

# CONTENTS.

INTRODUCTION . . . . .	PAGE 3-7
------------------------	-------------

## Book 1.—Ancient Philosophy.

### CHAPTER I.—PLATO.

#### *Section I.*—CONCEPTION OF WEALTH.

Only incidentally Defined . . . . .	11
Two Senses, Competency and Superfluity . . . . .	12
“City of Pigs” the First Ideal of the Republic . . . . .	13
Ascetic Conception of Wealth Dominant . . . . .	14

#### *Section II.*—CONCEPTION OF PRODUCTION AND DISTRIBUTION.

Division of Labour . . . . .	15
A <i>Philosophical</i> Principle . . . . .	16
Analogy of the Arts . . . . .	16
The Division not Spontaneous . . . . .	17
Except in City of Pigs . . . . .	17
Economical <i>v.</i> Historical Categories . . . . .	17, 18
Difficulty of Separating them . . . . .	18-20
Oeco-nomia Large and Small . . . . .	18
Classification of Arts . . . . .	19
Exchange . . . . .	19, 20
Larger Philosophical Classifications . . . . .	19, 20
Artisans . . . . .	20, 21
Value . . . . .	20, 21
No Commercial Ambition Allowed . . . . .	22
Usury . . . . .	22
Money . . . . .	22

#### *Section III.*—CONCEPTION OF CIVIL SOCIETY.

<i>Tabula rasa</i> , but not a New Tablet . . . . .	23
Basis of Unwritten Primeval Custom a Middle Term between Old and New Laws . . . . .	24
Laws due to Human Weakness, to Strengthen Human Will . . . . .	25
Laws to be Worked into Existing Custom, and Share its Authority . . . . .	25
Does this imply that νόμος prior to φύσις? . . . . .	26
Plato's Attitude in the Middle . . . . .	26
The Philosopher's Principles Declaratory . . . . .	27
This seems to Involve Ratification <i>e.g.</i> of Slavery . . . . .	27
Position of Women . . . . .	28
Labouring Population . . . . .	29
The State and Society . . . . .	30, 31
Note: Xenophon . . . . .	31

### CHAPTER II.—ARISTOTLE.

#### *Section I.*—CONCEPTION OF WEALTH.

Teleology . . . . .	32
βίος τέλειος . . . . .	32
Limit of Wealth . . . . .	33
Leisure . . . . .	33
No Universal Philanthropy . . . . .	34

	PAGE
<i>Section II.</i> —CONCEPTION OF PRODUCTION AND DISTRIBUTION.	
Division of Labour . . . . .	34
Drawbacks . . . . .	35
Production Distinguished from Action . . . . .	35
Analogy of Arts Criticized . . . . .	35
Industrial Arts in Detail . . . . .	36
Natural and Not Natural . . . . .	37
Exchange and Money . . . . .	37, 38
Money-Making . . . . .	38
Usury . . . . .	38
Distributive Justice and Value . . . . .	39, 40

*Section III.*—CONCEPTION OF CIVIL SOCIETY.

Man by Nature Political . . . . .	40
What Nature implies . . . . .	41
No <i>Tabula rasa</i> therefore . . . . .	41
Virtue a Mean . . . . .	42
The Final Appeal to Traditional Morality . . . . .	42, 43
Convention Hard to Distinguish from Nature . . . . .	43
Against Platonic Equality . . . . .	43, 44
Friendship a Middle Term . . . . .	44
His Political Philosophy a <i>via media</i> . . . . .	45, 46

CHAPTER III.—STOICS AND EPICUREANS.

Cynic and Cyrenaic Notion of Independence . . . . .	47
Epicureanism . . . . .	48
Stoicism . . . . .	49, 50

CHAPTER IV.—CHRISTIANITY.

The Spiritual State and the Visible Church . . . . .	51
Idea of Community of Goods . . . . .	52
Canon Law . . . . .	53
Cosmopolitanism . . . . .	53
Clergy and Laity . . . . .	54
One Church and One State . . . . .	54
End of the Middle Ages . . . . .	55

**Book 11.—Modern Philosophy: Natural Law.**

CHAPTER I.—PRECURSORS OF GROTIUS.

*Section I.*—MACHIAVELLI.

