

WILLIAM STANLEY JEVONS: REVISION
AND THE WEIGHT OF TRADITION

by

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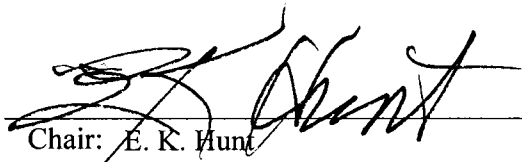
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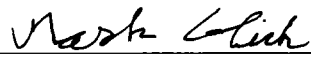
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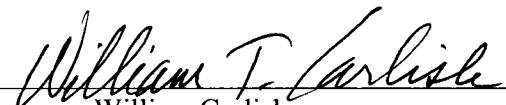
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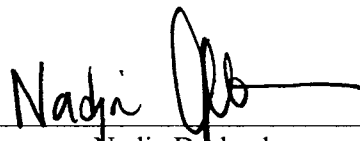
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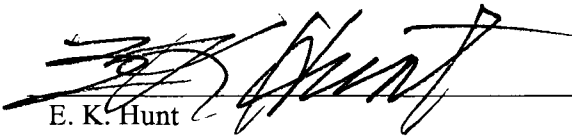
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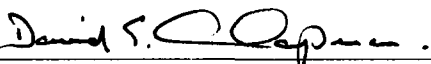
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ABSTRACT

William Stanley Jevons' Theory of Political Economy has been called "a challenge and a portent." It depicts production as a self-interested process issuing a sum of utility. Application of capital permits increasing "round aboutness," resulting in increases in utility of the produce. Capital is widely distributed, and in the nature of both consumer and producer goods held by workers and employers alike. Jevons obliterates its identity as a "means of production" and fails to identify coercive elements within the process of production, rendering it harmonious in its function and effect and describing it as producing the "greatest good for the greatest number." Jevons hoped to depoliticize his model, and turn theory away from "that able but wrong-headed man," Ricardo, by substituting utility as for the Ricardian or even Smithian idea that "Labor is the original purchase price of all things." He aimed to provide "scaffolding" for further thought.

Jevons' felicitous model was well timed given ongoing institutional adaptation facilitating political participation and conciliation. Wealth became a standard for enfranchisement, wherein both capitalist employers and workers were incorporated into the civil body politic. Unions were recognized and protected as collective organs of working-class dissent and activism. Democracy and the protection of peoples dawned, won through participation in the market. Workers, unions and working class political parties turned attention to winning limited rights within the system of capitalist

employment. Repression and radical activism gave way as conflict found expression in institutionalized and socially accepted means. Here the seeds of paradigmatic change had been sown that would come to fruition in this period.

Jevons' harmonistic model mirrored empirical reality as conflict had met with institutional accommodation. The Ricardian model would face censure for its political nature and growing empirical contradiction. Used as a means of radical discourse, the labor theory of value collected antagonistic deductions. Jevons' model met increasingly positive regard. This became an engine of inquiry moving away from the classical tradition through its mathematical nature, ease of refinement and expansion. Blending influences of Marshall and others were the bridge with orthodoxy Jevonian theory required to gain acceptance among academic economists.

It is necessary from time to time to remind one generation of the experience which led a former generation to important legislative actions.

William Stanley Jevons,
The State in Relation to Labour
(1882)

I am hardly likely to overlook or underestimate the mistakes committed by Trades Unions.... I do not despair of the time when these societies will understand the harmful and hopeless nature of their struggle against capital, and when that day comes, and working-men devote themselves to the accumulation of capital and the employment of it for their own benefit, a new and more hopeful order of things will not be far distant.

William Stanley Jevons,
Methods of Social Reform
(1883)

Enjoying the rights and performing all the duties of the English citizen, the trades unionist will before long cease his exclusive strife against his true ally, his wealthy employer.

William Stanley Jevons,
The State in Relation to Labour
(1882)

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CHAPTER 1

ECONOMIC THEORY AND ENVIRONMENTAL CAUSATION:

REVISION AND THE WEIGHT OF TRADITION

William Stanley Jevons is a theorist deserving of continued attention. First, there is the pivotal nature of his work in the context of broader theoretical change. As well, his work is richly demonstrative of the nature of the historical era he was passing through. His theoretical work is subtle in its choice of structure, methods and material. It is composed, on the one hand, of theoretical predispositions bequeathed as the stuff of earlier theory. Yet at the same time, it was to introduce the future: marginalist individualism. As such, Jevons' work encompasses significant aspects of the unique historical timeperiod in which it grew up, and is very much the product of a time straddled between old and new. It stands between the nineteenth century Britain of the classics Ricardo and Mill, and that of later thinkers whose ideas would carry economic theory into the twentieth century. In sum, the constituent fabric of Jevonian thinking is, as the time itself, of mixed and interesting hues. Both the nineteenth century and Jevons himself were destined, in this regard, to lie at the threshold of the old world and the new, and Jevons deserves attention for this if for nothing else.

Yet this essential overlap of history is an important and yet mostly overlooked component of Jevons' thought. When the importance of the historical timeperiod to his

work is considered, it is examined primarily with regard to the level of material change taking place, and the associated degree of social upheaval. However, the effect of this is a widespread failure to note the importance of more subtle material forces. These would include the institutional adaptations accommodative or reflective of material change. Yet these constitute an important part of the extant social geography both through the period when Jevons was writing, and through that in which his work was coming to its full degree of academic acceptance. So even while his was not a time of armed revolution or great social upheaval, and little obvious or overt strife was in evidence, the shifting tenor of the times nevertheless found resonance in Jevons' theoretical apparatus of thought. In fact, what is so striking about Jevons' work is the intellectual imprint by which it bears evidence of this. For Jevons' model as it was presented in 1871 in his Theory of Political Economy is permeated with signs of an intellectual acquiescence to a new social order and new ideas, being quite literally beset by significant accommodative features. Yet perhaps because it is not in the nature of Jevons to have written with emotion or hyperbole, or even strident social criticism, the historical commentary of his work has remained relatively unnoticed in examining literature.

We may as such consider W.S. Jevons the protagonist in a grand historical drama wherein both the content and evidence of change remain subtle. Yet the nineteenth century would see a number of profound alterations in the nature and functioning of society, in the assumptions participants would act with and upon, and in the models of social conduct drawn upon these. Jevonian theory, similarly to "Social Darwinism" or "Classical Political Liberalism" or other varieties of social thought characteristic of the period, is demonstrably reflective of the overall character of this pivotal era.

So far as Jevons' national home, Britain, was concerned, this process of historical change would involve the gradual acceptance and institutionalization of capitalist practice. This was in an important sense the last stage in the development of a wholly capitalist social system, representing as it did the point at which a set of associated values (individualism, acquisitiveness, resource maximization and so on) would come finally to permeate aspects of social practice not primarily connected with market interaction. Herein, political institutions, social ideas, institutions formal and informal including religion, the family and other restricted elements of British society, would all undergo changes consistent with the permeation of all aspects of social life consistent with market considerations, and the property rights these entail. Each component social structure or institution would experience, in sum, the growing domination of market relations and attitudes over the lives of individuals, communities and nations.

Economic theory was in no way immune to the influence of the market. It is reflected conceptually in the movement of theory from Ricardian classicism to Jevonian marginalism. Herein, the basis of economic theory would be moved from a collectivist mode of analysis centering on classes of resource owners corresponding to similar social classes, to an individualist framework in which isolated entities act within the framework of market incentives. The transition wrought in economic theory between the two thinkers is evidently reflective of the change actually occurring in the life of the ordinary British citizen during this same period. Whether distinguished parliamentarians or common laborers, Britons were increasingly to function less and less on the basis of tradition, and more and more on the basis of economic incentive. They would increasingly follow market incentives in an individualistic fashion, without regard to

traditional social constraints on their economic activities. They would garner social esteem and prerogative by virtue of monetary and related forms of wealth gained through the institution of private property so intrinsic to the capitalist market.

And while the movement of theory would mirror changes occurring within the character and construction of British society, this would not encompass an ideological transition allowing greater criticism of the system of ownership which was the ultimate source of such change. In fact the opposite would be the case. We might broadly say that across the nineteenth century Britain would undergo a profound transition attendant to the final ascendancy of industrial capitalism. This entailed the acceptance of capitalist practice and the material inequities intrinsic to the capitalist market, and would be as evident in economic theory as it was in politics or other areas of less formalized practice.

