

THE WORLDLY PHILOSOPHERS

*The Lives, Times, and Ideas
of the Great Economic Thinkers*

REVISED SEVENTH EDITION

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By Robert L. Heilbroner

THE WORLDLY PHILOSOPHERS
BEHIND THE VEIL OF ECONOMICS
THE ESSENTIAL ADAM SMITH
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THE FUTURE AS HISTORY
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Introduction

This is a book about a handful of men with a curious claim to fame. By all the rules of schoolboy history books, they were nonentities: they commanded no armies, sent no men to their deaths, ruled no empires, took little part in history-making decisions. A few of them achieved renown, but none was ever a national hero; a few were roundly abused, but none was ever quite a national villain. Yet what they did was more decisive for history than many acts of statesmen who basked in brighter glory, often more profoundly disturbing than the shuttling of armies back and forth across frontiers, more powerful for good and bad than the edicts of kings and legislatures. It was this: they shaped and swayed men's minds.

And because he who enlists a man's mind wields a power even greater than the sword or the scepter, these men shaped and swayed the world. Few of them ever lifted a finger in action; they worked, in the main, as scholars—quietly, inconspicuously, and without much regard for what the world had to say about them. But they left in their train shattered empires and exploded continents; they buttressed and undermined political regimes; they set class against class and even nation against nation—not because they plotted mischief, but because of the extraordinary power of their ideas.

Who were these men? We know them as the Great

Economists. But what is strange is how little we know about them. One would think that in a world torn by economic problems, a world that constantly worries about economic affairs and talks of economic issues, the great economists would be as familiar as the great philosophers or statesmen. Instead they are only shadowy figures of the past, and the matters they so passionately debated are regarded with a kind of distant awe. Economics, it is said, is undeniably important, but it is cold and difficult, and best left to those who are at home in abstruse realms of thought.

Nothing could be further from the truth. A man who thinks that economics is only a matter for professors forgets that this is the science that has sent men to the barricades. A man who has looked into an economics textbook and concluded that economics is boring is like a man who has read a primer on logistics and decided that the study of warfare must be dull.

No, the great economists pursued an inquiry as exciting—and as dangerous—as any the world has ever known. The ideas they dealt with, unlike the ideas of the great philosophers, did not make little difference to our daily working lives; the experiments they urged could not, like the scientists', be carried out in the isolation of a laboratory. The notions of the great economists were world-shaking, and their mistakes nothing short of calamitous.

"The ideas of economists and political philosophers," wrote Lord Keynes, himself a great economist, "both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. I am sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas."

To be sure, not all the economists were such titans. Thousands of them wrote texts; some of them monuments of dullness, and explored minutiae with all the zeal of medieval

scholars. If economics today has little glamour, if its sense of great adventure is often lacking, it has no one to blame but its own practitioners. For the great economists were no mere intellectual fustians. They took the whole world as their subject and portrayed that world in a dozen bold attitudes—angry, desperate, hopeful. The evolution of their heretical opinions into common sense, and their exposure of common sense as superstition, constitute nothing less than the gradual construction of the intellectual architecture of much of contemporary life.

An odder group of men—one less apparently destined to remake the world—could scarcely be imagined.

There were among them a philosopher and a madman, a cleric and a stockbroker, a revolutionary and a nobleman, an aesthete, a skeptic, and a tramp. They were of every nationality, of every walk of life, of every turn of temperament. Some were brilliant, some were bores; some ingratiating, some impossible. At least three made their own fortunes, but as many could never master the elementary economics of their personal finances. Two were eminent businessmen, one was never much more than a traveling salesman, another frittered away his fortune.

Their viewpoints toward the world were as varied as their fortunes—there was never such a quarrelsome group of thinkers. One was a lifelong advocate of women's rights; another insisted that women were demonstrably inferior to men. One held that "gentlemen" were only barbarians in disguise, whereas another maintained that nongentlemen were savages. One of them—who was very rich—urged the abolition of riches; another—quite poor—disapproved of charity. Several of them claimed that with all its shortcomings, this was the best of all possible worlds; several others devoted their lives to proving that it wasn't.

All of them wrote books, but a more varied library has never been seen. One or two wrote best-sellers that reached to the mud huts of Asia; others had to pay to have their obscure works published and never touched an audience beyond the most restricted circles. A few wrote in language that

stirred the pulse of millions; others—no less important to the world—wrote in a prose that fogs the brain.

Thus it was neither their personalities, their careers, their biases, nor even their ideas that bound them together. Their common denominator was something else: a common curiosity. They were all fascinated by the world about them, by its complexity and its seeming disorder, by the cruelty that it so often masked in sanctimony and the success of which it was equally often unaware. They were all of them absorbed in the behavior of their fellow man, first as he created material wealth, and then as he trod on the toes of his neighbor to gain a share of it.

Hence they can be called worldly philosophers, for they sought to embrace in a scheme of philosophy the most worldly of all of man's activities—his drive for wealth. It is not, perhaps, the most elegant kind of philosophy, but there is no more intriguing or more important one. Who would think to look for Order and Design in a pauper family and a speculator breathlessly awaiting ruin, or seek Consistent Laws and Principles in a mob marching in a street and a greengrocer smiling at his customers? Yet it was the faith of the great economists that just such seemingly unrelated threads could be woven into a single tapestry, that at a sufficient distance the milling world could be seen as an orderly progression, and the tumult resolved into a chord.

A large order of faith, indeed! And yet, astonishingly enough, it turned out to be justified. Once the economists had unfolded their patterns before the eyes of their generations, the pauper and the speculator, the greengrocer and the mob were no longer incongruous actors inexplicably thrown together on a stage; but each was understood to play a role, happy or otherwise, that was essential for the advancement of the human drama itself. When the economists were done, what had been only a humdrum or a chaotic world, became an ordered society with a meaningful life history of its own.

It is this search for the order and meaning of social history that lies at the heart of economics. Hence it is the central theme of this book. We are embarked not on a lecture tour of principles, but on a journey through history-shaping

ideas. We will meet not only pedagogues on our way, but many paupers, many speculators, both ruined and triumphant, many mobs, even here and there a grocer. We shall be going back to rediscover the roots of our own society in the welter of social patterns that the great economists discerned, and in so doing we shall come to know the great economists themselves—not merely because their personalities were often colorful, but because their ideas bore the stamp of their originators.

It would be convenient if we could begin straight off with the first of the great economists—Adam Smith himself. But Adam Smith lived at the time of the American Revolution, and we must account for the perplexing fact that six thousand years of recorded history had rolled by and no *worldly* philosopher had yet come to dominate the scene. An odd fact: Man had struggled with the economic problem since long before the time of the Pharaohs, and in these centuries he had produced philosophers by the score, scientists, political thinkers, historians, artists by the gross, statesmen by the hundred dozen. Why, then, were there no economists?

It will take us a chapter to find out. Until we have probed the nature of an earlier and far longer-lasting world than our own—a world in which an economist would have been not only unnecessary, but impossible—we cannot set the stage on which the great economists may take their places. Our main concern will be with the handful of men who lived in the last three centuries. First, however, we must understand the world that preceded their entrance and we must watch that earlier world give birth to the modern age—the age of the economists—amid all the upheaval and agony of a major revolution.

The Economic Revolution

Since he came down from the trees, man has faced the problem of survival, not as an individual but as a member of a social group. His continued existence is testimony to the fact that he has succeeded in solving the problem; but the continued existence of want and misery, even in the richest of nations, is evidence that his solution has been, at best, a partial one.

Yet man is not to be too severely censured for his failure to achieve a paradise on earth. It is hard to wring a livelihood from the surface of this planet. It staggers the imagination to think of the endless efforts that must have been expended in the first domestication of animals, in the discovery of planting seed, in the first working of surface ores. It is only because man is a socially cooperative creature that he has succeeded in perpetuating himself at all.

But the very fact that he has had to depend on his fellow man has made the problem of survival extraordinarily difficult. Man is not an ant, conveniently equipped with an in-born pattern of social instincts. On the contrary, he seems to be strongly endowed with a self-centered nature. If his relatively weak physique forces him to seek cooperation, his inner drives constantly threaten to disrupt his social working partnerships.

In primitive society, the struggle between self-centered-

ness and cooperation is taken care of by the environment; when the specter of starvation can look a community in the face—as with the Eskimos—the pure need to secure its own existence pushes society to the cooperative completion of its daily labors. Under less stringent conditions, anthropologists tell us, men and women perform their regular tasks under the powerful guidance of universally accepted norms of kinship and reciprocity: in her marvelous book on the African Bushmen, Elizabeth Marshall Thomas describes how a gemsbok is divided among relatives and relatives' relatives, until in the end “no person eats more than any other.” But in an advanced community this tangible pressure of the environment, or this web of social obligations, is lacking. When men and women no longer work shoulder to shoulder in tasks directly related to survival—indeed when two-thirds of the population never touches the earth, enters the mines, builds with its hands, or even enters a factory—or when the claims of kinship have all but disappeared, the perpetuation of the human animal becomes a remarkable social feat.

So remarkable, in fact, that society's existence hangs by a hair. A modern community is at the mercy of a thousand dangers: if its farmers should fail to plant enough crops; if its railroad men should take it into their heads to become bookkeepers or its bookkeepers should decide to become railroad men; if too few should offer their services as miners, puddlers of steel, candidates for engineering degrees—in a word, if any of a thousand intertwined tasks of society should fail to get done—industrial life would soon become hopelessly disorganized. Every day the community faces the possibility of breakdown—not from the forces of nature, but from sheer human unpredictability.

Over the centuries man has found only three ways of guarding against this calamity.

He has ensured his continuity by organizing his society around tradition, by handing down the varied and necessary tasks from generation to generation according to custom and usage: son follows father, and a pattern is preserved. In ancient Egypt, says Adam Smith, “every man was bound by a

principle of religion to follow the occupation of his father, and was supposed to commit the most horrible sacrilege if he changed it for another." Similarly, in India, until recently, certain occupations were traditionally assigned by caste; in fact, in much of the unindustrialized world one is still born to one's social task.

Or society can solve the problem differently. It can use the whip of authoritarian rule to see that its tasks get done. The pyramids of ancient Egypt did not get built because some enterprising contractor took it into his head to build them, nor did the Five Year Plans of the Soviet Union get carried out because they happened to accord with hand-me-down custom or individual self-interest. Both Russia and Egypt were Command societies; politics aside, they ensured their *economic* survival by the edicts of one authority and by the penalties that supreme authority saw fit to issue.

For countless centuries man dealt with the problem of survival according to one or the other of these solutions. And as long as the problem was handled by tradition or command, it never gave rise to that special field of study called "economics." Although the societies of history have shown the most astonishing economic diversity, although they have exalted kings and commissars, used dried codfish and immovable stones for money, distributed their goods in the simplest communistic patterns or in the most highly ritualistic fashion, so long as they ran by custom or command, they needed no economists to make them comprehensible. Theologians, political theorists, statesmen, philosophers, historians, yes—but, strange as it may seem, economists, no.

For the economists waited upon the invention of a third solution to the problem of survival. They waited upon the development of an astonishing arrangement in which society assured its own continuance by allowing each individual to do exactly as he saw fit—provided he followed a central guiding rule. The arrangement was called the "market system," and the rule was deceptively simple: each should do what was to his best monetary advantage. In the market system the lure of gain, not the pull of tradition or the whip of authority, steered the great majority to his (or her) task. And yet, al-

though each was free to go wherever his acquisitive nose directed him, the interplay of one person against another resulted in the necessary tasks of society getting done.

It was this paradoxical, subtle, and difficult solution to the problem of survival that called forth the economists. For unlike the simplicity of custom and command, it was not at all obvious that with each person out only for his own gain, society could in fact endure. It was by no means clear that all the jobs of society—the dirty ones as well as the plush ones—would be done if custom and command no longer ran the world. When society no longer obeyed a ruler's dictates, who was to say where it would end?

It was the economists who undertook to explain this puzzle. But until the idea of the market system itself had gained acceptance, there was no puzzle to explain. And until a very few centuries ago, men were not at all sure that the market system was to be viewed without suspicion, distaste, and distrust. The world had gotten along for centuries in the comfortable rut of tradition and command; to abandon this security for the dubious and perplexing workings of the market system, nothing short of a revolution was required.