When Modern Political Economy begins . . . . .	59
Machiavelli strictly Political . . . . .	60
Historical Method? . . . . .	60
Economical Element Recognised . . . . .	60
"Fixed Quantity of Happiness" . . . . .	61
One Bargainer Loses . . . . .	61

*Section II.*—MORE.

Social Problems Predominate . . . . .	62
Parallel to Plato . . . . .	62
Notion of Wealth and Production . . . . .	62
Spontaneous Division of Labour . . . . .	63
Short Hours of Labour . . . . .	63

	PAGE
Communism unlike Plato's . . . . .	64
Contribution to Political Philosophy . . . . .	64, 65
Law and Custom . . . . .	66
Francis Bacon . . . . .	66, 67

*Section III.—BODIN.*

State as an Aggregate of Families . . . . .	67
Importance of Geographical and Historical Conditions . . . . .	68
Importance of Middle Class . . . . .	68
Absolutism and Mercantile Theory . . . . .	69

CHAPTER II.—GROTIUS.

Any International Mediator? . . . . .	71
Man a Social Animal . . . . .	72
"Utilitas" a Secondary Consideration . . . . .	72
Law of Nature . . . . .	73
Property . . . . .	73
Law of Nations . . . . .	74
Economical Analysis . . . . .	74
Contract . . . . .	75
State of Nature . . . . .	75
Grotius not Aristotle Redivivus . . . . .	75
His Economical Importance . . . . .	76
Two Subsequent Lines of Inquiry . . . . .	76
Note : Richard Hooker . . . . .	76

CHAPTER III.—HOBBS.

Like and Unlike Grotius . . . . .	78
<i>Bellum omnium</i> , Compact of Peace . . . . .	79
The Leviathan . . . . .	79
Criticism of his Political Theory . . . . .	80
Economical Applications . . . . .	80
Economics not at least <i>oikonomia</i> . . . . .	81
Unlimited Desires . . . . .	81
Equality of Units . . . . .	81
"Nutrition" of a State . . . . .	82
" <i>Concoctio Bonorum</i> " . . . . .	82
Money as the "Blood" . . . . .	82
Value and Price . . . . .	83
Taxation and Luxury . . . . .	83
Relief of the Poor . . . . .	84
Economics Growing up within Political Philosophy . . . . .	84
<i>Sponte Acta</i> . . . . .	85
Difficulty of getting out of the Individual . . . . .	86
Note : Spinoza and Pufendorf . . . . .	86

CHAPTER IV.—HARRINGTON.

"Oceana" a Political Utopia . . . . .	87
Popular Government a Government of the Laws, and not of Men . . . . .	87
Two Elements—(1) Force, Depending on Good Fortune, (2) Authority, Depending on Goods of the Mind . . . . .	88
Nature of Former Dependent on Property in Land . . . . .	88
Agrarian Law Essential . . . . .	88
Agriculture Paramount . . . . .	89
Population Encouraged by Exemptions from Taxation . . . . .	89

	PAGE
Council of Trade to help Useful and hinder Hurtful Trades . . . . .	89
Education, Free, National and Compulsory . . . . .	89
"Balance" why only of property in Land? . . . . .	90
Influence on Harrington of Contemporary Politics . . . . .	90

## CHAPTER V.—LOCKE.

Conception of Wealth . . . . .	91
Wealth and Happiness . . . . .	92
Not Science but Labour All-important . . . . .	93
"Intrinsic" and other Value . . . . .	94
Natural Law . . . . .	96
Gold and Silver Money . . . . .	97
Utilitarian Difficulties . . . . .	97
Political Philosophy . . . . .	98
Property Due to Labour . . . . .	99
State and Society . . . . .	99
Parallel to Plato and Adam Smith . . . . .	101
Criticism of Locke's Theory of Property . . . . .	101
<i>Sponte Acta</i> and <i>Laissez-faire</i> . . . . .	102

