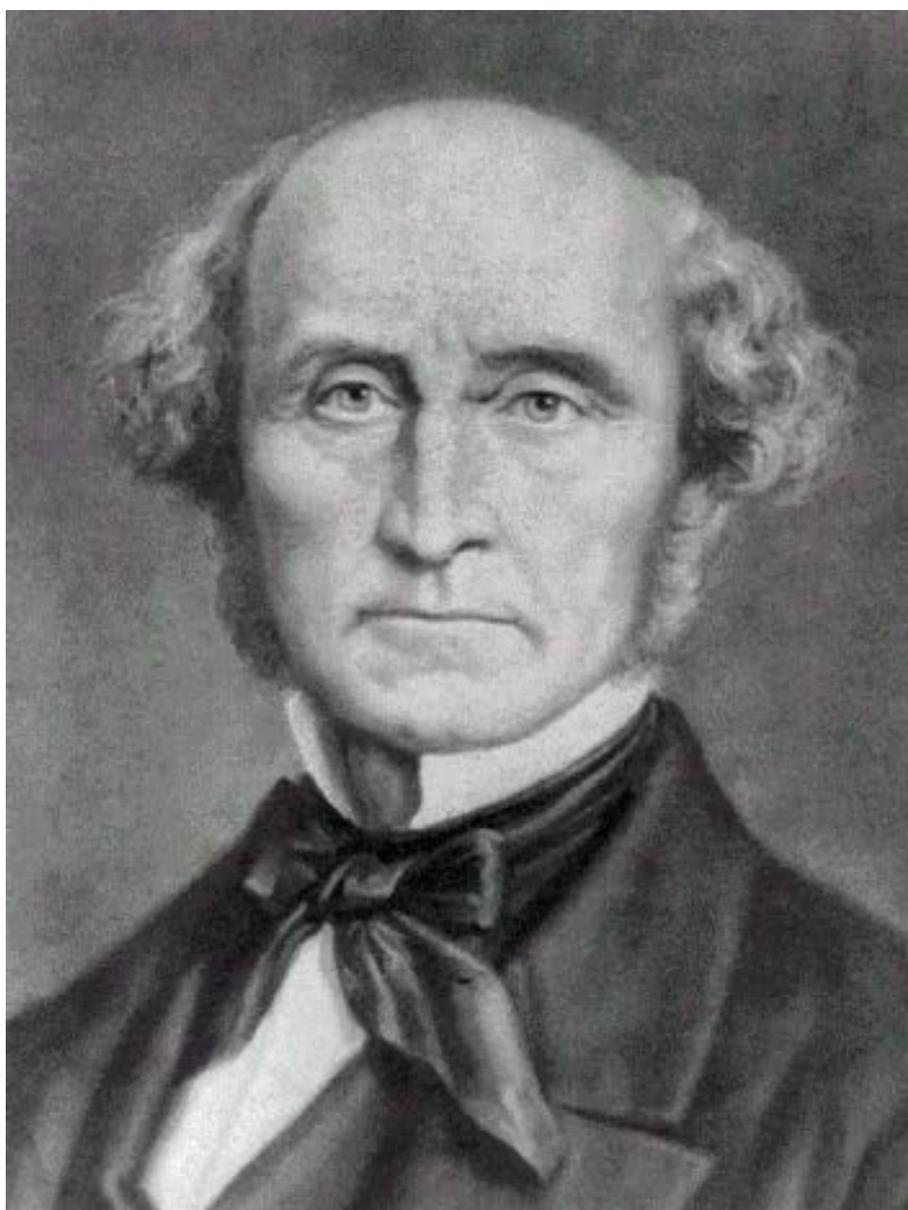


THORNTON ON LABOUR AND ITS CLAIMS*

John Stuart Mill
1869



*on: William Thomas Thornton, 1869

On labour, its wrongful claims and rightful dues, its actual present and possible future

PART I

Fortnightly Review, May 1869, pp. 505-518

Mr. Thornton long ago gave proof of his competency to the treatment of some of the most important questions of practical political economy, by two works of great merit, “Over Population and its Remedy,”^[*] and “A Plea for Peasant Proprietors.”^[†] Of the latter of these especially it may be said, that nothing but the total absence, at the time of its publication, of any general interest in its subject, can account for its not having achieved a high repute and a wide circulation. The lack of interest in the subject has now ceased; opinion is rapidly advancing in the direction which the author favours; and a new edition, with its facts brought down to the latest date, would be welcomed by advanced politicians, and would materially contribute to the formation of an enlightened judgment on one of the economical questions on which truth is most important, and prejudice still most rife.

The present work, though popular and attractive in style, is strictly scientific in its principles and reasonings; and is therefore, as might be expected, strictly impartial in its judgments. A considerable part of the volume is employed in refuting the principles on which it is usual to rest those claims and aspirations of the labouring classes, which nevertheless the author, on better grounds, supports. No blind partisan on either side of the feud of labour against capital, will relish the book; but few persons of intelligence and impartiality who read it through, will lay it down without having reason to feel that they understand better than before some of the bearings of the questions involved in that conflict.

To this great practical merit are to be added two of a more theoretic kind, to the value of which I am the more called upon to bear testimony, as on the particular points touched upon in this department I shall have to express more difference than agreement. First: it contains a discussion of one of the fundamental questions of abstract political economy (the influence of demand and supply on price), which is a real contribution to science, though, in my estimation, an addition, and not, as the author thinks, a correction, to the received doctrine. Secondly: in the attempt to go to the very bottom of the question, what are the just rights of labour on one side, and capital on the other, it raises the great issues respecting the foundation of right and wrong, of justice and injustice, in a manner highly provocative of thought. To lay down a definite doctrine of social justice, as well as a distinct view of the natural laws of the exchange of commodities, as the basis for the deductions of a work devoted to such a subject as the principles and practice of Trades-Unionism, was inseparable from the thoroughness with which the author has sought to do his work. Every opinion as to the relative rights of labourers and employers, involves expressly or tacitly some theory of justice, and it cannot be indifferent to know what theory. Neither, again, can it be decided in what manner the combined proceedings of labourers or of employers affect the interests of either side, without a clear view of the causes which govern the bargain between them—without a sound theory of the law of wages.

Indeed, a theory of wages obtrusively meets the inquirer, at the threshold of every question respecting the relations between labourers and employers, and is commonly regarded as rendering superfluous any further argument. It is laid down that wages, by an irresistible law, depend on the demand and supply of labour, and can in no circumstances be either more or less than what will distribute the existing wages-fund among the existing number of competitors for employment. Those who are content to set out from generally-received doctrines as from self-evident axioms, are satisfied with this, and inquire no further. But those who use their own understanding, and look closely into what they assent to, are bound to ask themselves whether or in what sense wages do depend on the demand and supply of labour, and what is meant by the wages-fund.

The author of this work has asked himself these questions; and while he is, as his writings give evidence, well versed in political economy, and is able to hold his ground with the best in following out economical laws into their more obscure and intricate workings, he has become convinced that the barrier which seems to close the entrance into one of the most important provinces of economical and social inquiry, is a shadow which will vanish if we go boldly up to it. He is of opinion that economists have mistaken the scientific law not only of the price of labour, but of prices in general. It is an error, he thinks, that price, or value in exchange, depends on supply and demand.

There is one sense, in which this proposition of Mr. Thornton would be assented to by all economists; they

none of them consider supply and demand to be the ultimate regulators of value.* That character, they hold, belongs to cost of production; always supposing the commodity to be a product of labour, and natural or artificial monopoly to be out of the question. Subject to these conditions, all commodities, in the long run and on the average, tend to exchange for one another (and, though this point is a little more intricate, tend also to exchange for money) in the ratio of what it costs, in labour and abstinence, to produce the articles and to bring them to the place of sale. But though the average price of everything, the price to which the producer looks forward for his remuneration, must approximately conform to the cost of production, it is not so with the price at any given moment. That is always held to depend on the demand and supply at the moment. And the influence even of cost of production depends on supply; for the only thing which compels price, on the average, to conform to cost of production, is that if the price is either above or below that standard, it is brought back to it either by an increase or by a diminution of the supply; though, after this has been effected, the supply adjusts itself to the demand which exists for the commodity at the remunerating price. These are the limits within which political economists consider supply and demand as the arbiters of price. But even within these limits Mr. Thornton denies the doctrine.

Like all fair controversialists, Mr. Thornton directs his attack against the strongest form of the opinion he assails. He does not much concern himself with the infantine form of the theory, in which demand is defined as a desire for the commodity, or as the desire combined with the power of purchase; or in which price is supposed to depend on the ratio between demand and supply. It is to be hoped that few are now dwelling in this limbus infantum. Demand, to be capable of comparison with supply, must be taken to mean, not a wish, nor a power, but a quantity. Neither is it at any time a fixed quantity, but varies with the price. Nor does the price depend on any ratio. The demand and supply theory, when rightly understood—indeed when capable of being understood at all—signifies, that the ratio which exists between demand and supply, when the price has adjusted itself, is always one of equality. If at the market price the demand exceeds the supply, the competition of buyers will drive up the price to the point at which there will only be purchasers for as much as is offered for sale. If, on the contrary, the supply, being in excess of the demand, cannot be all disposed of at the existing price, either a part will be withdrawn to wait for a better market, or a sale will be forced by offering it at such a reduction of price as will bring forward new buyers, or tempt the old ones to increase their purchases. The law, therefore, of values, as affected by demand and supply, is that they adjust themselves so as always to bring about an equation between demand and supply, by the increase of the one or the diminution of the other; the movement of price being only arrested when the quantity asked for at the current price, and the quantity offered at the current price, are equal. This point of exact equilibrium may be as momentary, but is nevertheless as real, as the level of the sea.

It is this doctrine which Mr. Thornton contests: and his mode of combating it is by adducing case after case in which he thinks he can show that the proposition is false; most of the cases being, on the face of them, altogether exceptional; but among them they cover, in his opinion, nearly the whole field of possible cases.

The first case, which is presented as the type of a class, rather than for its intrinsic importance, is that of what is called a Dutch auction.