The process of capitalist maturation spawned a variety of social features and structures accommodative of the underlying mode of production. It would be attended by both institutional and intellectual alterations reflective of the underlying presence of capitalist social relations, and patterns of ownership and activity. This would affect social and economic thought within the British tradition profoundly. Viewing the matter more widely, a trio of parallel changes occurred in consequence. These were material, institutional, and intellectual.

Given this, it is possible to say that the theoretical transition implied by a growing acceptance of Jevonian over classical Ricardian theory represents a latent effect of material change. In its construction and preoccupations, Jevons' theoretical apparatus would mirror basic changes in the structure of British society. Empirical demonstration is found in the strictly parallel nature of changes occurring at the level of both formal and

informal varieties of social thought, social institutions, and the material construction of British society.

Thus within this small corridor of time, a significant alteration would take place in the relations among those classes participating in the process of production. As the outcome of a complex web of interactions, political and otherwise, an institutional compromise would occur wherein the upper class would ostensibly manage the affairs of the state, but labor would be accorded representation of its views therein, and would receive an institutionally protected right to collective action and collective political representation. This was achieved only by virtue of the existence of a ruling class fractured by time and tradition between nobility and capitalist elite.

Competing segments of the privileged classes would combat one another for preeminence at the helm of British society. Ironically, as this internecine struggle was to proceed, it served to present opportunities for the advance of the less privileged. And it was in this fashion that the working class would succeed in finding official recognition of two basic political rights. These included the rights to (1) institutionalized representation of its views via parliamentary franchise and (2) collective action on its own behalf for political and other purposes, including legal recognition and protection of its collective entities.

With both achievements taken together, the early radicalism of labor was calmed. It was effectively subsumed within the official machinery of British political institutions, giving laborers a state-mandated outlet for discontent. By such means, in effect, the attraction of radical opposition to the capitalist market was thus diminished, and in consequence the ostensible basis of social interaction between labor and capital would be

transformed. The effect was to quiet overt conflict between the nation's elite and its working-class "charges." Indeed this was a momentous occurrence representing a truly significant change in the nature of relationships among social classes. Jevons' apparatus of theory was to mirror this newly-dawned social reality. Similarity can be found in the harmonious depiction of the labor-capital relation that Jevons poses as the basis of his economic model. It may be argued that his model, in fact, turns upon this understanding.

In this context, marginal utility theory may be understood as the consequence of Jevons' overall view of the world, including his rather harmonious perception of the political reality he believed to exist among men. This was the *raison d'être* of the model, in sum. As such, it is the engine driving the car, and in some sense it encompasses the totality of the model as an intellectual vehicle. It stands not at the endpoint of his formulation of theory, but at its beginning. And in fact this point is exactly what is communicated in his introductory essay to the Theory of Political Economy. Jevons states that the work may appropriately be considered as an amendment to the political economy of Ricardo to reflect a utility-based derivation of value capable of laying bare the true, cooperative and nonantagonistic relation between employers and workers, and dispensing with Ricardo's "hazy and preposterous maze of assumptions" in this regard. In Jevons' mind, his work would have the effect of restoring science to its rightful state:

When at length a true system of Economics comes to be established, it will be seen that that able but wrong-headed man, David Ricardo, shunted the car of Economic science on to a wrong line, a line, however, on which it was further urged towards confusion by his equally able and wrong-headed admirer, John Stuart Mill. There were Economists, such as Malthus and Senior, who had a far better comprehension of the true doctrines (though not free from the Ricardian errors), but they were driven out of the field by the unity and influence of the Ricardo-Mill school. It will be a work of labour to pick up the fragments of a shattered science and to start anew, but it is a work from which they must not shrink who

wish to see any advance of Economic Science. (Jevons [1871] 1924, li)

Jevons' model would fall on receptive ears given that a transition in political and social reality within Britain was taking place in a fashion that would make his model, in fact, far more consonant with extant political reality than was the antagonistic depiction of Ricardo drafted half a century prior. For with regard to her political institutions, a number of remarkable political, legislative and statutory (i.e., institutional) adaptations were to crystallize just as Jevons' model was introduced. Together, these were to herald a profound change in the manner by which conflict was worked out: this would occur in the midst of the democratic process, serving in practice to dull overt expression of frustrations and rebellion. Over time, theoretical understandings like Jevons' would be developed and adapted mirroring the new realities of British social life.

With the passage of time, "conflict" between and among both classes and individuals would thus be channeled into a mechanical, apparently innocuous framework of legislative and statutory rights. For all intents, conflict was no longer an overt and intellectually striking feature of British social life in consequence. Jevons disavowed the inclusion of "political" elements in the construction of economic theory, deeming this (like Say) the science of an ultimately mutually beneficial and harmonious process. Jevons' theory, partly in consequence, gained increasing currency inside and outside academic circles.

In sum, it becomes apparent economic theory within the mainstream of academic debate came to reflect the acceptance of capitalist practice, winning Jevonian marginal individualism increasing acceptance beyond this point. In the case of economic doctrine, the ideological and theoretical after-effects of this process would come slowly to maturity

as the century drew to a close. We note, even so, a roughly concurrent movement in British society, its institutions and the variety of economic theory occurring within the British tradition: each was to newly encompass a rendering of capitalist practice reflective of the muting of overt conflict among social classes. Each indeed would turn on the basis of the supposed reciprocity and mutually occurring benefit arising out of social interaction. In this process, Jevons stands out as having importance, foremost, as a transitional figure sounding a call to this particularly beneficent view of capitalist or market-oriented social practice.

Yet so far as the period as a whole is concerned, the nineteenth century was to encompass both Ricardo and Jevons, and the transition to marginal analysis was successful eventually only given the blending influences of Wicksteed, Edgeworth and Marshall. These scholarly efforts assisted in the gradual acceptance of the harmonious individualism of Jevons, on the one hand, alongside or atop the conceptual apparatus of classical Ricardian political economy. Today, both exist simultaneously within the structure of neoclassical economic theory. Jevons' service as a theorist, ironically, was to allow the academic discipline of economics to appropriately bandage the blemishes of Ricardian analysis: its overt politicization, its labor theory so amenable to reverse criticism, and its ultimately inharmonious depiction of capitalist economic intercourse.

As the new century was to dawn, among academic economists, Ricardian or classical labor-based economic theories would increasingly excite less interest than would the upstart marginalist individualism of William Stanley Jevons. Yet it was a blend of Jevonian thought with classical theory that would eventually be parlayed into the beginnings of a new system of thought. Herein we have what might be called the "rise to

dominance” of the neoclassical school of economic thought, one which indeed continues to dominate intercourse among economists to this day. This transition was to parallel, significantly, that occurring at the base level of society.

Indeed material change stood midwife to two additional varieties of change: political and ideological or intellectual (depending on how we interpret this latter term). It was to equally affect the institutional apparatus developed in consonance with the growth of civil society, and understandings of its material function. As for economic theory, herein the so-called “political economy” of the classics (and classical economist David Ricardo in particular) would be forced to admit key conceptual suppositions associated with “marginal utility theory” as it was put forward by a Victorian thinker destined to be labeled one of the most significant of the early neoclassical thinkers, W.S. Jevons. By the turn of the century, the central ideas of the model introduced by Jevons would largely succeed in ousting Ricardian political economy as a system of widely accepted ideas; indeed, however, the influence of Ricardian thought would nevertheless remain within the character and certain elements of “mature” economic theory (hence the term “neoclassical”) alongside all that the new approach of Jevons was to encompass.

In sum, then, the last forty years of the nineteenth century may be seen as signaling the completion of a great material transition. While springing up within the wholly material yet subterranean realm of economic relations among classes, it nevertheless spread unavoidably to the more visible soils of received theory, and thus to our accepted understandings of economic activity. A new economic orthodoxy would be created amid or as part and parcel of this process of social change. This would depict the system of capitalist employment as a harmonious interaction to the benefit of all concerned. Jevons

would become the standard-bearer of this generation of economists.

Both the vision of W.S. Jevons of the economic system offered in his 1871 Theory of Political Economy, and of late nineteenth-century British society itself would be devoid of overt recognition of struggles among classes. In theoretical terms, the idea of class would be excised from mainstream thought. It would be relegated to the netherworld of “alternative” or “radical” analysis, and so discounted by a mainstream that eschews the often-associated political agendas of Marxism or radicalism generally.

