, economic policy views and scholarly writings are partly direct, partly indirect. Some Marxist writers have singled out Weber as the foremost representative of “bourgeois sociology,” but they have shown only superficial knowledge of the family history. (Friedrich Engels, partner in a small Manchester firm, reported to Marx several times on the leading firm of “Schunck, Souchay & Co.,” the major source of the Weber fortune, but to my knowledge the secondary literature did not detect the connection.) In a non-polemical essay, published in 1979, Karl-Sieberg Rehberg interpreted the most abstract *Grundbegriffe* of *Economy and Society* as emanating from “a grand-bourgeois world view”; but this was an internal analysis without reference to the wider family history.<sup>7</sup> If we look at the latter, we can recognize that the young Weber’s interests in East Elbian agrarian capitalism and in securities and commodity exchanges were to a considerable extent a family matter. In the Reichstag, Max Weber senior fought efforts by the conservatives to raise taxes on financial capital and impede the capital and commodity markets. In the Prussian diet, he was a member of the commission that drafted the “homesteading act” of 1886; the law aimed at reversing the decline of the German population in the East. On the government’s side, executive responsibility for the law rested with the minister of agriculture, Robert Lucius von Ballhausen, with whom Max sen. often collaborated over three decades and whose English-born wife Juliet Souchay was a cousin of his own wife Helene Fallenstein. While Max junior was still synthesizing the survey on East Elbian agrarian labor in 1892, he suddenly developed expertise on the Argentinian economy, which appeared as an unexpected insertion in his 1892 article on the survey and a year later in his article on Argentinian colonists. The source for much of his information was his cousin Julius Fallenstein, who visited him at the same time. Julius was one of three Fallensteins who worked in Argentina for Weber’s Antwerp cousin Ernest Bunge, who was at the point of becoming the biggest wheat exporter to Europe. Weber favored raising protective tariffs but without giving in to the exorbitant self-interested demands of the East Elbian agrarians. Decades later, in a

wartime speech in 1916, he opposed rightwing demands for Belgian annexations, adding: “Antwerp will always remain a non-German city. I know it, I have relatives there” (MWG, I/15:177). Even though he distanced himself in this speech from cosmopolitan family capitalism in favor of the national interest, he could not resist the temptation to reveal the family nexus. At the beginning of the war, Eduard Bunge, Weber’s other Antwerp cousin, lost the biggest natural rubber warehouse on the continent. Plundered by the German army, the stock was put at the disposal of the Imperial commissioner for caoutchouc (rubber), Albert Weber, co-owner of “Weber & Schaer” in Hamburg, another relative of Max jun.<sup>8</sup>

Weber’s interest in the United States was also rooted in early family experiences. On Christmas 1875 his paternal mentor Friedrich Kapp, for many years active in Republican politics in New York City, gave the eleven-year-old a German copy of Benjamin Franklin’s autobiography. In the introduction Kapp advised: “May every German father put Franklin’s autobiography into his son’s hands as a textbook... We lag behind the materially more developed peoples, especially the Americans, in appreciating the proper role of money-making and material means in achieving spiritual and moral purposes.”<sup>9</sup> Max also learned from Kapp about the darker sides of American democracy, from the “predatory wars by the democratic Union against Mexico” (Dec. 6, 1885, Jugendbriefe 192) to the rule of the bosses and machines in the cities. He did not have to wait for the great works of Hermann von Holst (1873ff.) and James Bryce (1888) to gain a wider understanding of American History.<sup>10</sup> The young Weber’s interest in the United States deepened when his father, who represented private railroad interests in the Prussian parliament, accepted an invitation by the German-American railroad tycoon Henry Villard (Heinrich Hilgard) to attend the opening of the transcontinental line of the Northern Pacific in 1883. Max sen. traveled for a month in Villard’s private train with Georg Siemens, director of the Deutsche Bank, and also met the former Heidelberg student James Bryce, who later recounted the trip in his classic *American Commonwealth*. Villard also financed the travel grants of the Imperial government to the Chicago World’s Fair of 1893, which Max jun. intended to visit (with Paul Göhre). Because of the unexpected engagement to Marianne Schnitger (a second cousin), Weber postponed his trip until

the St. Louis World Fair of 1904, when he visited the Villard family in New York.<sup>11</sup>

