

THE RIGHT
TO
THE WHOLE PRODUCE
OF LABOUR

THE ORIGIN AND DEVELOPMENT OF THE
THEORY OF LABOUR'S CLAIM TO THE
WHOLE PRODUCT OF INDUSTRY

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London
MACMILLAN AND CO., LIMITED
NEW YORK: THE MACMILLAN COMPANY
1899

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INTRODUCTION

DR. ANTON MENGER'S remarkable study of the cardinal doctrine of revolutionary socialism, now for the first time published in English, has long enjoyed a wide reputation on the Continent; and English students of social philosophy, whether or not they are familiar with the original, will welcome its appearance in this translation. The interest and importance of the subject will not be disputed, either by the opponents or the advocates of socialism; and those who know how exceptionally Dr. Menger is qualified for work of this kind, by his juristic eminence, and his profound knowledge of socialistic literature, will not need to be told that it has been executed with singular vigour and ability. Hitherto, perhaps because it was not generally accessible to English readers, the book has not received in this country the notice that it has met with elsewhere. Yet there are reasons why it should be of peculiar interest to English economists. The particular method of criticism adopted by Dr. Menger, and indeed the whole scope of his inquiry, will be almost entirely novel here; while on its historical side the work is

Dr.
Menger's
work.

mainly distinguished from previous essays in the same field by the importance it assigns to an unquestionably original but too-much-neglected school of English writers. I venture to offer a few introductory remarks by way of explaining the nature and results of Dr. Menger's inquiry, and its special claims on the attention of Englishmen. I do so as one who has always felt that the work of this little English School was of first-rate significance in the history of socialism, and that a critical examination of their teaching must form part of the training of every serious student of the social question; and as one, therefore, who has special reason to appreciate the laborious researches Dr. Menger has made into his subject, and the masterly way in which he has handled it.

Its general scope.

The work before us, then, is at the same time a history and a criticism. It deals, not with socialism in general, under all its aspects, but with a single claim or first principle of socialists, the asserted right of the labourer to the whole produce of industry; or, if we prefer to express it in its negative form, the denial of a right to „unearned” income. Dr. Menger does not exaggerate when he says of this principle that „it is the fundamental revolutionary conception of our time, playing the same part as the idea of political equality in the French Revolution and its offshoots.” „Both conceptions,” he goes on to remark, „are of a purely negative character, and contain no positive principle for the reconstruction of an economic order; but seeing

that the masses are most easily united on negations, an immense revolutionary power must be ascribed to both , (p. 160). This claim of labour to the whole produce of industry, without deduction of any kind, has, in one or the other of the various interpretations that may be put upon it, served as the foundation of most of the protean forms of modern socialism ; and there can be no question that it well deserves to be singled out for careful and express treatment. In the terse and compact little volume before us, which is understood to be a portion of a larger forthcoming work, Dr. Menger has undertaken this important task, and has devoted himself almost exclusively to an examination of the history and validity of this formidable claim.

It will be understood, therefore, that Dr. Menger does not profess to cover the whole field, either of socialistic theory or socialistic experiments. His book is in the main abstract, and contrasts strongly with the detailed examination of particular situations, schemes, and problems, so dear to the English mind. He gives us nothing of the picturesque or emotional side of socialism, no highly-coloured pictures of the seamy side of the modern economic *régime*. In place of these more familiar, and to many more congenial, topics, we find two concurrent inquiries, each of a somewhat general character, and mutually illustrating one another. We have a cold, rigorous analysis of the fundamental principles, apparently so plausible and axiomatic, upon which socialistic proposals rest, exhibiting relentlessly,

A history and a criticism.

but without bias, their insurmountable inconsistencies; and this is accompanied by an historical account of the part played by the most notable of these principles in modern literature and politics, tracing it from its origin in the English school of Thompson and others, down to its latest developments in theory and legislation.

1. DR. MENGER'S CRITICAL METHOD

The
criticism.

On the historical, as well as on the critical side, Dr. Menger's book deals with much that, if not entirely new to English economists, has certainly been too much neglected by them. But it is his critical method which will probably appear most unfamiliar, at least to those whose reading has been confined within the narrow pale of what used to be called the „orthodox” school. It may therefore be worth while to glance at the purpose of his criticism, the standpoint from which it sets out, and the general character of its results.

Juristic
rather than
economic.

Dr. Anton Menger is a jurist by profession, and it will be gathered from the title of his work that it is the juristic rather than the strictly economic aspect of socialism in which he is most directly interested. Yet it would be altogether misleading if we were to say that his criticism was concerned with law in the English sense of the term. The whole discussion deals not with positive law, but ideal right; with relations of *Jus*, *Droit*, *Recht*, not of *Lex*, *Loi*, *Gesetz*. The English language is significantly weak in words, and especially in

adjectives, which will readily mark this distinction; and this makes it the more difficult to convey the corresponding ideas to an English reader. The term Eight is full of ambiguity, and boxes the philosophical compass from the ethical imperative of Kant in the one direction to the material, actionable title at law in the other: and we have no adjectives which bear precisely Not con-the same relation to Eight as the adjective legal does to Law. But the distinction is absolutely essential for our present purpose. Dr. Menger's inquiry is not concerned with the structure of positive law, but with the system of ideal right.

Not concerned
with positive
law but with
ideal right.

Neither the actual legal structure of societies, nor the prevailing notions of equity, have hitherto received adequate recognition at the hands of English economists. But of late years, perhaps owing to the influence of the realistic school, there has been a distinct tendency to look more closely into conditions of law and custom; and this has been especially noticeable in the case of those investigations of particular economic questions which are more and more displacing the quasi-abstract text-books that formerly appeared in such profusion. In most of these recent monographs we find that the legal conditions occupy a prominent place, and together with other matters of fact, historical and descriptive, receive much of the attention once devoted mainly to abstract considerations. Economists recognise that in all economic inquiries, certain legal conditions are necessarily assumed, whether or not they are explicitly

It is admitted that economics must take account of positive law.

set forth. They are aware that the whole circle of economic life in civilised societies rests upon, and is powerfully modified by, the actual system of legal relations, or body of positive law, which forms the skeleton, so to speak, of the social organism.

In the case of certain specific bodies of law this connection must be obvious to the dullest observer. The effect of poor laws and factory laws on the position of labour, of market and contract law on commercial dealings, of monetary law on the movements of price, is too direct to be ignored. But it is equally real, if less evident, in the case of the whole system of positive law, and especially, of course, in regard to that part of it which relates to property. If the anarchists, in their vivid perception of the economic significance of law, have exaggerated its power to control the distribution of wealth, the economists as a body have unduly minimised it. The physicians of the last generation have sometimes been blamed for unduly pursuing anatomical to the neglect of physiological studies. The economists unquestionably fell into the opposite error. They were too apt to take their „political anatomy” for granted, if not altogether to ignore it; and this applies with special force to that part of social anatomy which should deal with the general system of law. Hence, though they certainly did not under-rate the importance of such specific laws as those determining tariffs and taxes, there is a marked failure to appreciate the economic effects of the more fundamental and general

law of property and contract. This is one of the respects in which the English economists of this century compare unfavourably with their great master Adam Smith; and it is here perhaps that we may find an explanation of their almost complete indifference to the pregnant issues which were being raised by contemporary socialists. In this respect, however, distinct progress has been made since the rise of the historical school. If much still remains to be done, economists are at least alive to their deficiencies, so far as concerns the study of positive law. It is generally recognised now that whether our purpose is to effect practical reforms, or merely to get at the scientific explanation of the existing situation, an examination of the legal conditions is indispensable.

But this is not enough. We must go beyond the study of positive law to the study of the conceptions of ideal right on which it is based. It has been said that the science of one age is the common sense of the next. It might with equal truth be said that the equity of one age becomes the law of the next. If positive law is the basis of order, ideal right is the active factor in progress. To use the Comtian phrases, there is a dynamical as well as a statical jurisprudence, and both are vitally important to the economist. The whole aims and objects of economic policy and legislation, the trend of all movements for social reform, revolutionary or progressive, must depend upon the prevailing sense of ideal right, upon the notions of justice and fairness,

Ideals of equity not less important.

more or less coherent, which recommend themselves to the governing body of opinion at any time as axiomatic and unquestionable. Vague and intangible, perverse or impracticable as they may seem, these notions of right are none the less real and resistless in their sway. They are themselves, no doubt, not unaffected by positive law, as Maine and others have shown. But in progressive societies they are a living, and in the long run, a dominant force. Their growth is slow and secular; revolutions and counter-revolutions may run their course, while they remain but slightly changed; but as they gradually develop, they fuse and transform the whole structure of positive law, and alter the face of civil society. If the supreme purpose of the economist is to obtain some insight, however limited, into the future course of economic evolution, and so to lessen the social friction and waste of energy incident to its progress, he should surely examine, with not less care than he bestows on the institutions of positive law, these notions of ideal right of which positive law is only a belated and imperfect, though wonderfully elaborated embodiment.

Their
gradual
evolution.

That there are such underlying ideas of right, and that the whole tenour of legislation is silently, unconsciously moulded by the accepted views as to what is economically and constitutionally fair and just, will not be disputed. Crystallized into catching phrases, we meet with these current ideals of equity at every turn. One man, one vote; a living wage; a fair day's wage

for a fair day's work ; equality of opportunity; *à chacun selon ses œuvres*; property is a trust; a man may do as he likes with his own; *caveat emptor*; *laissez faire*,— these and many others will be familiar to us as effective instruments of economic and political movement. If they are modified, the legislation of all free countries will reflect the change; until they are modified no forcible revolution will have more than a superficial and transient effect. That they do change would be readily allowed; but I doubt whether either the extent or the importance of the change is generally realized. The instances above mentioned may serve to remind us that ideas of fairness vary from age to age as well as from class to class in the same age; and the history of opinion on Usury, on Slavery, on Property in Land, on the rights of Traders, on Competition, on Individual Responsibility, is full of examples in point. It would be hard to say whether the average man of to-day would be more astonished at the medieval ideas of corporate responsibility and vicarious punishment, than the medieval would be at our anarchical competition and flagrant usury. But it is certain that each would find the other's notion of fairness positively scandalous. „We are always apt to overlook the variable, subjective character of this notion. In settled organic stages of society, the change is too slow to be perceptible. And even in periods like that of the Renaissance, when the change is most rapid, and the conflict between institutions and ideals most marked, men have been able to objectify their fancies, and to

persuade themselves that they were part of an unalterable order of nature. This illusion is for ever dispelled so far as scholars are concerned, for its history has been written. But the average man is still too prone to believe that his view of fairness is eminently „natural,” and admits of no question. In England we are under great obligations to Dr. Cunningham for the excellent work he has done towards removing this prejudice. With the decay of the “classical” economy, and of the whole system of thought founded on the philosophy of natural law, we may expect the prevalence of a more genuine historical feeling, and the general appreciation of the fact that even our perceptions of fairness themselves are, like other social elements, in a state of continuous evolution.

How it
affects
social
stability.

It is hardly too much to say that in the gradual development of these ideals of right, and in the relation between their development and the development of positive institutions, we have the key to social stability.

That form of society is most securely rooted in which these movements are fairly concurrent; in whose legal structure and economic relations the prevailing notions of equity or axioms of justice are most faithfully mirrored; and where they are carried out in similar degree on all the various sides of social life. In these respects our own time does not compare favourably with the Middle Age. Not only is our age one of exceptionally rapid change, but our ideals are changing even more rapidly than our institutions, so that we live

in an atmosphere of social ferment and revolutionary proposals. „What makes the situation still more critical, and forms to my mind the peculiar danger of modern societies, is the startling contrast between their political and economic development. In politics, equality; in economics, subordination. One man, one vote; why not also one man, one wage? This contrast, which must be brought home to the dullest at election time, is full of social unsettlement, and is quite sufficient to account for the unrest characteristic of our day. How different was the inner harmony of the system of the Middle Age, where the economic order found its parallel in the political order, and was even reflected in the spiritual order, and projected in the conception of another world. The medieval conditions resulted in a long period of organic and stable society; the modern mark an age of transition, perhaps of revolution.

It seems clear that great change is inevitable either in our social philosophy or in our social institutions before we can arrive at that general consonance between them which social stability appears to require. The first impulse is to believe that our ideals must prevail, and the institutions go by the board. Principles of equity seem so axiomatic and imperative, until equally obvious but conflicting ones are proposed, that we are apt to invest them with something like religious obligation. It is this impulse that has given us modern socialism, with its vigorous criticism of the classical economics, and its revolutionary crusade against the

existing order: and the impulse is so natural that the socialistic movement has grown with singular rapidity, and is regarded with more than benevolent neutrality by large masses who do not adopt the party label. But before making catastrophic changes in a social order which at least has the merit of having survived, and of having thus shown itself compatible with steady progress, it would seem only reasonable to direct a portion of our critical activity to an examination of the principles upon which the new order is to rest. It is surely worth while to inquire how far these principles are consistent with one another, and how far all or any of them are rights, adapted to human nature as we know it, or are likely to find it in our time. This is precisely the object which Dr. Menger has proposed to himself in this brilliant sketch. To me at least it seems difficult to exaggerate its importance.

Purpose and significance of Dr. Menger's inquiry.

Dr. Menger's criticism, then, presents itself as the obverse of the socialistic attack. It differs in two respects from the ordinary criticism of the historical school. It deals not so much with actual legislation, as with socialistic projects; and it is not so much concerned with their ethical and economic as with their juristic foundation. From first to last, the inquiry proceeds from the juristic standpoint. It is confined to the examination of those claims of right in which socialist writers have embodied their ideals of equity, and which form the backbone of their systems. It

would be doing great injustice to the scholarly analysis of Dr. Menger to compare it with the turgid and irregular dissertations of Proudhon. But the purpose of both writers is to detect the inner fundamental contradiction which underlies a great deal of the popular thought on economic subjects. Proudhon made some pretence of applying his criticism indifferently to both the communistic and the economic systems of social philosophy; Dr. Menger deals only with the philosophy of socialism.

This term socialism is often used in this country with a vagueness for which there is no excuse, as in the well-known phrase, „We are all socialists now.” Dr. Menger, like Mr. John Rae, attaches a precise meaning to the word. He understands by it not the natural revolt against a morbid excess of commercialism, which seeks to infuse existing social relations with a more human and healthy spirit, but the campaign for social reconstruction, the revolutionary socialism that challenges the very principles upon which modern society rests. For him Marx, not Ruskin, is the type of the socialist. Socialism in this sense, the only one really distinctive, has been well defined by Mr. Rae, in terms which Dr. Menger might have drafted himself. „It is not only a theory of the State's action, but a theory of the State's action. founded on a theory of the labourer's right — at bottom a demand for social justice — that every man shall possess the whole produce of his labour.”¹ It is this famous but ambiguous claim, lying

Socialism and its two claims.

¹ John Eae, *Contemporary Socialism*, 1884, p. 13. *I*

as it does at the root of all modern socialism, strictly-so-called, which forms the central subject of Dr. Menger's inquiry; though he has a good deal to say of another claim, perhaps more familiar in actual history, the right to subsistence. To both these claims, but especially to the first, he gives a most searching scrutiny from the standpoint of jurisprudence. That is to say, he studies them in their relations to other claims asserted by the same school of writers, and generally inquires how far they could form part of a consistent system of legal right upon which it would be possible to base the economic relations of an actual human society.