When a herring or mackerel boat has discharged on the beach, at Hastings or Dover, last night's take of fish, the boatmen, in order to dispose of their cargo, commonly resort to a process called Dutch auction. The fish are divided into lots, each of which is set up at a higher price than the salesman expects to get for it, and he then gradually lowers his terms, until he comes to a price which some bystander is willing to pay rather than not have the lot, and to which he accordingly agrees. Suppose on one occasion the lot to have been a hundredweight, and the price agreed to twenty shillings. If, on the same occasion, instead of the Dutch form of auction, the ordinary English mode had been adopted, the result might have been different. The operation would then have commenced by some bystander making a bid, which others might have successively exceeded, until a price was arrived at beyond which no one but the actual bidder could afford or was disposed to go. That sum would not necessarily be twenty shillings; very possibly it might be only eighteen shillings. The person who was prepared to pay the former price might very possibly be the only person present prepared to pay even so much as the latter price; and if so, he might get by English auction for eighteen shillings the fish for which at Dutch auction he would have paid twenty shillings. In the same market, with the same quantity of fish for sale, and with customers in number and every other respect the same, the same lot of fish might fetch two very different prices.

(Thornton, pp. 47-8.)

This instance, though seemingly a trivial, is really a representative one and a hundred cases could not show, better than this does, what Mr. Thornton has and what he has not made out. He has proved that the law of the equalisation of supply and demand is not the whole theory of the particular case. He has not proved that the law is not strictly conformed to in that case. In order to show that the equalisation of supply and demand is not the law of price, what he has really shown is that the law is, in this particular case, consistent with two different prices, and is equally and completely fulfilled by either of them. The demand and supply are equal at twenty shillings, and equal also at eighteen shillings. The conclusion ought to be, not that the law is false, for Mr. Thornton does not deny that in the case in question it is fulfilled; but only, that it is not the entire law of the phenomenon. The phenomenon cannot help obeying it, but there is some amount of indeterminateness in its operation—a certain limited extent of variation is possible within the bounds of the law; and as there must be a sufficient reason for every variation in an effect, there must be a supplementary law, which determines the effect, between the limits within which the principal law leaves it free. Whoever can teach us this supplementary law, makes a valuable addition to the scientific theory of the subject; and we shall see presently that in substance, if not strictly in form, Mr. Thornton does teach it. Even if he did not, he would have shown the received theory to be incomplete; but he would not have, nor has he now, shown it to be in the smallest degree incorrect.

What is more; when we look into the conditions required to make the common theory inadequate, we find that, in the case at least which we have now examined, the incompleteness it stands convicted of amounts to an exceedingly small matter. To establish it, Mr. Thornton had to assume that the customer who was prepared to pay twenty shillings for a hundredweight of fish, was the only person present who was willing to pay even so much as eighteen shillings. In other words, he supposed the case to be an exception to the rule, that demand increases with cheapness: and since this rule, though general, is not absolutely universal, he is scientifically right. If there is a part of the scale through which the price may vary without increasing or diminishing the demand, the whole of that portion of the scale may fulfil the condition of equality between supply and demand. But how many such cases really exist? Among a few chafferers on the beach of a small fishing port, such a case, though even there improbable, is not totally out of the question. But where buyers are counted by thousands, or hundreds, or even scores; in any considerable market—and, far more, in the general market of the world—it is the next thing to impossible that more of the commodity should not be asked for at every reduction of price. The case of price, therefore, which the law of the equalisation does not reach, is one which may be conceived, but which, in practice, is hardly ever realised.

The next example which Mr. Thornton produces of the failure of supply and demand as the law of price, is the following:—

Suppose two persons at different times, or in different places, to have each a horse to sell, valued by the owner at £50; and that in the one case there are two, and in the other three persons, of whom every one is ready to pay £50 for the horse, though no one of them can afford to pay more. In both cases supply is the same, viz., one horse at £50; but demand is different, being in one case two, and in the other three, horses at £50. Yet the price at which the horses will be sold will be the same in both cases, viz., £50.

(P. 49.)

The law does fail in this case, as it failed in the former, but for a different reason; not, as in the former case, because several prices fulfil the condition equally well, but because no price fulfils it. At £50 there is a demand for twice or three times the supply; at £50. 0s. 0¼d. there is no demand at all. When the scale of the demand for a commodity is broken by so extraordinary a jump, the law fails of its application; not, I venture to say, from any fault in the law, but because the conditions on which its applicability depends do not exist. If the peculiarities of the case do not permit the demand to be equal to the supply, leaving it only the alternative of being greater or less, greater or less it will be; and all that can be affirmed is, that it will keep as near to the point of equality as it can. Instead of conflicting with the law, this is the extreme case which proves the law. The law is, that the price will be that which equalises the demand with the supply; and the example proves that this only fails to be the case when there is no price that would fulfil the condition, and that even then, the same causes, still operating, keep the price at the point which will most nearly fulfil it. Is it possible to have any more complete confirmation of the law, than that in order to find a

case in which the price does not conform to the law, it is necessary to find one in which there is no price that can conform to it?

Again:—

When a tradesman has placed upon his goods the highest price which any one will pay for them, the price cannot, of course, rise higher, yet the supply may be below the demand. A glover in a country town, on the eve of an assize ball, having only a dozen pairs of white gloves in store, might possibly be able to get ten shillings a pair for them. He would be able to get this if twelve persons were willing to pay that price rather than not go to the ball, or than go ungloved. But he could not get more than this, even though, while he was still higgling with his first batch of customers, a second batch, equally numerous and neither more nor less eager, should enter his shop, and offer to pay the same but not a higher price. The demand for gloves, which at first had been just equal to the supply, would now be exactly doubled, yet the price would not rise above ten shillings a pair. Such abundance of proof is surely decisive against the supposition that price must rise when demand exceeds supply.

(Pp. 51-2.)

Here, again, the author is obliged to suppose that the whole body of customers (twenty-four in number) place the extreme limit of what they are willing to pay rather than go without the article, exactly at the same point—an exact repetition of the hypothesis about the horse who is estimated at £50, and not a farthing more, by every one who is willing to buy him. The case is just possible in a very small market—practically impossible in the great market of the community. But, were it ever so frequent, it would not impugn the truth of the law, but only its all-comprehensiveness. It would show that the law is only fulfilled when its fulfilment is, in the nature of things, possible, and that there are cases in which it is impossible; but that even there the law takes effect, up to the limit of possibility.

Mr. Thornton's next position is, that if the equalisation theory were literally true, it would be a truth of small significance, because—

Even if it were true that the price ultimately resulting from competition is always one at which supply and demand are equalised, still only a small proportion of the goods offered for sale would actually be sold at any such price, since a dealer will dispose of as much of his stock as he can at a higher price, before he will lower the price in order to get rid of the remainder.

(P. 53.)

This is only saying that the law in question resembles other economical laws in producing its effects not suddenly, but gradually. Though a dealer may keep up his price until buyers actually fall off, or until he is met by the competition of rival dealers, still if there is a larger supply in the market than can be sold on these terms, his price will go down until it reaches the point which will call forth buyers for his entire stock; and when that point is reached it will not descend further. A law which determines that the price of the commodity shall fall, and fixes the exact point which the fall will reach, is not justly described as “a truth of small significance” merely because the dealers, not being dead matter, but voluntary agents, may resist for a time the force to which they at last succumb. Limitations such as these affect all economical laws, but are never considered to destroy their value. As well might it be called an insignificant truth that there is a market price of a commodity, because a customer who is ignorant, or in a hurry, may pay twice as much for the thing as he could get it for at another shop a few doors farther off.

The last objection of Mr. Thornton to the received theory, and the one that he lays most stress upon, is, that it assumes “that goods are offered for sale unreservedly, and that dealers are always content to let them go for what they will fetch.” This, however, he observes,—

Is scarcely ever—nay, might almost be said to be absolutely never—the fact. With one notable exception, that of labour, commodities are almost never offered unreservedly for sale; scarcely ever does a dealer allow his goods to go for what they will immediately fetch—scarcely ever does he agree to the price which would result from the actual state of supply and demand, or, in other words, to the price at which he could immediately sell the whole of his stock. Imagine the situation of a merchant who could not afford to wait for customers, but was obliged to accept for a cargo of corn, or sugar, or sundries, the best offer he could get from the customers who first presented themselves; or imagine a jeweller, or weaver, or draper, or grocer, obliged to clear out his shop within twenty-four hours. The nearest approach ever made to such

a predicament is that of a bankrupt's creditors selling off their debtor's effects at a proverbially 'tremendous sacrifice;' and even they are, comparatively speaking, able to take their time. But the behaviour of a dealer under ordinary pressure is quite different from that of a bankrupt's assignees. He first asks himself what is the best price which is likely to be presently given, not for the whole, but for some considerable portion of his stock, and he then begins selling, either at that price or at such other price as proves upon trial to be the best obtainable at the time. His supply of goods is probably immensely greater than the quantity demanded at that price, but does he therefore lower his terms? Not at all, and he sells as much as he can at that price, and then, having satisfied the existing demand, he waits awhile for further demand to spring up. In this way he eventually disposes of his stock for many times the amount he must have been fain to accept if he had attempted to sell off all at once. A corn dealer who in the course of a season sells thousands of quarters of wheat at fifty shillings per quarter, or thereabouts, would not get twenty shillings a quarter if, as soon as his corn ships arrived, he was obliged to turn the cargoes into money. A glover who, by waiting for customers, will no doubt get three or four shillings a pair for all the gloves in his shop, might not get sixpence a pair if he forced them on his customers. But how is it that he manages to secure the higher price? Simply by not selling unreservedly, simply by declining the price which would have resulted from the relations between actual supply and actual demand, and by setting up his goods at some higher price, below which he refuses to sell.

(Pp. 55-6.)

I confess I cannot perceive that these considerations are subversive of the law of demand and supply, nor that there is any ground for supposing political economists to be unaware that when supply exceeds the demand, the two may be equalised by subtracting from the supply as well as by adding to the demand. Reserving a price is, to all intents and purposes, withdrawing supply. When no more than forty shillings a head can be obtained for sheep, all sheep whose owners are determined not to sell them for less than fifty shillings are out of the market, and form no part at all of the supply which is now determining price. They may have been offered for sale, but they have been withdrawn. They are held back, waiting for some future time, which their owner hopes may be more advantageous to him; and they will be an element in determining the price when that time comes, or when, ceasing to expect it, or obliged by his necessities, he consents to sell his sheep for what he can get. In the meanwhile, the price has been determined without any reference to his withheld stock, and determined in such a manner that the demand at that price shall (if possible) be equal to the supply which the dealers are willing to part with at that price. The economists who say that market price is determined by demand and supply do not mean that it is determined by the whole supply which would be forthcoming at an unattainable price, any more than by the whole demand that would be called forth if the article could be had for an old song. They mean that, whatever the price turns out to be, it will be such that the demand at that price, and the supply at that price, will be equal to one another. To this proposition Mr. Thornton shows an undeniable exception in the case of a dealer who holds out for a price which he can obtain for a part of his supply, but cannot obtain for the whole. In that case, undoubtedly, the price obtained is not that at which the demand is equal to the supply; but the reason is the same as in one of the cases formerly considered; because there is no such price. At the actual price the supply exceeds the demand; at a farthing less the whole supply would be withheld. Such a case might easily happen if the dealer had no competition to fear; not easily if he had: but on no supposition does it contradict the law. It falls within the one case in which Mr. Thornton has shown that the law is not fulfilled—namely, when there is no price that would fulfil it; either the demand or the supply advancing or receding by such violent skips, that there is no halting point at which it just equals the other element.