It was the most important revolution, from the point of view of shaping modern society, that ever took place—fundamentally more disturbing by far than the French, the American, or even the Russian Revolution. To appreciate its magnitude, to understand the wrenching that it gave society, we must immerse ourselves in that earlier and long-forgotten world from which our own society finally sprang. Only then will it be clear why the economists had so long to wait.

First stop: France. The year, 1305.

It is a fair we visit. The traveling merchants have arrived this morning with their armed guard, have set up their gaily striped tents, and are trading among themselves and with the local population. A variety of exotic goods is for sale: silks and taffetas, spices and perfumes, hides and furs. Some have been transported from the Levant, some from Scandinavia, some from only a few hundred miles away. Along with the common people, local lords and ladies frequent the stalls,

eager to relieve the tedium of their boring, drafty, manorial lives; they are eagerly acquiring, along with the strange goods from Araby, new words from that incredibly distant land: divan, syrup, tariff, artichoke, spinach, jar.

But inside the tents, we meet with a strange sight. Books of business, open on the table, are sometimes no more than notebooks of transactions; a sample extract from one merchant reads: "Owed ten gulden by a man since Whitsuntide. I forgot his name." Calculations are made largely in Roman numerals, and sums are often wrong; long division is reckoned as something of a mystery, and the use of zero is not clearly understood. And for all the gaudiness of the display and the excitement of the people, the fair is a small thing. The total amount of goods which comes into France in a year over the Saint Gothard pass (on the first suspension bridge in history) would not fill a modern freight train; the total amount of merchandise carried in the great Venetian fleet would not fill one modern steel freighter.

Next stop: Germany. The year, 1550 odd.

Andreas Ryff, a merchant, bearded and fur-coated, is coming back to his home in Baden; he writes in a letter to his wife that he has visited thirty markets and is troubled with saddle burn. He is even more troubled by the nuisances of the times; as he travels he is stopped approximately once every ten miles to pay a customs toll; between Basle and Cologne he pays thirty-one levies.

And that is not all. Each community he visits has its own money, its own rules and regulations, its own law and order. In the area around Baden alone there are 112 different measures of length, 92 different square measures, 65 different dry measures, 163 different measures for cereals and 123 for liquids, 63 special measures for liquor, and 80 different pound weights

We move on: we are in Boston in the year 1639.

A trial is in progress; one Robert Keayne, "an ancient professor of the gospel, a man of eminent parts, wealthy and having but one child, and having come over for conscience' sake and for the advancement of the gospel," is charged with a heinous crime: he has made over sixpence profit on the

shilling, an outrageous gain. The court is debating whether to excommunicate him for his sin, but in view of his spotless past it finally relents and dismisses him with a fine of two hundred pounds. But poor Mr. Keayne is so upset that before the elders of the Church he does "with tears acknowledge his covetous and corrupt heart." The minister of Boston cannot resist this golden opportunity to profit from the living example of a wayward sinner, and he uses the example of Keayne's avarice to thunder forth in his Sunday sermon on some false principles of trade. Among them are these:

I. That a man might sell as dear as he can, and buy as cheap as he can.

II. If a man lose by casualty of sea, etc., in some of his commodities, he may raise the price of the rest.

III. That he may sell as he bought, though he paid too dear . . .

All false, false, false, cries the minister; to seek riches for riches' sake is to fall into the sin of avarice.

We turn back to England and France.

In England a great trading organization, The Merchant Adventurers Company, has drawn up its articles of incorporation; among them are these rules for the participating merchants: no indecent language, no quarrels among the brethren, no card playing, no keeping of hunting dogs. No one is to carry unsightly bundles in the streets. This is indeed an odd business firm; it sounds more nearly like a fraternal lodge.

In France there has been entirely too much initiative displayed of late by the weaving industry, and a *règlement* has been promulgated by Colbert in 1666 to get away from this dangerous and disruptive tendency. Henceforth the fabrics of Dijon and Selangey are to contain 1,408 threads including selvages, neither more nor less. At Auxerre, Avallon, and two other manufacturing towns, the threads are to number 1,376; at Châtillon, 1,216. Any cloth found to be objectionable is to be pilloried. If it is found three times to be objectionable, the merchant is to be pilloried instead.

There is something common to all these scattered fragments of bygone worlds. It is this: first, the idea of the propriety (not to say the necessity) of a system organized on the basis of *personal gain* has not yet taken root. Second, a separate, self-contained economic world has not yet lifted itself from its social context. The world of practical affairs is inextricably mixed up with the world of political, social, and religious life. Until the two worlds separate, there will be nothing that resembles the tempo and the feeling of modern life. And for the two to separate, a long and bitter struggle must take place.

It may strike us as odd that the idea of gain is a relatively modern one; we are schooled to believe that man is essentially an acquisitive creature and that left to himself he will behave as any self-respecting businessman would. The profit motive, we are constantly being told, is as old as man himself.

But it is not. The profit motive as we know it is only as old as "modern man." Even today the notion of gain for gain's sake is foreign to a large portion of the world's population, and it has been conspicuous by its absence over most of recorded history. Sir William Petty, an astonishing seventeenth-century character (who was in his lifetime cabin boy, hawker, clothier, physician, professor of music, and founder of a school named Political Arithmetick), claimed that when wages were good, labor was "scarce to be had at all, so licentious are they who labor only to eat, or rather to drink." And Sir William was not merely venting the bourgeois prejudices of his day. He was observing a fact that can still be remarked among the unindustrialized peoples of the world: a raw working force, unused to wagework, uncomfortable in factory life, unschooled to the idea of an ever-rising standard of living, will not work harder if wages rise; it will simply take more time off. The idea of gain, the idea that each working person not only may, but should, constantly strive to better his or her material lot, is an idea that was quite foreign to the great lower and middle strata of Egyptian, Greek, Roman, and medieval cultures, only scattered throughout Renaissance and Reformation times; and largely absent in the majority of

Eastern civilizations. As a ubiquitous characteristic of society, it is as modern an invention as printing.

Not only is the idea of gain by no means as universal as we sometimes suppose, but the social sanction of gain is an even more modern and restricted development. In the Middle Ages the Church taught that no Christian ought to be a merchant, and behind that teaching lay the thought that merchants were a disturbing yeast in the leaven of society. In Shakespeare's time the object of life for the ordinary citizen, for everybody, in fact, except the gentility, was not to advance his station in life, but to maintain it. Even to our Pilgrim forefathers, the idea that gain might be a tolerable—even a useful—goal in life would have appeared as nothing short of a doctrine of the devil.

Wealth, of course, there has always been, and covetousness is at least as old as the Biblical tales. But there is a vast deal of difference between the envy inspired by the wealth of a few mighty personages and a general struggle for wealth diffused throughout society. Merchant adventurers have existed as far back as the Phoenician sailors, and can be seen all through history, in the speculators of Rome, the trading Venetians, the Hanseatic League, and the great Portuguese and Spanish voyagers who sought a route to the Indies and to their personal fortunes. But the adventures of a few are a far different thing from an entire society moved by the venture spirit.

Take, for example, the extraordinary family of the Fuggers, the great German bankers of the sixteenth century. At their height, the Fuggers owned gold and silver mines, trade concessions, and even the right to coin their own money; their credit was far greater than the wealth of the kings and emperors whose wars (and household expenses) they financed. But when old Anton Fugger died, his eldest nephew, Hans Jacob, refused to take over the banking empire on the ground that the business of the city and his own affairs gave him too much to do; Hans Jacob's brother, George, said he would rather live in peace; a third nephew, Christopher, was equally uninterested. None of the potential heirs to a kingdom of wealth apparently thought it was worth the bother.

Apart from kings (those that were solvent) and a scattering of families like the Fuggers, the early capitalists were not the pillars of society, but often its outcasts and *déracinés*. Here and there an enterprising lad like Saint Godric of Finchale would start as a beachcomber, gather enough wares from the wrecks of ships to become a merchant, and, after making his fortune, retire in sanctity as a hermit. But such men were few. As long as the paramount idea was that life on earth was only a trying preamble to Life Eternal, the business spirit neither was encouraged nor found spontaneous nourishment. Kings wanted treasure, and for that they fought wars; the nobility wanted land, and since no self-respecting nobleman would willingly sell his ancestral estates, that entailed conquest, too. But most people—serfs, village craftsmen, even the masters of the manufacturing guilds—wanted to be left alone to live as their fathers had lived and as their sons would live in turn.

The absence of the idea of gain as a normal guide for daily life—in fact the positive disrepute in which the idea was held by the Church—constituted one enormous difference between the strange world of the tenth to sixteenth centuries and the world that began, a century or two before Adam Smith, to resemble our own. But there was an even more fundamental difference. The idea of “making a living” had not yet come into being. Economic life and social life were one and the same thing. Work was not yet a means to an end—the end being money and the things it buys. Work was an end in itself, encompassing, of course, money and commodities, but engaged in as a part of a tradition, as a natural way of life. In a word, the great social invention of “the market” had not yet been made.

Markets have existed as far back as history goes. The Tablets of Tell-el-Amarna tell of lively trade between the Pharaohs and the Levantine kings in 1400 B.C.: gold and war chariots were swapped for slaves and horses. But while the idea of exchange must be very nearly as old as man, as with the idea of gain, we must not make the mistake of assuming that all the world has the bargaining propensities of a mod-

ern-day American schoolboy. Purely by way of curious illustration, it is reported that among the New Zealand Maoris you cannot ask how much food a bonito hook is worth, for such a trade is never made and the question would be regarded as ridiculous. By way of turnabout, however, in some African communities it is perfectly legitimate to inquire how many oxen a woman is worth—an exchange which we look upon as the Maoris look upon swapping food and fishhooks (although where dowries still exist, they narrow the gap between ourselves and these Africans).

But markets, whether they be exchanges between primitive tribes where objects are casually dropped on the ground or the exciting traveling fairs of the Middle Ages, are not the same as the market system. For the market system is not just a means of exchanging goods; *it is a mechanism for sustaining and maintaining an entire society.*

And that mechanism was far from clear to the minds of the medieval world. The concept of widespread gain was blasphemous enough, as we have seen. The broader notion that a general struggle for gain might actually bind together a community would have been held as little short of madness.

There was a reason for this blindness. The Middle Ages, the Renaissance, the Reformation—indeed the whole world until the sixteenth or seventeenth century—could not envisage the market system for the thoroughly sound reason that Land, Labor, and Capital—the basic agents of production which the market system allocates—did not yet exist. Land, labor, and capital in the sense of soil, human beings, and tools are of course coexistent with society itself. But the idea of abstract land or abstract labor did not immediately suggest itself to the human mind any more than did the idea of abstract energy or matter. Land, labor, and capital as “agents” of production, as impersonal, dehumanized economic entities, are as much modern conceptions as the calculus. Indeed, they are not much older.

Take, for example, land. As late as the fourteenth or fifteenth century there was no such thing as land in the sense of freely salable, rent-producing property. There were lands, of

course—estates, manors, and principalities—but these were emphatically not real estate to be bought and sold as the occasion warranted. Such lands formed the core of social life, provided the basis for prestige and status, and constituted the foundation for the military, judicial, and administrative organization of society. Although land was salable under certain conditions (with many strings attached), it was not generally *for sale*. A medieval nobleman in good standing would no more have thought of selling his land than the governor of Connecticut would think of selling a few counties to the governor of Rhode Island.

The same lack of salability was true for labor. When we talk of the labor market today, we mean the great network of job-seeking in which individuals sell their services to the highest bidder. There simply was no such network in the pre-capitalist world. There was a vast hodgepodge of serfs, apprentices, and journeymen who labored, but most of this labor never entered a market to be bought and sold. In the country, the peasant lived tied to his lord's estate; he baked at the lord's oven and ground at the lord's mill, tilled the lord's fields and served his lord in war, but he was rarely if ever paid for any of his services: these were his duties as a serf, not the "labor" of a freely contracting agent. In the towns the apprentice entered the service of a master; the length of his apprenticeship, the number of his colleagues, his rate of pay, his hours of work, the very methods he used, were all regulated by a guild. There was little or no bargaining between servant and master except for sporadic strikes when conditions became intolerable. This was no more of a labor market than is provided by interns in a hospital.