## CHAPTER VI.—DAVID HUME.

Berkeley and Mandeville . . . . .	104
Hume :	
Possibility of a Science of Economics . . . . .	105
Description of it . . . . .	105
Distinction of Luxuries and Necessaries . . . . .	106
Public Spirit <i>versus</i> Avarice . . . . .	107
Mandeville answered, "Useful and therefore not a Vice" . . . . .	108
Hume's Ethics . . . . .	108
Ethical and Psychological Questions connected with Econo- mical . . . . .	109
Hume's view of Happiness and Wealth . . . . .	111
Present <i>v.</i> Future . . . . .	114
The Will . . . . .	115
Growth of National Wealth . . . . .	116
Hume not Physiocrat . . . . .	117
Not Mercantilist . . . . .	118
Hume Posing as a Sceptic . . . . .	119
Economical and Historical Categories . . . . .	120
General Conclusions from Action of Great Numbers . . . . .	121
Society and State . . . . .	121
Golden Age and State of Nature . . . . .	122
"Natural?" . . . . .	123
Justice . . . . .	124
Intellectual Virtues . . . . .	124
Love of Equality . . . . .	125
Montesquieu . . . . .	126
Common Element in Laws and Institutions . . . . .	126
Relation to Locke . . . . .	127
Justice as in Plato . . . . .	127
Government founded on Opinion . . . . .	128
Popular and Absolute Governments . . . . .	128
Note : Literature . . . . .	129

## CHAPTER VII.—PHYSIOCRATS.

Mercantile System . . . . .	130
Physiocrats . . . . .	133

	PAGE
Precursors—Literary and Financial . . . . .	133
Quesnay :	
Poverty bad Policy . . . . .	134
Original Wealth of a Nation . . . . .	135
Farmers as Entrepreneurs . . . . .	135
Relation of Commerce and Agriculture . . . . .	136
Political Economy and Political Philosophy . . . . .	137
Value—" <i>Vénale</i> " and " <i>Usuelle</i> " . . . . .	138
The Three Classes. The Net Produce . . . . .	138
"Advances" and Capital . . . . .	139
Natural Law, Rights, Order . . . . .	140
Free Trade, Single Tax, Monarchy . . . . .	142
Right of All to All? . . . . .	142
Property in Land . . . . .	143
Right to Live, etc. . . . .	145
<i>Laissez-faire</i> . . . . .	145
Services to Politics and to Economics . . . . .	145
Note : Literature . . . . .	145

# CHAPTER VIII.—ADAM SMITH.

Precursors . . . . .	146
His Programmes, especially in Moral Philosophy . . . . .	147
Notion of Philosophy in General . . . . .	150
Notion of Political Economy—Wide and Narrow . . . . .	151
Definition of Wealth. Luxury and Necessary . . . . .	153
Distinction from Happiness . . . . .	154
Division of Labour . . . . .	155
Exchange and Value . . . . .	155
Labour as Measure of Value . . . . .	157
Labour "a Commodity" . . . . .	158
Three Kinds of Revenue . . . . .	160
The Public as the Consumer . . . . .	161
Productive and Unproductive Labour . . . . .	161
System of Natural Liberty . . . . .	162
"Never Mind the Universe" . . . . .	162
Unintended Results . . . . .	163
Commercial Ambition and its Rivals . . . . .	163
Natural Order of Affections . . . . .	164
Generic Identity of Men . . . . .	164
Groups and Individuals . . . . .	165
Moral Ideas Social . . . . .	165
Justice in particular . . . . .	168
Not Due to Mere Utility . . . . .	168
Moral Laws . . . . .	169
"Fortuna, che è?" . . . . .	169
Proper Means to Ends . . . . .	170
Happiness equally diffused . . . . .	170
Illusiveness of Life . . . . .	172
An "Invisible Hand" . . . . .	173
Commercial Ambition, a Principle of Development . . . . .	174
Natural Order, not Historical, but Rational . . . . .	174
Limitations of <i>Laissez-faire</i> . . . . .	175
Patriotism, Concentric Circles, Economical and Ethical . . . . .	176
"Nature" . . . . .	177
Objective Economic Standard . . . . .	178
Abstract Deductive Method . . . . .	178
Historical and Theoretical not Clearly Distinguished . . . . .	179
Society and State . . . . .	179

	PAGE
Taxation as <i>Quid pro Quo</i> . . . . .	180
Notes : Rousseau and Mandeville—Duties as Divine Com- mandments . . . . .	180