Do I then mean to say that Mr. Thornton is entirely wrong in his interpretation of the cases which he suggests, and has pointed out no imperfection in the current theory? Even if it were so, it would not follow that he has rendered no service to science. "There is always a benefit done to any department of knowledge by digging about the roots of its truths."^[*] Scientific laws always come to be better understood when able thinkers and acute controversialists stir up difficulties respecting them, and confront them with facts which they had not yet been invoked to explain. But Mr. Thornton has done much more than this. The doctrine he controverts, though true, is not the whole truth. It is not the entire law of the phenomenon; for he has shown, and has been the first to show, that there are cases which it does not reach. And he has, if not fully defined, at least indicated, the causes which govern the effect in those exceptional cases. If there is a fault to be found with him, it is one that he has in common with all those improvers of political

economy by whom new and just views “have been promulgated as contradictions of the doctrines previously received as fundamental, instead of being, what they almost always are, developments of them;”^[*] the almost invariable error of those political economists, for example, who have set themselves in opposition to Ricardo.

Let us, by Mr. Thornton’s aid, endeavour to fix our ideas respecting that portion of the law of price which is not provided for by the common theory. When the equation of demand and supply leaves the price in part indeterminate, because there is more than one price which would fulfil the law; neither sellers nor buyers are under the action of any motives, derived from supply and demand, to give way to one another. Much will, in that case, depend on which side has the initiative of price. This is well exemplified in Mr. Thornton’s supposed Dutch auction. The commodity might go no higher than eighteen shillings if the offers came from the buyers’ side, but because they come from the seller the price reaches twenty shillings. Now, Mr. Thornton has well pointed out that this case, though exceptional among auctions, is normal as regards the general “course” of trade. As a general rule, the initiative of price does rest with the dealers, and the competition which modifies it is the competition of dealers.* When, therefore, several prices are consistent with carrying off the whole supply, the dealers are tolerably certain to hold out for the highest of those prices; for they have no motive to compete with one another in cheapness, there being room for them all at the higher price. On the other hand, the buyers are not compelled by each other’s competition to pay that higher price; for (since, by supposition the case is one in which a fall of price does not call forth an additional demand) if the buyers hold out for a lower price and get it, their gain may be permanent. The price, in this case, becomes simply a question whether sellers or buyers hold out longest; and depends on their comparative patience, or on the degree of inconvenience they are respectively put to by delay.

By this time, I think, an acute reader, who sees towards what results a course of inquiry is tending before the conclusion is drawn, will begin to perceive that Mr. Thornton’s improvements in the theory of price, minute as they appear when reduced to their real dimensions, and unimportant as they must necessarily be in the common case in which supply and demand are but disturbing causes, and cost of production the real law of the phenomenon, may be of very great practical importance in the case which suggested the whole train of thought, the remuneration of labour. If it should turn out that the price of labour falls within one of the excepted cases—the case which the law of equality between demand and supply does not provide for, because several prices all agree in satisfying that law; we are already able to see that the question between one of those prices and another will be determined by causes which operate strongly against the labourer, and in favour of the employer. For, as the author observes, there is this difference between the labour market and the market for tangible commodities, that in commodities it is the seller, but in labour it is the buyer, who has the initiative in fixing the price. It is the employer, the purchaser of labour, who makes the offer of wages; the dealer, who is in this case the labourer, accepts or refuses. Whatever advantage can be derived from the initiative is, therefore, on the side of the employer. And in that contest of endurance between buyer and seller, by which alone, in the excepted case, the price so fixed can be modified, it is almost needless to say that nothing but a close combination among the employed can give them even a chance of successfully contending against the employers.

It will of course be said, that these speculations are idle, for labour is not in that barely possible excepted case. Supply and demand do entirely govern the price obtained for labour. The demand for labour consists of the whole circulating capital of the country, including what is paid in wages for unproductive labour. The supply is the whole labouring population. If the supply is in excess of what the capital can at present employ, wages must fall. If the labourers are all employed, and there is a surplus of capital still unused, wages will rise. This series of deductions is generally received as incontrovertible. They are found, I presume, in every systematic treatise on political economy, my own certainly included. I must plead guilty to having, along with the world in general, accepted the theory without the qualifications and limitations necessary to make it admissible.^[*]

The theory rests on what may be called the doctrine of the wages fund. There is supposed to be, at any given instant, a sum of wealth, which is unconditionally devoted to the payment of wages of labour. This sum is not regarded as unalterable, for it is augmented by saving, and increases with the progress of wealth; but it is reasoned upon as at any given moment a predetermined amount. More than that amount it is assumed that the wages-receiving class cannot possibly divide among them; that amount, and no less, they

cannot but obtain. So that, the sum to be divided being fixed, the wages of each depend solely on the divisor, the number of participants. In this doctrine it is by implication affirmed, that the demand for labour not only increases with the cheapness, but increases in exact proportion to it, the same aggregate sum being paid for labour whatever its price may be.

But is this a true representation of the matter of fact? Does the employer require more labour, or do fresh employers of labour make their appearance, merely because it can be bought cheaper? Assuredly, no. Consumers desire more of an article, or fresh consumers are called forth, when the price has fallen: but the employer does not buy labour for the pleasure of consuming it; he buys it that he may profit by its productive powers, and he buys as much labour and no more as suffices to produce the quantity of his goods which he thinks he can sell to advantage. A fall of wages does not necessarily make him expect a larger sale for his commodity, nor, therefore, does it necessarily increase his demand for labour.

To this it may be replied, that though possibly he may employ no more labour in his own business when wages are lower, yet if he does not, the same amount of capital will be no longer required to carry on his operations; and as he will not be willing to leave the balance unemployed, he will invest it in some other manner, perhaps in a joint stock company, or in public securities, where it will either be itself expended in employing labour, or will liberate some other person's capital to be so expended, and the whole of the wages-fund will be paying wages as before.

But is there such a thing as a wages-fund, in the sense here implied? Exists there any fixed amount which, and neither more nor less than which, is destined to be expended in wages?

Of course there is an impassable limit to the amount which can be so expended; it cannot exceed the aggregate means of the employing classes. It cannot come up to those means; for the employers have also to maintain themselves and their families. But, short of this limit, it is not, in any sense of the word, a fixed amount.

In the common theory, the order of ideas is this. The capitalist's pecuniary means consist of two parts—his capital, and his profits or income. His capital is what he starts with at the beginning of the year, or when he commences some round of business operations: his income he does not receive until the end of the year, or until the round of operations is completed. His capital, except such part as is fixed in buildings and machinery, or laid out in materials, is what he has got to pay wages with. He cannot pay them out of his income, for he has not yet received it. When he does receive it, he may lay by a portion to add to his capital, and as such it will become part of next year's wages-fund, but has nothing to do with this year's.

This distinction, however, between the relation of the capitalist to his capital, and his relation to his income, is wholly imaginary. He starts at the commencement with the whole of his accumulated means, all of which is potentially capital: and out of this he advances his personal and family expenses, exactly as he advances the wages of his labourers. He of course intends to pay back the advance out of his profits when he receives them; and he does pay it back day by day, as he does all the rest of his advances; for it needs scarcely be observed that his profit is made as his transactions go on, and not at Christmas or Midsummer, when he balances his books. His own income, then, so far as it is used and expended, is advanced from his capital and replaced from the returns, *pari passu* with the wages he pays. If we choose to call the whole of what he possesses applicable to the payment of wages, the wages-fund, that fund is co-extensive with the whole proceeds of his business, after keeping up his machinery, buildings and materials, and feeding his family; and it is expended jointly upon himself and his labourers. The less he expends on the one, the more may be expended on the other, and vice versa. The price of labour, instead of being determined by the division of the proceeds between the employer and the labourers, determines it. If he gets his labour cheaper, he can afford to spend more upon himself. If he has to pay more for labour, the additional payment comes out of his own income; perhaps from the part which he would have saved and added to capital, thus anticipating his voluntary economy by a compulsory one; perhaps from what he would have expended on his private wants or pleasures. There is no law of nature making it inherently impossible for wages to rise to the point of absorbing not only the funds which he had intended to devote to carrying on his business, but the whole of what he allows for his private expenses, beyond the necessaries of life. The real limit to the rise is the practical consideration, how much would ruin him, or drive him to abandon the business: not the inexorable limits of the wages-fund.

In short, there is abstractedly available for the payment of wages, before an absolute limit is reached, not

only the employer's capital, but the whole of what can possibly be retrenched from his personal expenditure; and the law of wages, on the side of demand, amounts only to the obvious proposition, that the employers cannot pay away in wages what they have not got. On the side of supply, the law as laid down by economists remains intact. The more numerous the competitors for employment, the lower, *cæteris paribus*, will wages be. It would be a complete misunderstanding of Mr. Thornton to suppose that he raises any question about this, or that he has receded from the opinions enforced in his former writings respecting the inseparable connection of the remuneration of labour with the proportion between population and the means of subsistence.

But though the population principle and its consequences are in no way touched by anything that Mr. Thornton has advanced, in another of its bearings the labour question, considered as one of mere economics, assumes a materially changed aspect. The doctrine hitherto taught by all or most economists (including myself), which denied it to be possible that trade combinations can raise wages, or which limited their operation in that respect to the somewhat earlier attainment of a rise which the competition of the market would have produced without them,—this doctrine is deprived of its scientific foundation, and must be thrown aside. The right and wrong of the proceedings of Trades' Unions becomes a common question of prudence and social duty, not one which is peremptorily decided by unbending necessities of political economy.