Within the mainstream, historians of economic thought have nevertheless found that a notion of class conflict adds little to our understanding of either this transition of theory (i.e., the marginal revolution) generally, or Jevons in particular. According to Mark Blaug:

It [the marginal revolution] constitutes...one of the best examples of multiple discoveries in the history of economic thought. Which simply cries out for historical explanation: it is too much to believe that three men working at nearly the same time in such vastly different intellectual climates as those of Manchester, Vienna and Lausanne could have hit by accident on the same idea. The trouble is that none of the standard explanations is convincing. The levels of economic development...were so different that all crypto-Marxist explanations in terms of changes in the structure of production or the relationship between social classes strain our sense of credulity.... (Blaug1987, 294)

Blaug has, in addition, interpreted past examinations of conflict in the former context as requiring an assertion that marginal utility theory was developed as a “counterblast to Socialism,” something he finds difficult to accept. In this regard he has commented that “all crypto-Marxist explanations in terms of changes in the structure of production or the relationship among social classes strain our sense of credulity.” In his opinion, moreover, the idea that marginal utility theory was developed as a refutation of Marxian ideas, fails further to account for the fact that the “the first generation of economists in the new

tradition had no knowledge of socialist thought, much less of Marxism.”

As Blaug points out, the first volume of Marx’s Capital did not come into being until 1867. It was not translated into English until 1887. Jevons’ earliest publication of his ideas, on the other hand, was to occur in the early years of the 1860s. Even so, Blaug notes that this nevertheless still leaves open the possibility of “accounting for the rise of marginal utility theory by changes in the economic environment,” for it “is not farfetched to see a connection between changes in the economic structure of society around the middle of the century and the theoretical innovations of the subjective value trio” of Jevons, Menger and Walras. However in this respect as well, Blaug discounts the usefulness of the notion of conflict or related subjects. For, overall, he is of the opinion that:

The difficulty here is of making the connection concrete in terms of the personal intellectual awareness of institutional changes – something that Bukharin [in his 1927 Economic Theory of the Leisure Class] failed to do – at the same time taking account of differences in the economic structure of Austria, France and England (Blaug 1987, 101).

Blaug’s point regarding explanations in terms of changes in the structure of production or the relationship among social classes remains an important consideration. Indeed ‘class conflict’ is a surprisingly fruitful notion in helping to explain the timing and nature of the transition in theory which Jevons, in particular, represents. This is true, moreover, with or without the ascription of any degree of conscious ideological motive to the protagonists of this era, or even beyond.

Yet this would remain a contentious point. Only rarely have studies of either the period or its primary figures encompassed an integration of the knowledge of disparate disciplines by way of discerning the truth of this statement, however. In what follows we

explore the social, economic and political context attending the introduction of W.S. Jevons' utility-based model by way of discerning the surprising array of elements offering explanatory value distinct from discussions of factors that are either strictly technical or "economic" (i.e., concerned with the history of economic analysis in ostensible isolation from other factors), or concerned with the philosophical environment in which the theory was formed. For this rather limited set of factors indeed constitutes the fabric from which most extant discussions on the issue have been cut.

T.W. Hutchison has provided a related analysis of the extent to which institutional change may have influenced the introduction and subsequent popularization of Jevons' model (Hutchison 1972). He has concluded that while such elements are not without importance, they did not exert a determinative influence. Moreover, he considers this to be a fairly autonomous intellectual development within the science. He reiterates this view in his Review of Economic Doctrines, 1870-1929:

particularly in the earlier part of [the] period the development of economics as an academic specialism coincided with a period of comparatively stable politico-economic development in the Western world, during which economic reality did not force itself too brusquely or strikingly on the more detached student. At the same time there had been discovered in 1871 a principle capable of much precise and abstract mathematical elaboration, and of a considerable range of applications. This principle was, of course, that of the maximizing individual acting in the conditions in which succinct formulae for compatible maximization by a number of parties can be deduced, that is, the conditions of perfect competition or isolated monopoly. Therefore, over several decades...the 'internal' logical requirements of economic theory exercised...a predominant directing influence comparatively more immediate than the problems of the contemporary economic world. (Hutchison 1953, vii)

In his Essays in the History of Economics, George J. Stigler expresses a similar view. Noting that where an "environmental" understanding of the development of economic thought is taken to imply that "economic problems and developments can be classified

into groups which impinging differently upon economics,” he finds this understanding to be substantially correct. Yet in such a case he would nevertheless “assign a minor, or even accidental, role to the contemporary economic environment in the development of economic theory since it has become a professional discipline.” In fact:

Even where the original environmental stimulus to a particular analytical development is fairly clear, as in Ricardo’s theory of rent, the profession soon appropriates the problem and reformulates it in a manner that becomes increasingly remote from current events.... (Stigler 1975, 23)

Thus while some such influence of concrete political events upon economic theory is possible, it is of diminishing and always of subjunctive importance in the opinion of Professor Stigler. In the case of marginal utility theory, moreover, “marginal utility theory owes nothing to immediate policy problems” (Stigler 1975, 26) ostensibly related to political or other considerations.

Both Hutchison and Stigler admit that economic theory is not the product of strictly intellectual or philosophical currents, yet each additionally finds that material factors did not influence the academic esteem for marginalist theory in a meaningful way. Each cites the growing professionalization of the discipline as having had a relatively much more determinant influence as concerns the transition to marginal utility theory subsequent to its introduction in the 1870s. The present analysis is in substantial agreement with both Hutchison and Stigler on these points. Nevertheless taken together institutional and material development add an important dimension to our understanding of the nature, introduction and subsequent “fate” of W.S. Jevons’ marginal utility model. These serve to expose the extent to which elements of class conflict were to similarly influence institutional development and legislation, “opinion” generally, and the development of economic theory.

It is widely acknowledged that policy concerns fueled controversy surrounding certain aspects of the model of classical economist David Ricardo. The role these considerations had in the shaping of post-Ricardian theory, however, is less often considered. Yet to some extent policy concerns did lead to the search for a more viable alternative, as would the fact of the material transformation itself. For a shifting matrix of material relations was the result, and this would, of its own might, draw forward a corresponding shift in ideological perspectives toward one consistent with the dominance and indeed all-pervasive nature of market relations beyond the midpoint of the century.

Within the academic or professional practice of economics, theoretical development would, however, become increasingly insulated from starkly political influences. The direction of its technical development would become relatively autonomous as the nineteenth century progressed to its endpoint (Stigler 1965). Nevertheless the introduction of a model based on an individualist analysis of the importance of utility to the production of value bears an unmistakable relation to the political conflict that rose up around Ricardian ideas. Ultimately this was to envelop Ricardo's model in a steam of controversy, damaging confidence in its postulates over time thereby. And outside of the autonomous intellectual refinement of marginalist ideas subsequent to their introduction, Jevons' model equally bears an unmistakable relation to the onset of a purely capitalist class structure free of feudal admixture or intrusion. It parallels, as well, the ensuing struggle among classes to effectuate institutional prerogatives either consistent with or enabling of their place in this new society.

A series of forced reformations of the right of franchise along class lines is empirical evidence of the nature of the transition taking place. Demonstration, in other words, is

offered by the legislative record of the period. More striking, even while ultimately less critical, is the fact that transition in theory encompassed by the introduction of Jevonian marginalism parallels in form and content both the course of material advance across the century, as do both economic and social opinion at a popular level, and legislative and judicial enactment.

In the realm of economic theory, in the space of a century Ricardian theory both rose and fell, while W.S. Jevons successfully introduced an economic model formed upon postulates of "Marginal Utility." In this context, moreover, the models of both Ricardo and Jevons prove to be interestingly and even instructively reflective of successive stages in this transformation from a mixture of late-feudal/early-capitalist class relations, to those which are purely capitalist in form and nature. If, moreover, we look to the informal sets of ideas popular in this era, we also find that these bear similarities to the material transition occurring in their midst. The constructs of economic theory dominant in academia and outside, thus, plus the institutional framework governing social interaction would each be marked indelibly by the evolving shape of the society which was their home. And thus it is that both popular and strictly academic thinking also moved in a direction consistent with the nature of the material changes taking place during this period. In sum, then, given their mutually consistent characters and developmental pace and conclusions, taken together all such changes present a compelling case of environmental determination underlining the importance of environmental determination in the process of paradigm formation.