#### CHAPTER IX.—NATURAL RIGHTS AND LAW OF NATURE.

Common Use of "Natural" as Instinctive . . . . .	184
Suggestion of a Natural Order, Wrought Out by Absence of Human Interference . . . . .	184
Locke's Connection of Law of Nature with Rights . . . . .	186
Rousseau on Rights before and after Institution of Society . . . . .	186
Rights in Declaration of Independence . . . . .	187
Rights in Declaration of the Constituante, 1789 . . . . .	188
Burke, Bentham, and Paine as Critics of them . . . . .	188
State of Nature . . . . .	189
Rights imply Society but not State . . . . .	189
But Recognition comes Late and is Deliberate . . . . .	190
Rights as a Postulate of Moral Ideal, the External Conditions of a Moral Life . . . . .	190
"Right to Live" . . . . .	191
"Right to Work" . . . . .	192
"Right to have Leisure" . . . . .	193
Term Natural, How Far Convenient . . . . .	193
Term Law in Economics . . . . .	193
Note : Spencer and Green . . . . .	196

### Book III.—Modern Philosophy: Utilitarian Economics.

#### CHAPTER I.—MALTHUS.

Next Step through the Political Philosophy of Godwin . . . . .	199
Governments viewed as Injuring not only Trade but Thought . . . . .	199
Justice= <i>ἀρετή ἢ πρὸς ἕτερον</i> . . . . .	200
Greatest Sum of Pleasure . . . . .	201
Political Philosophy, a Branch of Ethics. Virtue and Happiness to Come from Enlightenment . . . . .	201
Perpetual Improvement . . . . .	201
Ideal Society, Plain Living and High Thinking, Leisure for All . . . . .	201
Objection from Population . . . . .	202
Godwin an "Anarchist" . . . . .	203
Reason Possible without Passion? Human nature uniform . . . . .	203
Condorcet . . . . .	204
Malthus adducing One Passion in Particular . . . . .	205
Vice and Misery, Geometrical and Arithmetical Ratios . . . . .	205
Influence of this Passion as Stimulus to Exertion . . . . .	206
Second Essay, introduction of Moral Restraint . . . . .	206
How Far Malthus altered His Views . . . . .	206
Abstract Method . . . . .	207
Utilitarianism . . . . .	207
Individual Responsibility . . . . .	207
Influence of Theory of Malthus (1) on Political Philosophy . . . . .	208
(2) on Economics . . . . .	211
Utilitarianism . . . . .	212
Note : Malthus and Darwin . . . . .	213

#### CHAPTER II.—BENTHAM AND JAMES MILL.

Bentham's Political Economy, Relation to Adam Smith . . . . .	215
"Greatest Happiness" in His Economics . . . . .	215
Association of Political Economy with Utilitarianism . . . . .	216

	PAGE
Bentham's Utilitarianism . . . . .	216
Points of Supposed Coincidence of Political Economy with Utilitarianism . . . . .	218
(1) Palpable Objects . . . . .	220
(2) Individualism . . . . .	220
(3) Deliberate Calculation . . . . .	220
(4) Insatiable Wants . . . . .	222
(5) "Calculus" of Pains and Pleasures . . . . .	224
(6) Infallibility of Individuals . . . . .	225
Application of Utilitarianism to Society and State . . . . .	227
James Mill on Government . . . . .	229
Economical Genesis of Government . . . . .	229
Criticism of Mackintosh and Macaulay . . . . .	232
Law of Nations . . . . .	232
Minorities, in Bentham and in Political Economy . . . . .	234
Services of Bentham . . . . .	235
Note : Carlyle . . . . .	235

## CHAPTER III.—J. S. MILL.

Estimate of Himself, Early Training . . . . .	237
Ceases to follow Bentham. Influence of Visits to France . . . . .	238
"Unsettled Questions," St. Simonians, Comte, De Tocqueville . . . . .	239
Plan and Purpose of "Political Economy" . . . . .	240
1. Question of Method . . . . .	241
Definition . . . . .	241
Not one but several Abstractions . . . . .	244
<i>A priori</i> Principles . . . . .	245
Definition of Wealth, Relation of Pleasure and Desire . . . . .	245
Value . . . . .	246
Utilitarianism . . . . .	247
2. Production . . . . .	249
"Nature" . . . . .	249
Fixed Laws . . . . .	251
Criticism of Distinction between Distribution and Production . . . . .	252
3. Exchange and Distribution . . . . .	253
Property, Socialism, and Reform . . . . .	254
Liberty a Necessary of Human Life . . . . .	255
Development not his Guide . . . . .	257
Moderate Optimism . . . . .	257
4. Society and Government . . . . .	259
Representation . . . . .	262
Functions of Government . . . . .	263
Note : Literature . . . . .	264