In the first version of *Economy and Society*, Henry Villard appears in the charisma fragment (ES 1118), one of the few directly visible links between family knowledge and scholarly work:

The antagonism between charisma and everyday life arises also in the capitalist economy, with the difference that charisma does not confront the household but the enterprise. An instance of grandiose robber capitalism and of a spoils-oriented following is provided by Henry Villard's exploits. [In 1881] he organized the famous 'blind pool' in order to stage a stock exchange raid on the shares of the Northern Pacific Railroad; he asked the public for a loan of fifty million pounds without revealing his goal, and received it without security by virtue of his reputation. The structure and spirit of this robber capitalism differs radically from the rational management of an ordinary capitalist large-scale enterprise and is most similar to some age-old phenomena.<sup>12</sup>

Weber's judgment may have been influenced by the Northern Pacific's third bankruptcy in 1893, the second for Villard, when many German professors again lost much money from their investments in American railroad stocks. The Webers themselves held American shares until well into the First World War. At any rate, the young Weber was well informed about the connection between railroad expansion and wheat exports to Europe. His (later) friend Max Sering preceded Weber's father in the spring of 1883 as Villard's guest and wrote a study for the German government on *The Agrarian Competition of North America in the Present and the Future. Agriculture, Colonisation and Railroad Transport in the United States and British North America* (1887). The railroad official Alfred von der Leyen, a close family friend and Friedrich Kapp's son-in-law, wrote two studies between 1885 and 1895 about the politics and economics of American railroad expansion. The rapid growth of the international grain trade, in which the Bunge branch of the family played a major part, was directly linked to the political conflict over German grain tariffs and complaints of the Prussian Junkers about

international competition and changes in the agricultural labor force. This is the context in which Weber turned to the issue of agrarian capitalism and German and Polish labor in East Elbia.

## **The Purpose and Reform of Exchanges: Weber's Political and Scholarly Agenda**

Although the English secondary literature has given considerable attention to Weber's analyses of agrarian capitalism, his engagement with the functioning and reform of securities and commodities exchanges has been relatively neglected.<sup>13</sup> On this score too the family dimension has been largely overlooked.

Weber was acutely aware that most of his mother's "very large fortune" (MWG, II/6: 763), the cause of so much parental tension, was accumulated on the Manchester cotton exchange and in London merchant banking; the Hamburg family branch traded on the local exchange. When he became involved in the debates on the German exchange reform, he took the position that in principle only persons of means – such as his own relatives – should trade on the exchange. The London exchange was an exclusive club. The Hamburg exchange, though open, was embedded in patrician traditions. Both served Weber as models. In 1896 he did not hesitate to state a plutocratic position to the commercial and agrarian elite assembled in the governmental exchange commission. Responding to a leader of the agrarians, he confessed:

If Count Arnim calls the maximum openness of the exchange the most desirable solution, this conflicts to some degree with other tendencies in the discussion of the legislation and also with my personal view which, if you want to put it in unfriendly terms, would bring about a degree of plutocratic closure of the exchange. I would like to introduce less a moral test, as the exchange commission and the legislation envisage it, since it is difficult to achieve, than an economic means test, a proof of a certain level of wealth. But this is an idea that has no chance given the prevailing mood in Germany (MWG, I/5: 714).<sup>14</sup>

What were some of the immediate causes that led to the parliamentary battles over tariffs and the security and commodity exchanges? A number of bank failures and exchange scandals in the early eighties reinforced general anticapitalist sentiments at the same time that agrarian interests became a formidable pressure group. Beyond the general goal of raising agricultural (and railroad) tariffs, these interests demanded legislation to curtail the role of capital and commodity markets, especially the outlawing of trading in grain futures. In the framework of the great policy debate on Germany's economic future – *Industriestaat* or *Agrarstaat*? – Weber defended the need for a strong capital market and efficient commodities exchanges to strengthen the German economy on the world market. (He correctly predicted, for example, that outlawing trading in grain futures in Berlin would simply mean that the quotations at the Chicago Board of Trade would set the guidelines.) Employing a provocative nationalist rhetoric, he turned himself into the foremost younger expert on the exchange and its reform.