I have stated this argument in my own way, which is not exactly Mr. Thornton's; but the reasoning is essentially his, though, in a part of it, I have only been anticipated by him. I have already shown in what I consider his exposition of the abstract question to be faulty. I think that the improvement he has made in the theory of price is a case of growth, not of revolution. But in its application to labour, it does not merely add to our speculative knowledge; it destroys a prevailing and somewhat mischievous error. It has made it necessary for us to contemplate, not as an impossibility but as a possibility, that employers, by taking advantage of the inability of labourers to hold out, may keep wages lower than there is any natural necessity for; and *è converso*, that if work-people can by combination be enabled to hold out so long as to cause an inconvenience to the employers greater than that of a rise of wages, a rise may be obtained which, but for the combination, not only would not have happened so soon, but possibly might not have happened at all. The power of Trades' Unions may therefore be so exercised as to obtain for the labouring classes collectively, both a larger share and a larger positive amount of the produce of labour; increasing, therefore, one of the two factors on which the remuneration of the individual labourer depends. The other and still more important factor, the number of sharers, remains unaffected by any of the considerations now adduced.

The most serious obstacle to a right judgment concerning the efficacy and tendencies of Trades' Unions, and the prospects of labour as affected by them, having thus been removed, the author has a free field for the untrammelled discussion of those topics. ^bBut the due consideration of them as presented in his work, requires an article to itself.

PART II

Fortnightly Review, June 1869, pp. 680-700

In a former article it has been^b seen how Mr. Thornton, in the first chapter of his First Book, disproved, on grounds of pure political economy, the supposed natural law by which, in the opinion of many, the price of labour is as strictly determined as the motion of the earth, and determined in a manner unalterable by the will or effort of either party to the transaction. But whatever in the affairs of mankind is not peremptorily decided for them by natural laws, falls under the jurisdiction of the moral law. Since there is a certain range, wider than has been generally believed, within which the price of labour is decided by a conflict of wills between employers and labourers, it is necessary, as in every other case of human voluntary action, to ascertain the moral principles by which this conflict ought to be regulated. The terms of the bargain not being a matter of necessity, but, within certain limits, of choice, it has to be considered how far either side can rightfully press its claims, and take advantage of its opportunities. Or, to express the same ideas in other phraseology, it has to be decided whether there are any rights, of labour on the one hand, or of capital on the other, which would be violated if the opposite party pushed its pretensions to the extreme limits of economic possibility.

To this Mr. Thornton answers,—None. As a matter of mere right, both the employer and the labourer, while they abstain from force or fraud, are entitled to all that they can get, and to nothing more than what they can get. The terms of their contract, provided it is voluntary on both sides, are the sole rule of justice between them. No one being under any obligation of justice to employ labour at all, still less is any one bound in justice to pay for it any given price.

Except under the terms of some mutual agreement, the employer is not bound to give anything. Before joining in the agreement he was under no obligation to furnish the labourer with occupation. Either he might not have required his or any one else's services, or he might have preferred to employ some one else. But if he was not bound to furnish employment at all, *a fortiori* he was not bound to furnish it on any particular terms. If, therefore, he did consent to furnish it, he had a right to dictate his own terms; and whatever else those terms might be, however harsh, illiberal, exorbitant, or what you will, they could not, at any rate or by any possibility, be unjust. For they could only be unjust in so far as they deviated from some particular terms which justice might have exacted. But, as we have seen, there were no such terms, and it is manifestly absurd to condemn a thing merely because its limits do not coincide with those of an abstraction incapable of being realised or defined, incapable, that is to say, of having any limits at all.

(Thornton, p. 111.)

The counter-theory, on which the labourer's side of the question is usually argued, "that every man who has not by crime forfeited the right, and who has no other means of living, has a right to live by labour," [p. 88] Mr. Thornton entirely rejects.

Although [he says] these pages have little other object than that of determining how the labouring classes may most easily and effectually obtain fully as much as they ever dreamt of asking, the writer is constrained, even in the interest of those classes, to protest against the theory set up in their behalf. No cause can be permanently maintained that is suffered to rest on fallacies; and one pervading fallacy, beginning at the very first link, runs through the whole chain of reasoning of which the theory consists.

The right of the poor to live by labour, affirmed as unhesitatingly as if it were a self-evident proposition beyond the possibility of dispute, is explained to mean not merely the right so to live if they can themselves find the means, but to have the means supplied by others if they cannot themselves obtain them, and to have them supplied, nominally by society at large, but really by the richer portion of it, the rich alone being in a position to furnish what is required. But right on the one side necessarily implies corresponding obligation on the other; and how can society, or how can the rich, have incurred the obligation of maintaining in the world those whom they were in no degree instrumental in bringing into it? Only, if at all, in one or other of two ways. Either mankind were placed in possession of the earth which they inhabit on condition, expressed or implied, that the wants of all the earth's human inhabitants should be provided for from its produce; or part of those inhabitants have, by some communal act or institution of the whole body, been dispossessed of the means of providing for themselves. But in the first of these hypotheses, in order that the supposed condition should be equitable, it would be necessary that the earth should be capable of producing enough for the wants of whatever number of inhabitants might obtain

footing upon it; whereas it is demonstrable that population would infallibly everywhere speedily outrun subsistence, if the earth's produce were freely accessible to all who had need. Of the other supposition, it is to be remarked that the only institution that has ever been accused of producing the alleged effect is the institution of property; and very slight advocacy will suffice to absolve an institution from the charge of depriving people of that which, but for itself, could not have existed. Let it be admitted that the earth was bestowed by the Creator, not on any privileged class or classes, but on all mankind, and on all successive generations of men, so that no one generation can have more than a life interest in the soil, or be entitled to alienate the birthright of succeeding generations. Let this be admitted, and the admission is surely large enough to satisfy the most uncompromising champion of the natural rights of man. Still it is certain that those rights, if fully exercised, must inevitably have proved themselves to be so far worse than worthless, as to have prevented any but a very minute fraction of the existing number of claimants from being born to claim them. The earth, if unappropriated, must also have remained untilled, and consequently comparatively unproductive. Anything like the world's actual population could not possibly have been in existence, nor, if it had been, would a whole year's growth of the earth's natural produce have sufficed for the subsistence of the earth's inhabitants during a single day. The utmost of which the poor have been dispossessed by the institution of property is their fair proportion of what the earth could have produced if it had remained unappropriated. Compensation for this is the utmost which is due to them from society, and the debt is obviously so infinitesimally small, that the crumbs which habitually fall from the tables of the rich are amply sufficient to pay it.

If these things be so, a strict debtor and creditor account between rich and poor would show no balance against the former. Society cannot properly be said to owe anything to the poor beyond what it is constantly and regularly paying. It is not bound in equity, whatever it may be in charity, to find food for the hungry because they are in need, nor to find occupation for the unemployed because they are out of work. By withholding aid, it is not guilty of the smallest injustice. For injustice implies violation of a right; and not only can there be no breach of right without disregard of a corresponding obligation, but that only can be a right the breach or denial of which constitutes a wrong. But wrong is committed only when some good which is due is withheld, or when some evil which is not due is inflicted. Applying this test, we shall find that the poor, as such, have no unliquidated claim against the rich. The latter are doing them no wrong, are guilty of no injustice towards them in merely abstaining from paying a debt which, whether due to the poor or not, is, at any rate, not due to them from the rich. It was not the rich who placed the poor on the earth, and it is not the rich who owe them the means of living here. How far the poor may be forgiven for complaining, as of a grievance, of having been placed here without adequate means of living, may possibly be a question for the theologian. But the political economist may fairly content himself with showing that the grievance is, at any rate, not one with which they can reproach any of their fellow-creatures, except their own parents. No other portion of society was a party to the transaction, and no other portion can justly be responsible for its consequences.*

(Pp. 91-94.)

It is unnecessary to quote the application of these principles to the particular case of contracts for labour. Here, then, are two theories of justice arrayed against each other in order of battle: theories differing in their first principles, markedly opposed in their conclusions, and both of them doctrines *à priori*, claiming to command assent by their own light—to be evident by simple intuition: a pretension which, as the two are perfectly inconsistent, must, in the case of one or other of them, be unfounded, and may be so in the case of both. Such conflicts in the domain of ethics are highly instructive, but their value is chiefly negative; the principal use of each of the contrary theories is to destroy the other. Those who cherish any one of the numerous *à priori* systems of moral duty, may learn from such controversies how plausible a case may be made for other *à priori* systems repugnant to their own; and the adepts of each may discover, that while the maxims or axioms from which they severally set out are all of them good, each in its proper place, yet what that proper place is, can only be decided, not by mental intuition, but by the thoroughly practical consideration of consequences; in other words, by the general interest of society and mankind, mental and bodily, intellectual, emotional, and physical, taken together. Mr. Thornton seems to admit the general happiness as the criterion of social virtue, but not of positive duty—not of justice and injustice in the strict sense: and he imagines that it is in making a distinction between these two ideas that his doctrine differs from that of utilitarian moralists. But this is not the case. Utilitarian morality fully recognises the

distinction between the province of positive duty and that of virtue, but maintains that the standard and rule of both is the general interest. From the utilitarian point of view, the distinction between them is the following:—There are many acts, and a still greater number of forbearances, the perpetual practice of which by all is so necessary to the general well-being, that people must be held to it compulsorily, either by law, or by social pressure. These acts and forbearances constitute duty. Outside these bounds there is the innumerable variety of modes in which the acts of human beings are either a cause, or a hindrance, of good to their fellow-creatures, but in regard to which it is, on the whole, for the general interest that they should be left free; being merely encouraged, by praise and honour, to the performance of such beneficial actions as are not sufficiently stimulated by benefits flowing from them to the agent himself. This larger sphere is that of Merit or Virtue.