Or take capital. Certainly capital existed in the pre-capitalist world, in the sense of private wealth. But although the funds existed, there was no impetus to put them to new and aggressive use. Instead of risk and change, the motto was "Safety first." Not the shortest and most efficient, but the longest and most labor-consuming process was the preferred technique of production. Advertising was forbidden, and the idea that one master guildsman might produce a better product than his colleagues was regarded as treasonable. In six-

teenth-century England, when mass production in the weaving trade first reared its ugly head, the guilds protested to the king. The "wonderworkshop"—reputedly containing two hundred looms and a service staff including butchers and bakers to take care of the working force—was thereupon outlawed by His Majesty: such efficiency and concentration of wealth would set a bad precedent.

Hence the fact that the medieval world could not conceive the market system rested on the good and sufficient reason that it had not yet conceived the abstract elements of production itself. Lacking land, labor, and capital, the Middle Ages lacked the market; and lacking the market (despite its colorful local marts and traveling fairs), society ran by local command and tradition. The lords gave orders, and production waxed and waned accordingly. Where no orders were given, life went on in its established groove. Had Adam Smith lived in the years before 1400 he would have felt no need to construct a theory of political economy. There was no mystery to penetrate in understanding what made the Middle Ages hang together and no veil to pierce to discover both order and design. Ethics and politics, yes; there was much to be explained and rationalized in the relations of lower lords to higher lords and higher lords to kings, and a great deal to be puzzled over in the conflict between the teachings of the Church and the incorrigible tendencies of the merchant class. But economics, no. Who would look for abstract laws of supply and demand, or cost, or value, when the explanation of the world lay like an open book in the laws of the manor and the Church and the city, along with the customs of a lifetime? Adam Smith might have been a great moral philosopher in that earlier age, but he could never have been a great economist; there would have been nothing for him to do.

There would be nothing for any economist to do for several centuries—until this great self-reproducing, self-sufficient world erupted into the bustling, scurrying, free-for-all of the eighteenth century. "Erupted" is perhaps too dramatic a word, for the change would take place over centuries rather than in a single violent spasm. But the

change, long drawn out though it was, was not a peaceful evolution; it was an agonized convulsion of society, a revolution.

Just to commercialize the land—to convert the hierarchy of social relationships into so many vacant lots and advantageous sites—required nothing less than the uprooting of an entrenched feudal way of life. To make “workers” out of the sheltered serfs and apprentices—no matter how exploitative the cloak of paternalism might have been—required the creation of a frightened disoriented class called the proletariat. To make capitalists out of guild masters meant that the laws of the jungle had to be taught to the timid denizens of the barnyard.

Hardly a peaceful prospect, any of this. Nobody *wanted* this commercialization of life. How bitterly it was resisted can be appreciated only if we take one last journey back to watch the economic revolution taking place.

We are back in France; the year, 1666.

The capitalists of the day face a disturbing challenge that the widening market mechanism has inevitably brought in its wake: change.

The question has come up whether a guild master of the weaving industry should be allowed to try an innovation in his product. The verdict: “If a cloth weaver intends to process a piece according to his own invention, he must not set it on the loom, but should obtain permission from the judges of the town to employ the number and length of threads that he desires, after the question has been considered by four of the oldest merchants and four of the oldest weavers of the guild.” One can imagine how many suggestions for change were proposed.

Shortly after the matter of cloth weaving has been disposed of, the button makers guild raises a cry of outrage; the tailors are beginning to make buttons out of cloth, an unheard-of thing. The government, indignant that an innovation should threaten a settled industry, imposes a fine on the cloth-button makers. But the wardens of the button guild are not yet satisfied. They demand the right to search people’s homes and wardrobes and fine and even arrest them on the streets if they are seen wearing these subversive goods.

And this dread of change and innovation is not just the comic resistance of a few frightened merchants. Capital is fighting in earnest against change, and no holds are barred. In England some years earlier, a revolutionary patent for a stocking frame not only was denied, but the Privy Council ordered the dangerous contraption abolished. In France the importation of printed calicoes now threatens to undermine the clothing industry. It is met with measures that cost the lives of 16,000 people! In Valence alone on one occasion 77 persons are sentenced to be hanged, 58 broken on the wheel, 631 sent to the galleys, and one lone and lucky individual is set free, for the crime of dealing in forbidden calico wares.

But capital is not the only agent of production that is frantically seeking to avoid the dangers of the market way of life. What is happening to labor is still more desperate.

Let us turn back to England.

It is the end of the sixteenth century, the great era of English expansion and adventure. Queen Elizabeth has made a triumphal tour of her kingdom. But she returns with a strange plaint. “Paupers are everywhere!” she cries. This is a strange observation, for only a hundred years before, the English countryside consisted in large part of peasant proprietors tilling their own lands, the yeomen, the pride of England, the largest body of independent, free, and prosperous citizens in the world. Now, “Paupers are everywhere!” What has happened in the interim?

What has happened has been an enormous movement of expropriation—or, rather, the beginning of such a movement, for it was then only in its inception. Wool has become a new, profitable commodity, and wool demands grazing pastures for the wool producer. The pastures are made by enclosing the common land; the patchwork crazy quilt of small scattered holdings (unfenced and recognizable only by a tree here and a rock there, dividing one man’s land from another) and the common lands on which all might graze their cattle or gather peat are suddenly declared to be all the property of the lord of the manor and no longer available to the whole parish. Where before was a kind of communality of ownership, now there is private property. Where there were yeomen, now there are sheep. One John Hales wrote in

1549: “. . . where XL persons had their lyvings, now one man and his shepherd hath all. . . . Yes, those shepe is the cause of all these meschieves, for they have driven husbandrie out of the countries, by the which was encreased before all kynde of victuall, and now altogether shepe, shepe.”

It is almost impossible to imagine the scope and impact of the process of enclosure. As early as the middle of the sixteenth century, riots had broken out against it; in one such uprising, 3,500 people were killed. In the mid-eighteenth century, the process was still in full swing; not until the mid-nineteenth would it have run its terrible historic course. Thus, in 1820, nearly fifty years after the American Revolution, the Duchess of Sutherland dispossessed 15,000 tenants from 794,000 acres of land, replaced them with 131,000 sheep, and by way of compensation rented her evicted families an average of two acres of submarginal land each.

But it was not merely the wholesale land-grabbing that warrants attention. The tragedy is what happened to the peasant. Deprived of the right to use the common land, he could no longer maintain himself as a “farmer.” Since no factories were available, he could not—even if he had wanted to—metamorphose into a factory worker. Instead, he became that most miserable of all social classes, an agricultural proletarian, and where agricultural work was lacking, a beggar, sometimes a robber, usually a pauper. Terrified at the alarming increase in pauperism throughout the country, the English Parliament tried to deal with the problem by localizing it. It tied paupers to their parishes for a pittance of relief and dealt with wanderers by whipping, branding, and mutilation. A clergyman at the time of Adam Smith seriously described the parochial workhouses in which the poor were kept as “Houses of Terror.” But what was worst of all was that the very measures that the country took to protect itself from the pauper—tying him to his local parish where he could be kept alive on poor relief—prevented the only possible solution to the problem. It was not that the English ruling classes were utterly heartless and cruel. Rather, they failed to understand the concept of a fluid, mobile labor force that would seek work wherever work was to be found according to the

dictates of the market. At every step, the commercialization of labor, like the commercialization of capital, was misconceived, feared, and fought.

The market system with its essential components of land, labor, and capital was thus born in agony—an agony that began in the thirteenth century and had not run its course until well into the nineteenth. Never was a revolution less well understood, less welcomed, less planned. But the great market-making forces would not be denied. Insidiously they ripped apart the mold of custom; insolently they tore away the usages of tradition. For all the clamor of the button makers, cloth buttons won the day. For all the action of the Privy Council, the stocking frame became so valuable that in another seventy years the same Privy Council would forbid its exportation. For all the breakings on the wheel, the trade in calicoes increased apace. Over last-ditch opposition from the Old Guard, economic land was created out of ancestral estates, and over the wails of protest from employees and masters alike, economic labor was ground out of unemployed apprentices and dispossessed farm laborers.

The great chariot of society, which for so long had run down the gentle slope of tradition, now found itself powered by an internal combustion machine. Transactions, transactions, transactions and gain, gain, gain provided a new and startlingly powerful motive force.

What forces could have been sufficiently powerful to smash a comfortable and established world and institute in its place this new unwanted society?

There was no single massive cause. The new way of life grew inside the old, like a butterfly inside a chrysalis, and when the stir of life was strong enough it burst the old structure asunder. It was not great events, single adventures, individual laws, or powerful personalities that brought about the economic revolution. It was a process of spontaneous, many-sided change.

First, there was the gradual emergence of national political units in Europe. Under the blows of peasant wars and kingly conquest, the isolated existence of early feudalism

gave way to centralized monarchies. And with monarchies came the growth of the national spirit: in turn this meant royal patronage for favored industries, such as the great French tapestry works, and the development of armadas and armies with all their necessary satellite industries. The infinity of rules and regulations which plagued Andreas Ryff and his fellow sixteenth-century traveling merchants gave way to national laws, common measurements, and more or less standardized currencies.

An aspect of the political change that was revolutionizing Europe was the encouragement of foreign adventure and exploration. In the thirteenth century, the brothers Polo went as unprotected merchants on their daring journey into the land of the great Khan; in the fifteenth century Columbus sailed for what he hoped would be the same destination under the royal auspices of Isabella. The change from private to national exploration was part and parcel of the change from private to national life. And in turn the great national adventures of the English and Spanish and Portuguese sailor-capitalists brought a flood of treasure and treasure-consciousness back to Europe. "He who has gold," Christopher Columbus said, "makes and accomplishes whatever he wishes in the world and finally uses it to send souls into paradise." The sentiments of Christopher Columbus were the sentiments of an age, and hastened the advent of a society oriented toward gain and chance and activated by the chase after money. Be it noted, in passing, that the treasures of the East were truly fabulous. With the share received as a stockholder in Sir Francis Drake's voyage of the *Golden Hind*, Queen Elizabeth paid off all England's foreign debts, balanced its budget, and invested abroad a sum large enough, at compound interest, to account for Britain's entire overseas wealth in 1930!

A second great current of change was to be found in the slow decay of the religious spirit under the impact of the skeptical, inquiring, humanist views of the Italian Renaissance. The world of Today elbowed aside the world of Tomorrow, and as life on earth became more important, so did the notion of material standards and ordinary comforts. Be-

hind the change in religious tolerance was the rise of Protestantism, which hastened a new attitude toward work and wealth. The Church of Rome had always regarded the merchant with a dubious eye and had not hesitated to call usury a sin. But now that this merchant was every day climbing in society, now that he was no longer a mere useful appendage but an integral part of a new kind of world, some reevaluation of his function became necessary. The Protestant leaders paved the way for an amalgamation of spiritual and temporal life. Far from eulogizing the life of poverty and spiritual contemplation, as separate from worldly life, they preached that it was pious to make the most of one's God-given talents in daily business. Acquisitiveness became a recognized virtue—not immediately for one's private enjoyment, but for the greater glory of God. From here it was only a step to the identification of riches with spiritual excellence, and of rich men with saintly ones.

A local folk tale from the twelfth century tells of a usurer who was crushed by a falling statue as he was entering a church to be married. On examination, the statue was found to be that of another usurer, thus revealing God's displeasure with dealers in money. Even in the mid-1600s, as we may remember, poor Robert Keayne collided head on with the Puritan religious authorities because of his business practices. In such an atmosphere of hostility, it was not easy for the market system to expand. Hence the gradual acceptance by the spiritual leaders of the innocuousness, indeed the benefits, of the market way was essential for the full growth of the system.

Still another deep current lies in the material changes that eventually made the market system possible. We are accustomed to thinking of the Middle Ages as a time of stagnation and lack of progress. Yet in five hundred years, the feudal age fathered one thousand towns (an immense achievement), connected them with rudimentary but usable roads, and maintained their populations with food brought from the countryside. All this developed the familiarity with money and markets and the buying and selling way of life. In the course of this change, power naturally began to gravitate into

the hands of those who understood money matters—the merchants—and away from the disdainful nobility, who did not.