Borchardt has pointed out the “astonishing” fact that “an author, who in December 1896 faced the commercial elite and the leaders of the big East Elbian landowners as a leading academic authority in the Provisional Exchange Commission had not published a single line on this subject matter until 1894” (MWG, I/5: 91). In the winter semester of 1891/92 Weber acquired in Berlin his *Habilitation* and therewith the teaching qualification (*venia legendi*) for Roman public and private law as well as commercial law. He immediately took over for the incapacitated Levin Goldschmidt, his mentor. In the absence of pertinent publications his qualification for commercial law had been controversial within the faculty, which also did not propose him for the (associate) professorship for commercial and German law – again an irregular combination – to which the ministry appointed him in November 1893. Weber taught courses on “money, banking and exchange,” commercial and maritime law, and agrarian law and history. When government and parliament began to move toward restricting the exchange, he saw a chance to prove his expertise and exert some political influence. Similar to the way in which, in 1892, he had boiled down the huge survey of the Verein für Sozialpolitik to his 800-page report on “The Conditions of Agricultural Labor in East Elbian Germany,” he now worked through



five thousand pages issued by a government commission to produce three hundred fifty pages on “The Results of the Inquiry into the German Exchange” for Goldschmidt’s *Zeitschrift für das Gesammte Handelsrecht* (1894-96). This was followed and paralleled by articles in the *Handwörterbuch der Staatswissenschaften* on the proposed reforms (1895) and in the *Deutsche Juristen-Zeitung* on the legislation passed (“The Technical Functions of Trading in Futures,” 1896). Together with some other specialized contributions, they immediately found recognition among academic experts and government officials. But before Weber could finish his series analyzing the results of the government inquiry, the Reichstag pushed through legislation in June 1896 that was based on moralizing sentiments and vested agrarian interests. The result largely vitiated Weber’s purpose. His quickly acquired reputation seemed to give him a second chance, however, when he was appointed as one of two academic experts to the “Provisional Exchange Commission,” an advisory body within the Imperial Ministry of the Interior. There he distinguished himself through a subcommittee report. (For the protocols with Weber’s interventions see MWG, I/5: 673-735). But since he was known to be opposed to the outlawing of grain futures, the agrarian representatives successfully prevented his appointment to the permanent board. Weber had anticipated in a letter to Adolph Wagner (Jan. 1, 1897) that “Count Arnim and his minions [may see to it] that professors who are alleged to be as friendly to the exchange as I am will not again be admitted to the Commission” (I/5:105). The agrarians also tried but failed to push out one of the leading Berlin bankers, Ernst von Mendelssohn-Bartholdy, about whom Weber reported to Marianne: “As things have gone until now, I have apparently pleased the millionaire bigwigs. At least Geheimer Kommerzienrat Mendelssohn Bartholdy always shakes my hand so vigorously that I am surprised not to have found a check for several hundred thousand Marks under my writing pad” (I/5: 666, Nov. 22, 1896). With his vigorous handshake, however, the banker acknowledged not only a young political ally but also a distant relative. Weber’s mother was a cousin of Felix Mendelssohn Bartholdy’s wife, whose daughter Maria in turn married Victor Benecke in London, head of “Benecke, Souchay & Co.” in which Helene Weber’s fortune was invested until the eighteen eighties.<sup>15</sup>

