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to treat interest as a surplus-free capital-replacement cost but others finally had to conceive of interest as including more than such cost.

The physiocrats put great stress upon the role of investment. Quesnay and most of his disciples confined their role to agriculture. The stress on investment in discussions of net product appeared also in Quesnay's comparison of *grande* and *petite* agriculture. The former, involving large-scale and technologically advanced methods, required heavy capital investment; the latter, based upon traditional methods and backward owner-cultivator relations, utilized little capital. *Grande* agriculture was much more productive than *petite*; substitution of *grande* for *petite* might for a time permit increasing returns to capital. Turgot went beyond Quesnay to declare investment to be important in industry and commerce as well as in agriculture and to suggest how it gets allocated among alternative uses in keeping with prospective returns. In this and other respects, indeed, Turgot, together with Baudeau and Du Pont, among others, modernized the feudal framework within which Quesnay and Mirabeau had set their discussion.

The physiocrats sought to integrate their political and (not entirely homogeneous) philosophical views with their conceptions of actual and ideal economies. Although they appreciated, in somewhat varying measure, the power of self-interest and the workings of a system of interdependent prices, together with the roles of private property and a regime of economic liberty and competition, they also believed that the state might play an important part in making physiocracy function and realize individual-transcending purposes as well. For there existed a discoverable natural order, compliance with whose principles was essential to man's prosperity and happiness. Positive laws must reflect this order and a limited monarch, or "tutelary authority," must express and support it, subject to the ultimate approval of a judiciary competent to determine if natural law was being correctly interpreted.

The Physiocratic Contribution

Physiocracy contributed significantly to the development

of economic science, and some of its concerns have continued to interest economists and others. In the first half of the nineteenth century physiocratic influence was reflected in discussions of such matters as under consumption and the origin, form, and role of economic surplus, though these were examined within a quite different socioeconomic context than that envisaged by Quesnay. Detailed analysis of physiocracy was facilitated by the publication of a number of physiocratic works in 1846 under Daire's auspices. As early as the 1860s the circular flow model present in the *Tableau* commanded the attention of Marx, whose reproduction schemes probably were inspired by it; and not long after, Walras developed a *tableau* he considered "analogous" to Quesnay's. During the ensuing forty to fifty years much able scholarship was devoted to the physiocrats. With the emergence after 1930 of modern equilibrium and macroeconomic theory, together with national income accounting and input—output models, interest in relevant components of the physiocratic system increased, in Japan as well as in the West. This renewed attention was also stimulated by revival of interest in a major concern of the physiocrats, economic development. During the past half-century, moreover, the political and philosophical conceptions of the physiocrats have been subjected to renewed appraisal.

SOCIALIST THOUGHT

In the half-century prior to the Russian Revolution of 1917 the dominant doctrine inspiring the major socialist parties of continental Europe was Marxism (or was directly derived from Marxism). Since 1917 Marxism has become the official doctrine of the socialist sector of the world (i.e., of the Soviet Union and China and of the other countries of Europe and Asia associated with them). Treated historically, therefore, description and analysis of socialist thought must run predominantly in terms of Marxian doctrine. This is not to say that there have been no other different and rival socialist creeds that have been influential and continue to find an echo today. Marx spoke of the so-called "utopian socialists," who had preceded him and in contrast with whom he called his own doctrine "scientific socialism." Merging with these, there have been various brands of "ethical socialists," including the

Christian socialists, basing themselves on this or that ethical principle as the preeminent one, such as "equality" or "community values," and on social motives, as against pursuit of "selfish" individual values and motives. Still others, such as the Fabians in England and the so-called *Kathedersozialisten* and their imitators on the Continent, advocated purely on grounds of expediency an extension of the economic functions and responsibilities of the state, thus identifying their "socialism" (and its consequential critique of individualism) with *étatisme*. Before coming to Marxism as a social philosophy, something must accordingly be said about the historical origins and the varieties of these non-Marxian theories.

Utopian Socialism

The author of one work on the socialist tradition (Gray 1946) starts with Moses, Lycurgus, and Plato, passing from them to the Essenes and the early Christian Fathers and thence to St. Thomas Aquinas and Sir Thomas More. Indeed, Plato and More have been cited as forerunners in many a work on the subject. But this article will not go so far back as this. It must be sufficient to distinguish those writers of the eighteenth or early nineteenth century who, in the shadows of the emerging modern world, sought to paint a picture of a perfect society of the future, deducible from first principles either of rationality or of morality and attainable only if mankind were sufficiently reasonable or good. Among these was Mably, a French contemporary of Adam Smith, who in a series of quasi-Platonic dialogues developed a critique of the institution of private property and who believed that nature had destined all men to be equal. He argued that the institution of private property both annihilates the primitive and natural equality of man and enables the indolent and unworthy to live at the expense of the active and industrious. Another eighteenth-century figure who both attacked the irrationality of existing society and went into considerable detail about the structure of an ideal society was Morelly (*Code de la nature* 1755).