Progress was not only a matter of this slow monetization. There was technical progress too, of a vastly important sort. The commercial revolution could not begin until some form of rational money accounting had developed: although the Venetians of the twelfth century were already using sophisticated accounting devices, the merchants in Europe were little better than schoolboys in their accounting ignorance. It took time for a recognition of the need for bookkeeping to spread; not until the seventeenth century was double entry a standard practice. And not until money was rationally accounted for could large-scale business operations run successfully.

Perhaps the most important change of all in the pervasiveness of its effect was a rise in scientific curiosity. Although the world would wait until after the age of Adam Smith for its pyrotechnic burst of technology, the Industrial Revolution could not have taken place had not the ground been prepared by a succession of basic subindustrial discoveries. The precapitalist era saw the birth of the printing press, the paper mill, the windmill, the mechanical clock, the map, and a host of other inventions. The idea of invention itself took hold; experimentation and innovation were looked on for the first time with a friendly eye.

No single one of these currents, acting by itself, could have turned society upside down. Indeed, many of them might have been as much the effects as the causes of a great convulsion in human organization. History takes no sharp corners, and the whole vast upheaval sprawled out over time. Evidences of the market way of life sprang up side by side with older traditional ways, and remnants of the former day persisted long after the market had for all practical purposes taken over as the guiding principle of economic organization. Thus, guilds and feudal privileges were not finally abolished in France until 1790, and the Statute of Artificers which regulated guild practices in England was not repealed until 1813.

But by the year 1700, twenty-three years before Adam Smith was born, the world that had tried Robert Keayne,

prohibited merchants from carrying unsightly bundles, worried over “just” prices, and fought for the privilege of carrying on in its fathers’ footsteps was on the wane. In its place society has begun to heed a new set of “self-evident” dicta. Some of them are:

“Every man is naturally covetous of lucre.”

“No laws are prevalent against gaine.”

“Gaine is the Centre of the Circle of Commerce.”

A new idea had come into being: “economic man”—a pale wraith of a creature who followed his adding-machine brain wherever it led him. The textbooks would soon come to talk of Robinson Crusoes on desert isles who organized their affairs as if they were so many penny-pinching accountants.

In the world of affairs a new fever of wealth and speculation had gripped Europe. In France in 1718 a Scottish adventurer named John Law organized a wild blue-sky venture known as the Mississippi Company, selling shares in an enterprise that would mine the mountains of gold in America. Men and women fought in the streets for the privilege of winning shares, murders were committed, fortunes made overnight. One hotel waiter netted thirty million *livres*. When the company was about to topple with frightful losses for all investors, the government sought to stave off disaster by rounding up a thousand beggars, arming them with picks and shovels, and marching them through the streets of Paris as a band of miners off for the Land of Eldorado. Of course, the structure collapsed. But what a change from the timid capitalists of a hundred years before to the get-rich-quick mobs jostling in the Rue de Quincampoix; what a money-hungry public this must have been to swallow such a bare-faced fraud!

No mistake about it, the travail was over and the market system had been born. The problem of survival was henceforth to be solved neither by custom nor by command, but by the free action of profit-seeking men bound together only by the market itself. The system was to be called capitalism, although the word would not be widely used until the late nineteenth century! And the idea of gain which underlay it was to become so firmly rooted that men would soon vigor-

ously affirm that it was an eternal and omnipresent part of human nature.

The idea needed a philosophy.

The human animal, it is repeatedly said, is distinguished above all by his self-consciousness. This seems to mean that, having set up his society, he is not content to let things be; he must tell himself that the particular society in which he lives is the best of all possible societies, and that the arrangements within it mirror in their own small way the arrangements that providence has made outside. Hence every age breeds its philosophers, apologists, critics, and reformers.

But the questions with which the earliest social philosophers concerned themselves were focused on the political rather than the economic side of life. As long as custom and command ruled the world, the problem of riches and poverty hardly struck the earlier philosophers at all, other than to be accepted with a sigh or railed at as another sign of man's inner worthlessness. As long as men, like bees, were born to be drones, no one much worried over the rationale of the laboring poor—the vagaries of queens were infinitely more elevating and exciting.

"From the hour of their birth," wrote Aristotle, "some are marked out for subjection, others for rule," and in that comment was summed up not so much the contempt as the indifference with which the early philosophers looked at the workaday world. The existence of a vast laboring substratum was simply taken for granted, and money and market matters were not only too sweaty but too vulgar to engage the consideration of a gentleman and a scholar. It was the rights of kings, divine and otherwise, and the great questions of power temporal and power spiritual which provided the arena for the contest of ideas—not the pretensions of pushy merchants. Although personal riches had their role to play in making the world go round, until the struggle for riches became general, ubiquitous, and patently vital to society, there was no need for a general philosophy of riches.

But one might ignore the nasty struggling aspect of the marketplace world for just so long; then one might fulminate

against it. Finally when it penetrated to the very sanctums of the philosophers themselves, it was better to ask whether even here the evidences of some master pattern might not yet be seen. To this end, for two hundred years before Adam Smith, the philosophers spun their theories of daily life.

But into what a strange succession of molds they cast the world as they sought to reveal its underlying purposes!

At first the wretched struggle for existence found its be-all and end-all in the accumulation of gold. Christopher Columbus, Cortés, and Francis Drake were not only state adventurers; they were thought to be the agents of *economic progress* as well. To the Mercantilists (as we call the group of pamphleteers and essayists who wrote on trade), it was evident that national power was the natural object of economic endeavor, and that the most important ingredient in national power was gold. Theirs was thus a philosophy of great armadas and adventures, kingly wealth and national stinginess, and an overriding belief that if all went well in the search for treasure, a nation could scarcely fail to prosper.

Was there a unifying concept behind these ideas? Here we confront for the first time the notion mentioned at the end of our preface—the idea that "visions" underlie and precede practice. There is, in fact, a realization of such a vision in the frontispiece to *Leviathan*, the influential tract published in 1651 by the English philosopher and political theorist Thomas Hobbes. The etching shows an immense figure towering over and protecting a placid countryside below. It is a king—sword in one hand, royal sceptre in the other—whose suit of armor, on close inspection, reveals that each of its platelets depicts the head of a human being.

Note that this is a political, not an economic vision. The central argument of *Leviathan* is that an all-powerful state is necessary to prevent human beings from falling into a condition described by Hobbes as "solitary, poore, nasty, brutish, and short." Although mercantile activities played an important role, they threatened to disturb, as well as to support the all-important State. Thus, for all their interest in accumulating bullion, a common concern of all royal houses was that merchant ships would bring gold to foreign countries where

it would be spent for silks and other luxuries, to the loss of the royal treasury.

Yet, even here, the vision serves as the basis for the first efforts to formulate what we would call economic analysis. Even before *Leviathan* appeared, spokesmen for the world of commerce were publishing pamphlets whose purpose was to show that the merchant ships sailing down the Thames were an asset, not a threat, to the sovereign. True, some of the gold they carried abroad might be spent for foreign goods, but the British goods they also carried would be sold for even more gold. Indeed, as Thomas Mun, director of the East India company, explained in *England's Treasure by Foreign Trade*, the "ordinary means" by which a nation increased its wealth and treasure was by trade, "wherein wee must ever observe this rule; to sell more to strangers yearly than wee consume of theirs in Value."

By the eighteenth century the initial emphasis on gold was beginning to look a trifle naïve. New schools of thought were growing up which more and more emphasized *commerce* as the great source of national vitality. Hence the philosophical question to which they addressed themselves was not how to corner the gold market but how to create ever more and more wealth by assisting the rising merchant class in the furtherance of its tasks.

The new philosophy brought with it a new social problem: how to keep the poor poor. It was generally admitted that unless the poor were poor, they could not be counted upon to do an honest day's toil without asking for exorbitant wages. "To make the Society Happy. . . , it is requisite that great numbers should be Ignorant as well as Poor," wrote Bernard Mandeville, the shrewdest and wickedest social commentator of the early eighteenth century. So the Mercantilist writers looked on the cheap agricultural and industrial labor of England and gravely nodded approval.

Gold and commerce were by no means the only ideas that superimposed some kind of order over the chaos of daily life. There were countless pamphleteers, parsons, cranks, and bigots who sought justification—or damnation—for society in a dozen different explanations. But the trouble was, all the

models were so unsatisfactory. One man said a nation obviously must not buy more than it sells, while another as stoutly maintained that a nation was quite obviously better off if it took in more than it gave in exchange. Some insisted it was trade that made a nation rich, and exalted the trader; others argued that trade was only a parasitical growth on the strong body of the farmer. Some said the poor were meant by God to be poor and even if they weren't, their poverty was essential to the wealth of the nation; others saw in pauperism a social evil and could not see how poverty could create wealth.

Out of the *mêlée* of contradictory rationalizations one thing alone stood clear: man insisted on some sort of intellectual ordering to help him understand the world in which he lived. The harsh and disconcerting economic world loomed ever more important. No wonder Dr. Samuel Johnson himself said, "There is nothing which requires more to be illustrated by philosophy than trade does." In a word, the time for the economists had arrived.

Out of the *mêlée* came also a philosopher of astonishing scope. Adam Smith published his *Inquiry into the Nature and Causes of the Wealth of Nations* in 1776, thereby adding a second revolutionary event to that fateful year. A political democracy was born on one side of the ocean; an economic blueprint was unfolded on the other. But while not all Europe followed America's political lead, after Smith had displayed the first true tableau of modern society, all the Western world became the world of Adam Smith: his vision became the prescription for the spectacles of generations. Adam Smith would never have thought of himself as a revolutionist; he was only explaining what to him was very clear, sensible, and conservative. But he gave the world the image of itself for which it had been searching. After *The Wealth of Nations*, men began to see the world about themselves with new eyes; they saw how the tasks they did fitted into the whole of society, and they saw that society as a whole was proceeding at a majestic pace toward a distant but clearly visible goal. In a word, a new vision had come into being.

universe of mankind as an arena in which the natural forces of society would inevitably bring about a better life for everyone. On the contrary, those natural forces that once seemed teleologically designed to bring harmony and peace into the world now seemed malevolent and menacing. If humanity did not groan under a flood of hungry mouths, it seemed that it might suffer under a flood of commodities without takers. And in either event, the outcome of a long struggle for progress would be a gloomy state where the worker just barely subsisted, where the capitalist was cheated of his efforts, and where the landlord gloated.

Indeed, here is another common element to be recognized in the visions of Smith as well as Malthus and Ricardo, besides the structure of what we would call a capitalist economy. This was the vision of the working class as essentially passive. There is no hint in any of the three that the laboring poor might ever take it into their heads to introduce changes in the system—indeed, to build a new system of their own. But that leads us into the next chapter, where we will watch a new vision guide the course of the worldly philosophy.

 V

The Dreams of the Utopian Socialists

It is not difficult to understand why Malthus and Ricardo should have conceived of the world in gloomy terms. England in the 1820s was a gloomy place to live; it had emerged triumphant from a long struggle on the Continent, but now it seemed locked in an even worse struggle at home. For it was obvious to anyone who cared to look that the burgeoning factory system was piling up a social bill of dreadful proportions and that the day of reckoning on that bill could not be deferred forever.

Indeed, a recital of the conditions that prevailed in those early days of factory labor is so horrendous that it makes a modern reader's hair stand on end. In 1828, *The Lion*, a radical magazine of the times, published the incredible history of Robert Blincoe, one of eighty pauper-children sent off to a factory at Lowdham. The boys and girls—they were all about ten years old—were whipped day and night, not only for the slightest fault, but to stimulate their flagging industry. And compared with a factory at Litton where Blincoe was subsequently transferred, conditions at Lowdham were rather humane. At Litton the children scrambled with the pigs for the slops in a trough; they were kicked and punched and sexually abused; and their employer, one Ellice Needham, had the chilling habit of pinching the children's ears until his nails met through the flesh. The foreman of the plant was even

worse. He hung Blincoe up by his wrists over a machine so that his knees were bent and then he piled heavy weights on his shoulders. The child and his co-workers were almost naked in the cold of winter and (seemingly as a purely gratuitous sadistic flourish) their teeth were filed down!