Weber's move to the economics chair in Freiburg in 1894 has usually been understood as a turning away from jurisprudence.<sup>16</sup> It is true that he had to take on the burden of standard courses in theoretical and practical economics and in finance. But his major publications at Freiburg concerned exchange matters. Moreover, he continued to lecture in the law faculty on "money, banks and exchange" and on the history of German law. Therefore, Borchardt raises doubt about "the thesis that Weber became an economist (at the latest) in Freiburg" (I/5: 103). It seems to him that Weber wanted to keep open a choice between law and economics longer than has been generally thought – and the option of a possible return to Berlin. The real turning point came after the move to Heidelberg in the spring of 1897, when his existential crisis was quickly building. His strenuous political and scholarly activities for agricultural and commercial reforms in the national interest had come to naught. In 1899 he condemned for a last time the outlawing of grain futures and also resigned from the Pan-German League because of its failure to oppose the big Prussian landowners on the issue of Polish migrant labor. By that time he had also decided against a run for the Reichstag as a National Liberal, holding the party responsible for the moralistic exchange legislation. Weber came to feel that he was totally stymied in politics. At the same time the dramatic conflict with his father, who died shortly thereafter in the summer of 1897, became the last step in a sequence of mounting inner tensions that precipitated his illness and ended his political and academic ambitions.

Thereafter Weber was free as a private scholar to pursue a sweeping historical vision that somewhat paradoxically became important to the narrower disciplinary articulation and differentiation of American sociology. His developmental history of rationalism and capitalism turned out to be especially influential. But he did not basically change his economic policy views. As a "rather pure bourgeois" he continued to uphold the imperatives of the capitalist market economy against the right and the left. Although he criticized the older generation for its dogmatic adherence to laissez-faire doctrines, he defended even during the First World War "the so-called anarchy of production, that is, the competition of entrepreneurs with

one another” (MWG, I/15: 613). In the latter stages of the war, when the anticapitalist and antidemocratic right publicly attacked international capital and “Jewish-led democracy” as the true culprits for the war, he declared: “Before the war we were told that the country has too much capital and industry. That is the outlook of naïve (*weltfremde*) intellectuals.... Let us stop the railing against capital and bourgeoisie (*Bürgertum*)! We don’t have too much but too little capital and too few big entrepreneurs”(MWG, I/15: 668). As late as 1917 Weber warned that Germany might not be able to regain its economic position on the world market “even if the war ends brilliantly” (I/15: 212). He worried that the spirit of capitalism would lose out to the spirit of the rentier and was concerned about the impact of the veterans’ claims and the middle-class expectations of steady returns on their warbonds. “The ideal of the safe rent rises up before an increasing part of the nation, and the stupid outcries of the literati against capitalism pave the way. The decisive problem of the future is how we can rid ourselves of this spirit of rentiership” (MWG, I/15: 212). After a peace treaty Weber expected a return to formally peaceful competition in the world economy.<sup>17</sup> In this crucial respect he differed from virulent Social Darwinist nationalism and Prussian militarism, which treated the use of force not as *ultima ratio* but as a normal state of affairs. Weber warned of continuing the practices of the war economy into the postwar period and opposed projects for nationalization and establishing an interventionist *Wirtschaftsstaat* (a once popular term forgotten today). In significant respects he remained a liberal critic of the emerging welfare state and its pendant, the militarized state-run economy. In general, the thrust of his rhetoric and polemic was “anti-anti-capitalist,” an attitude of opposition that he also adopted toward the fashionable critics of modernity, whose anti-Semitism, anti-Americanism and Anglophobia he bitterly opposed. Weber’s early death in 1920 spared him from experiencing the failure to restore a viable world economy and facing the triumph of the fascist and communist command economies. In his spirit a close colleague, Arthur Salz, and a relative, Albrecht Mendelssohn Bartholdy – both scholarly and political allies – persisted in defending the historical and theoretical rationale for capitalism and the world economy, but lost the battle and ended their lives as exiles in Columbus (Ohio) and in Oxford (England).<sup>18</sup>

If Weber's nationalism is notorious, his cosmopolitanism warrants remembering. His "cosmopolitan nationalism" presupposed the capitalist world economy: the "economic community of the nations" (MWG, I/4: 560) or the "economic community of the world" (I/5:155) was a basic reality. Weber's economic policies remain of exemplary interest insofar as they link the presumptive, if contested, national interest with an unsentimental acceptance of the world economy. His descent from international trading families provided the ambiance in which he articulated a national economic policy open to the world-market and opposed to autarky.