## Book IV.—Modern Philosophy: Idealistic Economics.

## CHAPTER I.—KANT.

General Philosophical Principles . . . . .	269
Ethics . . . . .	269
Adam Smith . . . . .	270
Realization of Moral Law . . . . .	271
Legal Imperative—Civil Society . . . . .	271
Hobbes and Rousseau . . . . .	272
Original Contract and Community of Property . . . . .	273
State as Creating men . . . . .	273
<i>Jus Reale, Personale, Realiter-Personale</i> . . . . .	274

	PAGE
Money . . . . .	274
Trading Classes . . . . .	276
Everlasting Peace . . . . .	276
Aims of Nature in Universal History . . . . .	277
Development of Faculties . . . . .	277
Rousseau, his Different Starting-Point . . . . .	279

## CHAPTER II.—FICHTE.

Man the Centre—No Materialism . . . . .	280
Perfectibility still Upheld . . . . .	281
Two Ideals—Ideal State, Ideal beyond State . . . . .	281
Doctrine of Knowledge—Dialectic . . . . .	282
Philosophy of Right. Relation to Kant . . . . .	283
Property, Natural Rights, Law of Nature . . . . .	284
Organism . . . . .	285
Right to Live by Labour . . . . .	285
Industrial Classes . . . . .	286
Exclusive Right to Labour . . . . .	286
1st Ideal—	
“Closed State” . . . . .	287
Meaning of Value . . . . .	288
Comfort for All . . . . .	289
Money, not Gold and Silver . . . . .	290
The “Closing” (how far mere Protectionism) . . . . .	291
The Ephors . . . . .	291
Property in Land . . . . .	292
Europe a Commercial Republic . . . . .	293
Things as They are . . . . .	293
2nd Ideal—	
The final Ideal . . . . .	294
Practicability . . . . .	295
Stages of Human Development . . . . .	295
Kinship to Hegel . . . . .	296

## CHAPTER III.—KRAUSE.

Right and Law . . . . .	297
Relation to Fichte . . . . .	298
Influence on Economics . . . . .	299

## CHAPTER IV.—HEGEL.

All Changing . . . . .	300
Not Darwinism . . . . .	300
Subjective and Objective Spirit . . . . .	301
Development of Self-consciousness, Development of Freedom in History . . . . .	301
“Philosophy of Right” . . . . .	302
Right and Duty . . . . .	302
Property . . . . .	303
Contract . . . . .	304
Civil Injury, Fraud, and Crime . . . . .	304
Morality . . . . .	305
End and Law to Oneself . . . . .	305
Criticism of Kant . . . . .	305
Requisites of a Moral Act . . . . .	306
Reconciliation of Impulse and Law in the Social Relations . . . . .	307
Family . . . . .	307
School Life . . . . .	308



	PAGE
Civil Society . . . . .	309
Wants Unlimited . . . . .	309
Division of Labour . . . . .	310
Classes :—	
(1) Agricultural . . . . .	310
(2) Industrial . . . . .	311
(3) Public Servants . . . . .	311
Competition and Individualism as implying the State . . . . .	312
Law-making endless . . . . .	312
Juries . . . . .	313
Corporations . . . . .	313
Their Parental Care : "That no Proletariate exist" . . . . .	313
Population and Relief of the Poor . . . . .	314
Right to Live . . . . .	314
"Free your Colonies" . . . . .	315
Marriage and Honour the two Roots of a State . . . . .	315
Guilds . . . . .	315
Free Associations as making State "Organic" . . . . .	316
<i>Volonté Générale</i> . . . . .	316
State Eternally Necessary . . . . .	316
Domestic Legislation, International and Cosmopolitan Relations . . . . .	317
Coincidence of Rights and Duties . . . . .	317
Organism . . . . .	317
Church and State . . . . .	318
Hereditary Monarchy . . . . .	319
Middle Classes . . . . .	320
The People and Public Opinion . . . . .	320
Parliament and the Press . . . . .	321
Unity of the State . . . . .	321
The Army . . . . .	321
International Law . . . . .	322
Universal History . . . . .	322
Note : Literature . . . . .	323