Jurisprudence, he tells us, is in effect a mere reflection traditional legal conditions. Hence, its doctrine of natural rights has been developed mainly from the point of view of the propertied classes. As Adam Smith puts it, in words whose significance was not lost on Charles Hall, „Civil Government, so far as it is instituted for the security of property, is in reality instituted for the defence of the rich against the poor, or of those who have some property against those who have none at all.”¹ Thus, just as socialists speak of a

¹ *Wealth of Nations*, bk. v. c. i. part ii. This view of Government explains the position of the anarchist, so far as anarchism is intelligible at all. But it is clearly inappropriate to modern conditions. It might as truly be said of some democratic governments to-day that they are a machinery by which those who have less property may compensate themselves at the expense of those who have more. The tables have been turned.

bourgeois political economy, so one may speak of the theory of rights in its orthodox form as a *bourgeois* jurisprudence. But in the course of the last century a rival jurisprudence has made its appearance in the shape of socialism — the jurisprudence of the Have-Nots, of the proletariat. This new philosophy of right still constitutes, in Dr. Menger's opinion, the real essence of socialism. He considers the economic form assumed by socialism in its later developments to be a mere outward husk, mainly due to the influence of the harsh and one-sided doctrine of Ricardo; a reaction against what its founders called „the New School of Political Economy,” and the rest of mankind „the Dismal Science.” With the revolution that economic teaching has undergone in the last fifty years, the force of this reaction is correspondingly diminished; and the jurisprudential element in socialism resumes its original importance.

For the details of Dr. Menger's analysis of this socialistic jurisprudence the reader will, of course, turn to the work itself. That the new philosophy of right should contain fundamental inconsistencies is only what we might expect if we consider its historical development. On the one hand, like the crude political economy which it attacked, it was founded upon the highly individualistic theory of natural right; while on the other, it was a reaction against unprecedented individual license, in favour of collectivist organisation for the general welfare. The earlier philosophies, like those of Owen

Its contradictions and their ultimate issue.

and Thompson, were more inclined to protest against self-interest and competition, and to inculcate a spirit of altruism and a system of communism. The Marxian socialists have appealed very frankly to the most primitive of the individualistic instincts, and have laid more stress on the confiscation of existing forms of property than on the nature of the new system of distribution. Dr. Menger works out this conflict of discordant elements with great patience, acuteness, and research, in so far as it is exemplified in the claims of right which the various socialist philosophies contain, and the inadequate measures by which they propose to realise their principles. Upon the whole, he leaves us with the conception of two great principles which dispute for primacy, the right to subsistence and the right to the whole produce of labour. These two claims he clearly shows to be inconsistent both in theory and in practice, in spirit and in effect; and after an interesting review of the degree of success with which they have respectively figured in socialistic projects of law, he comes to the final conclusion that it is the right to subsistence rather than the right to the whole produce of labour which social development tends to realise. In other words, we are tending more towards communism than anarchist individualism.

The inquiry essential.

An inquiry of this kind may seem somewhat too abstract to English readers, by nature averse to discussions of principle, and prone to take refuge from what Adam Smith called „disagreeable metaphysical

arguments” in the more congenial examination of detailed practical schemes. If the sobering study of detail possessed the same fascination for the world in general as it seems to have for men of the Anglo-Saxon type, this English habit might perhaps be as sufficient as it is certainly safe. But there are large masses of mankind who are of more imaginative temper, more apt to be stirred by ideas, more under the dominion of phrases, who take these apparently axiomatic principles for the colours under which they make war on society. For this reason alone we could not afford to neglect the study of these socialist ideals, even if it were not of high intrinsic interest from a scientific point of view. When we consider the profound importance of the issues at stake, and the immense mass of human happiness and misery depending upon a right solution of them, the most matter-of-fact minds will perceive the practical value of a careful discussion of first principles. Take, for instance, the two claims of the right to subsistence, and the right to the whole produce of labour, and imagine the hopeless confusion and ruinous unsettlement that must result from the attempt to give complete legislative expression to these claims, if they are, as analysis clearly shows they are, radically inconsistent and contradictory. Just as we may avoid widespread physical desolation by rightly turning a stream near its source, so a timely dialectic in the fundamental ideas of social philosophy may spare us untold social wreckage and suffering.

2. DR. MENGER'S HISTORY

The
history.

Dr. Menger, however, does not by any means confine himself to this formal discussion of the socialist philosophy of right; nor do I know that this is the portion of his work which will be of most interest to English readers. I ventured to call attention to it first, because it reveals the main purpose of the author, and because from its very novelty and originality it seemed to require some preliminary introduction. But the larger part of the book is occupied by the brilliant piece of historical research upon which the more formal and systematic discussion is founded. It is an attempt, Dr. Menger tells us, to trace the gradual development, in the various socialist schools and parties, of the conception of a new right—the right to the whole produce of labour—and to set forth the series of actual proposals by which men have tried to give a practical embodiment to this right during the last hundred years.

Traces the
develop-
ment of a
socialist
claim.

Difficulties
of the in-
quiry.

Now it is a comparatively simple affair for the socialist to criticize existing society. He has to do with familiar institutions, realized on a grand scale, institutions which have lasted long enough for their defects to have become notorious, so long that the real advantages they secure are supposed to be part of the nature of things, and taken as matter of course. But the critic of socialism is heavily handicapped. Socialism, in the revolutionary sense, can hardly be said to have any established institutions. It eludes scrutiny. Such

embodiments as it has achieved have been either too transient to leave a definite impression on the camera of history, or too exceptional in their conditions to possess much value as illustrations of general principle. We may know that they failed to realize the ends they were designed to serve ; we can only guess at the crop of evils they might have brought forth in due time, had they really taken fair root. Even their very failure to survive is not as conclusive as it would be in the case of more substantial experiments; for it may always be said that they were never tried on a sufficiently large scale. It is the same to some extent with the theories of socialism. Socialists make merry at any differences of opinion or treatment which exist among economists ; but we shall hunt in vain through expositions of socialism to find one which even remotely approaches in detail and consistency, or in general acceptance, the ordinarily received *corpus* of economic science. Hence the critic of socialism has no definite objective. He has to reply to a desultory, guerilla attack: the socialists have the advantage of *franc-tireurs*, their position is constantly shifting and always obscure. So many socialists, so many social philosophies.

This endless diversity of theories and projects is a further burden to the critical historian. It obliges him, if he would be reasonably thorough and comprehensive, to glance at a very wide range of topics. The inquiry, too, must necessarily be international. International relations have influenced the growth of socialistic thought

from its very origins, so that its history must at least take account of English, French, and German developments. Add to this that the literature of socialism is much of it inaccessible and obscure, clandestine, unfamiliar even to socialists themselves, and the difficulties of systematic criticism are sufficiently apparent.

Dr.
Menger's
success.

Dr. Menger's success, in the face of such difficulties, is certainly remarkable. He has contrived to give us a most effective and vigorous study of the historical evolution of the socialist doctrine of Eight, from its early origins in Godwin and the English School, down to its latest manifestations in modern politics and legislation. It may be doubted whether so much valuable work has ever before been compressed within the same narrow limits. The picture is necessarily somewhat broadly sketched, but it is sketched with singular accuracy and learning; and though Dr. Menger, with rare self-restraint, is careful not to obtrude the mass of detail study upon which it is based, scholars will not fail to appreciate the elaborate and thorough character of his researches. It is a masterly piece of exposition throughout.

Dr. Menger seems equally at home whether he is dealing with the English, French, or German schools of socialism, and treats all three with equal fulness. The account of the French School is particularly well done, and is evidently based upon most minute and laborious studies. But so far as the work is polemical, we may consider that its main object is to assert the originality

of the English School at the expense of that of the better known and more self-asserting North-German School. Certainly this is the more novel side of Dr. Menger's monograph; and it is not perhaps too much to assume that it was the occasion of its publication. On account, then, of the prominent part which the English School plays in his work, as well as of its peculiar claims on the interest of English readers, and because it has always had a strong fascination for myself, I venture to make some special reference here to this part of Dr. Menger's inquiry. In the whole story of human thought upon social subjects there is no passage which has been more critical, or more fruitful of wide-reaching consequence.

Promi-
nence
assigned to
the English
School.

3. THE ENGLISH SCHOOL OF SOCIALISTS

We may regard socialism as a protest against the extravagances of the individualistic movement of the Renaissance and the Reformation, against the disintegration of the settled order and inner harmony of medieval life. This protest was constantly noticeable at periods of change, as, for instance, after the Civil War; and it became general and acute during the ferment of thought caused by the American and French Revolutions, and during the terrible sufferings of the masses, nowhere more severe than in England, which resulted from the industrial revolution and the Great War. As a reaction against the anarchy of individualism, socialism naturally

Socialism
a reaction:
English in
its origin.

developed in proportion to the exaggerations of the fashionable philosophy; and when this found its *reductio ad absurdum* in the extreme *laissez-faire* of the „New School” of economists, about the early ‘forties, the tide of socialist influence reached its first high-water mark. If this is a true view of the nature of the socialist movement, it is not surprising that it should have originated in England; and even those to whom socialism is the gospel of the future have no ground for national self-glorification on this account. It is only natural that the reaction against the power of modern capital, and the mischiefs incident to license and absence of control, should begin in the country where that power first made itself felt, where its license was most unbounded, and where it attained the most striking proportions. English genius perhaps does not so commonly show itself in work of pure originality as in the successful adaptation to useful purpose of ideas derived from other races. But this is not so true in the region of politics, and especially of social politics. It is notorious that all the great *remedial* measures which have proved the most effective checks to the abuses of capitalistic competition are of English origin. Trade Unions, Co-operation, and Factory Legislation are all products of English soil. That the *revolutionary* reaction against capitalism is equally English in its inspiration is not so generally known. But the present work establishes this point beyond question. It conclusively proves that all the fundamental ideas of modern revolutionary socialism,

and especially of the Marxian socialism, can be definitely traced to English sources. It was a handful of English writers, brought up in the classic country of capitalistic production, and reflecting upon the terrible wreckage of the early pre-regulation period, who laid down the broad lines of thought upon which socialistic criticism of capitalism has ever since proceeded. Original, independent, trenchant, and radical as they were, this little school of writers stand apart, clearly distinguishable from the various groups of contemporary social reformers, as well as from that English socialism whose form was determined by foreign influences. Not content, as the common English habit is, to attempt to palliate the miseries of the time by specific and detailed legislation, they challenged the very principles upon which the system of society rested: and while others were absorbed in the advocacy of social Utopias, they devoted themselves to asserting the inherent defects and injustice of the existing system, and demanded that these defects should be dealt with by radical and preventive, rather than by regulative and remedial methods.

Of this English School, the chief names are undoubtedly those of Godwin, Hall, Thompson, Gray, Hodgskin, and Bray. It will seem to many that Robert Owen should be added to this list. But though it is impossible to exaggerate the importance of the Owenite movement as a propagandist and remedial agency, and as a means of giving asylum and resonance to socialist ideas, Robert Owen himself was not remarkable as a

The English School:
Godwin a
tits head.

militant and destructive thinker. Thomas Spence and Tom Paine, and even „William Cobbett in some respects, might have a stronger title to be regarded as leaders of the revolutionary movement. Much more, I think, may be said, especially from the point of view of Dr. Menger’s argument, for the claims of William Ogilvie. His remarkable book on the *Bight of Property in Land*, which at once fascinated and shocked respectable Sir James Mackintosh, is often quoted by Godwin, who adopts Ogilvie’s very phrases, and must have recognized in him a kindred spirit.¹ But in spite of the undoubted ability and influence of Ogilvie’s work, we may here follow Dr. Menger in placing Godwin at the head of the English Socialist School. „Godwin,” he says, „may be regarded as the first scientific socialist of modern times, in whom are to be found in germ all the ideas of modern socialism and anarchism.” Traces of these ideas, no doubt, exist here and there in many of his predecessors, not merely in Ogilvie, Spence, and Paine, but in other minor writings, some of which are entered in the Bibliography appended to this book; and socialistic yeast even lurks, where perhaps it might least be suspected, in that wonderfully catholic work, the *Wealth of Nations*. Still Godwin fairly deserves the position assigned to him by Dr.

¹ Godwin adopted from Ogilvie his comparison of Rents to Pensions, and his description of hereditary wealth as a premium paid to idleness. „Whoever,” says Ogilvie, „enjoys any revenue, not proportioned to industry or exertion of his own, or of his ancestors, is a freebooter, who has found means to cheat and rob the public” (p. 46). His argument really goes further than his conclusion, and would logically exclude the right of inheritance.

Menger. By its philosophic completeness, its rigorous and fearless, if somewhat puerile logic, and its admirably lucid exposition, the *Political Justice* may fairly entitle its author to be regarded as the Adam Smith of socialistic speculation.

Dr. Menger’s account of Godwin in the text is so full, and the *Political Justice* is so well known, that I need say little of it here. It was an attempt, Godwin tells us, to systematize political views and principles after the new light thrown upon them by the discussions in France and America. From French speculation, he says, he derived a bent towards simplicity in political constructions; and possibly this, too, was the source of that confirmed optimism, that faith in the unlimited possibilities of social improvement, and the irresistible sway of intellectual conviction, which is the most striking character of the work. These premises were required to give even a superficial plausibility to his social philosophy. It was a combination of the purest communism with the most anarchic individualism. „The subject of Property,” he says, „is the keystone that completes the fabric of political justice”; and in his last book (viii.), where he treats of property, we have an epitome of the whole. Individuals have no rights, neither has society: hence he cannot admit the claim of labour to the product of industry, except on its negative sides. In the established system of property he saw the root of all social evil, and attacked it with unsparing vigour. For it he would substitute a system

The
*Political
justice.*

of equal property, where distribution is determined by want, or „the capacity of the subject.” In the Arcadia he imagined, this system would require” no restrictions or superintendence whatever.” „It grows out of a simple, clear, and unanswerable theory of the human mind, that we first stand in need of a certain animal subsistence and shelter, and after that, our only true felicity consists in the expansion of our intellectual powers, the knowledge of truth, and the practice of virtue.” Here we soar quite out of sight of the work-a-day world. Godwin only appeals to that very rare class of mind which is mainly swayed by intellectual considerations: his book, for ordinary men, was destitute of motive force. He was too dispassionate in temper, too extravagantly optimistic in his belief in the ultimate empire of reason, too innocently blind to the impulses that animate the average man—in short, too hopelessly impracticable and unworldly ever to lead, or even to stimulate, a revolutionary movement. A glance at the admirable portrait of him by Maclise goes far to explain why his book, with all its brilliance, was so ineffective. The subject of that portrait could have had no serious relations with the world of affairs. His political insight may be measured by his adoption of that most chimerical of all Utopias, an anarchical communism. Here is Godwin, who regards want as the only equitable title to property, objecting to any control over the individual disposition of property, even in bequest. Contrast this with the position of that statesman socialist, Saint-

Simon; who, with views on the equities of property not very different from those of an average British jurymen, was a strenuous advocate of heavy death duties.¹ However, Godwin was perhaps saved by his extravagances. The *Political Justice* appeared in 1793, at the height of the Reaction and the Terror, and no” book even of that perturbed period was more profoundly subversive and revolutionary in its teaching. But the Government, who rigorously prosecuted many lesser men, felt that they could afford to ignore Godwin. A man who dwelt in regions of thought so far removed from the world of everyday life was quite harmless for all immediate practical purposes, and Governments do not trouble themselves about the future. Godwin’s influence on the socialistic movement was, in fact, almost wholly indirect; and I am inclined to think that it might have been almost inappreciable, but for the elaborate development of his views by William Thompson, and the existence of a great propagandist agency for Thompson’s ideas in the Owenite Co-operative societies.

In Charles Hall we come to a writer of a very different, and to my mind, far more stimulating quality. The *Political Justice* may be said to have had an academic origin. It was an attempt to systematize

Charles Hall: his chief work.