It took more than half a century for the world economy to recover from the two world wars. Only in the nineteen seventies and eighties did world trade and foreign capital investment again reach levels attained before 1914.<sup>19</sup> In view of this fateful historical rupture, it may be useful to shift attention from the conventional concern with Weber's developmental history of rationalization and bureaucratization to his interests in the functions (and dysfunctions) of an integrated capitalist world economy.<sup>20</sup>

## Notas:

- 1 See my essay "The Young Max Weber: Anglo-American Religious Influences and Protestant Social Reform in Germany", in *International Journal of Politics, Culture and Society*, v. 10, n. 4, p. 659-671, Summer, 1997.
- 2 For this self-identification in the 1895 Freiburg inaugural lecture, see *Max Weber Gesamtausgabe* (abbr. MWG), I/4:565 (Tübingen: J.C. B. Mohr, 1993). There is a large international literature on Weber as a spokesman for nationalist power politics and a democrat at most on the level of instrumental and procedural, not of value rationality. Much of this literature draws on Wolfgang Mommsen's famous first book, *Max Weber and German Politics 1890-1920*, a political biography by now more than four decades old (Engl. ed. U. of Chicago Press, 1984, tr. Michael Steinberg); it appeared about the same time as Reinhard Bendix's pathbreaking *Max Weber: An Intellectual Portrait* (Garden City: Doubleday, 1960). Beyond political and intellectual biography there has in recent years been increasing interest in the genre of personal biography and autobiography even in the social sciences, both in Germany and the US. There is a need for a comprehensive biography of Max Weber at a time when biographies of Werner Sombart, Levin Goldschmidt and the Jellineks have appeared; see Friedrich Lenger, *Werner Sombart 1863-*

1941 (Munich: Beck 1994), Lothar Weyhe, *Levin Goldschmidt. Ein Gelehrtenleben in Deutschland. Grundfragen des Handelsrechts und der Zivilrechtswissenschaften in der zweiten Hälfte des 19. Jahrhunderts* (Berlin: Duncker & Humblot, 1995), Klaus Kempter, *Die Jellineks 1820-1955. Eine familienbiographische Studie zum deutsch-jüdischen Bildungsbürgertum* (Düsseldorf: Droste, 1998). At a session of the Research Committee on the History of Sociology in Thorun (Poland) in June 2000 Dirk Kaesler spoke about “How to write a socio-biography of Max Weber” and Sam Whimster about “The biographer’s biography: The case of Marianne Weber.” See also D. Kaesler, “Max Weber: Ein Forscherleben zwischen Geld und Geist,” in Matthias Dörries et al., eds., *Wissenschaft zwischen Geld und Geist* (Berlin: Max-Planck-Institute for the History of Science, 2001), 29-45. Currently the historian Fritz Ringer is working on a Weber biography (in English).

- 3 See my German study, *Max Webers deutsch-englische Familiengeschichte 1800-1950* (Tübingen: Mohr Siebeck, 2001). For earlier English treatments see my essays “Marianne Weber and Her Circle,” Introduction to the Transaction edition of Marianne Weber, *Max Weber. A Biography*, trans. Harry Zohn (Brunswick: Transaction Books, 1988), xv-lx; see also “Weber the Would-Be Englishman: Anglophilia and Family History,” in Hartmut Lehmann and myself, eds., *Weber’s Protestant Ethic. Origins, Evidence Contexts* (Cambridge: Cambridge University Press, 1993), 83-121; “Global Capitalism and Multi-Ethnicity: Max Weber Then and Now,” in Stephen Turner, ed., *The Cambridge Companion to Weber* (Cambridge: Cambridge University Press, 2000), 117-130.
- 4 Knut Borchardt, with Cornelia Meyer-Stoll, eds., *Börsenwesen. Schriften und Reden 1893-1898*. MWG, I/5 (1999), 2 vols., 1,150 pp. In its policy aspects the volume is closely related to MWG, I/4 (1993), *Landarbeiterfrage, Nationalstaat und Volkswirtschaftspolitik. Schriften und Reden 1892-1899*, ed. by Wolfgang Mommsen with Rita Aldenhoff. This completes the critical edition of all writings, speeches (as reported in newspapers) and statements by Weber in the eighteen nineties. Borchardt’s hundred-page introduction and the editorial reports to each item make indispensable reading for interested social scientists who are not familiar with the highly technical subject matter. Borchardt provides a concise overview of the rise of securities and commodity exchanges in the 19th century and parallel developments in commercial jurisprudence and legislation. He gives proper attention to Weber’s teacher Levin Goldschmidt, one of the founders of the academic field of commercial law. Goldschmidt, author of a famous *Universalgeschichte des Handelsrechts*, traced the rise of commercial law out of the practices of merchants who were mainly Italian. He tried to preserve the “law of merchants for merchants” as long as possible against the increasing invention of the state – a view that influenced Weber’s judgment. See also Borchardt, “Max Webers Börsenschriften: Rätsel um ein übersehenes