## Book V.—Modern Philosophy: Materialistic Economics and Evolution.

### CHAPTER I.—KARL MARX, ENGELS, LASSALLE.

In what Sense Marx Hegelian? His Statements in <i>Kapital</i> . . . . .	327
Engel's Statements on the Subject . . . . .	328
Hegel's Disciples . . . . .	329
Proudhon, <i>Economic Contradictions</i> . . . . .	330
Marx's <i>Misère de la Philosophie</i> . . . . .	335
Criticism of Proudhon's Economics . . . . .	336
"    "    Metaphysics . . . . .	337
Marx's Own Economics in <i>Misère de la Philosophie</i> . . . . .	338
Characteristics of Economists. View of Nature and Art . . . . .	338
In Feudalism a Struggle of Opposites ; So Now. . . . .	338
Classification of Economists—Fatalists . . . . .	339
Humanitarians . . . . .	339
Socialists . . . . .	340
In <i>Kapital</i> :—	
Wealth . . . . .	341
Abstract Human Labour and Value in Exchange . . . . .	341
Goods, Money, Capital . . . . .	341
Profit and Surplus Value . . . . .	342
An Unsolved Contradiction . . . . .	343

	PAGE
Laws of Population . . . . .	344
Historical Economists . . . . .	344
Purely Economical View of History . . . . .	345
Apparent Ideal of Marx . . . . .	345
Engels more Philosophical than Marx . . . . .	346
Utopian and Scientific Socialism how Distinguished . . . . .	346
"The Rational is the Real" . . . . .	346
Hegel's Dialectic, Conservative and Revolutionary . . . . .	347
Materialistic View of History . . . . .	347
Applied to the Primitive Family . . . . .	349
Lassalle—Three Stages of European History . . . . .	350
Acquired Rights . . . . .	351
Strength of Socialism . . . . .	353
Note : Literature . . . . .	354

## CHAPTER II.—EPILOGUE.

### *RELATION OF ECONOMICS TO THE THEORY OF EVOLUTION.*

Evolution—how far a Fair Subject of Economical Discussion . . . . .	355
(1) Philosophical Notion of Evolution . . . . .	356
(2) Darwinian . . . . .	357
"Natural Selection" and the Malthusian Theory of Population . . . . .	358
"Spontaneous Variation" . . . . .	358
Higher Form of Natural Selection, Group against Group . . . . .	360
Application to Socialism . . . . .	361
Disunion of Socialists in Regard to Darwinism . . . . .	361
Darwinism and Evolution in (1) Theory of Wealth . . . . .	362
(2) Production and Distribution . . . . .	362
Division of Labour . . . . .	362
<i>Sponte Acta</i> . . . . .	363
Progress by Experiments . . . . .	363
Inheritance of Ideas and Inventions . . . . .	363
Currency . . . . .	365
(3) Society and State . . . . .	366
All History Economical, but not only Economical . . . . .	366
Buckle, Marx, and Kautsky . . . . .	366
Materialistic View really a Reaction against Political View of History . . . . .	368
The Proletariate—its Claims . . . . .	368
Property, Possession, Value, Limitation . . . . .	369
Unwise to Advocate Domination of any Class . . . . .	370
"Art and Revolution" . . . . .	370
Future Form of Industrial Organization . . . . .	372
Necessary Requisites of a State . . . . .	373

## CHAPTER III.—SUMMARY.

Ancient Philosophy . . . . .	374
Transition . . . . .	377
Grotius and Hobbes . . . . .	378
Locke and Hume . . . . .	379
Physiocrats and Adam Smith . . . . .	382
Malthus and the other Utilitarians . . . . .	384
Kant and his Successors . . . . .	388
Materialism not an Inseparable Accident of Socialism . . . . .	392
Evolution and Darwinism . . . . .	393
Postulates . . . . .	395
INDEX . . . . .	397