¹ Robert Owen, too, when candidate for Marylebone in 1847, advocated the replacement of existing taxation by „a graduated property tax equal to the national expenditure”; notwithstanding his well-known general preference for voluntary methods (Holyoake, *Sixty Years of an Agitator’s Life*, 1893, i. p. 122).

political views and principles after a period of ferment and criticism, which had disturbed the symmetry and acceptance of the traditional systems. Hall's inspiration was derived from direct contact with human misery in the exercise of his calling as a physician. His book is not the result of a philosophic desire to bring political science up to date, or to draft a more perfect scheme of society. It springs directly from a burning sense of injustice and wrong, and a first-hand acquaintance with widespread, undeserved suffering and destitution. The more-grave social abuses generally leave their mark on the public health, so that medical men can hardly fail to observe them; and Hall is one of the most notable examples of a long series of physicians who made a noble use of their opportunities, and play an honourable part in the history of English industrial reform. Forced by his daily duties, he tells us, to observe the deplorable condition of the masses at that time, he was led to reflect upon the causes which had brought it about. He finds the cause in what he calls Civilisation; and hence the title of his remarkable work, *The Effects of Civilisation on the People in European States*. By Civilisation, Hall practically means just what Godwin means by „the established system of property,” viz. a certain legalized inequality, with the consequences incident to it. His central idea is that Wealth is Power over the labour of the poor; leading under the then-existing conditions to inequality and oppression. This at least, as he very forcibly and impressively argues, is the usual effect of

civilisation, though not a necessary one. It really results, he maintains, from the arbitrary and forcible assumption of land which has prevailed in most societies. Accordingly his remedy is a more equal distribution of land; towards which end he makes somewhat hesitatingly the several proposals which Dr. Menger has summarized in the text. Regarded in bare abstract, Hall's argument may not appear specially noteworthy, or to entitle him to distinction from the crowd of land-nationalisers whom we always have with us. Nothing but a study of the book itself will give an adequate idea of the restrained intensity of its purpose, the rigorous march of its argument, and the grandeur of its general conception. But the dominant effect perhaps which it leaves on the mind is a sense of the existence of a great impersonal power, arising out of faulty social institutions, necessarily operating to degrade the masses; a power of whose nature victims and instruments are alike unconscious. This impression is the more vivid on account of the scientific spirit and transparent sincerity of the work. Hall everywhere keeps his indignation in check, and never suffers it to provoke him to personal or class attacks. His criticism is inexorable and relentless, but not passionate or intemperate. Nor is the discussion disfigured by theoretical jargon, trumped up to give a pseudo-scientific basis to conclusions really derived from a hasty and partial induction. In these and many other respects, Hall's *Effects of Civilisation* is honourably distinguished from Marx's *Kapital*. It is not so well

adapted to appeal to a popular audience as the more famous work, nor I think was it written with this intention; but it has just the kind of originality and force which turn the current of cultivated opinion in new directions. It was undoubtedly influential amongst the Owenite socialists, who constantly recommend it to the societies; and it must be held to entitle its author to a permanent place in the history of one of the most important movements of modern thought.

Not influ-
enced by
Godwin.

I am inclined to doubt whether Hall was acquainted with Godwin's writings. Neither in his principal work, nor in the *Observations on Malthus* which he appended to it, is there any reference to Godwin. Hall was one of the first writers to see through the imposture of American liberty, about which Godwin and his friends were so warmly congratulating themselves. He points out that it is idle for the States to object to the mere titles of nobility, when they are laying the foundation for the substance of the evil in the steady growth of an aristocracy of wealth. Again he observes (p. 272) that „many able and good men have seen the evils attending the great inequality of property; but not being aware that they were destructive to the degree that we have demonstrated them to be, they have suffered other considerations to overbalance them in their minds.” So candid a writer as Hall, who refers freely to friends and opponents, would surely have made an exception in favour of Godwin here, had he read his work. It is still more remarkable that there should be no reference to

Godwin in the *Observations on Malthus*, considering the well-known relation between these two writers, and the common interest Hall and Godwin had in rebutting Malthus's main conclusion. It is true that Godwin, like Hall, pleaded the remoteness of the pressure which Malthus apprehended; but their general arguments are essentially different. Godwin immediately leaves the material question of more or less food, and passes to the visions of intellectual progress, of „triumph of mind over matter,” on which he really relies. Hall, who is too serious to indulge in mere speculation, meets Malthus on his own ground, and keeps close to the real issues. The question of remoteness seems to him vital for practical purposes. It is an enormous gain if we can „lay the reprieve at one hundred years.” But this physical limit may be extended by political action. „Nature's remedy, colonisation,” should be adopted; and „marriage may be regulated by law.” If all fails, and over-population ensues, its evils will be less in a state of equality than at present. In any case, the denial of the right to existence is unjust and iniquitous. It is not Nature's laws, as Malthus asserts, that doom the labourer to starve; that cruel doom is brought on him by the rich. He produces six or eight times what he requires in order to live, but this is taken from him by those who produce nothing. In fine, Hall says that Malthus's system „will operate as an encouragement to those who were too much before inclined to oppress, to push their tyranny still further,— but I am very far

from thinking this was the design of the author” (p. 349). This is a far more practical reply to the objection on the ground of over-population than Godwin’s. I have referred to it at some length, because the tract seems to be unknown; and it appears to me to confirm the view that Hall was an essentially independent thinker, and that he was unaware of previous work published by Godwin on somewhat similar lines.

Closer
affinity
with
Paine
and
Ogilvie.

If, indeed, we are to find a precursor for Hall, we must look to Tom Paine, and especially to Paine’s *Agrarian Justice*. This notable essay, which resembles Hall’s work in its incisiveness and fearless logic, presents civilisation under just the aspect in which it appeared to Hall. „Poverty,” says Paine, „is a thing created by that which is called civilised life. It exists not in the natural state.” „Civilisation therefore ... has operated two ways, to make one part of society more affluent, and the other part more wretched, than could have been the lot of either in a natural state.” „The condition of millions in every country of Europe is far worse than if they had been born before civilisation began, or had been born among the Indians of North America of the present day.” „The contrast of affluence and wretchedness continually meeting and offending the eye, is like dead and living bodies chained together.” He attributes these mischiefs to „the landed monopoly.” The diagnosis and the agrarian remedy remind us of Hall. But Paine lacks Hall’s intensity and economic insight. He is pre-eminently a politician; „the founder

of political ideas among the people of England,” as Holyoake styles him; but he cannot claim to have seriously raised the social question, as we now understand it. The merit, or demerit, the fame in any case, which attaches to this achievement, must I think belong to Hall. Godwin and Ogilvie stated the formal issues with some precision, Ogilvie with some practical conception of what was at stake. But both writers had a certain academic air. Dr. Bain says of the *Political Justice*, „It was a splendid ideal or political romance, and may fitly be compared with the *Republic* of Plato. It set people thinking, made them dissatisfied with the present state of things.”¹ Without pretending to put the *Political Justice* on the same level as the *Republic* of Plato, we must admit that it was rather the dream of a philosophical optimist than the bitter cry of protest against injustice and suffering. It was much better calculated to set scholars thinking, than to turn the widespread dissatisfaction of serious men into revolutionary channels. But Hall was the man to preach a social crusade. His book does not seem to have been noticed by the authorities, owing to its very small and private circulation, or it would no doubt have been suppressed. It is difficult to say what might not have been its effect had it been more widely read. As it was, Hall’s influence, though limited and indirect, was very considerable. His work was carefully studied by the leaders of the Owenite societies, and had much to

¹ *Life of James Mill*, p. 435.

do with the rise and shaping of that critical socialism which was the life-blood of the movement in the second quarter of this century.

William
Thomp-
son.

I pass now to the better-known William Thompson,¹ who, perhaps, deserves by the completeness of his exposition, the wide influence of his writings, and the devotion of his life and fortune to the movement, to be regarded as chief of the English Socialist School. Socialistic propagandism has been mainly carried on by men of Celtic or Semitic blood, and Thompson appears to have been an Irishman, a native of County Cork, where he died at Clonkeen in 1833, aged about fifty, according to Minter Morgan. In 1827, he tells us that for about twelve years he had been „living on what is called rent, the produce of the labor of others „,; as an Irish landlord, in fact. For twenty years, like Combe, he was a vegetarian and teetotaller. His life was spent in advocating and aiding the formation of Owenite Co-operative Societies; and he left the great bulk of his property by will in 1830 to be applied to the same purposes. The will, however, was successfully contested by relatives on the ground that „immoral” objects were included in its benefits; and very little of his property seems actually to have been used as he had directed.

¹ Thompson must be distinguished from William Thomson, editor of the *Chartist Circular*, who describes himself in *The Age of Harmony* as „Founder of Fifty Economical Societies, and Secretary to the Protecting Union of the Hand-loom Weavers of Scotland.” Thomson appears to have been a Glasgow man.

The immediate occasion of his principal work was a discussion with a gentleman of Cork, „celebrated for his skill in the controversies of political economy,” who descanted on the blessings of the inequality of wealth, a theme which was developed with great extravagance by Mrs. Marcet and other worthy but maudlin writers of the period. But the foundations of his views were laid long before. He was a pupil and an enthusiastic admirer of Bentham, „who has done more,” he says, „for moral science than Bacon did for physical science”; and he describes himself as merely working out the applications of his master’s principles. In Owen’s system of equality he hoped to realise Bentham’s conception of a maximum of happiness. There is indeed a tendency to formal enumerations and elaborate classification in Thompson’s work which was probably derived from Bentham; but not much else, I think, except the perpetual insistence upon a rigorous, systematic and impartial calculation of utility, upon which all its argument proceeds. There was another obvious influence which was at least equally potent in forming his views. From first to last his work is saturated with the spirit of Godwin, though the teachings of Bentham no doubt gave him a practical turn and a regard for facts and detail conspicuously wanting in the author of *Political Justice*. Like Godwin, Thompson shows a strong preference for purely voluntary methods, and hopes for great results from the development of the intellectual side of human nature. But he distinctly advocates

Occasion
and spirit
of his
Inquiry.

communistic organisation as against individual economy. He is filled with almost the Owenite detestation of competition as the root of all social evil; though he goes so far with Godwin as to admit that a genuine system of *laissez faire* would be infinitely preferable to the system of „restraint by force and fraud,” or of „forced inequality of wealth,”— his way of describing the then-existing social institutions. His own account of his position, in the *Preliminary Observations*, is that he steered a middle course between the purely intellectual speculation of Godwin, and the merely mechanical philosophy of Malthus. Following on Bentham’s lines, his object was to apply to social science the ascertained truths of political economy, making these and all other branches of knowledge subservient to that just distribution of wealth which tends most to human happiness.

His relation to Ricardo.

„The ascertained truths of political economy” were, of course, the doctrines of the new or Ricardian School. I am more and more impressed, as I study the literature of socialism, with the far-reaching, disastrous consequences of the unfortunate colour given to economic teaching by Ricardo, and the little band of able, but somewhat hard and narrow writers who called themselves by his name. As Dr. Menger clearly shows, it was Ricardo’s crude generalisations which gave modern socialism its fancied scientific basis, and provoked, if they did not justify, its revolutionary form. There are times when we are disposed to underrate the value of

that drill in method which is a principal part of academic training. At such times we should think of Ricardo. Ricardo, and still more those who popularised him, may stand as an example for all time of the extreme danger which may arise from the unscientific use of hypothesis in social speculations, from the failure to appreciate the limited application to actual affairs of a highly artificial and arbitrary analysis. His ingenious, though perhaps over-elaborated reasonings became positively mischievous and misleading when they were unhesitatingly applied to determine grave practical issues without the smallest sense of the thoroughly abstract and unreal character of the assumptions on which they were founded. Thus, as Jevons has observed, Ricardo gave the whole course of English economics a wrong twist. It became unhistorical and unrealistic; it lost its scientific independence, and became the tool of a political party. At one time indeed it went very near to losing its rightful authority in legislation and affairs; nor did it regain its old position until by the greater precision of the theorists on the one side, and the broader treatment of real questions by the historical school on the other side, this elementary blunder in method was rectified. Meanwhile, by a singular irony of fate, it happened that Ricardo, by this imperfect presentation of economic doctrine, did more than any intentionally socialist writer to sap the foundations of that form of society which he was trying to explain, and which he believed to be the typical and

natural, if not, indeed, the ideal social state. William Thompson was only one of a series of socialist writers, culminating in Marx and Lassalle, who take the Ricardian position as the very basis of their argument. His first section has the familiar Ricardian ring. „Wealth is produced by labor: no other ingredient but labor makes any object of desire an object of wealth. Labor is the sole universal measure, as well as the characteristic distinction of wealth.” Give the word „labour” its popular meaning, and it is merely an affair of logic to deduce a large part of modern socialism from this position. Whatever qualifications Ricardo may have made upon it in his own mind, ninety-nine readers out of a hundred took him literally, and the main impression left by his book was that while wealth was almost exclusively due to labour, it was mainly absorbed by rent and other payments to the unproductive classes. This was the text which Thompson and the English socialists proceeded to elaborate.

and
Colqu-
houn.

The whole school, and especially Thompson and Gray, were greatly impressed by the distinction between the productive and unproductive classes. Patrick Colquhoun, in his *Treatise on the Wealth, Power, and Resources of the British Empire*, which first appeared in 1814, published a celebrated Table, which he describes as „An Attempt to exhibit a General View of Society ; and to shew how the New Property [or National Income] . . . is *distributed* among the different Classes of the Community.” This Map of Civil Society, as Colquhoun

calls it, was the statistical foundation of the socialist movement. We meet with constant references to it, not only in the text-books of the school, but in its periodical literature. There is no doubt that the statistical detail given by Colquhoun, at a time when the nation was groaning under a crushing weight of taxation, gave quite a new vividness and realism to the formal distinction between productive and unproductive labour, and very much fostered the disposition to divide society into productive and unproductive classes. This again, under the conditions of popular agitation, inevitably tended to that narrow view of productivity which is characteristic of revolutionary socialism in all its forms. Like Hall and Gray, Thompson’s view of rational consumption is somewhat narrow; it seems to be limited to the „ordinary wants and comforts of society— food, clothing and dwellings „; what goes beyond these is due to luxury and caprice : and it was one of his chief objections to the „system of inequality” that it diverted production from the supply of the more necessary objects to „a species of industry—the least conducive to the public good.” But outside all distinction between kinds of producers was the great distinction between producers and non-producers. It is upon this latter distinction, not always clearly separated from the distinction between kinds of producers, that Thompson’s main argument turns.

He starts from the three *natural* laws of distribution given in the text (p. 53). Labour is to be free :

His general
argument: its
difficulties

to enjoy the whole of its products: to exchange these products voluntarily. In all three respects Thompson finds the existing system of distribution vicious. Labour is not free, either as to its direction or continuance; there are heavy deductions from its product, in the shape of rent, profits, and taxes : exchanges are impeded by various forms of monopoly and protection. On all three heads Thompson argues at great length; though he is not as trenchant as Gray, and he is everywhere careful to deprecate the employment of force. Godwin himself is not more profoundly attached to the voluntary principle; it is the characteristic mark of his system. „Do we ask,” he says, „whether any abstraction of the products of labour is just? The sufficient and only answer ought to be, ‘Is it voluntary?’” But it is evident that no system of *laissez faire*, however perfectly realized, will ever give us equality. This brings us to a difficulty which Thompson recognizes at the outset of his inquiry, but in my opinion utterly fails to overcome. „Here,” he says, „is the cruel dilemma in which mankind have been placed. Here is the important problem of moral science to be solved, ‘*how to reconcile equality with security; how to reconcile just distribution with continued production.*’” He sees clearly enough how hard it is to retain an effective stimulus to production, and to conform to the communist ideal of distribution; but it cannot be said that his solution is very convincing. It is of the nature of a compromise. At first indeed he contends that there is no real conflict between the

principles. „It is only by an undeviating adherence to (real) equal security that any approach can be made to equality” (p. 97). Candour obliges him to abandon this position in favour of a curious evasion. „Labor should enjoy the use of the whole products of its exertions: the shares of the products of labor should be equal to all contributing, according to their capacities of mind or body, to the common stock.”¹ I need not point out how completely the passage from the labourer as individual to labour in the abstract surrenders the whole contention of equity. There is less objection to the second form of his compromise, though it is obviously unpractical. „Though labor has the *right* to the whole product of its exertion!, it may *voluntarily agree before production* to equality of remuneration.” In any case, the supposed necessary incentive to production has vanished. The fact is that there is a radical contradiction between the equities of production and the equities of consumption. „To each according to his work,” „to each according to his needs,” are hopelessly inconsistent maxims, though each is plausible enough in itself. Our present happy-go-lucky system of competitive exchange makes a confessedly imperfect compromise between the two principles, but we have yet to be shown the socialistic system which would make a better one.