Without a doubt such frightful brutality was the exception rather than the rule; indeed we suspect a little of the reformer's zeal has embellished the account. But with full discount for exaggeration, the story was nonetheless all too illustrative of a social climate in which practices of the most callous inhumanity were accepted as the natural order of events and, even more important, as nobody's business. A sixteen-hour working day was not uncommon, with the working force tramping to the mills at six in the morning and trudging home at ten at night. And as a crowning indignity, many factory operators did not permit their work-people to carry their own watches, and the single monitory factory clock showed a strange tendency to accelerate during the scant few minutes allowed for meals. The richest and most farsighted of the industrialists might have deplored such excesses, but their factory managers or hard-pressed competitors seem to have regarded them with an indifferent eye.

And the horrors of working conditions were not the only cause for unrest. Machinery was now the rage, and machinery meant the displacement of laboring hands by uncompensated steel. As early as 1779 a mob of eight thousand workers had attacked a mill and burned it to the ground in unreasoning defiance of its cold implacable mechanical efficiency, and by 1811 such protests against technology were sweeping England. Wrecked mills dotted the countryside, and in their wake the word went about that "Ned Ludd had passed." The rumor was that a King Ludd or a General Ludd was directing the activities of the mob. It was not true, of course. The Luddites, as they were called, were fired by a purely spontaneous hatred of the factories that they saw as prisons and the wagework that they still despised.

But the disturbances raised a real apprehension in the country. Ricardo almost alone among the respectable people admitted that perhaps machinery did not always operate to

the immediate benefit of the workman, and for this opinion he was regarded as having slipped, for once, from his usual acumen. To most observers, the sentiment was less reflective: the lower orders were getting out of hand and should be severely dealt with. And to the gentler classes, the situation seemed to indicate the coming of a violent and terrifying Armageddon. Southey, the poet, wrote, "At this moment nothing but the Army preserves us from that most dreadful of all calamities, an insurrection of the poor against the rich, and how long the Army may be depended upon is a question which I scarcely dare ask myself"; and Walter Scott lamented, ". . . the country is mined beneath our feet."

But all through this dark and troubled period, one spot in Britain shone like a beacon through the storm. In the dour mountains of Scotland, a good day's post from Glasgow, in a country so primitive that the tollgate keepers at first refused gold coins (never having seen them before), stood the gaunt seven-story brick mills of a little community called New Lanark. Over the hilly roads from Glasgow rode a constant stream of visitors—twenty thousand signed the guestbook at New Lanark between 1815 and 1825—and the visiting crowds included such dignitaries as the Grand Duke Nicholas, later to be Tsar Nicholas I of Russia, Princes John and Maximilian of Austria, and a whole covey of parish deputations, writers, reformers, sentimental ladies, and skeptical businessmen.

What they came to see was the living proof that the squalor and depravity of industrial life were not the only and inevitable social arrangement. Here at New Lanark were neat rows of workers' homes with *two* rooms in every house; here were streets with the garbage neatly piled up awaiting disposal instead of being strewn in filthy disarray. And in the factories a still more unusual sight greeted the visitors' eyes. Over each employee hung a little cube of wood with a different color painted on each side: black, blue, yellow, and white. From lightest to darkest, the colors stood for different grades of deportment: white was excellent; yellow, good; blue, indifferent; black, bad. At a glance the factory manager could

judge the deportment of his work force. It was mainly yellow and white.

For another surprise there were no children in the factories—at least none under the age of ten or eleven—and those that did work toiled only a short ten-and-three-quarter-hour day. Furthermore, they were never punished; no one in fact was punished, and save for a few adult incorrigibles who had to be expelled for chronic drunkenness or some such vice, discipline seemed to be wielded by benignity rather than fear. The door of the factory manager stood open, and anyone could (and did) present his objections to any rule or regulation. Everyone could inspect the book that contained the detailed report of his deportment and thus served as referent for the assignment of his colored cube, and he could appeal if he felt that he had been unjustly rated.

Most remarkable of all were the little children. Instead of running wild and fierce through the streets, they were found by the visitors to be fast at work and play in a large schoolhouse. The littlest were learning the names of the rocks and trees they found about them; the slightly older were learning grammar from a frieze where General Noun contested with Colonel Adjective and Corporal Adverb. Nor was it all work, delightful as the work seemed to be. Regularly the children gathered to sing and dance under the tutelage of young ladies who had been instructed that no child's question was ever to go unanswered, that no child was ever bad without reason, that punishment was never to be inflicted, and that children would learn faster from the power of example than from admonition.

It must have been a wonderful and, indeed, an inspiring sight. And for the business-minded gentlemen who were less likely to be carried away by the sight of happy children than the tenderhearted ladies, there was the irrefutable fact that New Lanark was profitable, marvelously profitable. This was an establishment run not only by a saint but by an eminently practical one, at that.

It was not only a practical saint who was responsible for New Lanark but a most improbable one. Like so many of the

early nineteenth-century reformers on whom we look back as the Utopian Socialists, Robert Owen, the "benevolent Mr. Owen of New Lanark," was a strange mixture of practicality and naïveté, achievement and fiasco, common sense and lunacy. Here was a man who advocated the abandonment of the plow in favor of the spade; a man who from scratch became a great capitalist and from a great capitalist a violent opponent of private property; a man who advocated benevolence because it would pay dividends, and who then urged the abolition of money.

It is hard to believe that one man's life could take so many twists. It began as a chapter straight from Horatio Alger. Born of poor parents in Wales in 1771, Robert Owen left school at the age of nine to become apprenticed to a linen draper with the unlikely name of McGuffog. He might have stayed a linen draper always and watched the store name change to McGuffog and Owen, but in true business-hero style, he chose to go to Manchester; and there, at the age of eighteen and on the strength of £100 borrowed from his brother, he set himself up as a tiny capitalist manufacturing textile machinery. But the best was yet to come. A Mr. Drinkwater, the owner of a large spinning establishment, found himself one morning without a factory manager and advertised in the local paper for applicants. Owen had no knowledge of spinning mills, but he got the post in a fashion that might have provided a test for countless writers on the virtues of Pluck and Luck. "I put on my hat," wrote Owen over a half-century later, "and proceeded straight to Mr. Drinkwater's counting house. 'How old are you?' 'Twenty this May,' was my reply. 'How often do you get drunk in the week?' . . . 'I was never,' I said, 'drunk in my life,' blushing scarlet at this unexpected question. 'What salary do you ask?' 'Three hundred a year,' was my reply. 'What?' Mr. Drinkwater said, with some surprise, repeating the words, 'Three hundred a year! I have had this morning I know not how many seeking the situation and I do not think all their askings together would amount to what you require.' 'I cannot be governed by what others seek,' said I, 'and I cannot take less.'"

It was a characteristic Owen gesture and it succeeded. At twenty he became the boy wonder of the textile world—an engaging young man with a rather straight nose in a very long face, and with large, frank eyes that advertised his candor. Within six months Mr. Drinkwater offered him a quarter interest in the business. But this was still only the prelude to a fabulous career. Within a few years Owen had heard of a set of mills for sale in the squalid village of New Lanark—coincidentally they were owned by a man with whose daughter he had fallen in love. To acquire either the mills or the hand of the daughter looked like an impossible feat: Mr. Dale, the mill-owner, was a fervid Presbyterian who would never approve of Owen's radical free-thinking ideas, and then there was the question of how to find the capital to buy the mills. Nothing daunted, Owen marched up to Mr. Dale as he had once marched up to Mr. Drinkwater and the impossible became done. He borrowed the money, bought the mills, and won the hand of the daughter in the bargain.

Matters might well have rested there. Within a year Owen had made New Lanark a changed community; within five years it was unrecognizable; in ten years more it was world famous. It would have been accomplishment enough for most men, for in addition to winning a European reputation for farsightedness and benevolence, Robert Owen had made a fortune of at least £60,000 for himself.

But matters did not rest there. Despite his meteoric rise, Owen conceived of himself as a man of ideas rather than as a mere man of action; New Lanark had never been for him an idle exercise of philanthropy. Rather, it was an opportunity to test out theories that he had evolved for the advancement of humanity as a whole. For Owen was convinced that mankind was no better than its environment and that if that environment was changed, a real paradise on earth might be achieved. In New Lanark he could, as it were, test his ideas in a laboratory, and since they succeeded beyond all measure, there seemed no reason why they should not be given to the world.

He soon had his chance. The Napoleonic Wars subsided and in their wake came trouble. A succession of what

Malthus would have called "general gluts" wracked the country; from 1816 to 1820 with the exception of a single year, business was very bad. The misery threatened to explode: "bread and blood" riots broke out, and a kind of hysteria gripped the country. The Dukes of York and Kent and a body of notables formed a committee to look into the causes of the distress, and purely as a matter of course they called upon Mr. Owen, the philanthropist, to present his views.

The committee was hardly prepared for what it got. It had no doubt expected a plea for factory reform, for Mr. Owen was widely known for his championship of a shorter working day and the abolition of child labor. Instead the notables found themselves reading a blueprint for social reorganization on a sweeping scale.

What Owen suggested was that the solution to the problem of poverty lay in making the poor productive. To this end he advocated the formation of Villages of Cooperation in which eight hundred to twelve hundred souls would work together on farm and in factory to form a self-sustaining unit. The families were to live in houses grouped in parallelograms—the word immediately caught the public eye—with each family in a private apartment but sharing common sitting rooms and reading rooms and kitchens. Children over the age of three were to be boarded separately so that they could be exposed to the kind of education that would best mold their characters for later life. Around the school were gardens to be tended by the slightly older children, and around them in turn would stretch out the fields where crops would be grown—needless to say with the aid of spades and without the use of plows. In the distance, away from the living areas, would be a factory unit; in effect this would be a planned garden city, a kibbutz, a commune.

The committee of notables was considerably taken aback. It was hardly prepared to urge the adoption of planned social communities in a day of untrammelled *laissez-faire*. Mr. Owen was thanked and Mr. Owen's ideas were carefully ignored. But Owen was nothing if not single-purposed. He insisted upon a review of the applicability of his plans and flooded Parliament with tracts expounding his

views. Again his determination won the day. In 1819 a special committee (including David Ricardo) was put together for the purpose of trying to raise the necessary £96,000 to establish one full-fledged experimental Village of Cooperation.

Ricardo was skeptical, although willing to give the plan a trial, but the country was not skeptical at all; it found the idea an abomination. One editorialist wrote: "Robert Owen, Esq., a benevolent cotton-spinner . . . conceives that all human beings are so many plants which have been out of the earth for a few thousand years, and require to be reset. He accordingly determines to dibble them in squares after a new fashion."

William Cobbett, then in exile in America for his own radical ideas, was even more scornful. "This gentleman," he wrote, "is for establishing *communities* of paupers! . . . Wonderful peace, happiness, and national benefit are to be the result. How the little matters of black eyes, bloody noses, and pulling of caps are to be *settled*, I do not exactly see. Mr. Owen's scheme has, at any rate, the recommendation of perfect novelty, for of such a thing as a *community of paupers*, I believe no human being has ever before heard. . . . Adieu, Mr. Owen of Lanark."

Owen did not, of course, envision a community of paupers. He believed, on the contrary, that paupers could become the producers of wealth if they were given a chance to work, and that their deplorable social habits could be easily transformed into virtuous ones under the influence of a decent environment. And it was not only paupers who were to be thus elevated. The Villages of Cooperation were to be so manifestly superior to the turmoil of industrial life that other communities would naturally follow suit.

But it was obvious that Owen held his views alone. Serious-minded people saw in Owen's scheme a disturbing threat to the established order of things, and radical-minded people saw in it only a farce. The necessary money for the trial Village was never raised, but now there was no stopping the indomitable philanthropist. He had been a humanist; now he became a professional humanitarian. He had made a fortune; now he dedicated it to the realization of his ideas. He sold his

interest in New Lanark and in 1824 set about building his own community of the future. Not unnaturally he chose America for his milieu, for where better to build utopia than in the midst of a people who had known political liberty for fifty years?

For a site he bought from a religious sect of Germans known as Rappites a tract of thirty thousand acres on the banks of the Wabash in Posey County, Indiana. On the Fourth of July, 1826, he dedicated it with a Declaration of Mental Independence—independence from Private Property, Irrational Religion, and Marriage—and then left it to shift for itself with its lovely wishful name of New Harmony.