And indeed, the changing institutional construction of British society as it moved toward a situation in which conflict between opposed classes found a home in the

political process was to be as equally symptomatic of the material changes taking place as was the transition seen in economic theory. The development of political institutions accommodative of class conflict would give birth to a more harmonious and cooperative relationship between those groups. This was to parallel the basic constitutive element of the formal economic theory put forward by W.S. Jevons, namely its harmonistic treatment of the relationship between all classes in society, and specifically capital and labor. As such, these institutional changes would correspond to a material reality relatively much more consistent with the vision of such offered by Jevons, than was the antiquated analysis of the roles of landowners, manufacturers and laborers in the ‘progress of wealth of the community’ offered by Ricardo.

Together, as such, the doctrinal and political history of Britain across the nineteenth century offers empirical demonstration of the critical relation between British economic theory and the set of social relations occasioning it. In its endpoints, it shows us the effect that material advance¹ had on the formation and reception of successive economic doctrines. In relation to the transition to Jevonian Marginalism, as such, the political history of the period stands as a telling adjunct to the more traditional study of economic thought and method. It becomes clear that circumstances appropriate for a positive and interested reception of Jevons’ abstract model did not exist prior to at least 1867 and perhaps even as late as 1884. It is equally demonstrative of the ostensible limits of such a category of “environmental” determination, however. For at another remove, the progress of Jevonian theory over time can be taken to imply that the growing

¹ Most specifically the development of capitalist class relations housed within a democratic political system wherein conflict was mediated, structured, refined and contained rather than incendiary.

professionalization of the practice of economics exerted an unmistakable influence on the success of Jevons' model over time (Hutchison 1965, 26).

On the one hand, it was not until this point that various sorts of “environmental” criticisms leveled at Ricardian theory within the community of academic economists had developed to an extent that these might both call into question the legitimacy of Ricardian thought, and draw forth a fully developed theoretical alternative by way of Jevons or some other party. And without a prerequisite compartmentalization of conflict that was the outcome of successive extensions of the franchise, moreover, combined with the institutionalized acceptance of collective activity on the part of labor, the harmonious vision of Jevons would not have been as overtly consistent with character of economic intercourse as it actually stood. Consistency in these areas was to serve as a rather obvious register of the empirical content of the model, similarly to the “Corn Laws” in the case of Ricardo, albeit in a much more subtle form. As well, however, it is instructive to consider the fact that policy imperatives remained tied to social relations as they were described by Ricardo until at least midcentury, if not until the political events occurring in 1867 and 1884, respectively.

Hutchison has noted that criticism of classical postulates would serve to heighten the speed at which this transformation in theory represented by the growing popularity of Jevonian postulates was to occur. In his view, an important catalyst would be criticism of the Ricardian theory of distribution. Ricardo omits an analysis of the importance of supply and demand in lieu of a “costs of production” thesis regarding the value of labor; this would, in sum, diminish the theory's relevance and applicability as time went on, and market forces became ever more apparent in both force and effectiveness. In this context,

Ricardo was to assume that all forms of labor were logically reducible to a simple multiple of unskilled labor. In this case costs of production would be determined by labor time embodied in a product. But as Hutchison quotes Walter Bagehot as having observed, this simplification became increasingly contrary to empirical reality as time went on:

And fifty years ago...when the arts were comparatively stationary, this mode of speaking may not have been wholly incorrect – at any rate was not perfectly false. But nowadays...it tends to diminish with every improvement in machinery. Even between the same employment at different times it is difficult to compare it. (Hutchison 1973, 192)

Analyses aimed at mending theory in consonance with empirical reality opened the door to Jevons' own examination of demand. Nevertheless in his Theory of Political Economy, Jevons was destined to present a description of the economic workings of a society fully within the age of mature capitalist expansion with its associated reliance on market behavior. A point of transition had in fact been reached that we find W.S. Jevons' work to be reflective of.

The seminal importance of Jevons' model becomes apparent as we look at the period associated with its introduction in relation to elements of the model itself. And in this context, indeed, what Jevons omits is as instructive as what he does not. His model is free of conflict-centered notions and depictions. It has been washed clean of both class, and the interclass conflict that was the problematic outcome of Ricardian doctrine. Yet of course many theorists would argue that conflict is a logically necessary and ever present component of capitalist interaction. For, at a material level, a capitalist society like the one Jevons describes is necessarily divided into two primary economic classes which are practically opposed in their objectives. One has achieved economic and

political dominance over the other; it stands against the other as being differentiated by its ownership over productive resources, while the other has no productive ability beyond the contribution of its labor power to a process of production carried out through the use of another's applicable productive resources. Yet it is precisely this distinction that Jevons seeks to obliterate in his theoretical model. Empirically and logically we may separate these two classes on the basis their degree of ownership over or access to means of production only so long as we define "means of production" as producer versus consumer goods. Jevons deems both to be equally important elements in the production of goods for the market, and in fact attaches no significance to relative control of producer versus other sorts of goods.

Yet in an industrial capitalist society, wherein production and productive abilities have over time become specialized and ownership of productive resources is institutionally and legally restricted, each participant must trade for the necessities of life, and a group having no means of producing goods for sale in the market may or must sell the only thing it has left to sell (meaning labor), and must take whatever conditions of life the market and the forces of competition thereby accord it. Thus undeniably such a capitalist economic system will be composed of classes opposed in their interests: a dominant group of capitalist "employers," and a group of "working-class" individuals who actually carry out the process of production. The former are enabled to exploit the latter to the degree that institutional constraints allow this. This class structure which is the necessary prerequisite of capitalism, logically and practically, becomes characteristic of a social system as it reaches a point in which older or traditional forms of social relations have worn away beneath the weight of the market. Britain had come to meet

this requirement within the space of just over a hundred years preceding the appearance of Jevons' Theory. Even so, we find little theoretical recognition of this fact within the model itself, and indeed the model is constructed so as to belie this fact. Any form of domination, in effect, is contrary to the logic of the model as a whole. For economic interchanges are presumed to proceed rather on the basis of voluntary activity, with all parties acting with a singular eye to its own material advancement.

Jevons' model is nevertheless, in classical style, formed around an exposition of the nature of payments accruing to not the two aforementioned classes, but rather to the three primary productive classes common to classical economic theory, i.e., Laborers, Landowners and Capitalists. In sum, the model is formed around a classical consideration of the same three productive groups populating debate far back in time. In addition, Jevons includes an analysis of rent that is extremely classical in nature. Thus to the greatest extent, the work is in fact classical in its orientation as well as its ontological assumptions regarding the construction of society.

Jevons reproduced understandings, moreover, which are at the core of classical analysis. For instance, he did not wish to dispute the crowning glory of Ricardian thought, its theory of rent. Yet Jevons nevertheless gave contest to the primary theoretical conclusion that Ricardo was able to draw forth from his analysis. For while Ricardo held that the income of the landowner stands in an inverse relation to that of the manufacturer, in that the differential rent accruing to his land will determine the necessary price paid out to workers in the form of their subsistence needs, affecting the general level of profits over time, Jevons did not. For in sum, if this postulate were to be accepted, capital and labor would thereby exist in conflict. Wages would then be

determined by workers' subsistence needs as against what the employer or producer is able to earn by virtue of its product, in which case wages come into inevitable conflict with profit.

Yet this proposition regarding wages holds true only by virtue of a constraint on land, or more specifically to the lack of recourse to import agricultural goods given Corn Laws serving to limit such imports. Such a constraint disappeared with the recission of protectionist controls on trade occurring by midcentury. And for Jevons "it is not the rent of the land which determines the price of the produce, but the price of the produce which determines the rent of land." (Jevons [1871] 1924, 211) Moreover, as Jevons ultimately goes on to assign causation to utility and its "evidence" as shown in the purchasing and resource decisions made "daily in the operations of the market," all conflict among producing agents was to disappear. The end result is a cooperative process of utility production and expansion over time.

Throughout his Theory of Political Economy, conflict among classes (as most researchers agree had for some time been evident in suppression of the working class) is additionally disregarded by Jevons. It is not only abstracted away from at the level of theory, it is excised conceptually through a reworking of the notion of capital, and what may be admitted into consideration as such. It is understandable, then, that Jevons, in disregarding working class agitation visible earlier in the century, was to become the ideological standard-bearer of the neoclassical school, meaning that school of thought that has sought to turn away from such notions as causally effective agents or aspects of social activity.

But to assess an assertion in this direction, we must look to political institutions on

which such an assertion is premised. In this respect, it is important to note that this last bastion of late-feudal control by a traditional nobility would be entirely transformed along class lines during roughly the same space of time that we are herein considering. At the dawn of the nineteenth century, political control of the British parliament was held by a class of people having a historical, traditional and royally-sanctioned right to social distinction. Indeed this was the traditionally privileged class, and they were privileged to manage the political, legislative and financial affairs of the state. And while there was a practical material prerequisite so far as access was concerned, this was more precisely martial and in line with the traditional character of feudal society; it was not directly connected with market-based (monetary or commercial) wealth.