The anxiety of moralists for some more definite standard of judgment than the happiness of mankind appears to them to be, or for some first principle which shall have a greater hold on the feeling of obligation than education has yet given to the idea of the good of our fellow-creatures, makes them eager to erect into an axiom of morals any one of the familiar corollaries from the principle of general utility, which, from the impressiveness of the cases to which it is applicable, has taken a deep root in the popular mind, and gathered round itself a considerable amount of human feeling. When they have made choice of any such maxim, they follow it out as if there were no others of equal authority by which its application ought to be limited; or with only as much regard to those limitations, as the amount of common sense possessed by the particular thinker peremptorily enforces upon him as a practical being. The two opposite theories of social justice set forth by Mr. Thornton—the Rousseau or Proudhon theory, and his own—are cases of this description. The former of these, according to which all private appropriation of any of the instruments of production was a wrong from the beginning, and an injury to the rest of mankind, there is neither room, nor is it necessary, here to discuss. But I venture to think that, on intuitional grounds, there is quite as much to be said for it as for the rival theory. Mr. Thornton must admit that the Rousseau doctrine, in its most absolute form, has charmed great numbers of human beings, including not merely those to whose apparent interests it was favourable, but many of those to whom it was hostile; that it has satisfied their highest conceptions of justice and moral right, and has the “note” of intuitive truth as completely as the principles from which his own system is a deduction. Still more may this be said of the more moderate forms of the same theory. “Justice is supposed”—erroneously in the author’s opinion—“to require that a labourer’s remuneration should correspond with his wants and his merits” (p. 111). If justice is an affair of intuition—if we are guided to it by the immediate and spontaneous perceptions of the moral sense—what doctrines of justice are there, on which the human race would more instantaneously and with one accord put the stamp of its recognition, than these—that it is just that each should have what he deserves, and that, in the dispensation of good things, those whose wants are most urgent should have the preference? In conscience, can it be expected that any one, who has grounded his social theories on these maxims, should discard them in favour of what Mr. Thornton tenders instead—viz., that no one is accountable for any evil which he has not produced by some violence, fraud, or breach of engagement of his own; and that, these things apart, no one has any ground of complaint for his lot on earth, against those who had no hand in placing him here? Mr. Thornton himself concedes so much, as not positively to deny the justice of the maxims which he practically repudiates; but regards their violation as a grievance (if grievance at all) against the general order of the universe, and not against society, or the employers of labour. But if there be in the natural constitution of things something patently unjust—something contrary to sentiments of justice, which sentiments, being intuitive, are supposed to have been implanted in us by the same Creator who made the order of things that they protest against—do not these sentiments impose on us the duty of striving, by all human means, to correct the injustice? And if, on the contrary, we avail ourselves of it for our own personal advantage, do we not make ourselves participators in injustice—allies and auxiliaries of the Evil Principle?

While the author’s intuitive theory of right and wrong has thus no advantage in point of intuitive evidence over the doctrine which it is brought to contradict, it illustrates an incurable defect of all these *à priori* theories—that their most important applications may be rebutted without denying their premises. To point out in what manner this consequence arises out of the inherent nature of such theories, would detain us too long; but the examples afforded of it by the author’s theory are numerous and remarkable.

Take, for instance, what seems the strongest point in his principal argument—viz., that the institution of

property in land does not deprive the poor of anything except “their fair proportion of what the earth could have produced if it had remained unappropriated;” that is, little or nothing—since, if unappropriated, it would have been untilled, and its spontaneous produce would have yielded sustenance to only a very small number of human beings. This may be an answer to Rousseau, though even to him not a complete one;* but it is no answer to the Socialists of the present day. These are, in general, willing enough to admit that property in land was a necessary institution in early ages, and until mankind were sufficiently civilised to be capable of managing their affairs in common for the general benefit. But when this time has arrived—and according to them it has arrived—the legitimacy of private landed property, they contend, has ceased, and mankind at large ought now to re-enter on their inheritance. They deny the claim of the first possessors to impose fetters on all generations, and to prevent the species at large from resuming rights of which, for good but temporary reasons, it had suspended the exercise. Society made the concession, and society can at any moment take it back.

Again, the author, in his chapter on the Rights of Capital [pp. 124ff.], very truly and forcibly argues, that these are a portion of the rights of labour. They are the rights of past labour, since labour is the source of all capital; and are sacred, in the same sense, and in an equal degree, with those of present labour. From this he deduces the equal legitimacy of any contract for employment, which past labour may impose on the necessities of present labour, provided there is no taint of force or fraud. But is there no taint of force or fraud in the original title of many owners of past labour? The author states the case as if all property, from the beginning of time, had been honestly come by; either produced by the labour of the owner himself, or bestowed on him by gift or bequest from those whose labour did produce it. But how stands the fact? Landed property at least, in all the countries of modern Europe, derives its origin from force; the land was taken by military violence from former possessors, by those from whom it has been transmitted to its present owners. True, much of it has changed hands by purchase, and has come into the possession of persons who had earned the purchase-money by their labour; but the sellers could not impart to others a better title than they themselves possessed. Movable property, no doubt, has on the whole a purer origin, its first acquirers having mostly worked for it, at something useful to their fellow-citizens. But, looking at the question merely historically, and confining our attention to the larger masses, the doctrine that the rights of capital are those of past labour is liable even here to great abatements. Putting aside what has been acquired by fraud, or by the many modes of taking advantage of circumstances, which are deemed fair in commerce, though a person of a delicate conscience would scruple to use them in most of the other concerns of life—omitting all these considerations, how many of the great commercial fortunes have been, at least partly, built up by practices which in a better state of society would have been impossible—jobbing contracts, profligate loans, or other abuses of Government expenditure, improper use of public positions, monopolies, and other bad laws, or perhaps only by the manifold advantages which imperfect social institutions gave to those who are already rich, over their poorer fellow-citizens, in the general struggle of life? We may be told that there is such a thing as prescription, and that a bad title may become a good one by lapse of time. It may, and there are excellent reasons of general utility why it should; but there would be some difficulty in establishing this position from any *à priori* principle. It is of great importance to the good order and comfort of the world that an amnesty should be granted to all wrongs of so remote a date that the evidence necessary for the ascertainment of title is no longer accessible, or that the reversal of the wrong would cause greater insecurity and greater social disturbance than its condonation. This is true, but I believe that no person ever succeeded in reconciling himself to the conviction, without doing considerable violence to what is called the instinctive sentiment of justice. It is not at all conformable to intuitive morality that a wrong should cease to be a wrong because of what is really an aggravation, its durable character; that because crime has been successful for a certain limited period, society for its own convenience should guarantee its success for all time to come. Accordingly, those who construct their systems of society upon the natural rights of man, usually add to the word natural the word *imprescriptible*, and strenuously maintain that it is impossible to acquire a fee-simple in an injustice.

Yet one more example, to show the ease with which conclusions that seem to follow absolutely from an *à priori* theory of justice can be defeated by other deductions from the same premises. According to the author, however inadequate the remuneration of labour may be, the labourer has no grievance against society, because society is not the cause of the insufficiency, nor did society ever bargain with him, or bind itself to him by any engagement, guaranteeing a particular amount of remuneration. And, this granted,

the author assumes (at p. 394 and elsewhere) as a logical consequence, that proprietors must not be interfered with, out of regard to the interests of labour, in the perfectly free use of their property conformably to their own inclination. Now, if this point were being argued as a practical question, on utilitarian grounds, there probably would be little difference between Mr. Thornton's conclusions and my own. I should stand up for the free disposal of property as strongly, and most likely with only the same limitations, as he would. But we are now on *à priori* ground, and while that is the case, I must insist upon having the consequences of principles carried out to the full. What matters it that, according to the author's theory, the employer does no wrong in making the use he does of his capital, if the same theory would justify the employed in compelling him by law to make a different use—if the labourers would in no way infringe the definition of justice by taking the matter into their own hands, and establishing by law any modification of the rights of property which in their opinion would increase the remuneration of their labour? And, on the author's principles, this right cannot be denied them. The existing social arrangements, and law itself, exist in virtue not only of the forbearance, but of the active support of the labouring classes. They could effect the most fundamental changes in the whole order of society by simply withholding their concurrence. Suppose that they, who being the numerical majority cannot be controlled except by their own tacit consent, should come to the conclusion (for example) that it is not essential to the benefits of the institution of property that wealth should be allowed to accumulate in large masses; and should consequently resolve to deny legal protection to all properties exceeding a certain amount. There are the strongest utilitarian reasons against their doing this; but on the author's principles, they have a right to do it. By this mere abstinence from doing what they have never promised nor in any way bound themselves to do, they could extort the consent of the rich to any modification of proprietary rights which they might consider to be for their advantage. They might bind the rich to take the whole burden of taxation upon themselves. They might bind them to give employment, at liberal wages, to a number of labourers in a direct ratio to the amount of their incomes. They might enforce on them a total abolition of inheritance and bequest. All this would be a very wrong use of their power of withholding protection; but only because the conditions imposed would be injurious, instead of beneficial, to the public weal. Nor do I see what arguments, except utilitarian ones, are open to the author for condemning them. Even the manifest obligation of making the changes with the least possible detriment to the interests and feelings of the existing generation of proprietors, it would be extremely difficult to deduce from the author's premises, without calling in other maxims of justice than his theory recognises.

It is almost needless for me to repeat that these things are said, not with a view to draw any practical conclusions respecting the rights of labour, but to show that no practical conclusions of any kind can be drawn from such premises; and because I think, with Mr. Thornton, that when we are attempting to determine a question of social ethics, we should make sure of our ethical foundation. On the questions between employers and labourers, or on any other social questions, we can neither hope to find, nor do we need, any better criterion than the interest, immediate and ultimate, of the human race. But the author's treatment of the subject will have a useful effect if it leads any of those friends of democracy and equality, who disdain the prosaic consideration of consequences, and demand something more high-flown as the ground on which to rest the rights of the human race, to perceive how easy it is to frame a theory of justice that shall positively deny the rights considered by them as so transcendent, and which yet shall make as fair a claim as theirs to an intuitive character, and shall command by its *à priori* evidence the full conviction of as enlightened a thinker, and as warm a supporter of the principal claims of the labouring classes, as the author of the work before us.

The author's polemic against the doctrines commonly preached by the metaphysical theorists of the Cause of Labour, is not without other points of usefulness. Not only are those theorists entirely at sea on the notion of right, when they suppose that labour has, or can have, a right to anything, by any rule but the permanent interest of the human race; but they also have confused and erroneous notions of matters of fact, of which Mr. Thornton points out the fallacy. For example, the working classes, or rather their champions, often look upon the whole wealth of the country as the produce of their labour, and imply, or even assert, that if everybody had his due the whole of it would belong to them. Apart from all question as to right, this doctrine rests on a misconception of fact. The wealth of the country is not wholly the produce of present labour. It is the joint product of present labour and of the labour of former years and generations, the fruits of which, having been preserved by the abstinence of those who had the power of consuming them, are

now available for the support or aid of present labour which, but for that abstinence, could not have produced subsistence for a hundredth part the number of the present labourers. No merit is claimed for this abstinence; those to whose persevering frugality the labouring classes owe this enormous benefit, for the most part thought only of benefiting themselves and their descendants. But neither is there any merit in labouring, when a man has no other means of keeping alive. It is not a question of merit, but of the common interest. Capital is as indispensable to labour as labour to capital. It is true the labourers need only capital, not capitalists; it would be better for them if they had capital of their own. But while they have not, it is a great benefit to them that others have. Those who have capital did not take it from them, and do not prevent them from acquiring it. And, however badly off they may be under the conditions which they are able to make with capitalists, they would be still worse off if the earth were freely delivered over to them without capital, and their existing numbers had to be supported upon what they could in this way make it produce.