It could not and did not succeed. Owen had envisioned a utopia sprung full-blown into the world, and he was not prepared to wean one from the imperfect environment of the old society. There was no planning; eight hundred settlers poured in, helter-skelter, within a few weeks. There was not even elementary precaution against fraud. Owen was bilked by an associate who piled insult upon injury by setting up a whiskey distillery on land that he had unfairly taken. And since Owen was not there, rival communities sprang up: Macluria under one William McClure, and others under other dissidents. The pull of acquisitive habit was too strong for the bond of ideas; in retrospect it is only astonishing that the community managed to exist for as long as it did.

By 1828 it was apparent that the enterprise was a failure. Owen sold the land (he had lost four-fifths of his entire fortune in the venture) and went off to talk about his schemes to President Jackson and then to Santa Anna in Mexico. Neither of these gentlemen expressed more than polite interest.

Owen now returned to England. He was still the benevolent (if slightly cracked) Mr. Owen, and his career was about to take its final unexpected twist. For while most opinion had mocked at his Villages of Cooperation, his teachings had sunk deep into one section of the country: the working classes. This was the time of the first trade unions, and the leaders of the spinners and the potters and the builders had come to regard Owen as a man who could speak for their interests—

indeed, as their leader. Unlike his peers, they took his teachings seriously—while the Villages of Cooperation were being debated by committees of notables, real working cooperative societies based on his tracts were springing up throughout the country on a more modest scale: producers' cooperatives and consumers' cooperatives and even a few ill-fated attempts to follow Mr. Owen's ideas to the letter and do away with money.

Without exception, the producers' cooperatives failed and the moneyless exchanges ended in moneyless but equally final bankruptcies. But one aspect of the cooperative movement took root. Twenty-eight devoted men who called themselves the Rochdale Pioneers began the *consumer* cooperative movement. To Owen it was only of passing interest, but with time it grew to be one of the great sources of strength of the Labour party in Great Britain. Curiously, the movement in which he took least interest was to survive all the projects into which he poured his heart and strength.

Owen had no time for cooperatives, for a good reason: on his return from America he had conceived a huge moral crusade, and he plunged into it with a typical vigorous abandon. The onetime poor boy, onetime capitalist, one-time social architect, now drew around him the leaders of the working-class movement. He bestowed a properly impressive name on his project: the Grand National Moral Union of the Productive and Useful Classes. The name was soon shortened to the Grand National Consolidated Trades Union, and since that was still quite a mouthful, to the Grand National. Under its banner the trade-union leaders rallied, and in 1833 the English working-class movement was officially launched.

It was a nationwide union—the precursor of the industrial trade unions of our day. Its membership was five hundred thousand—a mammoth figure for that time—and it embraced virtually every important union in all of England. But, unlike a modern union, its goals were not limited to hours and wages or even to management prerogatives. The Grand National was to be an instrument not only of social betterment but of deep social change. Hence, while its program asked for better wages and working conditions, it went

on to expound a fuzzy amalgam of Villages of Cooperation, the abolition of money, and a number of other ideas from the potpourri of Owen's writing.

Owen stumped the country for his final cause. It was a fiasco. England was no more prepared for a national trade union than America for a local paradise. Local unions could not control their members, and local strikes weakened the national body. Owen and his lieutenants fell out; they accused him of atheism, and he charged them with fomenting class hatred. The government stepped in and with violence and vengeance did its best to disrupt the growing movement. The employing classes heard in the Grand National the knell of private property and called for prosecution under anti-union laws. No youthful movement could have withstood such an onslaught. Within two years the great union was dead, and Owen at the age of sixty-four had played his last historical role.

He continued for another twenty years, the grand old man of labor, urging his cooperative ideas, his preference for the spade, his naive distrust of money. In 1839 he had an audience with Queen Victoria despite the protests of a group of the best people known as the Society for Peaceably Repressing Infidelity. But he was finished. In his last years he found a refuge in spiritualism, in endless tracts endlessly the same, and in his wonderful *Autobiography*. In 1858, eighty-seven years old and still hopeful, he died.

What a romantic and fantastic story! And looking back, it is his story rather than his ideas which interests us. Owen was never a truly original and certainly never a flexible thinker. "Robert Owen is not a man to think differently of a book for having read it," was the devastating way in which one contemporary writer characterized him, and Macaulay, who fled at the sound of his voice, called him "always a gentle bore."

He was not, by any stretch of the imagination, an economist. But he was more than that; he was an economic innovator who reshaped the raw data with which economists have to deal. Like all the Utopian Socialists, Owen wanted the world changed; but while others wrote, powerfully or otherwise, he went ahead and tried to change it.

And on second thought, perhaps he did leave one great idea behind him. It is charmingly illustrated in this anecdote from the autobiography of his son, Robert Dale Owen.

"When the child screams from temper, my dear Caroline," said his father (Robert Owen), "set him in the middle of the nursery floor and be sure you don't take him up until he stops crying." "But my dear, he'll go on crying by the hour." "Then let him cry." "It may hurt his little lungs, and perhaps throw him into spasms." "I think not. At all events, it will hurt him more if he grows into an ungovernable boy. Man is the creature of circumstances."

"Man is the creature of circumstances." And who makes the circumstances but man himself? The world is not inevitably good or bad but to the extent that we make it so. In that thought Owen left behind him a philosophy of hope more powerful than all his fanciful notions about spades and plows or money or Villages of Cooperation.

Robert Owen is certainly the most romantic of that group of nineteenth-century protesters against raw capitalism, but he is by no means the most peculiar. For sheer perversity of character, honors must go to Count Henri de Rouvroy de Saint-Simon, and for indisputable eccentricity of ideas there is no peer of Charles Fourier.

Saint-Simon, as his rolling name suggests, was an aristocrat; his family claimed descent from Charlemagne. Born in 1760, he was brought up to be conscious of the nobility of his ancestry and of the importance of maintaining the luster of his name; every morning, as a youth, he was awakened by his valet, who would cry: "Arise, Monsieur le Comte, you have great things to do today."

The knowledge that one is a chosen vessel of history can do strange things to a man. In Saint-Simon's case, it provided the excuse for an extravagant self-indulgence. Even as a boy he confused a devotion to principle with sheer pigheadedness; it is said that when a passing wagon interfered with a childhood game, he threw himself down across the road and obstinately refused to budge—and who was to throw a young count into the ditch? Later this same obstinacy led him to

refuse to go to communion at his father's behest—but the father, perhaps more used to his son's intransigence and certainly less awed by it, promptly threw him into jail.

His self-indulgence might have turned him toward that most self-indulgent of all political groups, the court of Louis XVI. But it was redeemed by a love for a most uncourtly idea: democracy. In 1778 the young count went to America and distinguished himself in the Revolutionary War. He fought in five campaigns, won the Order of Cincinnatus, and most important of all, became a passionate disciple of the new ideas of freedom and equality.

But this did not yet constitute Great Things. The Revolutionary War left him in Louisiana; thence he went to Mexico to urge the Viceroy to build a canal that would have preceded the Panama. That might have made his name, but the idea came to naught—it was, of course, nine tenths idea and one tenth plan—and the young revolutionary noble returned to France.

He was just in time for the Revolution there, and he threw himself into it with fervor. His townspeople of Falvy in Peronne asked him to be mayor and he refused, saying that the election of the old nobility would be a bad precedent; then when they chose him for the National Assembly anyway, he proposed the abolition of titles and renounced his own to become plain Citoyen Bonhomme. His democratic predilections were not a pose; Saint-Simon had a genuine feeling for his fellow man. Before the Revolution he had been posting to Versailles one day, in the height of style, when he came across a farmer's cart mired in the road. Saint-Simon got down from his carriage, put his elegantly clad shoulder to the wheel, and then found the farmer's conversation so interesting that he dismissed his own vehicle and rode to Orléans with his newfound peasant friend.

The Revolution dealt strangely with him. On the one hand he speculated adroitly in Church lands and made himself a modest fortune; on the other he busied himself with a gigantic educational scheme that, because it threw him into contact with foreigners, brought him into disfavor and resulted in his being put in protective custody. He escaped and

then, in a gesture both romantic and truly noble, surrendered himself again when he found that his hotel proprietor had been unjustly accused of collaborating in his escape.

This time he went to jail. But there, in his cell, there came to him the revelation for which he had, in a sense, been waiting all his life. The revelation came, as such visitations do, in a dream; Saint-Simon described it thus:

"During the cruelest period of the Revolution, and during a night of my imprisonment at Luxembourg, Charlemagne appeared to me and said: 'Since the world began no family has enjoyed the honor to produce both a hero and philosopher of first rank. This honor was reserved for my house. My son, your successes as a philosopher will equal mine as a soldier and a statesman.'"

Saint-Simon asked for no more. He obtained a release from prison, and the money he had accumulated now poured forth in a fantastic search for knowledge. This man actually set out to know everything there was to know—scientists, economists, philosophers, politicians, all the savants of France were invited to his house, financed in their work, and endlessly queried that Saint-Simon might encompass the world's intellectual scope. It was a bizarre endeavor. At one time, having come to the conclusion that he still lacked a firsthand acquaintance with family life for the pursuance of his social studies, he married—on a three-year contract. One year was enough: his wife talked too much and his guests ate too much, and Saint-Simon decided that marriage as an educational institution had its limitations. Instead he sought the hand of the most brilliant woman in Europe, Mme. de Staël: she was the only woman, he declared, who would understand his plans. They met, but it was an anticlimax; she found him full of *esprit* but hardly the greatest philosopher in the world. In the circumstances, his enthusiasm also waned.

But the search for encyclopedic knowledge, while stimulating, was financially disastrous. His expenditures had been lavish to the point of recklessness; his marriage unexpectedly expensive. He found himself reduced first to modest circumstances and then to real poverty; he was forced to find a clerical job and then to depend on the kindness of an old servant

for board and lodging. Meanwhile he was writing, furiously writing an endless stream of tracts, observations, exhortations, and examinations of society. He sent his works to the leading patrons of the day with a pathetic note:

MONSIEUR:

Be my saviour, I am dying of hunger. . . . For 15 days I have lived on bread and water . . . sold everything but my clothes, to pay for the expense of copies of my work. It is the passion for knowledge and the public welfare, the desire to find a peaceful means of ending the frightful crisis which engages all European society which has brought me to this state of distress. . . .

No one subscribed. In 1823, although his family now accorded him a small pension, he shot himself in despair. But he could never quite do anything as he wished. He succeeded only in losing an eye. He lived two more years, ill, impoverished, dedicated, and proud. When the end came, he gathered his few disciples around him and said, "Remember that in order to do great things one must be impassioned!"

But what had he done to justify such an operatic end?

A strange thing: he had founded an industrial religion. He had not done it through his books, which were voluminous enough but unread, nor through lectures, nor through doing "great things." Somehow the man himself had inspired a sect, had gathered a small band of followers, and had given society a new image of what it might be.

It was a strange, semimystical, and disorganized religion, and little wonder, for it was built on an unfinished and lopsided edifice of ideas. It was not even meant to be a religion as such—although after his death there was actually a Saint-Simonian Church with six departmental churches in France and with branches in Germany and England. Perhaps it is better compared with an order of brotherhood; his disciples dressed in shades of blue and ranked each other as "fathers and sons." And as a nice symbol of what the founder himself

had stood for, they wore a special waistcoat that could be neither put on nor taken off unassisted and that thus emphasized the dependence of every man on his brothers. But the church soon degenerated into little more than a cult, for the latter-day Saint-Simonians devised their own code of morality, which in some instances was little more than a respectably codified immorality.

The gospel that Saint-Simon had preached is hardly shocking to modern eyes. It proclaimed that "man must work" if he is to share in society's fruits. But compared with the conclusions drawn from this premise, Robert Owen's society of parallelograms was clarity itself.

"We suppose," writes Saint-Simon, "that France suddenly loses her fifty leading physicists; her fifty leading chemists, her fifty leading physiologists . . . mathematicians . . . mechanics" and so on until three thousand savants, artists, and artisans have been accounted for (Saint-Simon is not noted for the economy of his style). What would be the result? It would be a catastrophe that would rob France of her very soul.