In sum, rule by a landed elite was consonant with precapitalist (i.e., feudal) versus capitalist values or manifestations of wealth and resource-holding. “Nobility” was historically accorded a hand in governance by virtue of its support of the monarch in times of war, and its assistance in maintaining order and civility in the realm outside of this circumstance (Keen 2002). And while in short, these were what would be termed the “nobility” and seminobility of older landed or otherwise “propertied” interests, their property was rarely of a marketable or transferable variety as it consisted of a hereditary right to profit from a landed estate along with the labor of those parties housed on it. The landed group was to constitute the “Traditional Governing Class.” It was also, of course, understandably to constitute a traditional elite anxious to preserve its long-held domination of British society and social institutions. The century’s close, however, would find management of the state shifting to the hands of a capitalist middle class governing with the political acquiescence of the laboring class.

Beginning far back in time with the Norman confiscation of Saxon lands, the granting of a title of heraldic arms had been associated with command of a landed estate. The grant was based on one's ability to garner the material elements necessary for battle, as well as the ability to be away from one's property during time of war, fighting on behalf of the realm or the monarch. Of course this implied substantial material resources, namely the land which would be the means of generating such wealth. It also implied vassals upon whom one might depend in one's own absence. Thus even while a heraldic coat of arms would formally be granted to a party entitled to recognition for armigerous activities, it had an important material component.

Nevertheless the landed wealth was the primary discriminant so far as political privilege was concerned. As time went on, the frequency and importance of armed conflict diminished, and such hereditary distinction was offered to the nonarmigerous, as well. For instance, a graduated Poll Tax grant of 1379 levied taxes on the basis of social class (baron, knight banneret, esquires liable to knighthood, landed esquires "armed or in service"), which was in fact reducible to landed status (Keen 2002, 72-73). These were clearly distinguished from merchants, lawyers and others, plainly separating out the former on the basis of a landed estate. Even earlier, there was to be a growing tendency toward the summoning of mounted men of arms from among those having sufficient landed income (15 or 20 £ p.a.) to be expected to be capable of offering such service to the crown. This service would qualify one for a grant of title to hereditary arms and the social distinction associated with them, including the right to sit in parliament. These individuals were deemed, to quote the translation of heraldic historian Maurice Keen in this regard, "...right worthie he and his posteritie to be admitted, accepted and received

into the company of ancient gentle and noble men.” (Keen 2002, 161)

In the midst of the nineteenth century, overt political rule by the landed would be subject to the challenge of those having gained industrial and manufacturing wealth across the ongoing period of industrialization. Eventually this latter group, inclined toward business and manufacturing, would rise to the level of a modern capitalist elite. It would rise up alongside the traditional elite as a competing source of political, social and economic power.

The end result would be two opposing groups of landed and capitalist elite engaged in a struggle against one another for control. As time went on, the two were to coalesce. Nevertheless, a century of tension between the two was not without its effects. Not only would it result in the enfranchisement of the middle class, it would fortuitously allow the achievement of a variety of working class objectives. For while both upper and rising middle classes remained committed to achieving calm through ruthless repression of radical activities, both would nevertheless extend a variety of courtesies to workers as a means of gaining their vote beyond 1867. Overall, however, it should be noted that such advances grew out of a rather unique historical confluence of events, where centuries of industrial growth produced a mismatch between economic and political effectiveness. In the struggle to achieve an institutionalized correction of this fact, both the capitalist middle class and the Tory overseers of the ancient regime would offer advances to the laboring class as a means of gaining their cooperation. The end result would be a democratic inclusion of the latter in the political system, both individually and group wise through the legal mandate and protection offered to trade unions. As a society, as such, Britain was to bypass the need for armed or otherwise violent and stalwart repression of

workers simply by expanding the polity to include those who had, in literal terms, earned the right of admittance through the accumulation of property.

In some sense, then, the “proving ground” of the capitalist organization of society lay in the associated institutional reforms that it drew forth. In the British case, this occurred in just less than a century of parliamentary reform. By this means, by 1832 the capitalist manufacturing class would win an important political victory guaranteeing it, for the first time, institutionalized access to control of the state. And yet this was to be, most significantly, but one step in the formation of a set of political institutions consistent with a fully capitalist economy and society. This would be achieved by the century’s end, but only on the basis of property.

Not a radical by any means, even the foremost of classical theorists, Adam Smith, understood government as being instituted for the protection of private property. In the age of nation-states, a broad application of the notion of ‘government’ had come to exist. Over time, government itself was utilized for the perpetuation of hierarchical patterns of historically-derived privilege, and the cordoning off of economic opportunity near and far. And partially as a result of this, during the period of early capitalist development in Britain opportunity was to exist for the growth of a class of capitalist entrepreneurs to accumulate vast amounts of economic resources. Opportunities for wealth-building existing in this period would result in the production of the capitalist middle class (or, alternatively, the “manufacturing class”), a group both socially and historically distinct from the traditional feudal governing class of nobility and gentry. They would over time seek to command a variety of social and political prerogatives similar to those held by the traditional elite, bringing the two groups into conflict and, through institutional advance

once, coalescence.

This capitalist middle class would be distinct from the “gentry.” While this group can be considered apart from titled aristocrats, it is dissimilar from the capitalist middle class as well, and may best be labeled a “client” of the traditional governing elite. For the gentry was to consist of a historically older group including individuals and families of wealthy capitalist commercial or merchant traders. They had over time succeeded in entering into a power-sharing arrangement with the titled aristocrats of old, often purchasing land and living alongside the nobility as a semiprivileged “petit nobilite” whose presence was not at all inimical to a continuation of the larger noble domination of British society. In fact, hereditary grants of social distinction were commonly accorded these individuals as a result of particular services offered to the crown, or services rendered to high aristocrats or in association with high aristocrats (i.e., as an officer or student of the law, as a merchant catering to the nobility, as a regional official etc.). An example might be the famous privateer and aid to the crown, Sir Francis Drake. Yet importantly, such grants occurred on an individual basis. The institutional reforms demanded by the middle class would be, rather, on the basis of wealth alone and would affect a whole class of individuals, many of which could demonstrate no such claim to petty nobility.

In contrast to either gentry or landed nobility, this rising middle class of manufacturing and industrial wealth would comprise a class of individuals or families made wealthy by manufacturing and other forms of capitalist industry and enterprise, and who would continue to have an interest in the same. The gentry just as the traditional nobility, in contrast, would for the most part be content to live respectably well off of the

land or social position bought with their wealth. The wealth of a landed estate alone qualified one as a member of the “gentlemanly” class, which specifically did not associate itself with gainful activity; it also rendered one liable for armigerous duty, of course, and peerage if such were sought. The capitalist middle class would, in stark contrast to the gentlemanly class, continue to be interested in amassing yet more wealth, and having ample access to opportunities for doing so.

This fact would bring the rising middle class into conflict with the traditional ruling class as it fought to effect policy and political institutions in line with this interest. Its primary aim, unlike the nobility and gentry, would not simply be that of securing its present status of benefits (i.e., a hereditary claim to nobility; the protection of rental income from excessive tax). Its character would predispose it to seek an expansion of present resources in the form of profitable and continuing opportunities for successful investment of resources in capitalist ventures over time. Where the interests of the traditional governing class came into conflict with this (as over parish Poor Rates, or Corn Laws limiting access to imported foodstuffs and thus leading to rising labor costs), direct parliamentary representation was required.

But even while it grew in wealth over time, it must be reiterated that the capitalist middle class of manufacturers and similar individuals would until 1832 remain institutionally beholden to others so far as political and thus also economic liberties were concerned. Heretofore it had not yet acquired an institutionalized right to vote in parliamentary elections. It had no direct control over the apparatus of the state, nor thus over the formation and implementation of economic policy through the process of legislative enactment. A rupture of sorts was therefore to exist between material and

institutional realities.

This imbalance between economic and legislative abilities would set in motion a number of processes ultimately arising out of the tripartite structure of class relations drawn earlier. Herein, only one dynamic element would concern access to strict legislative ability. The situation would also motivate a search for categories of intellectual and philosophical rationalization of ideological and political stances consistent with the domination of society and the economy by industrial capital, and a system of capitalist markets. Each came together, however, at the level of policy. Economic theory would, as a last consideration, become important in this context as both conscious and unconscious depictions of the particular ideological perspectives. Ideology would be the earth from which a variety of policy directives would spring up, and the same could be said of the theory which gave overt justification to the needs of policy.