There is an unfortunate omission in Thompson’s

and drift
towards
communism.

¹ *Labor Rewarded*, p. 37.

good opportunity for judging of his practical statesmanship. He had prepared, he says, a chapter of 100 pages, devoted to the criticism of the then-existing institutions of society. For the present he withholds it, in order to prevent unnecessary irritation. It might have been expected that William Pare, his literary trustee, would have discovered and published this chapter in his second edition of the book; but we are still left with only the table of headings. We have to judge Thompson therefore as a practical reformer, by his projects for voluntary schemes. These show the inevitable drift to communism which must be the end of all speculations based on considerations of equity. „Would you like,” he writes to the distressed Spitalfields weavers, „to enjoy yourselves the whole products of your labor? You have nothing more to do than simply to *alter the direction of your labor*. Instead of working for you know not whom, *work for each other*.” He had said in 1824 that if any departure is made from the principle of securing the whole product to labour it should be in the direction of equality. At that time he thought that such a departure „ought scarcely ever, if ever, to occur.” But after 1830 he devoted himself, body, mind, and estate, to the advocacy of communistic societies of the Owenite type: and the „principle of security” seems to have been practically abandoned in favour of the principle of equality. The sacrifice of equity involved in this result is perhaps not so great as even Thompson himself imagined. A careful analysis of the real contribution of individuals to the

work of production, under modern conditions, if conducted in the spirit of Comte’s philosophy, might considerably modify our *prima facie* impressions as to the inequity of equal remuneration. Still something would undoubtedly remain. But we need not further discuss the equity of arrangements so hopelessly impracticable. Thompson’s fame will not rest upon his advocacy of Owenite co-operation, devoted and public-spirited as that was; but upon the fact that he was the first writer to elevate the question of the just distribution of wealth to the supreme position it has since held in English political economy. Up to his time, political economy had been rather commercial than industrial; indeed he finds it necessary to explain the very meaning of the term *industrial*, which he says was from the French, and no doubt adopted from Saint – Simon. When we get to John Stuart Mill we find production definitely subordinated to distribution, the great and distinguishing theme of his work. I cannot doubt that this change was largely due to Thompson, whose influence on Mill is conspicuous, in more directions than one.¹

His great achievement.

John Gray, the next writer who claims notice, though he cannot pretend to anything like the authority and following of Thompson, was the author of a *Lecture on*

John Gray.

¹ Thompson, and the English socialists generally, were all champions of the rights of women, and the equal freedom of the sexes. A curious parallel might be drawn between the influence on Thompson of the beautiful and injured Mrs. Wheeler, to whom he dedicated his *Appeal*, and the better-known relations between Mrs. Taylor and John Stuart Mill.

Human Happiness, which is perhaps the most striking and effective socialist manifesto of the time. Like Fourier, his first experience of life was gained in trade. Educated at Repton, he left school early to serve first as clerk, and then as traveller in a great London wholesale house. The great city cast its spell over him, and raised doubts in his mind as to the social harmonies. London and its myriads, he tells us, were to him for many years an intricate problem that he could hardly venture to hope ever to be able to solve. At an early age, and long before he had even heard of Owen, he became convinced that „something was wrong . . . the commercial proceedings of mankind were at variance with the whole system of nature.” After some reflection he arrived at the conclusion that production instead of being the *effect* of demand, ought to be its *cause*. Full of his discovery, he turned to Adam Smith, read the first volume of the *Wealth of Nations*, and then „compiled a violent, puerile, unintelligible, and unmendable volume,” which he called *The National Commercial System*. He was dissuaded from publishing this book. Afterwards, advised by his brother, he read Owen’s writings; and finding in them some support to his own views, he then (in 1825) published a fragment of the discarded work in the shape of the famous *Lecture*, which was a favourite text-book with English socialists for the next twenty years. Part of the edition was lost, and the circulation in England was therefore restricted ; but the lecture was reprinted in Philadelphia, where a thousand copies were

rapidly sold, and it no doubt aided the growth of the American socialist group which rallied round Frances Wright, R. Dale Owen, and the *Free Enquirer*. We know, at all events, that it gave rise to one of the earliest of American socialist utterances, an *Address to the Members of Trade Societies*, written by a journeyman bootmaker; a tract which so impressed Robert Owen that he brought a copy over with him from America, and caused it to be reprinted in London in 1827. Meanwhile Gray, though differing considerably from Owen on many vital points, offered his services at Orbiston, and came to Scotland to assist; but disapproving of the plans, and not being able to make his remonstrances effective, he resolved to have nothing to do with the scheme, and wrote an article in criticism of it called *A Word of Advice to the Orbistonians*. He seems afterwards to have settled in Scotland, and embarked on various newspaper ventures, presumably with some success; for we find him later in life offering substantial prizes, and circulating his books gratuitously in large numbers.

Gray was very careful to assert his own originality, especially as against Owen. „Neither in whole nor in part,” he says, „have I gathered these opinions from any man.” But his independence of Owen is obvious enough. He was too revolutionary in his early work, and too individualistic throughout for Robert Owen. He owed more to Colquhoun, whose *Map of Civil Society* is the central topic and object-lesson of the *Lecture on*

His originality.

Happiness. It may have been reflection on the facts exhibited in the *Map* which roused in Gray the biting irony of this vigorous tract. Nothing could be more unlike the temper and method of Robert Owen. Besides, there is a certain continuity and individuality about all Gray's work; it has a character of its own. From first to last his great theme was the avoidance of dislocations in industry by the better adjustment of production and demand. As he advanced in years his tone became more commercial, and we miss any trace of the revolutionary socialism which animates his first tract. Indeed, in 1848 he goes so far as to apologize for having used the term „Social System „in the title of his 1831 book, and to explain that the word *Social* did not then carry with it the communistic associations it had since acquired. He had come to identify the cause of commercial mischief with a bullion-based currency system, and devoted the greater part of his life to the advocacy of a scheme of paper currency, almost as wild and impracticable as Owen's Labour Exchange.

The
Lecture.

Looked at as a whole, Gray's career was a curious one, and not such as would justify us in classing him as a socialist. And yet the *Lecture on Human Happiness* is certainly one of the most remarkable of socialist writings. How it could have been written by Gray, I have always found hard to understand. It is a solitary flash of lightning from an otherwise peaceful sky. The ostensible object of the lecture is to advocate Owen's schemes, though Gray did not really believe in the com-

munistic principle.¹ He may possibly have regarded Owenism as a counsel of perfection; at any rate he promises in a future lecture to propound a scheme of his own, „quite different.”

The book is so rare now, that it may be convenient if, in summarizing the argument, I quote a few, typical passages. After some general remarks intended to meet any prejudices against Owen on account of the novelty of his proposals, Gray inquires into the nature of existing commercial arrangements, and gives a critical analysis of Colquhoun's tables, laying great stress, and much in the same way as Thompson, on the distinction between the productive and unproductive classes. Following Colquhoun, he estimates the whole income of the country as £430,000,000, of which he considers that the productive classes produced £426,000,000: „being very nearly *fifty-four pounds a year* for each man, woman, and child in the productive classes: of which they received about *eleven pounds*, being but a small trifle more than ONE-FIFTH PART OF THE PRODUCE OF THEIR OWN LABOUR !!!” „Every unproductive member of society is a DIRECT TAX upon the productive classes.” „Numbers, even of the productive classes, are compelled by the present system to become useless members of society.” „The persons who compose the Independent classes are Dependent upon two things: first, upon the *industry* of their fellow-creatures; second, upon *injustice* which

Analysis
of of its
argument

¹ Cf. *The Social System*, 1831, p. 106, „I look upon all systems of equality as unjust in principle, and quite impracticable.”

enables them to command it.” He denies that there can be any just title to land. „The foundation of all property is LABOUR, and there is no other just foundation for it.” „The interest of money is another mode of obtaining labour without giving any equivalent for it.” „*What does the productive labourer obtain for that portion of the produce of his industry which is annually taken from him by incomes obtained by the lenders of money?* He obtains NOTHING! Then, we ask, is a man the natural proprietor of the produce of his own labour? If he is not, what foundation is there for property at all? . . . If he is, . . . there is no justice in requiring interest for the use of money.” Passing from the question of right, Gray next contends (like Godwin) that there is no real happiness in any rank under the competitive system of society, not even among the pensioned rich; and remarks especially upon the distressed state of Ireland. The great cause of poverty he finds in the existence of an unnatural limit to production, in the shape of the principle of competition. „*The division of the interests of men, in their mode of employing capital, and in the distribution of the produce of their labour, is the tremendous engine of mischief which is the curse of the human race, and the cause of almost every evil by which we are surrounded.*” „In consequence of the ability of the FEW to produce all that competition will allow the MANY to consume, competition will be still further increased.” „The grand feature of *Mr. Owen’s* plan . . . is that it abolishes the circumstance which now limits

production, and gives to the producers the wealth that they create.”

Finally, he sums up in a passage which deserves to be quoted at length. „Upon the whole, then, we have endeavoured to exhibit society as it now is. We have endeavoured to show by whom wealth is created, and by whom it is consumed. We have endeavoured to show that it is from human labour that every description of wealth proceeds ; that the productive classes Do Now support, not only themselves, but every unproductive member of society! that *they only* are productive members of society who apply *their own hands* either to the cultivation of the earth itself, or to the preparing or appropriating the produce of the earth to the uses of life ; that every individual not so employed, is a direct tax upon those who are so employed; that (to say nothing of the numerous and expensive class of persons who have not even the pretension to utility in any way whatever) all merchants, manufacturers, wholesale and retail tradesmen, together with their clerks, assistants, and shopmen, are either directors and superintendents of production, or mere distributors of wealth, who are paid by the labour of those who create it; and that such persons are useful only in a *sufficient number*, so as to direct and superintend labour, and to distribute its produce.”

„We have endeavoured to show that the real income of the country, which consists in the quantity of wealth annually created by the labour of the people, is taken

Summary of
its conclusions.

from its producers chiefly by the rent of land, by the rent of houses, by the interest of money, and by the profit obtained by persons who buy their labour from them at one price, and sell it at another; that these immense taxes of rent, interest, and profits on labour, must ever continue while the system of individual competition stands; that in the new communities ALL would be productive members of society; excepting only the persons *absolutely required* in unproductive occupations, who would also devote their time and talents to the general good, and that No ONE would be taxed either with rent, interest, or profit on his labour.”

Their
aggressive
tone.

This is a definite programme clearly and logically expressed, and it will easily be understood how it would appeal to the Owenite societies. Some of its extravagances, such as classing as unproductive services „absolutely required” by society, the economists had already taught them to swallow; the great abuses of property then common made others sound more plausible than they do to the more critical readers of to-day. It cannot be said positively whether Gray wrote before Thompson, and in independence of him. I think he did. He makes no reference to him so far as I know. In any case, I think Gray must be regarded as the pioneer of modern militant, aggressive socialism; and his little tract must be preferred, in point of originality, terseness, and effect, to the elaborate and methodical treatise of Thompson, more notable in many other respects. Gray’s

convictions were less solid and matured than Thompson’s, and they seem, as so often happens, to have been considerably modified by his success in life, or else by larger experience. But so far as this early writing is concerned, Gray left little for Marx to add, except in the way of incitement to the use of force. To this Gray was firmly opposed; he deprecates every form of violence, and he even says that it has been no pleasant task to him to criticize thus faithfully „the established customs of the country.”

The next writer of this little group, and one of the most original, is Thomas Hodgskin. His first socialistic utterance appeared in 1825, the same year as Gray’s famous lecture; but Gray’s lecture, as we have seen, was really written much earlier. All Hodgskin’s writing shows him to have been a man of liberal education, and some philosophic training. He quotes throughout from the best authorities on economics and social philosophy; especially from Locke, Adam Smith, and Millar. To Adam Smith he constantly refers; and he never tires of contrasting Smith’s „natural system „with the „political economy” of the contemporary school. Before 1820 he travelled in North Germany, and published an account of his impressions in two volumes; and he states that he knew from personal observation the condition of the legally emancipated serfs in Austria and Prussia. John Lalor tells us¹ that Hodgskin was well known as an able and accomplished journalist; he

Thomas
Hodgskin.

¹ Cf. *Money and Morals*, 1852, Pref. p. xxiv.

appears to have been on the staff of, or at least a frequent contributor to, the *Morning Chronicle*. At one time he was Honorary Secretary to the London Mechanics' Institution, where in 1826 he delivered four lectures, published in 1827 under the title of *Popular Political Economy*. James Mill, writing to Brougham, speaks of him as „our friend Hodgskin.” Both Brougham and Mill would probably know of Hodgskin through Black and the *Chronicle*, then their great organ in the Press; and also, no doubt, through his connection with the Mechanics' Institution.¹

His wide
influence

But, apart from personal acquaintance, there was something in Hodgskin's writing well calculated to attract the attention of those who had any real insight into the signs of the times. No member of the English socialist group seems to have been more widely read on both sides of the Atlantic, and the significance of his position was instantly recognised. He was controverted,

¹ Since the above was written, the appearance of Mr. Wallas's admirable *Life of Francis Place* has thrown further light on the personality of Hodgskin, and on his friendship with Place and James Mill (cf. especially, pp. 267-269). Like so many turbulent thinkers, Hodgskin seems to have been the victim of injustice. A young naval lieutenant, he was in 1813 placed on half-pay for writing a pamphlet against pressing. From this year onwards he was in intimate correspondence with Place, and once acted as travelling companion to Place's eldest son. In 1820, Hodgskin read Ricardo's *Principles*, and from this time the correspondence often related to that „Ricardian Socialism” which Hodgskin, more than any other individual, may claim to have originated. In one of the letters, according to Mr. Wallas, Hodgskin sketches a book „curiously like Marx's *Capital*,” but Place dissuaded him from writing it.

amongst others, by Samuel Read in 1829, Thomas Cooper in 1830, and Brougham in 1831. He is quoted by Marx in the first draft for his larger work, which he published in 1859; and Cooper speaks of his doctrines as having influenced the New York School of socialists and the *Free Inquirer*.

For our present purposes the two most important works of Hodgskin are his *Labour Defended*, published in 1825, and his *Eight of Property*, which appeared in 1831. In his *Popular Political Economy*, from the circumstances in which it was prepared, Hodgskin no doubt felt bound to subordinate his peculiar opinions, and at any rate they are not developed with the same freedom and originality as in the other works named. The occasion of the first of these writings, justly described by Marx as a „vorzügliche Schrift,” will appear from its full title:—*Labour Defended against the Claims of Capital; or the Unproductiveness of Capital proved with reference to the Present Combinations amongst Journeymen. By a Labourer*. In 1824, the Combination Laws, at the instance of Joseph Hume's Committee, had been repealed. But there followed a great development of trade union activity, and with it such an outburst of strikes as to cause general alarm. This led in 1825 to the appointment of another Committee, with a view to the re-enactment of the old anti-combination laws. By the tactical skill of Francis Place, however, this result was averted, and the new Act of 1825, while imposing certain restrictions, left the right of agreement and

Occasion
and argu-
ment of
*Labour
Defended*.

discussion in wages questions substantially unimpaired.¹ Hodgskin's tract was intended as a theoretical contribution to the settlement of this question. „In all the debates,” he says, „much stress is laid on the necessity of protecting capital. What capital performs is therefore a question of considerable importance, which the author was on this account induced to examine. As the result of that examination, it is his opinion that all the benefits attributed to capital arise from co-existing skilled labour. He feels himself, on this account, called on to deny that capital has any just claim to the large share of the national produce now bestowed on it. „This large share, he has endeavoured to show, is the cause of the poverty of the labourer; and he ventures to assert that the condition of the labourer can never be permanently improved till he can refute the theory, and is determined to oppose the practice, of giving nearly everything to capital.” The thesis perhaps is rather clumsily stated, but the development of the argument is very able. There is an analysis of capital which would interest Dr. Irving Fisher and Mr. Cannan. Hodgskin insists that most of what is called capital is not so much a hoard or stock, as an income or flow estimated at a particular point of time, all of which is the product of labour. „As far as food, drink, and clothing are concerned, it is quite plain that no species of labourer depends on any previously prepared stock, for, in fact,

¹ Cf. the *History of Trade Unionism*, by Sidney and Beatrice Webb, 1894, pp. 85-97 ; and Wallas's *Life of Place*, ch. viii.

no such stock exists; but every species of labourer does constantly, and at all times, depend for his supplies on the co-existing labour of some other labourers „, (p. 11). „All the effects usually attributed to accumulation of circulating capital are derived from the *accumulation and storing up of skilled labour*.” Fixed capital, no doubt, is stored; but „fixed capital does not derive its utility from previous, but present labour; and does not bring its owner a profit because it has been stored up, but because it is a means of obtaining a command over labour.” The inventor deserves his reward, and so does the skilled artisan who uses the invention. „But betwixt him who makes instruments and him who uses them, in steps the capitalist, who neither makes nor uses them, and appropriates to himself the produce of both ... he is the middleman of all the labourers.” But while the middlemen of Ireland are stigmatized as oppressors, the middlemen of England are honoured as benefactors. „At least such are the doctrines of political economy.” — I quote these passages, not to endorse them, but to explain Hodgskin's position, and to enable the reader to judge how far he anticipates Marx.