On the other hand, there is on the opposite side of the question a kind of goody morality, amounting to a cant, against which the author protests, and which it is imperative to clear our minds of. There are people who think it right to be always repeating, that the interest of labourers and employers (and, they add, of landlords and farmers, the upper classes and the lower, governments and subjects, &c.) is one and the same. It is not to be wondered at that this sort of thing should be irritating to those to whom it is intended as a warning. How is it possible that the buyer and the seller of a commodity should have exactly the same interest as to its price? It is the interest of both that there should be commodities to sell; and it is, in a certain general way, the interest both of labourers and employers that business should prosper, and that the returns to labour and capital should be large. But to say that they have the same interest as to the division, is to say that it is the same thing to a person's interest whether a sum of money belongs to him or to somebody else. The employer, we are gravely told, will expend in wages what he saves in wages; he will add it to his capital, which is a fine thing for the labouring classes. Suppose him to do so, what does the labourer gain by the increase of capital, if his wages must be kept from rising to admit of its taking place?

Workmen are solemnly adjured, [says Mr. Thornton (p. 260),] not to try to get their wages raised, because success in the attempt must be followed by a fall of profits which will bring wages down again. They are entreated not to better themselves, because any temporary bettering will be followed by a reaction which will leave them as ill off as before; not to try to raise the price of labour, because to raise the price is to lower the demand, and to lower the demand is to lower the price. As if a great demand for labour were of any other use to the labourer than that of raising the price of labour, or as if an end were to be sacrificed to means whose whole merit consists in their leading to that same end. If all the political economy opposed to trades' unions were like this, trades' unions would be quite right in opposing political economy.

What is true is, that wages might be so high as to leave no profit to the capitalist, or not enough to compensate him for the anxieties and risks of trade; and in that case labourers would be killing the goose to get at the eggs. And, again, wages might be so low as to diminish the numbers or impair the working powers of the labourers, and in that case the capitalist also would generally be a loser. But between this and the doctrine, that the money which would come to the labourer by a rise of wages will be of as much use to him in the capitalist's pocket as in his own, there is a considerable difference.

Between the two limits just indicated—the highest wages consistent with keeping up the capital of the country, and increasing it *pari passu* with the increase of people, and the lowest that will enable the labourers to keep up their numbers with an increase sufficient to provide labourers for the increase of employment—there is an intermediate region within which wages will range higher or lower according to what Adam Smith calls “the higgling of the market.” In this higgling, the labourer in an isolated condition, unable to hold out even against a single employer, much more against the tacit combination of employers, will, as a rule, find his wages kept down at the lower limit. Labourers sufficiently organised in Unions may, under favourable circumstances, attain to the higher. This, however, supposes an organisation including all classes of labourers, manufacturing and agricultural, unskilled as well as skilled. When the union is only partial, there is often a nearer limit—that which would destroy, or drive elsewhere, the particular branch of industry in which the rise takes place. Such are the limiting conditions of the strife for wages between the labourers and the capitalists. The superior limit is a difficult question of fact, and in its estimation serious errors may be, and have been, committed. But, having regard to the greatly superior numbers of the labouring class, and the inevitable scantiness of the remuneration afforded by even the highest rate of wages which, in the present state of the arts of production, could possibly become general;

whoever does not wish that the labourers may prevail, and that the highest limit, whatever it be, may be attained, must have a standard of morals, and a conception of the most desirable state of society, widely different from those of either Mr. Thornton or the present writer.

The remainder of the book is occupied in discussing the means adopted or which might be adopted by the operative classes, for obtaining all such advantages in respect of wages, and the other conditions of labour, as are within the reach of attainment: a subject comprehending all the questions respecting the objects and practices of Trades' Unionism, together with the whole theory and practice of co-operative industry. And here I am nearly at the end of my disagreements with Mr. Thornton. His opinions are in every respect as favourable to the claims of the labouring classes as is consistent with the regard due to the permanent interest of the race. His conclusions leave me little to do but to make a résumé of them, though I may still dissent from some of his premises. For example, the same principles which lead him to acquit employers of wrong, however they may avail themselves of their advantage to keep down wages, make him equally exculpate Unionists from a similar charge, even when he deems them to be making a short-sighted and dangerous use of the power which combinations give them. But while I agree with the author that conduct may be "grovelling and sordid" [p. 180] without being morally culpable, I must yet maintain that if there are (as it cannot be doubted that there are) demands which employers might make from labourers, or labourers from employers, the enforcement of which, even by the most innocent means, would be contrary to the interests of civilisation and improvement—to make these demands, and to insist on them as conditions of giving and receiving employment, is morally wrong.

Again, the author most justly stigmatises the English law of conspiracy, that reserved weapon of arbitrary and ex-post-facto coercion, by which anything, that a court of law thinks ought not to be done, may be made a criminal offence if done in concert by more than one person—a law of which a most objectionable use has been made against Trades' Unions. But I cannot go entirely with him when he lays it down as an absolute and self-evident truth, that whatever is lawful when done by one person, ought not to be an offence when done by a combination of several. He forgets that the number of agents may materially alter the essential character of the act. Suppose, merely for the sake of illustration, that the state of opinion was such as to induce legislators to tolerate, within certain limits, the prosecution of quarrels and the redress of injuries by the party's own hands; as is the case practically, though not legally, in all countries where duelling prevails. If, under cover of this license, instead of a combat between one and one, a band of assailants were to set upon a single person, and take his life, or inflict on him bodily harm, would it be allowable to apply to this case the maxim, that what is permitted to one person ought to be permitted to any number? The cases are not parallel; but if there be so much as one case of this character, it is discussable, and requires to be discussed, whether any given case is such a one; and we have a fresh proof how little even the most plausible of these absolute maxims of right and wrong are to be depended on, and how unsafe it is to lose sight, even for a moment, of the paramount principle—the good of the human race. The maxims may, as the rough results of experience, be regarded as *primâ facie* presumptions that what they inculcate will be found conducive to the ultimate end; but not as conclusive on that point without examination, still less as carrying an authority independent of, and superior to, the end.

My difference with Mr. Thornton is in this case only theoretical; for I do not know of anything that ought to be legally interdicted to workmen in combination, except what would be criminal if done by any of them individually, viz., physical violence or molestation, defamation of character, injury to property, or threats of any of these evils. We hear much invective against Trades' Unions on the score of being infringements of the liberty of those working men on whom a kind of social compulsion is exercised to induce them to join a Union, or to take part in a strike. I agree with Mr. Thornton in attaching no importance whatever to this charge. An infringement of people's liberty it undoubtedly is, when they are induced, by dread of other people's reproaches, to do anything which they are not legally bound to do; but I do not suppose it will be maintained that disapprobation never ought to be expressed except of things which are offences by law. As soon as it is acknowledged that there are lawful, and even useful, purposes to be fulfilled by Trades' Unions, it must be admitted that the members of Unions may reasonably feel a genuine moral disapprobation of those who profit by the higher wages or other advantages that the Unions procure for non-Unionists as well as for their own members, but refuse to take their share of the payments, and submit to the restrictions, by which those advantages are obtained. It is vain to say that if a strike is really for the good of the workmen, the whole body will join in it from a mere sense of the common interest. There is

always a considerable number who will hope to share the benefit without submitting to the sacrifices; and to say that these are not to have^e brought before them, in an impressive manner, what their fellow-workmen think of their conduct, is equivalent to saying that social pressure ought not to be put upon any one to consider the interests of others as well as his own. All that legislation is concerned with is, that the pressure shall stop at the expression of feeling, and the withholding of such good offices as may properly depend upon feeling, and shall not extend to an infringement, or a threat of infringement, of any of the rights which the law guarantees to all—security of person and property against violation, and of reputation against calumny. There are few cases in which the application of this distinction can give rise to any doubt. What is called picketing is just on the border which separates the two regions; but the sole difficulty in that case is one of fact and evidence—to ascertain whether the language or gestures used implied a threat of any such treatment as, between individual and individual, would be contrary to law. Hooting, and offensive language, are points on which a question may be raised; but these should be dealt with according to the general law of the country. No good reason can be given for subjecting them to special restriction on account of the occasion which gives rise to them, or to any legal restraint at all beyond that which public decency, or the safety of the public peace, may prescribe as a matter of police regulation.

Mr. Thornton enters into a minute examination of the limits to the efficacy of Trades' Unions—the circumstances in which increased wages may be claimed with a prospect of success, and, if successful, of permanence. These discussions I must content myself with recommending to the attention of the reader, who will find in them much matter of great value. In the present article there is only room for the most general considerations, either of political economy or of morals. Under the former aspect, there is a view of the question, not overlooked by the author, but hardly, perhaps, made sufficiently prominent by him. From the necessity of the case, the only fund out of which an increase of wages can possibly be obtained by the labouring classes considered as a whole, is profits. This is contrary to the common opinion, both of the general public and of the workmen themselves, who think that there is a second source from which it is possible for the augmentation to come, namely, prices. The employer, they think, can, if foreign or other competition will let him, indemnify himself for the additional wages demanded of him, by charging an increased price to the consumer. And this may certainly happen in single trades, and even in large branches of trade, under conditions which are carefully investigated by Mr. Thornton. The building trade, in its numerous subdivisions, is one of the most salient instances. But though a rise of wages in a given trade may be compensated to the masters by a rise of the price of their commodity, a rise of general wages cannot be compensated to employers generally by a general rise of prices. This distinction is never understood by those who have not considered the subject, but there are few truths more obvious to all who have. There cannot be a general rise of prices unless there is more money expended. But the rise of wages does not cause more money to be expended. It takes from the incomes of the masters and adds to those of the workmen; the former have less to spend, the latter have more; but the general sum of the money incomes of the community remains what it was, and it is upon that sum that money prices depend. There cannot be more money expended on everything, when there is not more money to be expended altogether. In the second place, even if there did happen a rise of all prices, the only effect would be that money, having become of less value in the particular country, while it remained of its former value everywhere else, would be exported until prices were brought down to nearly or quite their former level. But thirdly: even on the impossible supposition that the rise of prices could be kept up, yet, being general, it would not compensate the employer; for though his money returns would be greater, his outgoings (except the fixed payments to those to whom he is in debt) would be increased in the same proportion. Finally, if when wages rose all prices rose in the same ratio, the labourers would be no better off with high wages than with low; their wages would not command more of any article of consumption; a real rise of wages, therefore, would be an impossibility.