The kinship between theory and its societal parent would, moreover, remain of continuing importance, for theory is an unavoidably social product. Theory represents a formalized presentation of views consistent with pragmatic understandings of social activity. Yet we find that, while Jevons felt himself to be “correcting” the errors of Ricardo, both of Ricardo and Jevons were to advance a set of theory consistent with a capitalist world-view. Thus difficulty arises in describing the transition to Jevonian marginalism as a “shift” unless it is defined upon some other basis. For orthodox theory of the type fashioned by each of Smith, Ricardo, and even Jevons would in substance correspond to the perspective of the capitalist class, and as such a shift from the ideas of Ricardo to Jevonian marginal utility theory cannot be explained in this manner alone.

Finer divisions within this class consistent with separations in time in the social organization of production in fact add a needed dimension to this analysis. In what follows, it will be demonstrated that the development of a class structure consistent with industrial capitalist market relations was to be an effective element of theoretical and institutional (meaning political) change both. In a “mechanical” fashion, this transition in the material underpinnings of British society was to affect not only British political institutions, legislation and judicial action, but the varieties of social thought emanating from its intellectuals, including W.S. Jevons. It was thus to retain seminal importance so far as theoretical change within the academic practice of economics would be concerned.

CHAPTER 2

SOCIAL AND INTELLECTUAL HISTORY OF NINETEENTH- CENTURY BRITAIN: A CRITICAL OVERVIEW

2.1 Labor, the Poor and Parliamentary Reform: the Rise of Reformist Sentiments

Both manufacturers and the working class would have a fateful place in the movement for parliamentary reform, and the admission of the latter into the voting population would indeed signal the arrival of modern Britain. Reflecting on the rise of the working class movement, labor and economic historian G.D.H. Cole has noted that:

The “Industrial Revolution” is the name which historians give, not to any single event, but to the great process of economic change in Great Britain in the eighteenth and early nineteenth centuries. That process swiftly transformed Great Britain from a mainly agricultural country into the “workshop of the world.” It tore up by the roots old social relationships and institutions which had seemed firmly established. It destroyed the old life of the village, and created the problem of the new factory town. It compelled Parliament to reform itself, and raised the middle classes to political power as well as affluence. And, last but not least, it created the modern wage-earning class – the proletariat which, nominally free, can live only by selling its labour for a wage. This, of course, does not mean that there were no wage-workers before the Industrial Revolution, but it does mean that only with that Revolution did wage-earners become conscious of themselves as a class, and begin to make common cause over an area wider than that of a single occupation or industry.... The Industrial Revolution gave birth to the Labour Movement. (1953, 3)

The vanguard of the labor movement consisted of skilled craftsmen. This group was actively courted by both the traditional elite and the middle class. Its political aspirations

would assist the middle class in the early achievement of its aims, and in consequence, the middle class was to gain a parliamentary vote as early as 1832. By virtue of this, the middle class (dominated by wealthy capitalist employers) would move to take advantage of its increasingly powerful economic position to wrest policies to the disadvantage of the working man.

Difficulties of the working class were compounded when the next parliamentary election beyond the passage of the 1832 Reform Act brought into being a liberal Whig government reflective of the interests of the middle class. This was a government intent on crushing opposition to probusiness policies. Whig politicians would in fact remain overtly sympathetic to the needs of manufacturing and industry, and proved receptive to measures associated with a rapid dismantling of any remnants of both feudal and mercantile privilege, and paternalistic protections of the working class. Whig interests would, in sum, be antagonistic toward protection of the less privileged, especially where this was seen to damage the incentive to labor.

Protection was viewed as inimical to manufacturing prosperity. Where opposition to industrial policy sprung up, both repression and more conciliatory measures were the result. In the end, however, the cost of peace would be a gradual acknowledgment of limited rights for the working class, including the recognition of unions. This would in fact be the ultimate form of conciliation, as it bred willing cooperation. By the close of the century, at any rate, industrial interests would rule the nation in most every sense.

The ironic beginning lay in the passage of the Parliamentary Reform Act of 1832, wherein the first efforts to reign in rule by the landed met with success. With profound insight, in his 1892 preface to his Condition of the Working Class in England in 1844,

Friedrich Engels was thus to write of the Reform Bill of 1832 that it “had been the victory of the whole capitalist class over the landed aristocracy....” According to

Engels, in this case ensuing political and legislative changes:

meant a readjustment of the whole home and foreign, commercial and financial policy of England in accordance with the interests of the manufacturing capitalists – the class which now represented the nation. And they set about this task with a will. Every obstacle to industrial production was mercilessly removed. The tariff and the whole system of taxation were revolutionised. Everything was made subordinate to one end, but that end of the utmost importance to the manufacturing capitalist: the cheapening of all raw produce, and especially the means of living of the working-class; the reduction of the costs of raw material and the keeping down – if not as yet the bringing down – of wages. (Engels [1892] 1950, xii)

The New Poor Law of 1834 was thus indicative the character of events to follow the passage of the 1832 reforms allowing business interests the right of franchise. Economic, political and even juridical policy after 1832 would offer evidence of the overt favoring of industry over traditional paternalist protections for the “lower orders.” Prior to 1832, public policy had been fashioned as a means of controlling the actions of the poor, without advantage beyond this offered to industry; this was the product of Tory control of parliament. Beyond 1832, however, policy was to be transformed in consonance with business interests. In this environment, concessions granted to the working class were extended only by virtue of well-thought political strategy on the part of the elite. Political and legislative policy was fashioned, in sum, so as to maintain stability in the face of agitation for reform.

In this effort, the governing classes would ultimately be forced to subsume the working class within the political body of the state as this had the beneficent effect of dampening working class regard for violent protest and civil opposition to policies aimed

at enhancing or enabling accumulation through the repression or exploitation of labor. Historically and otherwise this was indeed a profound occurrence. For by this simple means, the nature of social interaction between employer and employed would be forever altered, transformed by the changing institutional accommodation of dissent and opposition to conditions of industry and employment. Even radical opposition would herein be manifested, for the most part, through institutionalized political practice, meaning through the formation of a Labour party, political activity by unions, and free exercise of the franchise.

Existing differentials in social class were largely obliterated at a political level by the admission of all moderately propertied and rate-paying individuals into the voting population. Of course, this was of the greatest utility to the lower classes, which heretofore had no power to influence the actions of government beside that which could be achieved through radical activity in opposition to such. In this regard, what were commonly called simply “The Poor” consisted of members of the working class below the rank of master craftsman and skilled laborer, as well as those unable to work for whatever reason but having no independent means of material survival. They had found little sympathy among the governing classes even far back in time. Moreover, as ownership of land was transformed into a marketable resource akin to any other form of capital, the interests of two otherwise opposed groups of industrialists and landowners had come slowly to coalesce around a common need to suppress radical demands of the poor. In this case, the combined attitudes toward the poor of landowners and industrialists (“propertied” individuals not numbered among the poor) would evolve toward a consensus reflected in the opinion of the governing elite as to their treatment.

At a political level, as such, the state would not prove either tolerant or conciliatory toward the poor, excepting where political expedience possibly demanded as much.

Time was to alter the situation profoundly. At the heart of the ensuing period of political transformation would be the shifting grounds of material fortune within British society. This would breed a coalescence of interests among various elements of the propertied elite that was to occur even prior to 1832, when these would begin to govern the state hand in hand as successive Whig and Tory administrations. The transformation of feudal agricultural entrepreneurs (meaning “landed” individuals, plus tenant farmers and gentry in control of similar resources) into capitalists in the modern sense would signal, as such, the beginning of a monumental change in the construction of the state. These individuals would be intent on utilizing their financial and economic resources for the enlargement of such resources. In this, they would come to share an ideology common to the middle class. It was to constitute, in fact, the skeleton of capitalist practice, lauding the market and accumulation.

By virtue of this fact, indeed, the whole of the ruling classes would come to share a common goal: the suppression of the economically downtrodden. This would include those employed in both industry and agriculture, plus the unemployed and the desperately poor lacking earning ability. To complicate matters, these were spread across fields and cities alike. As such the governing classes, responding as much to the implied threat of unrest as to actual events, would struggle to advance their own repressive agenda with the aim being, broadly, simply the maintenance of stability. This was the secret ingredient to the well-being of the whole of the propertied classes.