Werk (Munich: Bayerische Akademie der Wissenschaften, 2000), Heft 4, 43 pp.

Weber's two popular essays on the exchange, written for Friedrich Naumann's "Göttinger Arbeiterbibliothek," are now available in a translation by Steven Lestition, whose introduction is heavily indebted to Borchardt. See *Theory and Society*, 29 (June 2000): Steven Lestition, "Historical Preface," 289-304; Weber "Stock and Commodity Exchanges [Die Börse]," 305-338; Weber, "Commerce on the Stock and Commodity Exchanges [Der Börsenverkehr]," 339-371; Richard Swedberg, "Afterword: The Role of the Market in Max Weber's Work," 373-384. The translation has many errors, which at crucial points reverse the meaning of many sentences. For instance, the translation reverses Weber's key argument that regulating the exchange should be left as far as possible to exchange traders themselves.

- 5 Marianne Weber, *Max Weber*, 51.
- 6 Letter of Jan. 3, 1891 to Hermann Baumgarten, *Jugendbriefe* (Tübingen: Mohr, 1936), 326.
- 7 Karl-Siegbert Rehberg, "Rationales Handeln als grossbürgerliches Aktionsmodell," *Kölner Zeitschrift für Soziologie und Sozialpsychologie*, v. 31, n. 2, p.199-236, 1979.
- 8 Sometimes Weber referred to relatives as cousins that were one or two steps removed. This made it easier for him to remind an audience of his family connections. Thus, when he opposed the close cooperation of government and big business cartels at the meetings of the Verein für Sozialpolitik in 1905, he mentioned his "esteemed cousin [Theodor] Möller" (MWG, I/8: 273), the Prussian minister of trade, who was just at the point of moving his aniline factories to England under pressure from the Kirdorf cartel, which denied him access to his coal supplies.
- 9 See Friedrich Kapp, "Benjamin Franklin," reprinted in *Aus und über Amerika* (Berlin: Springer, 1876), 89 and 46. See my elaboration in "The Young Max Weber...", 659ff.
- 10 Long before Bryce wrote his famous account of the bosses and machines (vol. III of *The American Commonwealth*), Kapp described the corrupt operations of the New York City administration (1871); see *Aus und über Amerika*, vol. II, p. 3-43.
- 11 In her biography Marianne Weber did not mention this visit or a meeting with a cousin of Max's who worked in the German Wall Street firm Amsinck; she also did not identify their main host, the Columbia economist Edwin R. A. Seligman, son of the German-born banker and co-founder of the Society for Ethical Culture, Joseph Seligman. Edwin Seligmann and Weber corresponded as early as 1897; see Weber's letter, dictated to Marianne, of March 22, 1897 (Columbia U. Libraries, Special

Collections). Marianne also never mentioned Max sen.'s America trip and eliminated a reference to it in the son's *Jugendbriefe* (1936). In line with her own interests, she recalled meeting Florence Kelley in New York and Jane Addams in Chicago.