It being obvious, from these accumulated considerations, that a real rise of general wages cannot be thrown on the consumer by a rise of prices; it follows also that a real rise even of partial wages—of wages in one or a few employments—when thrown on the consumer by an increased price of the articles produced, is generally a gain made, wholly or in part, at the expense of the remainder of the labouring classes. For, the aggregate incomes of the purchasing public not being increased, if more is spent on some articles of consumption, less will be spent on others. There are two possible suppositions. The public may either reduce its consumption of the articles which have risen, or it may retrench by preference in other

articles. In the former case, if the consumption falls off in full proportion to the rise of price, there is no more money than before expended in the article, and no more, therefore, to be divided between the labourers and their employers; but the labourers may possibly retain their improved wages, at the expense of profits, until the employers, weary of having less profit than other people, withdraw part of their capital. But if the consumption does not fall off, or falls off in a less degree, so that more is really spent on the articles after than before the rise, the prices of some other things will fall from diminished demand; the producers of those other things will have less to divide, and either wages or profits must suffer. It will usually be wages; for as there will not be employment in those departments for so many labourers as before, some labourers will be thrown out of work. As Mr. Thornton remarks, the general increase of the incomes of the community through the progress of wealth may make up to the other branches of the productive classes for what they thus lose, and convert it from an absolute loss, to the loss of a gain—the gain which as a body they would have derived from the general increase of wealth, but of which the whole, or more than the fair share, has been drawn off by a single branch. Still, the rise of wages in any department is necessarily at the expense either of wages in other departments or of profits, and in general both will contribute to it. So long, at least, as there are any classes of labourers who are not unionised, the successes of the Unions will generally be a cause of loss to the labourers in the non-unionist occupations.

From the recognition of this fact arises a serious question of right and wrong, as between Unionists and the remainder of the labouring classes. As between themselves and their employers, they are under no obligations but those of prudence. The employers are quite capable of taking care of themselves. Unionists are under no moral duty to their employers which the conditions they may seek to impose on them can possibly violate. But they owe moral duties to the remainder of the labouring classes, and moral duties to the community at large; and it behoves them to take care that the conditions they make for their own separate interest do not conflict with either of these obligations.

However satisfactorily the question may admit of being answered, it still requires to be asked, whether Unionists are justified in seeking a rise of wages for themselves, which will in all probability produce a fall of wages, or loss of employment, to other labourers, their fellow-countrymen. Still more is this question raised by those restrictive rules, forbidding the employment of non-unionists, limiting the number of apprentices, &c., which many Unions maintain, and which are sometimes indispensable to the complete efficacy of Unionism. For (as Mr. Thornton recognises) there is no keeping up wages without limiting the number of competitors for employment. And all such limitation inflicts distinct evil upon those whom it excludes—upon that great mass of labouring population which is outside the Unions; an evil not trifling, for if the system were rigorously enforced it would prevent unskilled labourers or their children from ever rising to the condition of skilled. In what manner is a system which thus operates, to be reconciled either with the obligations of general morality, or with the special regard professed by labouring men for the interest of the labouring class? To the justification of Unionism it is necessary not only that a mode of reconciliation should exist, but that Unionists should know it and consider it; for if there is ever so good a defence of their conduct, and they do not know or care about it, their case is morally the same as if there were none. Unionists who do not concern themselves with these scruples are, in intention, sacrificing the interests of their fellow-labourers, the majority of the labouring classes, to their own separate advantage; they are making themselves into an oligarchy of manual labourers, indirectly supported by a tax levied on the democracy.

There are, however, two considerations, either of which, in the mind of an upright and public spirited working man, may fairly legitimate his adhesion to Unionism. The first is, by considering the Unions of particular trades as a mere step towards an universal Union, including all labour, and as a means of educating the élite of the working classes for such a future. This is well put by Mr. Thornton:—

Though, in the interests of universal labour, the formation of national and cosmopolitan unionism be clearly an end to be aimed at, the best, if not the only means to that end is the previous formation and bringing to maturity of separate trade unions. The thing is scarcely to be done, if done at all, in any other way. National unionism is only to be built up piecemeal. To begin by laying foundations coextensive with the area to be finally covered, would be a sure way of never getting beyond the foundations. The only plan at all feasible, is for separate sections of labourers to organise themselves independently, and for each separate organisation to confine its attention to its own affairs, wherein it would long find abundant occupation without troubling itself about those of its neighbours, until it and they, having grown strong

enough to stand alone, should perceive it to be for their mutual advantage to coalesce and stand together. This is the plan which, unconsciously perhaps for the most part, trades' unions are at present following, each in obedience to its own selfish instinct, seeking only to do the best for itself, yet each doing thereby the best for the others also. That this or any other plan will ever really eventuate in the formation of a confederacy embracing the entire working population, may to most people appear an utterly chimerical notion, and no doubt the chances are great against its realisation. But the thing, however improbable, is not more improbable than some of the actual phenomena of unionism would not long since have appeared. Half a century back, while the marvellous organising aptitudes of working men lay dormant and unsuspected, it would have been quite as difficult for any one to look forward to the existing 'amalgamation' of little less than 50,000 engineers or 70,000 miners, as it is now to imagine that in another century or so—no very long period in a nation's life—a combination of these and of other associations may weld together the whole community of British workmen as one brotherhood. At the present rate of progress less than a hundred years would suffice for the operation.

(Pp. 289-90.)

This prospect may appear too remote, and even visionary, to be an actuating motive with any considerable number of Unionists; but it is certainly not beyond the aspirations of the intelligent leaders of Unionism, and what is more, some great steps have already been made in the direction of its realisation. A generation ago all Unions were local, and in those days strikes were much more frequent, much oftener unreasonable, and much oftener attended with criminal excesses, than is the case at present. Since then, a number of the most important trades have been formed into Amalgamated Societies extending to the whole country, and a central council decides with a view to the interests of the entire trade, what conditions shall be imposed on employers, and in what cases strikes shall take place. And it is admitted that the rules of these Amalgamated Societies are much less objectionable than those of the local unions previously were, and that the central body prevents many more strikes than it sanctions. The immediate motive to the amalgamations was, of course, the experience that attempts in one town to obtain a rise of wages, only caused the transfer of the business to another. Concert having been at length substituted for competition between different towns, the Unions now aim at effecting the same substitution between different countries: and within the last few years there is a commencement of International Congresses of working people, to prevent the efforts made in one country from being frustrated for want of a common understanding with other countries. And there can be little doubt that these attempts to lay the foundation of an alliance among the artisans of competing countries, have already produced some effect, and will acquire increasing importance.

There is, however, another, and a less elevated, but not fallacious point of view, from which the apparent injustice of Unionism to the non-united classes of labourers may be morally vindicated to the conscience of an intelligent Unionist. This is the Malthusian point of view, so blindly decried as hostile and odious, above all, to the labouring classes. The ignorant and untrained part of the poorer classes (such Unionists may say) will people up to the point which will keep their wages at that miserable rate which the low scale of their ideas and habits makes endurable to them. As long as their minds remain in their present state, our preventing them from competing with us for employment does them no real injury; it only saves ourselves from being brought down to their level. Those whom we exclude are a morally inferior class of labourers to us; their labour is worth less, and their want of prudence and self-restraint makes them much more active in adding to the population. We do them no wrong by intrenching ourselves behind a barrier, to exclude those whose competition would bring down our wages, without more than momentarily raising theirs, but only adding to the total numbers in existence. This is the practical justification, as things now are, of some of the exclusive regulations of Trades' Unions. If the majority of their members look upon this state of things, so far as the excluded labourers are concerned, with indifference, and think it enough for the Unions to take care of their own members, this is not more culpable in them than is the same indifference in classes far more powerful and more privileged by society. But it is a strong indication of a better spirit among them, that the operatives and artisans throughout the country form the main strength of the demand, rapidly becoming irresistible, for universal and compulsory education. The brutish ignorance of the lowest order of unskilled labourers has no more determined enemies, none more earnest in insisting that it be cured, than the comparatively educated workmen who direct the Unions.

The moral duties which Unionists owe to society at large—to the permanent interest of the nation and of