In one respect he was in advance both of Marx and the economists. He carefully distinguishes between the capitalist and the *entrepreneur*. „Masters, it is evident, are *labourers* as well as their journeymen. In this character their interest is precisely the same as that of their men. But they are also either capitalists or

the agents of the capitalist, and in this respect their interest is decidedly opposed to the interest of their workmen” (p. 27). „The contest now appears to be between masters and journeymen, or between one species of labour and another, but it will soon be displayed in its proper characters; and will stand confessed a war of honest industry against... idle profligacy „ (p. 31). Among other points made in the argument, which is too compressed and continuous to be fairly represented by quotations, I may note that he refers to Ricardo, „ not as caring much to illustrate the subtleties of that ingenious and profound writer, but because his theory confirms... that the exactions of the capitalist cause the poverty of the labourer,” and he proceeds to claim his authority for the Iron Law. He recognises that under division of labour „ there is no longer anything which we can call the natural reward of individual labour.” But this difficulty might be left to the „ higgling of the market,” if labour were perfectly free. But if he is in favour of competition as the principle by which to determine the division of labour’s share between the various ranks of labourers, he is for combination against capital in order to make labour’s share as large as possible. By combining, the journeymen „ may reduce or destroy altogether the profit of the idle capitalist . . . but they will augment the wages and rewards of industry, and will give to genius and skill their due share of the national produce.”

Thus Hodgskin, while retaining an individualistic

form of society, aimed, by means of combination, at depriving capital of any share in the produce. Thompson considered this position an impossible one. In an answer to Hodgskin published in 1827, called *Labor Rewarded*, Thompson urges that “individual competition is incompatible with equal remuneration, as it is also with securing to labor the entire products of its exertions” (p. 36). „The author of *Labour Defended* stands alone, as far as I know, amongst the advocates of Individual competition, in even *wishing* that labor should possess the whole of the products of its exertions. All other advocates of individual competition look on the notion as visionary, under the Competitive System „ (p. 97). We know Thompson’s solution of the difficulty. Labourers must become capitalists, and unite in communities to regulate their own labour. To ascertain for each the exact product of his own labour is impracticable. If this could be done, then justice would give each individual a property in that product. But moral considerations would force him to share that product with others. The human race could not otherwise be preserved. This voluntary distribution is best carried out under the equitable arrangements of co-operative communities, with their regulated exchanges. „It is on the regulation of exchanges,” he concludes, „that the industrious classes must depend for realising the general proposition that ‘the whole produce of labour should belong to the labourer’” (p. 13). We shall see later how this theme was developed by Bray.

Criticized in Thompson’s *Labour Rewarded*.

Hodgskin
as
Anarchist.

While Hodgskin in his *Labour Defended* adopted a position of his own, sufficiently distinct from those of Gray and Thompson, his most characteristic and original doctrine is contained in *The Natural and Artificial Rights of Property Contrasted*. This work, published in 1832, and „practically written,” he tells us, in 1829, is in form a series of letters addressed to Brougham, who in February 1828 had moved for a Commission on the State of the Law. It opposes to Brougham’s demand for detail reform a drastic, radical indictment of the whole foundation of the existing property law. The vein of anarchism which is a salient feature of English socialism, and which may even be traced, thanks to Physiocratic influence, in Adam Smith himself, is nowhere more conspicuous than in Hodgskin, and especially in this his last work. It would appear that Hodgskin was mainly inspired in this attack by the teaching of the *Wealth of Nations*, for whose author he had a profound respect. Both here and in his *Popular Political Economy* he quotes Adam Smith copiously, and he is greatly impressed by Smith’s well-known distinction, in Book III., between „ human institutions „ and „ the natural order of things.” „That great man,” he says,” carefully distinguished the natural distribution of wealth from the distribution which is derived from our artificial right of property. His successors, on the contrary, make no such distinction, and in their writings the consequences of this right are stated to be the laws of Nature.”¹

¹ *Popular Political Economy*, p. xxii.

The distinction appeared to Hodgskin of the very first importance. „The contest now going on in society, the preternatural throes and heavings which frightfully convulse it from one end to the other, arise exclusively and altogether from the right of property, and can be neither understood nor relieved, but by attending to the great distinction . . . between the natural and the legal right of property” (p. i.). As he somewhat bluntly puts it, „the law of nature is that industry shall be rewarded by wealth, and idleness be punished by destitution; the law of the land is to give wealth to idleness, and fleece industry till it be destitute” (p. 154). „To the violation of the natural right of property, effected by the law, we owe most of our social miseries” (p. 56). Among these are the exploitation of labour and industrial crises. Speaking of the „comparative pauperism and destitution” of the labouring classes, he says „it cannot be doubted . . . that the immediate and proximate cause of their poverty and destitution, seeing how much they labour, and how many people their labour nourishes in opulence, is the law which appropriates their produce, in the shape of revenue, rent, tithes, and profit” (p. 149). „To our legal right of property we are indebted for those gleams of false wealth and real panic, which within the last fifty years have so frequently shook to its centre the whole trading world” (p. 156). He was not surprised at the respect professed for the law by the Irish gentry and similar classes. „The law is the creature of their passions, and they rightly endeavour, according to

their own views, to substitute it for the violence which is the offspring of the passions of other people” (p. 45, note). The Law, in short, „ is a great scheme of rules, intended to preserve the power of government, secure the wealth of the landowner, the priest, and the capitalist, but never to secure his produce to the labourer. The law-maker is never a labourer [1832], and has no natural right to any wealth.” However, Hodgskin did not really wish to destroy, but to reform, the law of property. „Amend the laws as to property; for all the crimes which afflict society grow from them „ (p. 179). Nor was he prepared with a scheme of reform. „Individual man does not make society, and cannot organize it. . . . I trust to that great power, call it Nature, or call it God, which has brought society forth out of the wilderness, to provide for its future welfare. When you ask me for plans and schemes, my reply is, trust in that power, do justice, and fear not” (p. 179).

The practical outcome of Hodgskin’s inquiry seems tame, and, as often happens with anarchist essays, hardly in keeping with the pretensions of the critical part of the work. But at any rate it avoids the blundering absurdities into which more ambitious writers have fallen. Hodgskin was a man of affairs, and his general tone, for a socialist, was unusually practical. Much of his writing, especially in *Labour Defended*, was in advance of his time, and even now has a modern ring about it. This applies particularly to his Trades Union

policy, and to his excellent economic analysis, and broad view of social philosophy. Indeed his orthodox contemporaries might have learnt much from him which was not actually incorporated in English economics till fifty years later. One distinction in any case Hodgskin can claim to have achieved. Not only did he inspire men like Marx, the founders of the modern socialist movement, but he was the first (and perhaps the last) to attract the attention of the orthodox school, and had the honour to be singled out for special attack by the great Chancellor Brougham.

John Francis Bray, the last of the six writers I have selected for special notice, seems to have been a journeyman printer, of whom little is known, except that he was the author of the remarkable book, *Labour’s Wrongs and Labour’s Remedy*, published at Leeds in 1839. At this time political agitation ran high, and great things were hoped from constitutional changes and Whig reforms. Bray’s purpose was to recall men’s attention to fundamentals, to those radical social reforms without which, in his opinion, mere political remedies would be ineffective. „There is wanted,” he says, „not a mere governmental or particular remedy, but a general remedy — one which will apply to all social wrongs and evils, great and small” (p. 8). „The producers have merely to determine whether it be not possible to change *that social whole which keeps them poor*, as well as that governmental part which oppresses them because they are poor” (p. 6). „Every social and governmental

John
Francis
Bray. His
*Labour’s
Wrongs.*

wrong owes its rise to the existing social system—to *the institution of property as it at present exists*” (p. 17). Tracing the mischief to its root, he finds it in „the principle of unequal exchanges,” and the inequality of condition which results from this. This was old Vanderlint’s doctrine, and Bray might have adopted his motto, „The destruction of the poor is their poverty.” Robert Dale Owen, too, had arrived at a similar result in 1828. „The *present system of commercial exchange* deprives Britain’s labourers, in some way or other, of 38/40ths of the produce of their industry.”¹ Under the present social system, „which gives to irresponsible individuals the power of grinding masses of labour between masses of capital” (p. 102),” the whole of the working class are dependent upon the capitalist or employer for the means of labour, and therefore for the means of life” (p. 52). Wealth acquired by trading is derived, by unequal exchanges, from the exertions of others. „All profit must come from labour . . . the gain of an idle class must necessarily be the loss of an industrious class” (pp. 61, 67). „Capitalists and proprietors do no more than give the working man, for his labour of one week, a part of the wealth which they obtained from him the week before „ (p. 49). „Thus, view the matter as we will, there is to be seen no towering pile of wealth which has not been heaped together by rapacity” (p. 50). These passages, and I might quote many others to the same effect, will enable the reader to judge how far there was any

¹ *Co-operative Magazine*, March 1828, p. 62.

originality in Marx’s famous theory of profit. Like Gray and Thompson, Bray goes to Colquhoun’s statistics to estimate the extent of this robbery of labour. „Of six millions of adult men, five assist in producing and distributing wealth; four belong to the working class. These last receive scarcely £200,000,000 of the £500,000,000 annually created, which averages £11 per head for the men, women, and children comprised in this class, and for this they toil on the average 11 hours a day” (p. 155). As he elsewhere puts it (p. 106), the system of unequal exchanges „robs every working man of two-thirds of his just earnings, to keep up the supremacy and the wealth of those who are not working men.” The Whig remedies, Free Trade, Machinery, and Emigration, are worthless. The Trade Union movement, though sound in principle (for Bray saw through the wage-fund theory), has failed, and must have failed; for neither political nor trades unions go to the root of the matter. They do not touch the system of unequal exchanges. American experience shows the futility of merely political reform. „Society is upon the same principle in all countries ... they, like ourselves, are divided into rich and poor, into capitalists and producers, and the last are there as they are here, at the mercy of the first” (p. 19).

A really equitable system, according to Bray, must be one of Universal Labour and Equal Exchanges. He takes as his first principle the plausible but vague axiom on which Mr. Spencer afterwards based his *Social Statics*. „Every man has a right to do what he

His social ideal,

likes, *provided the so-doing interferes not with the EQUAL rights of his fellow-men*" (p. 32). He holds that this principle excludes property in land, and implies a right to the whole produce of labour (p. 33). „Equal labour of all kinds should be equally remunerated . . . inequality in the value of labour to society is no argument for inequality of reward." For this communistic principle he tries to obtain the authority of Ricardo, whose highly speculative analysis Bray and the socialists generally took too seriously. Ricardo, he says, tells us that" it is not to any one commodity, or set of commodities, but to some given *quantity of labour*, that we must refer for an unvarying standard of real value. Here is a recognition of the principle that real value is dependent upon labour; and the only inference we can draw from it is that all men who perform an equal quantity of labour ought to receive an equal remuneration" (p. 199).

and
practical
proposals.

These principles clearly land us in communism; and Bray's ideal system is one of community of possessions. But he recognises the extreme difficulty of establishing such a system; and therefore, as a transitional measure, he proposes a kind of National Joint-Stock Scheme. Let the whole 5,000,000 of adult producers be formed into a number of joint-stock companies, containing from 100 to 1000 men each. Each company is to be confined to one trade. They are to have in use, by hire or purchase, the land and fixed capital of the country; and to be set in motion by a circulating bank-note

capital equivalent to £100 for each associated member. Their affairs are to be conducted by general and local boards of trade; the members being paid weekly wages for their labour, and receiving equal wages for equal amounts of labour. All would have a common interest, working for a common end, and deriving a common benefit from all that is produced (p. 157).

For assistance in establishing „this joint-stock modification of society," Bray looked to the Friendly Societies, with their 1,500,000 members, and the Trade Unions. Together they might bring into relation 2,000,000 producers. The finance of the scheme is original. Bray is as weak on the theory of money as socialists usually are. He thinks it quite practicable to issue paper against the whole mass of national property (p. 142). Accordingly he proposes that the working class should obtain possession of the land and capital by the issue of notes on their joint credit to the amount of 2000 millions sterling. „The past, the present, and the future transactions of Capital all depend on labour for their fulfilment. Such being the case, why should not labour itself make a purchase? Why should not the bond of *Labour*, to pay at a future time what itself only can produce, be as valuable as the bond of *Capital*, to pay what this very same Labour is to produce? ... Is the security offered by a people of less worth than that offered by an individual?" (p. 173). In any case there must be no resort to violence. „Reason, and not force, conviction, and not compulsion, purchase,

and not plunder, a systematic application of combined forces, and not an undisciplined and chaotic movement, are the proper instruments to be employed.” For popular revolutions to be effectual, conviction must always precede force; for force may establish, but it cannot always preserve” (pp. 214, 215).

Bray’s scheme, it must be admitted, is more practical than the pure communism of Owen and Thompson, which he regarded as a counsel of perfection. It admits of individual property in products together with common property in productive powers, and thus combines the stimulus of private property with the equities of common interest. His companies, too, are far more practical units for industrial organisation than the self-sufficing communities of his predecessors. Indeed, if we can imagine a system of federated productive co-operation, national in its scope, and somewhat communistic in its distribution of wages, we shall have gone far towards realising what Bray seems to have intended. It might be said, indeed, that as he has foreshadowed in his financial proposals the principle of the modern labour banks, so his general conception is not without analogies in the aims of the Wholesale Co-operative Societies of our day.

Within its limits, which though narrow are not more narrow than those of the *laissez faire* school of economists whom he was opposing, Bray’s essay must be considered a closely – reasoned and philosophical piece of work. It was long a classic in the propagandist literature of the English socialists. No one can read

Marx
and
Bray.

the work without perceiving that it had clearly anticipated many of the ideas which are supposed to be most characteristic of Karl Marx. That Marx was greatly impressed by the book is beyond question. In his *Misère de la Philosophie*, 1847, when his object is to discredit Proudhon, he quotes Bray to the extent of nine pages, and describes his essay as a remarkable performance, little known in France, but containing the key to all the works of Proudhon, past, present, and future (pp. 50-62).¹ In 1859, when he had begun to develop his own theory, the notice of Bray is limited to the mention of his name in a footnote (*Zur Kritik*, p. 64). Even his name does not occur in *Das Kapital*, 1867, though the list of works quoted in that book extends to sixteen pages, and it is here that Marx develops the theory of profit which Bray had so vigorously put forward in 1839. It was fortunate for Marx that in Germany also Bray was then „little known.”