But now suppose, says Saint-Simon, that instead of losing these few individuals, France were to be deprived at one blow of its social upper crust: suppose it should lose M. the brother to the king, the Duke de Berry, some duchesses, the officers of the Crown, the ministers of state, its judges, and the ten thousand richest proprietors of the land—thirty thousand people in all. The result? Most regrettable, says Saint-Simon, because these are all good people, but the loss would be purely a sentimental one; the state would hardly suffer. Any number of people could discharge the functions of these lovely ornaments.

So the moral is clear. It is the workers—*les industriels*—of all ranks and hierarchies who merit the highest rewards of society, and the idlers who deserve the least. But what do we find? By a strange miscarriage of justice, it is just the opposite: those who do the least get the most.

Saint-Simon proposes that the pyramid be set aright. Society is actually organized as a gigantic factory, and it should carry out the factory principle to its logical conclusion. Gov-

ernment should be economic, not political; it should arrange things and not direct men. Rewards should be apportioned to one's social contribution; they should accrue to the active members of the factory and not to the lazy onlookers. It is not a revolution that Saint-Simon preaches, nor even socialism as we understand the word. It is a kind of paean of the industrial process and a protest that in a society of toil, idlers should take such a disproportionate share of the wealth.

Not a word about how this is to be done; the later Saint-Simonians went a step beyond their founder and urged the end of private property, but even this left them with little more than a vague program of social reformation. This was a religion of work, but it lacked a proper catechism; it pointed to grave injustices in the distribution of society's wealth, but it gave disappointingly little guidance to those who wanted to set things to rights.

Perhaps it was just this lack of a program which helped to account for the success of a man who was quite the opposite of Saint-Simon. Whereas the ax-nobleman had been inspired by a passion for the grand idea, Charles Fourier was inspired by a passion for trivia. Like Saint-Simon, Fourier believed the world was hopelessly disorganized, but the cure he proposed was explicit down to the tiniest detail.

Saint-Simon had been an adventurer in life; Fourier was an adventurer in imagination. His biography is largely a blank: born in 1772, the son of a tradesman of Besançon, he spent his days as an unsuccessful commercial traveler. In a sense he did nothing, not even marry. His passions were two: flowers and cats. It is only at the end of his life that he is appealing, for he spent his last years punctually sitting at advertised hours in his small room awaiting the visit of some great capitalist who would offer to finance his schemes to do over the world. After all, this little salesman had written, "I alone have confounded twenty centuries of political imbecility; and it is to me alone that present and future generations will look for the origin of their immense happiness." With such a responsibility resting on his shoulders, he could hardly afford not to be at hand when the appointed savior capitalist would arrive with his moneybags in train. But no one ever came.

Fourier, to be polite, was an eccentric; to be accurate, he was probably off his rocker. His world was a fantasy: the earth, he believed, had been given a life of eighty thousand years; forty thousand of ascending vibrations and the same number of descending. In between (never mind the arithmetic) lay eight thousand years of the *Apogée du Bonheur*. We lived in the fifth of eight stages of advancement, having pushed through Confusion, Savagery, Patriarchism, and Barbarousness. Ahead lay Guaranteeism (not a bad bit of insight), and then the upward slope of Harmony. After we reached utter bliss, however, the seesaw would tip and we would work our way right back down through all the stages to the beginning.

But as we worked our way ever deeper into Harmony, things would really begin to pop: a Northern Crown would encircle the Pole, shedding a gentle dew; the sea would become lemonade; six new moons would replace the old solitary satellite; and new species would emerge, better suited to Harmony: an antilion, a docile and most serviceable beast; an antiwhale, which could be harnessed to ships; an antibear; antbugs; and antirats. We would live to be one hundred and forty-four years old, of which one hundred and twenty years would be spent in the unrestricted pursuit of sexual love.

All this plus a firsthand description of the inhabitants of other planets gives to Fourier's writings the air of a madman. Perhaps he was. But when he turned his starry vision to this earth he saw in it chaos and unhappiness, and he saw, as well, a way to reorganize society.

His prescription was very exact. Society should be organized into phalanxes—the French word is *phalanstères*—which would consist of a kind of Grand Hotel arrangement, not too dissimilar from Owen's Villages of Cooperation. The hotel was carefully described: there would be a large central building (its various rooms and their dimensions were all thought out), and around it would be fields and industrial establishments. You could live in the hotel at the scale best suited to your purse; first, second, or third class, with just as much privacy as you desired (including meals in your

rooms) and with just enough mingling to spread a leaven of culture. Efficiency would be achieved through centralization; Fourier, the old bachelor, paints a mouth-watering picture of the triumphs of the central cuisine.

Everyone would have to work, of course, for a few hours each day. But no one would shirk work, for each would do what he best liked. Thus the problem of dirty work was solved by asking who *liked* to do dirty work. The children, of course. So there would be Little Hordes who would go off gaily to the slaughterhouses or to mend the roads and have the time of their lives. And for the minority of children who shrank from dirty work, there would be Little Bands who would tend the flowers and correct their parents' bad pronouncement. Among the workers there would be amicable competition to see who did best: contests of pear growers and cultivators of spinach and finally (once the phalanstery principle had encircled the globe and the 2,985,984 necessary *phalanstères* established) great battles of omelette chefs and champagne bottlers.

And the whole affair would be profitable in the extreme; gains would run to 30 percent. But it would be communal profit: the surplus would be divided five twelfths to labor, four twelfths to capital, and three twelfths to "ability," and everybody would be urged to become a part owner as well as a fellow worker.

Weird and fantastic as it seems, the Fourierist idea took some hold, even in that fortress of practicality and common sense, the United States. At one time there were over forty phalansteries in this country, and if one groups together the Owenite communities and the religious movements of various sorts, there were at least one hundred and seventy-eight actual Utopian groups with from fifteen to nine hundred members each.

Their variety was immense: some were pious, some impious; some chaste, some licentious; some capitalistic, others anarchic. There was Trumbull Phalanx in Ohio and Modern Times on Long Island; there were Oneida and Brook Farm and New Icaria and one rather remarkable phalanx—the North American Phalanx in New Jersey—which endured

from 1843 to 1855 and then lingered on, half hotel, half community, until the late 1930s. Of all unlikely people, the critic Alexander Woollcott was born there.

None of the dream communities took solid root. Dream worlds have a difficult time contending with the frictions of reality, and of all the projected Utopian rearrangements of society, none was so far removed from practicality as the *phalanstère*. And yet, none is so beguiling. If we could live in a *phalanstère*, who would not like to? Fourier pointed with devastating truth to the miserable unhappiness of the world in which he lived, but his prescription was too much compounded of heavenly ingredients for the mortal ills he wished to cure.

Do they appear ridiculous, these Utopians? It is true that they were all dreamers—but, as Anatole France said, without dreamers, mankind would still live in caves. There was not one without a touch of madness: even Saint-Simon speculated solemnly on the possibility of the beaver, as the most intelligent animal, someday replacing humankind. But they are not noteworthy because they were eccentrics or because of the richness and appealing quality of their fantasies. They are worth our attention because they were courageous, and to appreciate their courage we must appraise and understand the intellectual climate in which they lived.

They lived in a world that was not only harsh and cruel but that rationalized its cruelty under the guise of economic law. Necker, the French financier and statesman, said at the turn of the century, "Were it possible to discover a kind of food less agreeable than bread but having double its substance, people would be reduced to eating only once in two days." Harsh as such a sentiment might have sounded, it did ring with a kind of logic. It was the world that was cruel, not the people in it. For the world was run by economic laws, and economic laws were nothing with which one could or should trifle; they were simply *there*, and to rail about whatever injustices might be tossed up as an unfortunate consequence of their working was as foolish as to lament the ebb and flow of the tides.

The laws were few but final. We have seen how Adam

Smith, Malthus, and Ricardo elaborated the laws of economic distribution. These laws seemed to explain not only how the produce of society tended to be distributed but how it *should* be distributed. The laws showed that profits were evened out and controlled by competition, that wages were always under pressure from population, and that rent accrued to the landlord as society expanded. And that was that. One might not necessarily *like* the result, but it was apparent that this result was the natural outcome of society's dynamics: there was no *personal* ill-will involved nor any personal manipulation. Economic laws were like the laws of gravitation, and it seemed as nonsensical to challenge one as the other. Hence a primer of elementary economic principles said: "A hundred years ago only savants could fathom them [economic laws]. Today they are commonplaces of the nursery, and the only real difficulty is their too great simplicity."

No wonder the Utopians went to such extremes. The laws did look inviolable—and yet the state of society for which they were held responsible was intolerable. So the Utopians took their courage in both hands and said, in effect, the whole system must change. If this is capitalism—with a nod at Robert Blincoe chained to a machine—let us have anything else—Villages of Cooperation, moral codes, or the delightful resort atmosphere of a *phalanstère*. The Utopians—and there were many besides those mentioned in this chapter—were reformers of the heart rather than the head.

This is one reason why we designate them as *Utopian Socialists*. The "utopia" was not merely a matter of idealistic ends; it was also a key to the means. In contradistinction to the Communists, these were reformers who hoped to persuade the members of the *upper* classes that social change would be for their own ultimate benefit. The Communists talked to the masses and urged violence, if necessary, to encompass their ends; the Socialists appealed to their own kind—to the intelligentsia, the *petit bourgeois*, the freethinking middle-class citizen, or the intellectually emancipated aristocrat—for adherents to their schemes. Even Robert Owen hoped to get his brother mill-owners to see the light.

But secondly, note that these were Utopian *Socialists*. This meant they were *economic* reformers. Utopia builders had existed since Plato, but it was not until the French Revolution that they had begun to react to economic as well as political injustice. And since it was early capitalism that provided the chamber of horrors against which they revolted, not unnaturally they turned their backs on private property and the struggle for private wealth. Few of them thought of reform *within* the system: remember that this was the age of the very first watered-down factory legislation and that such grudging reforms as were painfully won were largely honored in the breach. The Utopians wanted something better than reform—they wanted a new society in which Love Thy Neighbor could somehow be made to take priority over the mean gouging of each for himself. In the communality of property, in the warmth of common ownership, were to be found the touchstones of human progress.

They were men of very good will. And yet, for all their good intentions and their earnest theories, the Utopians lacked the stamp of respectability; they needed the imprimatur of someone with them in heart but whose head would be somewhat more firmly attached to his shoulders. And they found such a person in the most unlikely place—in the ultimate conversion to socialism of the person who was by common consent the greatest economist of the age: John Stuart Mill.

Everyone in this chapter is a somewhat unbelievable character, but perhaps J. S. Mill is the most remarkable of them all. His father was James Mill, historian, philosopher, pamphleteer, friend and intimate of Ricardo and Jeremy Bentham, one of the leading intellects of the early nineteenth century. James Mill had definite ideas about almost everything, and especially about education. His son, John Stuart Mill, was the extraordinary result.

John Stuart Mill was born in 1806. In 1809 (not 1819) he began to learn Greek. At age seven he had read most of the dialogues of Plato. The next year he began Latin, having meanwhile digested Herodotus, Xenophon, Diogenes Laërt-

tius, and part of Lucian. Between eight and twelve he finished Virgil, Horace, Livy, Sallust, Ovid, Terence, Lucretius, Aristotle, Sophocles, and Aristophanes; had mastered geometry, algebra, and the differential calculus; written a Roman History, an Abridgment of the Ancient Universal History, a History of Holland, and a few verses. "I never composed at all in Greek, even in prose, and but little in Latin," he wrote in his famous *Autobiography*. "Not that my father could be indifferent to the value of this practice . . . but because there really was not the time for it."

At the ripe age of twelve, Mill took up logic and the work of Hobbes. At thirteen he made a complete survey of all there was to be known in the field of political economy.

It was a strange, and by our standards a dreadful, upbringing. There were no holidays "lest the habit of work should be broken, and a taste for idleness acquired," no boyhood friends, and not even a real awareness that his education and rearing were significantly different from the normal. The miracle is not that Mill subsequently produced great works, but that he managed to avoid a complete destruction of his personality. He did have a kind of nervous breakdown: in his twenties; the delicate dry intellectual world of work and effort on which he had been nourished suddenly became sterile and unsatisfying, and while other youths had to discover that there could be beauty in intellectual activity, poor Mill had to find that there could be beauty in beauty. He underwent a siege of melancholy; then he read Goethe, then Wordsworth, then Saint-Simon—all people who spoke of the heart as seriously as his father had spoken of the brain. And then he met Harriet Taylor.