the race—are still less regarded than the duties imposed by good feeling towards their own class. There is as little practical sense of such duties in the minds of workmen as in those of employers—and there can scarcely be less. Yet it is evident (for instance) that it cannot be right that a contest between two portions of society as to the terms on which they will co-operate, should be settled by impairing the efficacy of their joint action. There must be some better mode of sharing the fruits of human productive power than by diminishing their amount. Yet this is not only the effect, but the intention, of many of the conditions imposed by some Unions on workmen and on employers. All restrictions on the employment of machinery, or on arrangements for economising labour, deserve this censure. Some of the Unionist regulations go even further than to prohibit improvements; they are contrived for the express purpose of making work inefficient; they positively prohibit the workman from working hard and well, in order that it may be necessary to employ a greater number. Regulations that no one shall move bricks in a wheelbarrow, but only carry them in a hod, and then no more than eight at a time; that stones shall not be worked at the quarry while they are soft, but must be worked by the masons of the place where they are to be used; that plasterers shall not do the work of plasterers' labourers, nor labourers that of plasterers, but a plasterer and a labourer must both be employed when one would suffice; that bricks made on one side of a particular canal must lie there unused, while fresh bricks are made for work going on upon the other; that men shall not do so good a day's work as to "best their mates;" that they shall not walk at more than a given pace to their work when the walk is counted "in the master's time"—these and scores of similar examples which will be found in Mr. Thornton's book,^[*] equally vexatious, and some of them more ridiculous, are all grave violations of the moral rule, that disputes between classes should not be so conducted as to make the world a worse place for both together, and ultimately for the whole of the community. I do not say that there are never cases which justify a resort to measures even thus bad in principle. A portion of society which cannot otherwise obtain just consideration from the rest, may be warranted in doing a mischief to society in order to extort what it considers its dues. But when thus acting, that portion of society is in a state of war with the rest; and such means are never justifiable but as weapons of war, like the devastation of a country and the slaughter of its innocent inhabitants—things abominable in themselves, but which may unhappily be the only means of forcing a powerful adversary to consent to just terms of accommodation. It is palpably for the good of society that its means of production, that the efficacy of its industry, should be as great as possible, and it cannot be necessary to an equitable division of the produce to make that efficacy less. The true morality of the workmen would be to second zealously all means by which labour can be economised or made more efficient, but to demand their share of the benefit. In what shape they shall obtain it, is a matter of negotiation between the parties, the difficulties of which may be greatly lightened by an impartial arbitration; and it is in such cases, above all others, that advantage might be expected from the Councils of Conciliation, which Mr. Mundella and Mr. Rupert Kettle have so forcibly advocated, and have carried so successfully into practice in their respective localities. The identification of the interest of the workmen with the efficiency, instead of the inefficiency of the work, is a happy result as yet only attained by co-operative industry in some ^d of its forms. And if it should prove, in the end, not to be attainable otherwise; if the claims of the workmen to share the benefit of whatever was beneficial to the general interest of the business, became an embarrassment to the masters from which no system of arbitration could sufficiently relieve them, and growing inconvenience to them from the opposition of interest between themselves and the workmen should stimulate the conversion of existing businesses into Industrial Partnerships, in which the whole body of workpeople have a direct interest in the profits of the enterprise; such a transformation would be the true euthanasia of Trades' Unionism, while it would train and prepare at least the superior portion of the working classes for a form of co-operation still more equal and complete.

It is to this feature in the futurity of labour that the whole of Mr. Thornton's argument leads up: and to this he looks forward as the true solution of the great economic problem of modern life. Nowhere will be found so compact and comprehensive an account of the various forms of co-operative industry which have been tried in this and other countries with such remarkable success, either by combinations of operatives uniting their small savings, or by capitalist employers admitting their workmen to a participation in profits. I will not weaken these most interesting statements by abridgment, nor is it necessary to prolong this article by disserting on a subject which ^eis every year commanding more of the attention of the best practical minds. The reader may be referred to Mr. Thornton for a conclusive answer to the hesitations

concerning the probabilities of success of this great movement, as well as for an inspiring picture of the blessings to human society which may rationally be expected from its progressive realisation.^e I will rather turn back to Unionism, and conclude with a passage embodying the author's ultimate moral judgment upon it. (Pp. 333-36.)

Sufficient note has not perhaps been taken of the educational office which unionism is silently and unconsciously performing, and of the softening and composing influence which it is insensibly exercising over its constituents. Mere union, quite irrespectively of any special object, is of itself beneficial discipline. The mere act of association is of itself a wholesome subordination of the individual to the general. Merely to combine for some common object, causes people to take pride and pleasure in that object, whatever it be, and renders them ready to make sacrifices for its furtherance. And if the object be mutual defence and mutual support, then, for the associates to take an interest in it and in each other, is one and the same thing. Among trades' unionists accustomed to look to each other for assistance in sickness, in distress, and in old age, the sense of mutual dependence begets mutual attachment. In their official intercourse they speak of each other as 'brothers;' and the word is not an empty sound, but indicates the sort of relationship which they at least desire should subsist between them, and which, because they do desire it, is sure to grow up. So far their sympathies have already widened, and it is characteristic of all moral expansion never to cease expanding. Those who, from caring for none but themselves, have got so far as to care for their fellow-workmen, will not stop till they have learned to care for all their fellow-men. Love of their class will prove to have been only an intermediate stage between self-love and love of their kind. Nor is it only indirectly that unionism is qualified to contribute towards this moral development. Certain of its arrangements are calculated to lead straight towards the same result. Hitherto, protection against material evil and acquisition of material good have been its chief care, but higher objects are beginning to claim attention, and intellectual and moral improvement are coming in for a share of solicitude. In the lodges of the London bricklayers, drunkenness and swearing are expressly interdicted. Under the auspices of the Amalgamated Carpenters, industrial schools are being established. These are straws on the surface, showing how the current of unionist opinion is flowing. The day may not be very distant when increasing esprit de corps will make Amalgamated Engineers and Carpenters as proud individually of their respective societies, as jealous of their honour, and as unwilling to disgrace them, as the officers of the old Bengal Engineers used to be of their connection with that pre-eminently distinguished corps; and in proportion as those feelings become general among unionists, in the same proportion may unionism be expected to divest itself of its offensive attributes, exchanging eventually past violence and extravagance for as much moderation as its nature will admit of.

Still, even when so modified and chastened, the necessity for its continuing to exist at all will continue to be an evil. The one constitutional vice, inherent in and inseparable from unionism, is its being a visible and a tangible embodiment of that antagonism between labour and capital, which has always been the curse of the one and a thorn in the flesh of the other. . . . The utmost successes of which it is capable can never be such as well-wishers of their fellow-men, with any catholicity of sympathy, will be much disposed to rejoice over. Its highest achievements must always fall very short indeed of the consummation to which speculative philanthropy loves to look forward, when labour and capital, no longer needing to keep each other's aggressiveness in check, shall cordially combine for mutual co-operation. . . . But until the alliance is effected, and as long as the antagonism subsists, trades' unionism will continue to be an indispensable auxiliary of labour, and the sooner it is so recognised, both by the legislature and by capitalists, the better for the public peace.

Endnotes

[*] London: Longman, Brown, Green, and Longmans, 1846.

[†] London: Murray, 1848.

[*] “It is, therefore, strictly correct to say, that the value of things which can be increased in quantity at pleasure, does not depend (except accidentally, and during the time necessary for production to adjust itself) upon demand and supply; on the contrary, demand and supply depend upon it. . . . Demand and supply govern the value of all things which cannot be indefinitely increased; except that, even for them, when produced by industry, there is a minimum value determined by the cost of production. But in all things which admit of indefinite multiplication, demand and supply only determine the perturbations of value, during a period which cannot exceed the length of time necessary for altering the supply. While thus ruling the oscillations of value, they themselves obey a superior force, which makes value gravitate towards cost of production, and which would settle it and keep it there, if fresh disturbing influences were not continually arising to make it again deviate.”—J. S. Mill, *Princ. of Pol. Econ.*, book iii. ch. iii. §2. [in *Collected Works*, III, 475-6.]

[*] Mill, J. S. “De Quincey’s Logic of Political Economy,” p. 394 above.

[*] “De Quincey’s Logic of Political Economy,” p. 394 above.

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[*] “This,” says Mr. Thornton, in speaking of tangible commodities, seems to me a more accurate as well as a simpler way of stating the case, than to say that the competition of dealers makes price fall, and that competition of customers makes it rise. What the latter competition seems to me really to do is, to show the dealers that a higher price than they previously supposed is attainable, and to induce them consequently to relax their own competition so as to attain it.” (P. 69n.)

[*] Cf. “Preface” to the 7th ed. of *Principles of Political Economy*, *Collected Works*, II, p. xciv, quoted in part in headnote, p. 632 above.

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[*] That those who have not yet read Mr. Thornton’s book may not be even temporarily liable to the misunderstanding of his meaning, and of the whole spirit of his writings, which might be the effect of reading only the passage cited in the text, I will at once bring forward the other side of his opinion. Nothing, he says, can be further from his purpose “than to exculpate the existing social system, or to suggest an excuse for continued acquiescence in its enormities. . . . To affirm that those evils of the existing social polity which constitute the peculiar grievance of the poor are not the result of human injustice, is perfectly consistent with the most vehement denunciation both of the evils themselves and of the heartless indifference that would perpetuate them. It is perfectly consistent, even with the admission that the rich are bound to do what they can to alleviate those evils—with this proviso, however, that they are so bound, not by their duty to others, but by their duty to themselves. The obligation is imposed upon them not by injunctions of justice, but by the force of sympathy and the exhortations of humanity and charity. The sacrifices which it may thus become incumbent on the rich to make, the poor are not in consequence entitled to demand. If the sacrifices are withheld, the rich stand convicted indeed of brute selfishness, but they do not thereby lay themselves open to the additional charge of injustice. This distinction is not drawn for the sake of pedantic precision; it is one of immense practical importance. To all right reasoning, it is essential that things should be called by their right names; and that nothing, however bad, should receive a worse name than it deserves. The more glaring a sin, the less reason is there for exaggerating it; and, in the case before us, the use of an erroneous epithet has been a fruitful source of further error. Unless the present constitution of society had been arbitrarily assumed to be unjust, it would never have been proposed to correct its injustice by resorting to means which would otherwise have been at once perceived to be themselves utterly unjustifiable. On no other account could it ever have been supposed that liberty demanded for its own vindication the violation of liberty, and that the freedom of competition ought to be fettered or abolished. For freedom of competition means no more than that every one should be at liberty to do his best for himself, leaving all others equally at liberty to do their best for themselves. Of all the natural rights of man, there is not one more incontestable than this, nor with

which interference would be more manifestly unrighteous. Yet this it is proposed to set aside as incompatible with the rights of labour, as if those could possibly be rights which cannot be maintained except by unrighteous means. (Pp. 94-5.)

The heartiness of Mr. Thornton's devotion to the interest of the labouring classes (or, it should rather be said, to the interest of human nature as embodied in them), is manifested throughout the work; but nowhere so vividly as in the noble Introductory Chapter, where he depicts a state of things in which all the grosser and more palpable evils of their poverty might be extinct, and shows that with this they ought not, and we ought not, to be content. It is not enough that they should no longer be objects of pity. The conditions of a positively happy and dignified existence are what he demands for them, as well as for every other portion of the human race.

[*]By no means a complete answer; for there is a medium between private appropriation of land and denial of protection to its fruits. Is there not such a thing as temporary appropriation? As a matter of fact, even in countries of the most improved agriculture, the tillage is usually performed by persons who have no property in the soil—often by mere tenants at will.

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[*] See pp. 322 ff.

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[e-e]MS [will] deservedly occupy an increasing place in public discussion. I therefore for the present refer the reader to Mr Thornton's paper not only for a most interesting collection of facts respecting the cooperative movement but for a most conclusive answer to all that has been said against the probability of its final success, & for a most inspiring picture of the blessing to human society which may rationally be expected from its progressive realization. [see headnote, p. 632 above]