¹ In this reference to Bray, Marx attributes to his influence the foundation of the Owenite Labour Exchanges. But these were established by Robert Owen in 1832, and advocated by him as early as 1821. I do not see that Bray even notices these labour exchanges ; his own scheme is on quite different lines. Josiah Warren of Cincinnati, who still adhered to the principle in 1863, says the suggestion of it is „believed to have originated in England” (*True Civilisation*, 1863, p. 84). Courcelle-Seneuil, in his *Traite des Opérations de Banque*, says the theory was first expounded, so far as he knows, in 1818, by M. Fulcrand-Mazel, who established a bank on this principle at Paris in 1829. It is interesting to note that the system is said to be in force in at least two existing communities: viz. the Co-operative Colony of Topolobampo, Mexican California (*Yorkshire Post*, Sept. 18, 1896), and the Co-operative Colony of Cosme, Paraguay (*Times*, Aug. 31, 1897).

It must be evident from this brief survey of the writings of six principal English socialists, that the body of doctrine they advanced was of such a character as to deserve the serious attention of all who were concerned with social philosophy. It was closely reasoned, original in conception, striking at the very root of the principles on which existing society was based, and expounded in such vigorous fashion as to exert widespread influence over the mass of the people, at that time distressed and disaffected. „Why did the English economists for the most part ignore ideas of such a revolutionary and far-reaching nature? We can imagine how they would have interested Adam Smith; and Malthus and Sismondi, each in his way critical of the orthodox school, might at least have been expected to see their importance. Malthus and Sismondi, however, though critical, were not radical in their criticism; both writers accepting the general social philosophy of the dominant school. Neither succeeded in founding a school of his own, or in appreciably modifying the direction impressed upon current thought by the Ricardian group. The fact seems to be that, after the appearance of Ricardo's *Principles*, the economists were largely given over to sterile logomachy and academic hair-splitting. Ricardo had adopted what was intended to be a rigorously abstract and deductive manner, but without any of those formal aids to precision and clearness which scientific, and especially mathematical, method provides. The conse-

quence was a period of indescribable confusion, reminding one of that „dim, weird battle of the west,”

Where friend and foe were shadows in the mist,
And friend slew friend not knowing whom he slew.

When they concerned themselves with practical affairs, it was mainly with those interesting to the Whig or Radical political connections. Hence the profounder issues raised by the socialist school were generally overlooked by the economists, although they were so largely derived, both historically and logically, by reaction from the teaching of their recognised leader Ricardo.

But in the case of Hodgskin at least, there were exceptions to this general rule of neglect. James Mill and Brougham in England, and Thomas Cooper of Columbia, S.C., seem to have at once perceived the significance of the new teaching. Cooper was the first to publish any reference to the socialist school. In the second edition of his *Political Economy*, published in 1830 (though the title-page bears the date 1829), he added a chapter on the Distribution of Wealth, in which he gives full consideration to the views of „Hodgskin, Thompson, Byllesby, Messrs. Al. Ming, Thomas Skidmore, and the mechanic Political Economists”;¹ and after challenging their positions upon what

But Hodgskin noticed by Cooper,

¹ Byllesby, Alex. Ming, and Thomas Skidmore formed, with R. Dale Owen and Frances Wright, the nucleus of a New York school of socialists, whose organ was *The Free Enquirer*. This school well deserves some historical notice, and I hope it may obtain one at the hands of some American economist.

we may call common-sense grounds, he gives his own view of the measures most likely to reduce the existing inequality of conditions, which he agrees with the socialists in deploring. Cooper was a very vigorous and independent thinker, of wide experience in both old and new worlds (he was one of the many reformers who emigrated from England at the time of the Terror). A Free Trader, he rejected the theory of Natural Rights; and he anticipated Walker in the stress he lays on the value of business ability, genius and invention. His freedom from many of the narrowing dogmas of the English economists gave the greater effect to his answer to the socialists; and his arguments still remain forcible and pertinent.

By Brougham, If Brougham, as is usually assumed, wrote the clever little defence of the existing system published in 1831 by the *Useful Knowledge Society*, under the title of *The Rights of Industry*, he must have been influenced by Cooper, who is more than once quoted in this work, and especially in those parts of it where Hodgskin is expressly attacked by name. The argument is a skilful one, lucidly expounded, and largely based on history; Bastiat and many other writers have borrowed from it illustrations which have now become classical. The book is further commendable for its fair and persuasive tone, and the general absence from its pages of the sickening cant which disfigured so much of the apologetic literature of that day. Hodgskin's immediate reply to this attack, which appeared in November, was the issue

in the December following of a second edition of his *Labour Defended*, with a contemptuous prefatory note. In his *Right of Property*, published in 1832, he may be said to have carried the war into the enemy's country, and attacked Brougham on his own ground.

Whether or not Brougham was the author of the *Rights of Industry*, as Hodgskin supposed, the book was certainly published under his patronage. However, in 1832, Brougham's attention was again called to Hodgskin, and this time by James Mill; who in his turn, as Mr. Wallas shows, had heard of Hodgskin's socialistic teaching from Place.¹ The more militant of the Owenites had formed themselves into a National Union of the Working Classes, somewhat resembling the Democratic Federation, more notable for their noise than their numbers. Meeting at the Rotunda, they were known as Rotundanists. Hodgskin's doctrines were exactly suited to their purpose, and eagerly proclaimed by them. In October 1831, we find Mill writing in great anxiety to Place about a deputation „from the working classes,” who had been preaching communism to Black, the editor of the *Chronicle*. „Their notions about property,” he writes, „look ugly.” Place replies that „the men who called on Black were not a deputation from the working people, but two out of half a dozen who manage, or mismanage, the meetings of the Rotunda. . . . The doctrine they are now preaching is that promulgated by Hodgskin in a tract in 1825,” etc.

¹ *Life of Francis Place*, p. 274.

James Mill passed on the information to Brougham in the well-known letter of Sept. 3, 1832.¹ „The nonsense to which your Lordship alludes about the rights of the labourer to the whole produce of the country, wages, profits and rent, all included, is the mad nonsense of our friend Hodgkin (*sic*) which he has published as a system, and propagates with the zeal of perfect fanaticism. These opinions, if they were to spread, would be the subversion of civilised society; worse than the overwhelming deluge of Huns and Tartars.” He goes on to say that he would have little fear of the propagation among the common people of any doctrines hostile to property but for two circumstances — the one the currency agitation; the other” the illicit, cheap publications, in which the doctrine of the right of the labouring people, who they say are the only producers, to all that is produced, is very generally preached. The alarming nature of this evil you will understand when I inform you that these publications are superseding the Sunday newspapers, and every other channel through which the people might get better information.”²

James Mill, of course, could talk socialism himself when it did not go beyond the limits of his own political Radicalism. He denounced the expenditure of the State as unproductive; speaks of the governing class as having

¹ *James Mill. A Biography.* By Alex. Bain, 1882, pp. 363-367.

² Mr. Wallas shows in his *Life of Place* (p. 371, etc.) that in 1838 the currency and socialist agitations nearly merged into one, as they have done to some extent in the modern Populist Party of the United States.

found the machinery of taxation the most commodious instrument for getting an undue share of the property of the people; and was in favour of taxing the increment of value in land. But there was nothing in these views inconsistent with a tenacious affection for the right of individual property when it took a form which he approved; while his sound instinct told him that Hodgskin’s teaching struck at the very root of individual property in any form, and must, in its logical development, „subvert civilised society.” He seems to have regarded the new aggressive socialism as a pestilent treason, to be suppressed rather than to be controverted; in short, much as a New York money-lender regards the modern bimetallist. Brougham, however, following Cooper’s lead, made serious efforts to supply literature of a popular kind, in which the socialistic position was not unfairly stated, and was met by argument, sometimes superficial, perhaps, but cleverly enforced, conducted with temper and patience, and, as far as I can judge, widely effective for its purpose.

After James Mill and Brougham, no leading economist seems to have thought the English revolutionary socialism worth notice, and the very names of its chief writers were unknown to most of them until quite recent times. It is hard to understand how they could have been ignored by J. S. Mill. Holyoake tells us that Mill frequented the meetings of the early co-operators.¹ He must have heard of Hodgskin from his father, and

English
Socialism
ignored by
Stuart
Mill.

¹ *History of Co-operation*, vol. i. p. 141.

of Thompson, with whom he had much in common, from Bentham. But John Mill's favourite range of thought was the *axiomata media* of social philosophy, and he does not seem to have been quick to appreciate really original or profound conceptions, either in metaphysics or sociology. He gives no sign that he was aware of the existence of his contemporaries, Marx, Engels and Lassalle, much less of the men from whom they drew their inspiration. Socialism for him meant the romantic utopias of Fourier and Owen, or the academic industrialism of Saint-Simon and Comte. Such was the magic of his lucid style and persuasive temper, that on this, as on so many other matters, he inspired his readers with a sense of the finality of his writings. His influence, on the whole, was distinctly soporific.

And hence
by his
contemporaries.

After the appearance of Mill's *Principles*, English economists, for a whole generation, were men of one book; and it must be admitted that the influence of this book did not tend to correct the distaste for historical study, and the somewhat narrow range of investigation which were already becoming traditional in the English school. Hence, half a century elapsed before the ideas of the originators of modern socialism were appreciated, or even recognised, by the official representatives of social philosophy in the country of their birth. This must always be a matter of profound regret. Perhaps it is idle to speculate on what might have resulted had their pregnant teaching been subjected at the time to searching criticism by the best English

economists of the day. But we can hardly doubt that a thorough discussion would have cleared the air of a good deal of confused and revolutionary socialism, and it would certainly have very much broadened and developed the current exposition of economic science.

Meanwhile the ideas were not dead. If they were ignored by the leaders of English thought, they remained germinating in the minds of Marx and Engels; destined, thanks to their brilliant exposition, and the masterly advocacy of Lassalle, to develop into that social democracy which is to-day the religion of large masses of the continental working class. But they had almost equally important effects, though of a different kind, upon popular movements in England. The conditions here were most favourable to the acceptance of socialist teaching, even if its full import could not then be grasped. The people had been roused to the verge of revolution by a series of wrongs, calamities, and oppressions; and they had been rallied by the fame, the enthusiasm, and the generosity of Robert Owen into something like a national organisation for social reform.

There is no room for more than a brief catalogue of the painful series of events which had prepared the masses for social revolt. The movement for political reform, inspired by American Independence, and under the most influential patronage, was in a fair way to a triumphant issue, when the excesses of 1793 brought with them the Reaction, and the despotic repression of the Terror. In close succession followed the crushing

But the tradition lived on in Marx and in the minds of the English masses, prepared to receive it by social wrongs.

taxation of the Great War, disastrous famines, and unprecedented irregularity of employment. The Apprenticeship Laws were repealed, and the rights of the hand-worker and skilled artisan invaded without a pretence of compensation. The old social equilibrium was disturbed; population increased by leaps and bounds, and labour became politically and economically enslaved to capital. Enclosures, and the disappearance of the small yeomanry, whose holdings had been amalgamated into the large farms which were the envy of Europe, made similar havoc with the country labourers; whose independence was further sapped by the abuses of the old poor law. When the classes so gravely injured by adverse circumstance set about them, in true English fashion, to raise their position by united action, they were thrust back by the rigorous combination laws, which made it conspiracy for two men simultaneously to ask for a higher wage. This seems to have been a turning-point in English social history. The injustice of the repressive policy drove all the best energy and intelligence of England into the party of Reform. Place and the Benthamites, Cobbett and the Radicals, the *Edinburgh Review* and the Whigs, all in their various ways began to prepare a new era. But the people still had much to endure. The conditions of employment were arbitrary, exhausting and insanitary in a degree never before experienced. The revelations of the Factory Commissioners, sickening reading even at this distance of time, showed that the population was be-

coming enfeebled by the unnatural conditions of labour imposed by the greed of capital. The rapid growth of large towns, unprovided with effective municipal government, unpoliced and uninspected, had still further injured the masses, by degrading their homes. To measure this injury, contrast Aikin's description of Lancashire in 1795, with the Sanitary Reports of fifty years later. For this seething, undeserved misery, orthodox economy had only two remedies, and those rather of a surgical type: Restraint of Population, and the New Poor Law. The prescription was well-meant and not altogether unwholesome. But it was tendered without sympathy, and roused the bitterest resentment. After the New Poor Law, the disposition to resort to violence showed a marked increase, and the movement for political reform developed into Chartism. No wonder the gospel of socialism found a ready welcome in such times.

But I am inclined to think that the Ricardian socialism owes its vitality as much to the rise of the Owenite movement as to the social conditions of the time. The close of the first quarter of this century was certainly a critical epoch. The years 1824 and 1825 saw the decisive struggle for the right of combination. They also date the appearance of the three most notable works of the Ricardian socialists; a coincidence all the more remarkable, because, so far as we can see, these works, save for their common relation to Ricardo, were absolutely independent, alike in occasion, method and inspiration. Now it was just at this same critical

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junction that Robert Owen first began to get a hold on the masses of the people; and the subsequent growth and decay of the Owenite movement follows very nearly, but at a few years' distance, the activity and decline of Ricardian socialism. Mr. Holyoake tells us¹ that „it was the year 1825 which saw co-operative views—which since 1812 had been addressed by Mr. Owen to the upper classes—first taken up by the working class.” Owenite literary activity was at its zenith in 1830. „England has never seen before or since so many co-operative papers as 1830 saw.” In the fifteen months preceding January 1830 there had been a rapid growth of co-operative societies from only 4 to 100. These were to be found in all parts of the country; and in 1832 they were reinforced by the foundation of the Exchange Bazaars, which „spread over almost every part of the kingdom simultaneously.” It was these Owenite institutions, and their periodical literature, that served to propagate the doctrines of the Ricardian socialists. They gave resonance to teaching which might otherwise have been but as the voice of one crying in the wilderness, and established it firmly in the minds of the working-class leaders. After 1830, the Ricardian socialism seems to have captured the Owenite movement. „For fourteen years now,” says Mr. Holyoake, „Co-operation has to be traced through Socialism.” The name Socialist was of Owenite origin, and does not seem to have been commonly applied to

the Owenites till May 1835. But the ideas which we associate with the term to-day came not so much from Owen as from Thompson and his school. I cannot find that this school were in any way indebted to Owen for inspiration. But the Ricardian socialism was the yeast of the Owenite movement, and the foundation of all the more able contributions to Owenite literature; while it had no small share in stimulating the political offshoot of Owenism which rallied round the Charter.

It was Ricardo, not Owen, who gave the really effective inspiration to English socialism. That inspiration was indirect and negative, but it is unmistakable. Thompson and the rest took for granted the accuracy of Ricardo's unfortunate and strained deductions, and quote him as an unquestioned authority. Finding that certain of his conclusions were abhorrent to their sense of right, and assuming that he had taken the existing conditions of society as his premises, they naturally directed all the force of their attack against these conditions. This was the real intellectual origin of revolutionary socialism, and it is for this reason I have called it Ricardian. There was plenty of revolutionary socialism in the various Owenite co-operative journals, often most ably expressed ; but I am satisfied that it is directly due to the influence of Thompson, Hodgskin and Gray, and in lesser degree to Godwin and Hall, whose works they revived. The more I study the literature of English socialism, the more I feel that what in it was really pregnant with great issues was due to Ricardo, not

But the main stimulus came from Ricardo, not Owen.

¹ *History of Co-operation*, i. pp. 88, 129, 161, 175, 210.

Owen, though it flourished under the shelter of the Owenite movement.

Owen not
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nary.

Owen never raised claims of Right; but modern revolutionary socialism is founded on such claims. The three main subjects of his criticism were Religion, Marriage and Private Property; but he was only actively militant against the received theology and morals. In Owen the child was father to the man. Nursed in Welsh Calvinism, his doctrine throughout life always tended to be theological, and therefore an appeal to the individual, rather than to base itself on Right, and to seek for its realisation by political means. Hence his crusade against private property was platonic, resting on moral, not political considerations. This was partly due to his view of the boundless possibilities of invention and progress. In the period of his prime, 1820-35, he came very near to expounding some of the future principles of „scientific „ socialism.¹ But even then his first and absorbing passion was for equitable distribution of *new* wealth. The power of production, according to his views, was so enormous, so greatly in excess of human requirements, that it was unnecessary to dwell on the negative or confiscatory aspects of socialism.²

¹ See, for instance, the highly socialistic tract, *An Address to the Members of Trade Societies*, quite in Gray's manner, which Owen caused to be reprinted in London in 1827.