When stability was compromised thereby, the lower orders would be left to the mercy

of the unfettered market. This had not formerly been the case in times of old, when a paternalistic nobility watched over them as they with care if not concern. Yet as the hand of these traditional paternal overlords turned to matters of profit and commercial gain, this would no longer be the case. The diminution of traditional noble regard for the poor was thus to delete a long-standing counterbalance to the necessarily difficult character of medieval life. It was to lead, as such, to further mistreatment of the poor. The outcome was a dreaded occurrence: working class “combination.”

Combination was among the most dreaded means of resistance. In this regard, the ruling classes must seek either to repress discontent, or to find peaceable outlets for it. It is thus not surprising that suppression of working class discontent emerged historically almost with the inception of the system of industrial capitalist enterprise. Peaceable inclusion of workers at an institutional level arrived, empirically speaking, only in the later decades of the nineteenth century. The explanation lies in the means by which the traditional ruling class was to struggle against the dawning control of market forces. Efforts at maintaining control would in fact allow the political advance to the worker. In the end, both the traditional governing elite and the capitalist class would work simultaneously to limit the gains of workers even while offering periodic conciliation of various sorts; in practical terms, however, peace was ultimately bought through expansion of the franchise, and the recognition and protection of unions.

The antagonisms so bred, nevertheless, are of concern outside of the effects on the expansion of the franchise. These were important with respect to the public provision of various forms of “Welfare” and other material assistance to the poor, and to the oversight of industrial employment. Each was part of the comprehensive matter of managing the

poor, and each would prove an important component of “conciliation” over time. Of never failing importance, moreover, given the increasingly urbanized environments appearing over time and demanded by industrial production, the working class would prove active in attempting to stall the progress of history. It would, as such, be frequently moved to violence and other actions distasteful to its “superiors.”

In this regard, it must be noted that with the Industrial Revolution, the feudal underclass of serfs and peasants had, across all of the British Isles, been forced into industrial employment of one variety or another by virtue of the fact that they were not accorded other means of survival. If they remained on the land, their efforts were likely governed by a wage or similar contract of fixed monetary value. In either case, there would be no recourse to traditional reciprocal arrangements of other sorts. In the midst of the more general transition to capitalist industry (meaning manufacturing as well as other forms of production including agriculture), laborers of all types would lose the whole variety of traditional protections formerly extended. This would in turn necessitate a larger role for the state in providing for the working class in a way capitalist employers would not. It also ceded an increased supervisory role to government, and the provision of adequate legal, juridical and institutional infrastructure fostering both stability, and prosperity.

With the birth of capitalist enterprise, as such, recognition dawned among the working class that a decline in traditional values and traditional forms of social and economic organization were not wholly to the benefit of the working class. G.D.H. Cole has observed that workers, in addition to their focus on a limited variety of social ills, would struggle against the institution of capitalist employment as a whole. Urban

concentrations greatly enhanced the threat (perceived and real) posed by the working class, for “not until capital was widely applied to large-scale production involving the concentration of workers in considerable establishments and in industrial towns did it engender the massed discontents out of which the Labour Movement arose.” (Cole 1950, 9) Within the traditional ruling and capitalist classes both, this bred reaction.

Increasingly workers were subject to institutional and economic oppression, as such. Again in consequence, they would turn to combination.

Accordingly, as industrial and manufacturing capitalists ascended to the ranks of the ruling class following the 1832 reforms, the political response to worker agitation was increasingly aimed at repression of worker “combination.” The desire on the part of the governing classes to limit worker combination had been strengthened by the spread of sentiments associated with the French Revolution in 1789. Exacerbating the situation was the fact that, for a variety of reasons, between this point and the middle of the following century, workers would become increasingly militant in their desire for both economic and political change. In this, they would be increasingly inclined to join together toward the achievement of such aims (Cole 1950, 9). In the wake of the French conflagration, these sentiments proved unsettling to all segments of the upper classes. Fear reigned from the stately manor houses of the nobility to the centers of manufacturing and industry. Marx, for one, makes reference to an anonymous pamphlet of 1770 in which the writer declares:

our populace have adopted the notion, that as Englishmen they enjoy a birthright privilege of being more free and independent than in any country in Europe...[but it] is extremely dangerous to encourage mobs in a commercial state like ours, where, perhaps, seven out of eight parts of the whole, are people with little or no property.... (Marx [1867] 1987, 262)

In response to efforts on the part of workers to organize and rebel, stalwart repression of working class combinations and agitation took place. The response was significant. Cole notes that, when combined with recurrent commercial crises, this treatment would indeed render workers both more quiescent and more cooperative by the time middle of the nineteenth-century was reached. Worker agitation was left a shadow of its former self by the middle of the century.

From this point on the working class movement took on a new face, one much more inclined to accept official amelioration of wrongs rather than more radical efforts at violent reform:

The second phase, stretching approximately from 1848 to the eighteenthies, was the period of acclimatization to Capitalism, and the acceptance of Industrialism as the basis of the social order. This explains the moderation. From revolting against Capitalism, the workers passed to the task of organizing their forces within it. (Cole 1952, 4)

Certainly this echoes the well-known sentiments of Marx to the same effect, i.e., that:

It takes centuries ere the “free” labourer, thanks to the development of capitalistic production, agrees i.e., is compelled by social conditions, to sell the whole of his active life, his very capacity for work, for the price of the necessaries of life, his birthright for a mess of pottage. (Cole 1952, 258)

An overriding feature of social and political life would thus be the on-going strife between the state, as proxy for the interests of all propertied classes, and labor. In the end, society would win in its subsuming of the laboring classes under its watchful wing, providing a safe, institutionalized outlet for discontent. Certainly prior to this came efforts by the industrial middle class to rid government of elements of social oversight helpful to the worker. It is now generally accepted that Ricardian theory was both representative of the perspective of a manufacturing or industrial interest, and used

pointedly to advance companion aims. In sum Ricardian ideas were to reflect, in form and content both, the struggle of capitalist manufacturers to throw off economic restraints instituted by the traditional ruling and merchant classes for their own protection and betterment. In this, Ricardo would give theoretical voice to the struggle taking place among the nation's governors regarding their working class charges.

Ricardian theory would include a proposition attractive to politically-useful clients among the relatively more privileged tier of labor activists, moreover. In the main, this consisted of master craftsmen and other skilled or educated individuals, who were not coincidentally more likely to be literate (Stephens 1990, 559). Ricardo would present the opposition between profit and wages as being apparent rather than real, and based only on the unfair advantages taken by the traditional ruling class to buoy their own economic fortunes; in practical political terms, this drew many like-minded individuals to the cause of widening the franchise as a means of limiting the social prerogative of the traditional elite. So far as Ricardian theory was concerned, however, ultimately the issue of the adoption of "Machinery" as a labor-saving device became an embarrassing affront to working class perceptions of the harm done them through the substitution of machinery for labor, so much so that Ricardo was forced to present an answer to the matter in later additions of his Principles. Such conscious and perhaps contrived adoption of theoretical propositions would prove disastrous as far as the ultimate fortune of Ricardian theory was concerned. This served not only to politicize it, but to draw critical scrutiny of its primary postulates.

Both factors together would spell the death of Ricardian theory when, over time, it was increasingly juxtaposed against a suitably apolitical alternative. Jevonian

marginalism gave the appearance of having been sanitized of obvious political appeals. With just minor additions at the hand of Marshall and others, moreover, Jevonian theory harmonized well with extant traditions. It was devoid of contentious propositions regarding necessary antinomies of economic interest between capitalist and working class. Even this could not be said of Bastiat, who was to declare the mechanism of exchange so ingenious and powerful that every man, even the humblest, obtains in one day more satisfactions than he could produce for himself in several centuries. Jevons was to hold, in fact, that “we are all trade unionists at heart.” In other words, one tends to seek the advantage of one’s group with both boldness and secrecy whether capitalist or laborer, in Jevons’ view, and indeed neither holds a particular moral high ground in this regard. Thus no intrinsic antagonism must exist between the two, as such.

In contrast, the obvious politicism of Ricardianism drew censure deriving, in part, from representatives of the working class. Nevertheless from early on, an important audience of Ricardian doctrines at a popular level was precisely the working class, as Ricardian doctrine was used in the culling of popular support of for extant political doctrines. The middleclass whom Ricardo’s ideas were so representative of, after all, would be forced to enlist the working class in lobbying for electoral and other reforms, and Ricardian ideas retained practical value in this capacity. In its popular political guise, in other words, Ricardian-inspired economic propaganda would remain an effective means of calling forth support for political change from among a variety of groups. A case in point is the Ricardian call for removal of the Corn Laws would gather together supporters of its overall reformist program from among all ranks. Nevertheless such overt politicization would, in some sense, be the undoing of the popularity of Ricardian

doctrines.