The most quoted and influential of the architects of a Utopian future were Saint-Simon and Fourier. The former, a count descended from an old and honored family who renounced

his title during the French Revolution, became the founder of something of a school (which included the positivist philosopher Auguste Comte). After his death there was even established a Saint-Simonian church. Among other proposals for the reorganization of society on new principles he propounded a scheme for productive associations and a *projet de travaux* under the aegis of government and advocated the principle that the rights of property ought to be rooted solely in its contribution to the production of social wealth. Here his disciples, who developed his doctrines in notable respects, went further and preached the end of inheritance of property and its eventual transfer to the state. It was they who, incidentally, coined the formula "from each according to his ability, to each according to his needs." In his final work, *Nouveau christianisme*, 1825, Saint-Simon sought to expound a new religion dedicated to "the great aim of the most rapid improvement in the lot of the poorest class . . . the most numerous class." Persecuted and divided, the Saint Simonian school disintegrated in the course of the 1830s.

Fourier is best known as the author of a scheme for the organization of *phalanstères*, communities in which both production and social life were to be organized on a cooperative or communal basis. This would allow the natural, inborn "harmony" of man to be realized—a harmony that existing commercial civilization had destroyed. In this new society work, instead of being a burden, would be enjoyed.

Another sketch of a communist Utopia was Cabet's *Voyage en Icarie* of 1838. A more direct influence on French socialism in the middle and later nineteenth century was Proudhon, author of *Qu'est-ce que la propriété?*, 1840, and coiner of the aphorism "Property is theft." This aphorism was for him the answer to the Lockean right to property by labour. Yet, regarding property, he could be called a "distributivist" as much as, or even more than, a socialist. His influence has been more in the direction of anarchism than of socialism, since two of his central ideas were equality and individual freedom and he preached against communism and the authoritarian state. His remedy for the evil of taking (and living on) interest was a system of universal and interest-free credit to be organized

through a mutual credit bank (his system of *mutualité*)—proposal that not surprisingly drew the fire of Marx's criticisms in the latter's *Misère de la philosophie*.

The Ricardian Socialists in England

The germ of socialist ideas in England before Marx lay in a critique of classical political economy by a group of writers and pamphleteers who have come to be loosely described as the Ricardian socialists. A centerpiece of this critique for the main figures of this group was a concept of exploitation couched in traditional eighteenth-century terms of "natural right." They were Ricardian in the sense that they sought to use Ricardo's theory of value in such a way as to turn it, with the aid of natural-right notions, against the main precepts of the Ricardian school.

By the end of the eighteenth century Spence and Ogilvie had derived from the principle of natural right the conclusion that ownership of land should be shared equally and that no man should have more than he could cultivate. Nature or God had given the land "in common to all men," and equal sharing of land by all was the basic guarantee and *sine qua non* of human freedom. By analogy, in the year after Ricardo's death William Thompson (in *An Inquiry Into the Principles of the Distribution of Wealth* 1824) deduced the right of labour to the whole produce of labour from the postulate that labour is the sole (active) creator of wealth. In existing society this was prevented by a system of "unequal exchanges" that resulted in part of labour's product being filched by the possessors of economic advantage. Apart from its injustice and its offense against the Benthamite maxim of "greatest happiness," this system deprived labour of much of its necessary incentive (substituting want as the spur to labour) and hence was inimical to national wealth. Such a notion could be held to have been implicit to some extent in Adam Smith's treatment of profit and rent as "deductions" and Ricardo's treatment of them as alternative and rival forms of surplus. But in Thompson's notion of appropriation, or exploitation, what was implicit in his forebears is given an explicit extension that those forebears would probably have disowned. Thompson,

incidentally, also attempted a reply to Malthusian pessimism by stressing the historical relativity of population trends.

The year following Thompson's *Inquiry* there appeared Thomas Hodgskin's *Labour Defended Against the Claims of Capital*, which opens with the statement, "Throughout this country at present there exists a serious contest between capital and labour. (Two years later his lectures at the London Mechanics Institution were published as *Popular Political Economy*.) Hodgskin similarly distinguished property associated with one's own labour, which is a natural right, from property as the power to appropriate the product of the labour of others—that is, Lockean "natural right" from the "legal or artificial" right of ownership by conquest or appropriation. In a famous passage he declares, "I am certain that till the triumph of labour be complete; till productive industry alone be opulent, and till idleness alone be poor . . . till the right of property shall be founded on principles of justice and not those of slavery . . . there cannot and there ought not to be either peace on earth or goodwill amongst men." Halévy says of his ideas that, while they "have their starting point in the philosophy of Bentham, it is in the philosophy of Karl Marx that they find their resting place." Contemporaneously with Hodgskin, in 1825, John Gray published his *Lecture on Human Happiness*. Fourteen years later there appeared J.F. Bray's *Labours Wrongs and Labour's Remedy*, which also contrasts "unequal exchanges" with equal and speaks of the exchange between capital and labour as "legalised robbery." Both writers ended by advocating somewhat vaguely a kind of Owenite cooperation.

These writers apparently had in common the a priori derivation of ideal precepts for rebuilding society from postulated first principles of "justice" or of "natural right." But what links them as fore-runners of Marx is their common championship of productive labour against the appropriation of labour's product over and above a subsistence wage, in consequence of the concentration of property ownership in comparatively few hands.

Apart from the French Utopians and English Ricardians,