² „It is no longer necessary, except through ignorance, that ‘man should earn his bread by the sweat of his brow’; for the inventions and discoveries which have been matured, and which are now in full practice, are more than sufficient, with very light labour, under a right

To attack existing property would seem to him a gratuitous blunder. At bottom his ideas were very much of the *bourgeois* type, and his differences with the views of the ordinary British citizen were much more moral and theological than genuinely socialistic. It is the Co-operators, rather than the Social Democrats, who are the modern representatives of Robert Owen.

Upon the whole, then, it is the Owenites, rather than Owen, who are important from our present point of view. I do not underrate the interest of Owen as a figure in our social history, nor the enormous practical effects of his ceaseless energy and unflagging enthusiasm. On the contrary, the more I learn of social movements, the more highly I rate Owen's influence. I am disposed to think that it was Owen in England, and Saint-Simon in France, who brought socialism down from the study to the street, and made it a popular force. But, if we are

Scientifi-
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Owen.

direction, to supply the wants and insure the independence of all, without real injury to any.

„To understand this part of the subject, your best attention is requisite, because it is not only new to you, but it appears to be so also to legislators and political economists ; for they continue still to direct their efforts to instruct the world how to *increase* its wealth, while the real difficulty against which society has to contend is, to discover the means by which an excess of wealth, now so easily produced, can be prevented from injuring all classes, who experience from it precisely the same effects which have been heretofore engendered by poverty „ *An Address to the Agriculturists, Mechanics and Manufacturers of Great Britain*, published in the *Sphynx* Newspaper, Sept. 1827 ; and quoted in the *Birmingham Co-operative Herald*, No. 7, Oct. 1, 1829).

Owen is alluding to the effects of the crisis of 1826-27. It must be remembered that he was a cotton spinner, who lived through the age of the great inventions.

tracing the intellectual ancestry of modern socialism, Owen is less important than many of those who fought under his flag. The distinction which Dr. Menger very justly draws between Saint-Simon and the Saint-Simonians applies, I think, with even more force to Owen and the Owenites. Owen's personal fortune was of the greatest service to his movement, and still more, I think, the fact that he had made it himself. Probably nothing less than Owen's success in business would ever have brought the average Englishman to treat socialistic doctrines as anything but scatter-brained and „academic” speculations.

But Owen was certainly inferior in intellectual calibre to many of his followers, and especially to the six men who were the real leaders of aggressive socialism. These were for the most part men of liberal culture and some training in philosophy; men with a natural gift for reflection, and with far more critical insight and breadth of view than Owen. As formal and philosophic exponents of socialistic principle these men seem to stand quite apart from Owen, who is hardly in the direct line of descent from Godwin to the socialism of Marx and Lassalle. All the theoretical positions of the German writers are to be found in the writings of Owenites; few of the most characteristic of them will be found in the writings of Owen himself. Still Ricardian socialism grew up under the shelter of the Owenite movement; and, perhaps, owed to Owen its escape from the oblivion and neglect which had

fallen to Godwin and Hall. It is curious how in England we neglect our social history. No figure in it is more prominent or more familiar to Englishmen than that of Robert Owen. The first serious attempt to write a history of the Owenite movement must inevitably have brought to light the important work of the Ricardian socialists. Yet until the last few years this work has been almost wholly ignored.

There were other members of the Owenite school, on both sides of the Atlantic, whose writings are full of interest from the special point of view of Dr. Menger's book, but I have only time for a bare reference to two or three of them. M'Cormac and Mackintosh on this side, and MacClure in America, not to mention a number of anonymous writers, were almost as vigorous and incisive in their defence of the labourer's right as the six chiefs of the school. M'Cormac, an eminent and public-spirited Dublin physician, was chiefly interested in practical reforms. Mackintosh was more speculative in his tendencies. He attacked Owen's doctrine of Irresponsibility, but agreed with him in the main; and some of his passages, by their anarchist tone, remind us of Hodgskin. MacClure, the partner of Owen in his New Harmony venture, was a man of considerable wealth, great part of which he devoted to the advancement of education, scientific research and socialistic communities. One of these communities was named Macluria in his honour. His characteristic theme is the distinction between producers and non-producers,

Minor
Owenites:
M'Cormac,
Mackin-
tosh, and
MacClure.

which he expounds quite in the Saint - Simonian manner.¹

The
New York
School.

I have already referred to the group of socialists in New York, who rallied round Robert Dale Owen and Francis Wright. This School must have been pretty active in 1829. Robert Dale Owen writes in October that *The Free Inquirer* (the official organ of the group) „had about 350 subscribers six or eight months ago,

¹ I quote a passage from each of these three writers, as their books are not easily accessible:—

„A single rich man, by means of his wealth, is enabled to consume the produce of the industry of thousands of labourers ; while no single labourer is permitted to use more than a portion, or its equivalent, of what he has produced, being obliged to support all the other labourers whom the rich employ in the manufacture of superfluities” (Henry M’Cormac. *An Appeal on Behalf of the Poor*. Belfast, 1830, p. 17).

„Upon an ignorant and degraded people, laws are imposed without their consent. . . . By the laws thus enacted, these slaves are hemmed in on every side; the produce of their labour is taxed, and tythed, and rented and rated, and profited by force and fraud, until, at length, a miserable pittance remains to the slave whose toil has produced all. The poor slave, being thus reduced to a state of destitution, is compelled to let his body out by the day, to the first or highest bidder ; and thus is established a wretched and cruel system of trafficking in human flesh and blood. The difference between the system of trafficking in the *bodies* of African slaves, and the *toil* of European slaves is only nominal” (T. S. Mackintosh. *An Inquiry into the Nature of Responsibility*. Birmingham [1840], p. 87).

„Property of every denomination is produced by labor. The laborers must, therefore, in the first instance have possession of the whole property in every country, of which they are deprived by a number of artifices, laws, and regulations, both of church and state,” p. 122 (William MacClure. *Opinions on Various Subjects, dedicated to the Industrious Producers*. New-Harmony, Indiana, 1831).

„Civilisation has created, maintained, and does every day continue to increase, the number and expense of that class who live on the produce of the labour of others” (p. 166).

and now has 1200.”¹ Among the leading members, besides Owen and Miss Wright, were E. L. Jennings, L. Byllesby, Alex. Ming, Thomas Skidmore. To avoid party names, they styled themselves the *Mechanics and other Working Men of New York*. They seem to have been thorough-going communists. Byllesby denied the right of labour to superior advantages on account of superior efficiency; Ming and Skidmore openly advocated an equal division of property among adults? A *Manifest*, explaining their position, was published in the *New York Sentinel*, and is reprinted in *The Crisis*.² The tone of this Manifest is studiously moderate. It mainly attacks monopolies and the excessive power of wealth; and demands genuine representation of the producing classes, and an equal system of public education. A much closer approach to the doctrines of the celebrated Manifesto of Marx and Engels was made by another American writer, O. A. Brownson, editor of the *Boston Quarterly Review*. In a tract called *The Labouring Classes*, a review of Carlyle’s *Chartism*, Brownson denounces the wage system, privilege, and inheritance, and proclaims an approaching war between the middle-class and the proletariat. Wages he describes as a more successful method of taxing labour than slavery. Our business is to emancipate the proletaries, as the past has emancipated the slaves. There is only one remedy, „by that most

¹ *London Co-operative Magazine*. Jan. 1830. Vol. iv. p. 2.

² Vol. i. pp. 51, 58. June 16, 23, 1832.

dreadful of all wars, the war of the poor against the rich, a war which, however long it may be delayed, will come.” This is socialism of the true Marxian type, but the abundant land resources of the United States at that time provided an outlet for discontented energy, and the teaching seems to have fallen dead.¹

The
Owenite
movement
in its
prime.

It was otherwise in England, where, as we have seen, all the conditions were favourable to socialistic agitation. Intellectually, perhaps, the Owenite movement was most brilliant and interesting in 1825; but it was in the full tide of its activity for nearly twenty years after that date. Owen was an excellent figure-head, and a good advertiser. He was well seconded in his missionary efforts by the enthusiasm of able followers, and by paid lecturers of no mean ability. The whole country was soon covered by a network of Owenite societies, and flooded with socialist tracts and periodical literature, some of it still of high interest. For fifteen years in succession a series of National Congresses served to focus the movement. There were seven Co-operative Congresses in the years 1830-35, in which the trade union and labour exchange elements were prominent, and fourteen Socialist Congresses, 1835-46, in which communistic or communitarian ideas pre-

¹ We find the doctrine of the New York socialists alive again in 1875. In that year the Massachusetts Labor Reform Convention adopted the following resolution: — “We affirm, as a fundamental principle, that labor, the creator of wealth, is entitled to all it creates.”

ailed. During this period the Owenites were constantly before the public, and played an important part in almost every great social movement of the time.

But after the failure of the Labour Exchanges in 1834, the influence of Owen seems to have been steadily on the decline. The narrowness and limitations of his culture began to produce their natural consequences; and these were aggravated by his almost total lack of any sense of humour, and any knowledge of the larger world. Even in his prime, Owen always inclined to ethical and theological, rather than to political activity. With advancing years this tendency increased, while he became more and more barren in practical suggestion. At length his tedious persistence in the iteration of dogmas antagonistic to the received theology and morals had the effect of alienating the sympathies of many of the most earnest of his followers, and especially of Wesleyans and others who were foremost in the Factory agitation and many other social movements. As Owen’s personal influence declined, the movement began to disintegrate. The diverse elements which had found a common rallying-point in the Owenite flag, began to follow independent and natural lines of divergence, and the great socialist camp gradually broke up.

Causes of
its decline.

Those among the Owenites who were most in harmony with their master’s later activities, drifted into moral and theological controversy, and devoted

Its
offshoots.

themselves mainly to a secularist crusade.¹ The more politically minded, goaded by the severities of the New Poor Law, by industrial tyranny, and social oppression, became more or less political revolutionaries, physical force men, or Chartists; and abandoned Owen's voluntary communism for social democracy. Other groups, avoiding heroics, speculative or political, recurred to some of those more business-like measures which Owen's visions of New Moral Worlds had rather thrown into the shade. Co-operation, in both its forms, made a fresh start. The Rochdale Pioneers in 1844 laid the foundations of the great distributive movement; and the Christian Socialists, a few years later, gave what has proved to be an enduring impulse to the still greater enterprise of productive co-operation. Last, but not least, the Trade Unionists gradually broke away from the Owenite connection. They had gained from it inspiration and enlarged aims, but very little else. The great flare-up of 1834 was quickly followed by reaction and discouragement; but when they dropped Owen's pretentious schemes, and resumed the old and tried methods which Place in 1815 had praised as „the perfection of wisdom,” they made solid progress; and when 1852 arrived, they were ready to take advantage of the great expansion of trade which brought them in 1874 to the high-water mark of their power and prosperity.

¹ The secularist movement perhaps owed more to Bentham and Place than to Owen. Cf. Holyoake, *Life of Carlyle*, 1849.

Of these developments, the Chartist agitation, and especially the teaching of such men as Bronterre O'Brien, has the closest affinity to the doctrines which are the subject of Professor Menger's work. This will be seen from O'Brien's programme. It includes nationalisation of land at the decease of existing owners (with full pecuniary compensation to their heirs and assigns); security of the tenants' right to improvements; cessation of further national loans; the quarter of wheat to be the standard of value; paper money to be a Government monopoly, and to be issued „against every description of exchangeable wealth” ; equitable exchange bazaars, and district banks (somewhat of the Proudhon type), to enable industrious men to stock farms, and to manufacture on their own account.¹ But it is not part of my present purpose to consider these later outgrowths of Owenism. They have been excellently dealt with by authoritative writers. Mr. Holyoake's well-known works are a mine of valuable material for the History of Co-operation and for the *personnel* of Owenism in all its forms; the History of Trade Unionism has been admirably written by Mr. and Mrs. Sidney Webb; Mr. Graham Wallas's *Life of Place*, and Gammage's *History of Chartism*, throw invaluable light on the political side of the movement.

To the outside observer in 1850, the great Owenite

¹ Cf. the *National Reformer*. New Series. No. 1, Oct. 3, 1846 ; and No. 16, Jan. 16, 1847 ; also O'Brien's posthumous book, *The Rise, Progress and Phases of Human Slavery*, 1885.

movement must have appeared a complete failure. The communities were wrecked, the societies had broken up, and the remarkable doctrines which inspired them seemed to have been forgotten. Yet it would be difficult to exaggerate the importance of the results which followed, directly, or indirectly, from the twenty-five years' campaign. It gave resonance to all voices that were raised in the cause of social amelioration. Popular education, trade-unionism, co-operation, allotments, factory legislation, and sanitary reform, in short, almost all the great measures which have proved most effective in raising the condition of the people, either originated in, or were powerfully reinforced by, the Owenite agitation. This, too, at a time when all these measures, except the first and last, were frowned upon by the economists, and before they had been taken up by either of the great political parties. These were great services ; but for the most valuable legacy of Owenism we must look deeper than these merely institutional reforms, useful as they were. It left the English people saturated with a faith in progress and a tradition of social perfectibility which are still fresh and vigorous, and which are a never-failing source of inspiration to popular social effort, and the most effective of antiseptics against political cynicism and commercial corruption. It is tempting to speculate on what might have happened if Owen's energies had been directed into a political channel, after the fashion of contemporary socialists. I am inclined to think that the immediate

material results would have been greater, but the moral influences less ; and, upon the whole, I should doubt whether the Owenite movement would have had the same historical significance. As it was, it made a profound and abiding impression not merely on English social institutions, but on the English character; and it gave asylum to ideas which may prove to be the germs of wider and more fundamental change.

There are, of course, many writers not directly connected with the Owenites or the principal School, who would certainly require careful notice in any formal history of English socialism. I hope the Bibliography appended to this volume may serve to remind the reader of some of these. I can only here refer briefly to the two who seem to me most important, viz. Thomas Spence and William Cobbett; two singular characters, agreeing in their originality and independence, and perhaps in little else. Spence was the first to agitate for the public ownership of land. The Corporation of Newcastle, his native town, had been enclosing certain common lands, but were defeated in an action brought against them by some of the freemen in defence of the commoners' rights. It would seem that it was the stir of this contest which first set Spence thinking on the land question ; and there is no doubt that the mischiefs and injuries resulting from the enclosures greatly aided his agitation. His particular proposal, first made in a lecture, in 1775, was „, to administer the Landed Estate of the Nation as a Joint-Stock Property, in Parochial

Partnerships, by dividing the Kent.” At one time he had a considerable following, and during the period of war-rents and the great scarcities he seems to have caused alarm to the Government. But the discussion of his views was considerably impeded by the repressive measures which followed the events of 1793 ; and when, in 1817, the Government took special powers for dealing with the alleged „Spencean Conspiracy,” the harmless *Society of Spencean Philanthropists* received a shock from which it never rallied. Their feeble agitation must, in any case, have been soon overshadowed by the superior pretensions and popularity of Robert Owen and William Cobbett, then at the zenith of their fame.