There was, worse luck, a Mr. Taylor. He was ignored; Harriet Taylor and Mill fell in love and for twenty years wrote each other, traveled together, and even lived together—all (if we are to believe their correspondence) in perfect innocence. Then the barrier of Mr. Taylor was removed by his death and the two finally married.

It was a superlative match. Harriet Taylor (and later, her daughter, Helen) completed for Mill the emotional awakening that had begun so late; together, the two women opened

his eyes to women's rights and, even more importantly, to mankind's rights. After Harriet's death, when he was reflecting on the story of his life, he reviewed their converging influences on himself, and he wrote: "Whoever, either now or hereafter, may think of me and of the work I have done, must never forget that it is the product not of one intellect and conscience, but of three."

Mill, as we have seen, learned all the political economy there was to know at the age of thirteen. It was not until thirty years later that he wrote his great text, the two long, masterful volumes of the *Principles of Political Economy*. It was as if he had accumulated thirty years of knowledge just for this purpose.

The book is a total survey of the field: it takes up rent and wages and prices and taxes, and retraces the paths that had been first mapped by Smith and Malthus and Ricardo. But it is far more than a mere updating of doctrines that had by now received the stamp of virtual dogma. It goes on to make a discovery of its own, a discovery that Mill believed to be of monumental importance. Like so many great insights, the discovery was very simple. It consisted in pointing out that the true province of economic law was production and not distribution.

What Mill meant was very clear: the economic laws of production concern nature. There is nothing arbitrary about whether labor is more productive in this use or that, nor is there anything capricious or optional about such a phenomenon as the diminishing powers of productivity of the soil. Scarcity and the obduracy of nature are real things, and the economic rules of behavior which tell us how to maximize the fruits of our labor are as impersonal and as absolute as the laws of the expansion of gases or the interaction of chemical substances.

But—and this is perhaps the biggest *but* in economics—the laws of economics have nothing to do with distribution. Once we have produced wealth as best we can, we can do with it as we like. "The things once there," says Mill, "mankind, individually or collectively, can do with them as they please. They can place them at the disposal of whomso-

ever they please, and on whatever terms. . . . Even what a person has produced by his individual toil, unaided by anyone, he cannot keep, unless by the permission of society. Not only can society take it from him, but individuals could and would take it from him, if society . . . did not . . . employ and pay people for the purpose of preventing him from being disturbed in [his] possession. The distribution of wealth, therefore, depends on the laws and customs of society. The rules by which it is determined are what the opinions and feelings of the ruling portion of the community make them, and are very different in different ages and countries, and might be still more different, if mankind so chose. . . ."

It was a body blow to the followers of Ricardo who had rigidified his objective findings into a straitjacket for society. For what Mill said was transparently obvious—once it had been said. Never mind if the "natural" action of society was to depress wages or to equalize profits or to raise rents or whatever. If society did not like the "natural" results of its activities, it had only to change them. Society could tax and subsidize, it could expropriate and redistribute. It could give all its wealth to a king, or it could run a gigantic charity ward; it could give due heed to incentives, or it could—at its own risk—ignore them. But whatever it did, there was no "correct" distribution—at least none that economics had any claim to fathom. There was no appeal to "laws" to justify how society shared its fruits: there were only men sharing their wealth as they saw fit.

Actually, Mill's discovery was not quite so monumental as he believed. For as conservative economists quickly pointed out, when men intervene into the distribution process, they cannot help intervening into the production process as well: a 100 percent tax on profits, for example, would certainly have a terrific impact on how much there was, as well as on who got it. And as Marx was to point out from another perspective, one cannot separate distribution and production as cleanly as Mill thought, because different societies arrange their modes of payment as integral parts of their modes of production: feudal societies, for example, do

not have "wages," any more than capitalist societies have feudal dues.

Thus from both Right and Left came the criticism that there were *limits* on the freedom with which societies could restructure their distribution—much narrower limits than Mill implied. And yet it would be wrong to undervalue Mill's insight, just as it is wrong to exaggerate it. For the existence of limits means that there is room for maneuver, that capitalism is not beyond reform. Indeed, the New Deal and the welfare capitalisms of Scandinavia are the direct expressions of Mill's vision of a society that would try to remedy its "natural" workings by imposing its moral values. Who is to say that this has not led to important social change, even if the change is limited?

Certainly in Mill's own time, his findings came as a breath of fresh air. In an age when smugness and cant were the order of the day, Mill spoke out with a voice of extraordinary moral clarity. In his *Principles*, for example, after making his great division between Production and Distribution, he went on to examine the contemporary schemes of "communism" proposed by various Utopian reformers—not, let us hasten to add, the communism of Marx, of whose existence Mill was quite unaware.

Mill considered the various objections that could be lodged against these "communistic" schemes, and saw some merit in many of them. But then he summed up his opinion in this thunderous paragraph:

If . . . the choice were to be made between Communism with all its chances, and the present state of society with all its sufferings and injustices; if the institution of private property necessarily carried with it as a consequence, that the produce of labour should be apportioned as we now see it, almost in an inverse ratio to the labour—the largest portions to those who have never worked at all, the next largest to those whose work is almost nominal, and so in a descending scale, the remuneration dwindling as the work grows harder and more disagreeable, until the most fatiguing and exhausting

bodily labour cannot count with certainty on being able to earn even the necessaries of life; if this or Communism were the alternatives, all the difficulties, great or small, of Communism would be as dust in the balance.

But, Mill went on to add, this was not quite the choice. For the principle of private property, he believed, had not yet had a fair trial. The laws and institutions of Europe still reflected the violent feudal past, not the spirit of reform that Mill believed attainable through the application of the very principles he was writing about.

Thus in the end, he stopped short of advocating really revolutionary change for two reasons. First, he saw in the rough and harsh contest of daily life a necessary vent for the energies of mankind.

"I confess," he wrote, "I am not charmed with an ideal of life held out by those who think that the normal state of human beings is that of struggling to get on; that the trampling, crushing, elbowing, and treading on each other's heels, which form the existing type of social life, are the most desirable lot of human kind, or anything but the disagreeable symptoms of one of the phases of industrial progress."

But a distaste for acquisitiveness did not blind him to its usefulness: "That the energies of mankind should be kept in employment by the struggle for riches as they were formerly by the struggle for war, until the better minds succeed in educating the others into better things, is undoubtedly better than that they should rust and stagnate. While minds are coarse they require coarse stimuli and let them have them."

And then there was a second, perhaps more cogent, reservation. Weighing up the pros and cons of the imagined society of communism, Mill saw a difficulty that he expressed in these words:

The question is whether there would be any asylum left for individuality of character; whether public opinion would not be a tyrannical yoke; whether the absolute dependence of each on all, and the surveillance of each by

all, would not grind all down into a tame uniformity of thoughts, feelings, and actions. . . . No society in which eccentricity is a matter of reproach can be in a wholesome state.

This is the "political" Mill speaking, later to be the author of the tract *On Liberty*, which is, perhaps, his greatest work. But we are interested here in the economist Mill. For his *Principles* was much more than an exploration of the possibilities for social reform. It was also a large-scale social model that projected a trajectory for the capitalist system, much as had the models of Smith and Ricardo before him. But Mill's model had a destination different from any theretofore. As we have seen, Mill was above all else a believer in the possibility of *changing* social behavior. Therefore he no longer swallowed the main mechanism of gloom for Ricardo—the population reflex that vitiating all chances for substantial working-class improvement. Instead, Mill thought that the working classes could be educated to understand their Malthusian peril, and that they would thereupon voluntarily regulate their numbers.

With the pressure of population on wages removed, Mill's model took a different turn from those of Ricardo and Smith. As before, the tendencies of the accumulation process would bid up wages, but this time there would be no flood of children to lessen the pressure of wages on profits. As a result, wages would rise and the accumulation of capital would come to an end. Thus Mill's system approached a high *stationary* plateau, just as Smith's or Ricardo's would have done had it not been for their relentless population pressures.

But now comes another departure. Rather than seeing a stationary state as the finale for capitalism and economic progress, Mill sees it as the first stage of a benign socialism, where mankind would turn its energies to serious matters of justice and liberty, not just to economic growth. Within this impending stationary society, great changes could be made. The state would prevent landlords from reaping unearned benefits, just as it would tax away inheritances. Associations of workmen would displace the organization of enterprises in

which men were subordinate to masters. By their sheer competitive advantages, the workers' cooperatives would win the day. Capitalism would gradually disappear as former masters sold out to their workingmen and retired on annuities.

Is it all just a Utopian fantasy? Looking back on a century of enormous economic expansion that followed the last edition of the *Principles*, we can only smile when we realize that Mill believed England (and by extension, world capitalism) to be within a "hand's breadth" of a stationary state. And yet, looking ahead at the problems that will face capitalist expansion over the next generation or two, and reflecting again on the degree to which some capitalist nations, such as Holland or the Scandinavian trio, have managed to introduce a high level of social responsibility into their economic framework, we cannot dismiss his vision as mere Victorian wishful thinking. Perhaps because he *is* a Victorian, Mill is too easily dismissed, for his calm reasoned prose, restrained even in his heights of eloquence, does not speak in the tones that attract the modern ear. Yet, Mill has a way of returning—of finding his way to the back door after he has been ushered out the front.

So let us bid him a respectful adieu. He lived until 1873, a venerated, almost worshiped man, his mildly Socialistic leanings forgiven in exchange for his vista of hope and his removal of the pall of Malthusian and Ricardian despair. After all, what he advocated was not so shocking but that it could be embraced by many who were not Socialists: taxation of rents, and inheritance taxes, and the formation of workmen's cooperatives. He was not very sanguine about the possibilities of trade unions, and that was all to the good, as far as respectable opinion went. It was a doctrine English to the core: gradualist, optimistic, realistic, and devoid of radical overtones.

Principles of Political Economy was an enormous success. It went into seven editions in the expensive two-volume edition during his own lifetime, and, characteristic of Mill, he had it printed at his own expense in one cheap volume that would be within the reach of the working class. Five cheap editions also sold out before he died. Mill became the Great

Economist of his day; he was talked of as Ricardo's rightful successor and heir, and compared not unfavorably with Adam Smith himself.

And economics aside, the man himself was so respected. In addition to *On Liberty*, Mill was the author of *Logic*, of *Considerations on Representative Government*, and of *Utilitarianism*, all classics in their fields. And more than merely brilliant, he verged on being saintly. When Herbert Spencer, his great rival in the area of philosophy, found himself so straitened in circumstances that he was unable to complete his projected series on social evolution, it was Mill who offered to finance the project. "I beg that you will not consider this proposal in the light of a personal favor," he wrote his rival, "though even if it were I should still hope to be permitted to offer it. But it is nothing of the kind—it is a simple proposal of cooperation for an important public purpose, for which you give your labor and have given your health."

There was never a more typical gesture. Mill cared only for two things: his wife, for whom he conceived a devotion that his friends thought verged on blindness, and the pursuit of knowledge, from which nothing could deflect him. When he was elected to Parliament his defense of human rights exceeded the temper of the day; he was thereupon defeated, but he cared not a whit either way. As he saw the world, so he wrote and spoke, and the only person who mattered, as far as approval went, was his beloved Harriet.

After she died, there was her daughter, Helen, now equally indispensable. In gratitude, Mill wrote in his *Autobiography*: "Surely no one before was so fortunate as, after such a loss as mine, to draw another such prize in the lottery of life." He retired to spend his last days with Helen in Avignon, near Harriet's grave, a wonderfully wise and thoroughly great man.

One last coincidence. His masterwork on economics, with its message of progress and the opportunity for peaceful change and betterment, was published in 1848. Perhaps it was not an epoch-making book, but it was certainly an epoch-marking one. For by a curious quirk of fate another, far

smaller book—a pamphlet—was published in the same year. It was entitled *The Communist Manifesto*, and in its few pages it undid, in bitter words, all the calm and buoyant reasonableness with which J. S. Mill had endowed the world.