- 12 The facts, which Weber no longer remembered correctly, do not make Villard's 'blind pool' a convincing example of entrepreneurial charisma. The dichotomy of modern bureaucratized capitalism (*Alltagskapitalismus*) and grandiose booty capitalism makes it hard to recognize that Villard's railroad firm was a rational and efficiently organized enterprise that still could not be profitable—no English or American railroad company ever was in the long run. It is intriguing to notice that the event stayed magnified in Weber's mind and that he exaggerated the number. Only eight million dollars were raised 'blindly'; fifty million dollars (not pounds) was the final pool. Investors did not act irrationally. Villard's Oregon Railroad and Navigation Company paid good dividends and the purpose of his "blind pool" could be guessed. See my essay "Global Capitalism and Multi-Ethnicity," 121f.; and *Max Webers deutsch-englische Familiengeschichte*, chapt.. 15:1.
- 13 Reinhard Bendix may have been the first to call wider attention to Weber's treatment of the exchange; see his *Max Weber* (Garden City: Doubleday, 1960), p. 47-59; sec. ed. Berkeley: University of California Press, 1977, p. 23-36.
- 14 Weber's insistence that the forms of exchange are not in themselves ethical or unethical, but only the people involved, remains pertinent today. His plutocratic remedy, however, is less feasible than ever before. He would have wanted to exclude the mass of people without substantial means who today trade on their own, especially the day traders, as an inappropriate exercise of commercial democratization.
- 15 There is some confusion in the literature about which family member and which branch hyphenated the name Mendelssohn Bartholdy.
- 16 Lawrence Scaff first gave sustained attention to this issue; see his "Weber before Weberian Sociology," *British Journal of Sociology*, n. 35, p. 190-215, 1984; see also *Fleeing the Iron Cage* (Berkeley: University of California Press, 1989).
- 17 In the so-called professors' memorandum at the Versailles Peace Conference, Weber, together with Albrecht Mendelssohn Bartholdy, Hans Delbrück and Max Graf Montgelas, stated on May 27, 1919: "It is very regrettable that the theory, which is completely erroneous in our view, of the alleged inescapability (*Naturnotwendigkeit*) of trade wars was given strong support by a very accomplished American writer (Veblen, *Theory of Business Enterprise* 1904)." See "Bemerkungen zum Bericht der alliierten und assoziierten Regierungen über die Verantwortlichkeit der Urheber des Krieges," MWG, I/16:349.

- 18 See Albrecht Mendelssohn Bartholdy, *The War and German Society. The Testament of a Liberal* (New Haven: Yale University Press, 1937) and Arthur Salz, “Der Sinn der kapitalistischen Wirtschaftsordnung,” *Archiv für Sozialwissenschaft und Sozialpolitik*, v. 52, n. 3, p. 577-622, 1924. A third exile who remained close to Weber’s views was the liberal economist Moritz Julius Bonn. See his autobiography, *Wandering Scholar* (New York: John Day, 1948).
- 19 See Niall Ferguson, *The Cash Nexus* (New York: Basic Books, 2001), 290f.
- 20 For an elaboration, see my essay “Global Capitalism and Multi-Ethnicity: Max Weber Then and Now” (cf. n. 3 above); see also “Max Weber und der globale Kapitalismus damals und heute,” in Gert Schmidt und Rainer Trinczek, eds., *Globalisierung. Ökonomische und soziale Herausforderungen am Ende des zwanzigsten Jahrhunderts* (Baden-Baden: Nomos, 1999), p. 29-39.

**Resumo:** O autor sugere que a dimensão cosmopolita de Weber está associada à sua história familiar, que tem sido relativamente negligenciada embora tenha influenciado sua visão de mundo e sua obra em aspectos significativos. Na primeira parte, esboça o contexto familiar cosmopolita, e depois examina a agenda política e acadêmica de Weber, particularmente a história pouco conhecida de seu envolvimento político e profissional na batalha pela reforma cambial nos anos 90 do século XIX.

*Palavras-chave:* história familiar de Weber, Sociologia Econômica, política econômica, reforma cambial

**Résumé:** L’auteur suggère que la dimension cosmopolite de Weber est associée à son histoire familiale, qui a été relativement négligée malgré l’influence significative qu’elle eut sur sa vision du monde et son oeuvre. Premièrement, l’article trace le contexte familiale cosmopolite; ensuite il se penche sur l’agenda politique et académique de Weber, particulièrement l’histoire méconnue de son engagement politique et professionnel dans la bataille pour la réforme du change dans les années 90 du XIX siècle.

*Mots-clé:* histoire familiale de Weber, Sociologie Économique, politique économique, réforme du change.