William
Cobbett William Cobbett, the greatest popular leader who ever sprang from the ranks of the English peasantry, was rather a politician than a socialist. The very antipodes in this respect of his contemporary Robert Owen, he attacked persons and classes rather than principles, measures rather than institutions. But he often verges on the socialist creed, especially in his assertion of the rights of the producers; and no one did more to make labour politically self-conscious, or to bring the „Condition of the People Question” to the front. He was a master in the craft of the agitator. No man ever commanded a style more apt for his purpose, or so thoroughly understood the labourers to whom and for whom he appealed. There is a delightful breezy freshness about his writings, like the sea air

blowing over his native chalk downs ; and a thoroughly sound, healthy, robust, and old-world tone about the instincts which inspire them. Both man and style have an unmistakable out-door quality about them, and smack of the field and the plough. Cobbett’s earlier activity was financial; and in his celebrated *Political Register* and *Paper against Gold* his attacks are mainly directed against the war-finance with its heavy taxation, and the paper money, which he regarded as its chief support. „The misery, the degradation of Englishmen by means of paper money,” he writes in 1821,” has been the ruling passion of my mind.” But as he saw the condition of the labourer steadily decline, until his hardest exertions did not enable him to secure the dietary of a convicted felon, Cobbett’s resentment was roused, and his language becomes more socialistic. For practical purposes, the teaching of the *Poor Man’s Friend*, *Two-Penny Trash*, and the *Legacy to Labourers* was perhaps more socialistic in its tendency than Robert Owen’s. It was certainly more calculated to rouse the masses to revolt; and the general belief that it was Cobbett’s influence which prompted the rick-burning exploits of „Captain Swing” and his associates was not altogether unfounded. One or two quotations may serve to show how nearly Cobbett approached the doctrine of the Thompson school. In *Paper against Gold* he had written — “Taxes create drones, who devour the earnings of the laborious.”¹ This does not greatly differ from

¹ Letter iii. Sept. 11, 1810.

the view of James Mill and the Ricardians. In *Two-Penny Trash* the emphasis is stronger. „Here is the whole affair. Here it is *all*. The food and the drink and the raiment are *taken away from those who labour, and given to those who do not labour.*”¹ „Now men may talk, and do whatever else they please, and as long as they please, they will never persuade the labourers of England *that a living out of the land is not their right in exchange for the labour which they yield or tender.* This being the case, the thing to be aimed at is, to give them employment; and this employment is to be given them in sufficient quantity only by putting a stop to the transfer of the product of labour to the mouths of those *who do not labour;* and this stop is to be put in no way but that of taking off the taxes.”² This last passage shows exactly where and how Cobbett falls short of the true socialistic doctrine. Up to the final clause it might have been written by Gray or Hodgskin; but the disparity of the remedy shows that Cobbett did not see the full significance of the language he used. He was a bit of a *bourgeois* at bottom; and when he attacked the propertied classes, it was not because he denied the right to property, but because he considered that the owners neglected its duties. In *Paper against Gold* he once said expressly that landlords „do not live upon the earnings of others”³; and if the tone of much of his later writing is not quite consistent with this admission, yet there was nothing revolutionary in his mind.

¹ Vol. i. p. 131.² *Ib.* p. 138.³ Letter iii. Sept. 11, 1810.

There is no reason to think that he ever came under socialistic influences. Typical Englishman as he was, he had in view merely certain specific reforms, directed to a simple unpretentious end. His homely ideal for his favourite labourers is well known. Beer, bread, bacon, and cheese, enjoyed as far as possible from the „Great Wen,” in the wholesome conditions of a country life, — this was his conception of the labourer’s right. To secure these comforts to the class from which he sprang was the main purpose of Cobbett’s untiring activity. „Before the day shall come,” he says, „when my labours shall cease, I shall have mended the meals of millions.”¹ This is not precisely „scientific” socialism, either in method or aim: but Cobbett’s influence certainly contributed in no small degree to promote socialism in others, and he must always have a place in the history of the English School. He was a typical example of the combination of feudal sentiment with socialistic sympathies ; and may be regarded as the father of the conservative socialism which we more often connect with the names of Kingsley and Disraeli.

I have said nothing of foreign socialism in this brief sketch because I do not consider that it essentially modified the spontaneous development of the English School. Owenism in its earlier stages may have gained a certain reinforcement from the imported influences of Saint-Simon and Fourier, as it certainly did in the later period from the more congenial inspiration of

French and
German
influences.

¹ *Rural Rides*, 1830 ed. p. 584.

Marx and Engels, and of the men of 1848. But, on the whole, its evolution was independent and self-contained. There was for many years a group of English Fourierites, who had a journal of their own, the *London Phalanx*, and even, one may say, a literature; but the really vital doctrines of Fourier never took hold of his English followers. They were impressed with the externals of his system, the *abracadabra* of his luxuriant terminology; but seem to have failed to catch the inspiration of his really profound and luminous suggestions. It is curious that the far more practical Saint-Simon, whose methods were eminently English, had even less influence in this country. There is just a trace of his spirit in Thompson and Stuart Mill; but his teaching had no important following here until the tradition came to us at the hands of the brilliant English disciples of Auguste Comte, German communism was first introduced to English readers by Engels, in a series of contributions to the *New Moral World* in 1843 and 1844.¹ A notice of Wilhelm Weitling appeared in English in 1844; and finally, in 1850, G. Julian Harney published a translation of the Communist Manifesto in his paper, the *Red Republican*.² The revolutionary tone of Marx, and especially his summons to a class war, may have been

¹ Cf. his articles on *The Progress of Social Reform on the Continent*, Nov. 4, and 18, 1843; and his letter „*The Times*” on *German Communism*, Jan. 20, 1844.

² Cf. Nos. 21-24; Nov. 9-30, 1850. Harney was one of the most able and courageous of the Chartist leaders, and our last link with the men of that time. He died only last December (Dec. 9, 1897), at Richmond, aged eighty.

relished by militant Chartists of the Harney type; but the average Englishman was too deficient in philosophic training to appreciate the methods of German and Marxist socialism. Hence these brief notices of it were almost wholly ignored, alike by the economists and the common people. Far deeper, at least for the time, was the impression made on English minds by the events of 1848. Our insularity was not proof against the wave of revolt which swept over Europe in this year. The ferment of thought and the dramatic course of events in France stirred the minds and roused the hopes of our social reformers. French influences gave us a literature on the Eight to Employment, and undoubtedly helped to bring the Chartist rising to a head. But any weight which the doctrines of 1848 might have had in the abstract was heavily discounted by their failure when put into execution. The collapse of the National Workshops in Paris, and the fiasco of the Physical Force men in London were object-lessons not easily forgotten. Thus in the end the Revolution of 1848 did more to depress than to stimulate contemporary social movements. Not until the lapse of another generation did foreign influences leave any permanent impression on socialism in England.

Upon the whole, then, English socialism was too insular to gain much stimulus from other countries; and when, in 1848, it was most nearly in sympathy with the foreign movement, the complete failure of the Revolution reacted heavily on this side of the Channel,

English socialism declines with the growth of prosperity after 1852.

and did much to dishearten the English socialist leaders. A less obvious, but in the long run a far more effective check resulted from the famous gold discoveries of this period. The abundant supply of precious metal which set in after 1852 put a term to the period of contraction and industrial depression which had followed the Peace of 1815. The next twenty years were years of rising prices and unprecedented prosperity. Trade advanced „by leaps and by bounds,” employment was abundant, and the condition of the people rapidly improved. The rise of prices was as fatal to revolutionary socialism as it was favourable to the more pacific and commercial methods of co-operation and trade-unionism. How co-operation advanced we all know. Mr. and Mrs. Webb tell us that trade-unionism reached its high-water mark in 1874. But the general activity of production took the wind out of the sails of the socialist movement. So far as its more revolutionary forms are concerned, there was a complete collapse, as prices and trade expanded; and the very literature, never more vigorous than in 1848-50, vanishes after 1853, not to revive again until the serious check to prosperity, a generation later, in 1884. When the next period of depression set in, the revived socialism in England was a purely exotic growth. It seemed to have altogether lost touch with the parent school of Thompson and his contemporaries; and, except for such slight countenance as it derived from the teaching of John Stuart Mill, was entirely inspired from foreign sources, and especially by

Modern
revivals.

the writings of Marx and Lassalle, and the crusade of Henry George.¹ Of late years, the authority of Marx and George has greatly waned in this country. The current forms of socialism are once more of native origin, and like most really English movements, have gradually purged themselves of the revolutionary temper. The Fabian Society, in particular, though genuinely socialistic in its ulterior aims, appears from its latest manifesto to have adopted a policy of gradual and detailed reform, so practical and opportunist that it can hardly be called socialistic in the sense here given to that term.

THE APPENDICES

I must now close a sketch which, though far from complete, already fills too large a part of this little volume. Those who may wish to pursue the subject further will find in the two appendices to the book some assistance in their inquiries. The first appendix contains a translation of the Preface to the now rare first instalment of Marx's *Kapital*, printed in 1859. This is instructive as enabling us to compare Marx's own account of the development of his views with the account given by Dr. Menger of their derivation from the socialists of the English School. The complete

The 1859
Preface.

¹ George adopted the English doctrine of the Right to the Whole Produce of Labour, though it is clearly inconsistent with his scheme for the confiscation of property in land. It is indeed inconsistent with any scheme of equality, unless efficiency and industry are equal, as they notoriously are not.

absence of any reference to the English School in this preface is remarkable, and contrasts significantly with the full quotations which appeared in Marx's attack on Proudhon, twelve years before. After what I have written above, I need hardly say that Dr. Menger's contention seems to me abundantly justified.

This
Bibliography.

In the second appendix will be found a bibliography of the English School; arranged chronologically, because its main purpose is to facilitate the historical study of the English Socialist movement. Any such list must necessarily be a somewhat arbitrary one, and I do not propose to attempt to justify the particular selection I have made. No two compilers would probably make quite the same choice of entries. I may, however, explain that it is not a general bibliography, even of English socialism, but is concerned mainly with what I have here called the English School. It does not pretend to deal with foreign socialism, nor with the later English socialism developed under French and German influences; though I have occasionally noted translations from foreign socialists which may have influenced the native school. The chief aim has been first to give a list of the writings of the English School themselves, and secondly to indicate some of the principal non-socialistic works against which their writings were directed, or in which they were controverted. Here and there an entry has been made in order to mark contemporary and closely-connected movements, such as the Factory and Chartist agitations. Such references, however, are

only incidental. The Trade Union movement already has a bibliography of its own; the Factory and Chartist movements deserve one. I have not dealt with either here, except in so far as they may have some point of intrusion into the main subject. At the end will be found a list of a few histories and biographies which may serve as general manuals for the student. I have taken special pains to give an accurate account of the periodical publications of the School. All socialistic literature is troublesome to catalogue. It is obscure and irregular, and the bibliographical indications, where they are present, are often incorrect and confusing. Worst of all in these respects are the periodical issues. But some of them are of great historic value, and well deserve, as far as is now possible, to be placed on record. That, in spite of all care, the list now offered is defective, no one knows better than the compiler. But I hope it is sufficiently complete to be representative; and I look with some confidence to those who have ever made similar attempts for an indulgent judgment on its imperfections.

CONCLUSION

My object in this introduction has been to expound, not to criticise, the doctrines of the English Socialists. Dr. Menger's searching examination leaves little more to be said by way of criticism, at all events from the juristic standpoint which he has chosen; and it would

Critical
results.

be out of place here to enter upon a more strictly economic scrutiny of their teaching. Otherwise it might be interesting to analyse with some rigour the nebulous phrases „product of one’s labour,” and „unearned income.” I find it very difficult, for instance, to conceive any economic definition of a right to the product of labour which does not carry with it a right to what comes within some meanings of the term „unearned income.” It might appear, too, on a close investigation, that this latter term is full of ambiguities, and that a rigorous definition of earnings would not be altogether favourable to revolutionary claims of right. Doctrines of abstract right are apt to be double-edged, and have been appealed to by the defenders, as well as by the enemies, of the existing social order.

But the economic solidarity of modern society makes all claims of individual right, whether or not sound at law, more or less defective in equity. This applies alike to the ridiculous brag of the so-called „self-made” capitalist, and to the revolutionary claim of the socialist labourer. No one, in a modern society, can possibly say what the produce of an individual’s labour really is. We know what the law allows him to acquire; we cannot say what he has equitably „earned.” Social obligation is involved in every acquisition; at every moment he depends on tradition from his ancestors, on cooperation from his contemporaries, and even on expectation from his successors. In short the modern fact of economic solidarity seems to me to have cut

away the foundation from the individualistic socialism of abstract right. The conflict between the two tendencies of thought constitutes the inner contradiction of modern socialism, but the issue of the conflict hardly admits of question. No doubt the claim of Labour in general to the whole product of industry is better justified than the claim of any individual labourer to his own product. But all doctrine founded on equity alone irresistibly gravitates towards pure communism. This appears to me to be the most important result of Dr. Menger’s criticism; and it is one in which I fully concur. The lessons of history, even more than the results of analysis, make the conclusion inevitable. The doctrine of abstract right seems to have had its day. It has been proved to have great revolutionary power and consequent political significance; but it has always tended to a certain confusion of issues, and its effects have been mainly, if not wholly, destructive. For substantial guidance in that work of social reorganisation which will be the true business of the next century, and is the real aim to-day alike of socialists and economists, we must look rather to a conception of social ends than of individual rights.

Dr. Menger’s practical conclusions, on which he does not insist at length, may perhaps not find such general acceptance here as his criticism. They seem to have too exclusively in view the political situation in Austria-Hungary. The strong anti - Agrarian tone which prevails throughout the book will hardly be

Practical
conclu-
sions.

intelligible to English readers familiar with the present conditions of our rural economy. This political standpoint may have partly affected Dr. Menger's judgment on some particular questions: for instance, his strong condemnation of State assistance to facilitate redemption of mortgages, which takes no account of the changes, whether political, fiscal, or monetary, that often form the main justification of such measures. But his broad conclusion rests on perfectly general grounds. Whatever direction social development may take, he holds that it must not be imperilled by revolution; and in order to avert this peril, the State must observe a strong policy in reference to unearned income. There must be no legislative increase, and no legislative transfer, of this kind of income. This will be a hard saying to many of us, whether individualists or socialists. If capital is wisely borrowed, the consequent creation of unearned income represents a benefit to the borrower. Is the State, whose credit stands so high, to be debarred from using this advantage for the benefit of those it represents? If so, how are its functions to be enlarged, as socialists desire? We are not justified in tacitly assuming that unearned income is an evil, even if we grant that it is politically invidious. Men are not always earning, nor always earning most when their wants are greatest. Hence it will always be a convenience, and to all classes, to have the means of redistributing earnings according to wants, which is provided by the institution of investment and interest. The perception

of this convenience will increase with civilisation; and this will require and justify the increase of unearned income. It thus appears equally necessary from the point of view of borrower and lender, and the question who pays for the convenience must be merely one of demand and supply, and does not seem to involve a reference to equity.

Nor is the legislative transfer of unearned income always to be accounted an evil. There may be historical circumstances, as in Ireland, and economic changes, like the recent change in the value of money, which make such a transfer not only expedient but just. The various legislative acts which have developed peasant properties, and the usury acts which have sheltered the small proprietor from the extreme exactions of the creditor, are cases in point. In short, if it is possible, by well-advised and cautious legislation, to promote a more equitable and more secure distribution of unearned income, such legislation will be the reverse of revolutionary in its results. We may agree with Dr. Menger that it is a form of social surgery not lightly to be used; we must still hold that in certain morbid conditions it may often be the best, and sometimes the only available, remedy.

None the less it remains true, as Dr. Menger warns us, that you cannot long attack one form of „unearned” income without ultimately endangering the whole. It may suit party exigencies to throw the Jews to the wolves in one country, or the landlords in another; but

the policy is logically rotten and politically perilous. The various kinds of economic income are so inextricably involved and combined in actual life that we cannot deal with them justly or effectively by the clumsy and partial method of class legislation. Where the existing ownership of wealth offends against the social equities, the wrong can best be redressed, so far as it admits of legislative redress at all, by a wise and equal scheme of taxation. But the duty of the State does not end here. It is far more important, and far more practicable, to take care that the acquisition of new wealth proceeds justly, than to attempt to redistribute wealth already acquired. In a form of society where the distribution of wealth is left to depend upon contract or bargain, it is obviously of the first consequence that the general economic conditions should be favourable to fairness and equality in bargaining. Great progress has been made in this direction during the last fifty years, by agencies of all kinds, legislative and other. But still more remains to be done; and one need not be a socialist to feel that in the last resort the chief responsibility in the matter must rest with the State. „Proudhon,” says an American writer, „has declared that Property is Theft. It is for a wise Government to see that Theft shall not be Property.”