In the interim, it achieved wide acceptance, and was extensively used for political purposes. In any event, the appearance of a positive relation between capitalist employers and labor was especially important before 1832, when the capitalist middle class would win admittance to the process of parliamentary election. Beyond this the compliance of the working class, rather than their assistance, would in fact be desired. In both cases Ricardian doctrines would be utilized in an opportunistic manner for the purpose of manipulating laborers for the benefit of the business class. Similar tactics were undertaken by the elite as a whole in a number of different contexts. An essential cooling of working class animosity via the use of Ricardian doctrines was an especially useful tool for the reason that the segment of the working class targeted hereby included primarily this upper tier of Master Craftsmen and other skilled individuals; as such Ricardo's ideas were used extensively to "indoctrinate" the masses by skilled propagandists.

Ironically, the 1832 Reform Act was passed largely by virtue of the assistance of skilled labor. Even so, the working class was to be disappointed by the outcome of their 1832 success. For in truth, these reforms would ultimately be carried out on the basis of property, and not persons. At any rate, throughout the whole of the reform process appeals to working-class interests were apparent rather than real, and subsidiary to the primary program of reform of benefit to manufacturers. Such an appeal was, as well, exceedingly temporary in its application: it was of most use prior to the achievement of the 1832 reforms, even while it was to remain an element of the overall or more general drive for laissez faire economic policies beyond this point.

One thing, however, certainly did change with the reforms of 1832. The political equation among classes would undeniably be altered. This would be so inasmuch as only the industrial and manufacturing middle class was, herein, to be accorded the right to vote in parliamentary elections. Property would be the criterion upon which qualification for the vote was to be amended. This revisionary move was complemented, moreover, by a related redistribution of parliamentary seats toward newer industrial centers including Manchester and Leeds. The effect was to shift voting rights away from the “rotten boroughs” corresponding to landed estates or an area of the rural countryside often controlled by a single wealthy landowner. This redistribution was accomplished through the Municipal Reform Act of 1835 (Thomson [1950] 1981, 73).

The working class, and specifically those living in urbanized environments, would have to wait for a further reform of the franchise occurring in 1867 for a similar expansion of their rights. Rural workers would wait even longer, until 1884, before they would be able to win rights similar to those of the middle class. At that point, Engels would note that “‘The Abolition of the Property Qualification’ and ‘Vote by Ballot’ are now the law of the land. The Reform Acts of 1867 and 1884 make a near approach to ‘universal suffrage’” (Engels [1892] 1950, xiii)

Yet in truth, all such reforms carried out over the whole course of the nineteenth century can be described as either of two things. At points, these were tactical movements on the part of the rising class of capitalist entrepreneurs, employers of labor and financiers to garner an institutionalized element of control over the political process, and so over the process of accumulation, industrial employment, and indeed industrial society itself. They might also be similarly tactical measures undertaken by the

traditional elite as a means of limiting the gains of the rising middle class. With quiet political victories in hand, the ruling classes would be in a much better position to manage recalcitrant laborers, public attempts to limit employers' activity, and legislative actions inimical to the free functioning of industry and industrial capital. It is certainly ironic that the outcome was an enfranchisement of labor. Ironically this was equally the character of the expansion that was to occur in the franchise, and the legalization of unions. Both were the result of critical calculations on the part of the governing classes. All, moreover, gave recognition to the fact that labor must be placated, and its civil rights recognized. Both were battles conceded by sheer weight of numbers, not to mention the critical role labor did play in the process of accumulation, and the overall maintenance of social stability.

It should at any rate be noted that while the reforms wrested from the governing elite in 1867 and 1884 would succeed in enfranchising the working class, these would be allowed to proceed only amongst those sections of the laboring class that had succeeded in gaining interests similar to those of the ruling class itself. This was achieved by means of the property interest contemplated in the extensions of the franchise in both 1867 and 1884. On this basis alone were political and civil rights extended to workers. Importantly, however, this was the end result of competition among segments of the elite for the support of the working class in their own internecine struggles.

Discontent among laborers was not, however, confined to the issue of the franchise. In fact, the broader problem of working class discontent had resulted in an evident willingness of workers to combine together. When such action was effectively and formally organized, this was the character of a union. As such a taming of radical action

on the part of laborers was to require the taming of unions as much as it was to require an extension of the vote.

Political recognition of unions was to be achieved in almost accidental fashion, through the legal recognition of unions. In this way, much like corporations and industrial enterprises generally, unions were eventually required to register with the state and to adhere to legal principles imposed by parliament. Unlike the achievement of the franchise, this transformation was the result of a long accretion of parliamentary and judicial decisions.

The franchise, much in contrast, was extended in the form of three legislative actions, together with accompanying measures facilitating implementation of the intended reforms. With regard to the act of 1832 alone, this succeeded only in the political empowerment of capitalist manufacturers alongside of the traditional ruling elite. However, over the next decades the capitalist class would use this new power to insert itself into political spaces heretofore almost unimaginable, eventually joining the old ruling elite at the head of government.

In reality, what was occurring throughout all such processes was a wider and more systemic coalescence of aims and interests both, such that eventually capitalist industrialists, financiers and landowners would become equivalent in economic and thus in political terms, both. In sum, all groups including labor would be forced to accept the full complement of capitalist social values, and attendant institutions. This was the simple necessity and the transformative might of market activity.

Thus over time, long-standing contention among competing segments of the elite would diminish in importance, as they came together in aims. Yet even as this was to

occur, another issue rose to prominence. This was the perennial conflict between the dominant classes, and the working class. Nevertheless for a time competition between elites and the middle class for the working-class vote would in fact pay handsome returns to the working class in the form of the vote and institutionalized recognition of the working man's right to seek collective redress and amelioration of wrongs.

2.2 The Shift in Theory

So long as the set of issues which pertained to the conflict between landowner and capitalist rather than that occurring between laborer and capitalist remained uppermost in the minds of the governing classes, Ricardian theory remained eminently suited to the analysis of pressing economic issues of the day. Conceptually, it was well-suited to the consideration of such issues. Moreover, it gave explicit justification to the policy ends sought by the middle class; it was to justify corrective reform of the privilege historically awarded landowners and others in the form of "Corn Laws" and similar measures.

This latter character of the Ricardian model, however, became an increasingly ineffective tether by which to tie up orthodox opinion as time went on, and material advance continued. For in consequence of the rapidity of material and ensuing institutional change, the Ricardian model, fashioned with a timeless armor of scientism, outlived its practical use at a material and political level. It did, however, continue particularly to command the respect of academic economists inside the university, where scientism was perhaps most well placed. By the time Jevons' Theory appeared in 1871, nevertheless, the practical political use to which the model could be put was evidently of minor importance in the adoption of Jevons' marginal utility apparatus among academic

economists. Its purely theoretical character would constitute the primary attractant for the like likes Marshall and Edgeworth both, for instance.

On the other hand, by the time it appeared, Jevons' "theory" met with a fortuitous circumstance. It presented a vision of economic interaction much more consonant with the economic and political environment of late nineteenth century Britain than did that of Ricardo, in that Jevons' model tended to showcase an apparent convergence of interests that, given the institutional changes outlined, increasingly appeared to characterize social interaction empirically. Thereby, even so, Ricardo's model did not so much fall into disuse, as it was supplemented by the insights Jevons used to focus attention on the more beneficial effects of economic interaction. The Jevonian alternative, moreover, would additionally appeal to academics in its abstraction and mathematical character. Jevons had the former, in fact, in common with Ricardo. Most seductive, however, was Jevons' lack of obvious political or propagandistic referents. In sum, as such, his consideration of utility was to provide an appropriate intellectual "bridge" allowing the development of classical postulates within an apolitical framework emphasizing the harmonious nature of market interaction.

As the professionalization of the discipline increased, and especially after mid-century, the academic development of economic theory acquired much more of the abstruse character we know this to have today. It evolved from its early identification with practical political ideologies, into an "academic" pursuit. A trend toward depoliticization occurred, therein, alongside an increasing abstraction and mathematicization, with each being the outcome of a growing professionalization of the discipline. Stigler has found, in a related regard, that the "drift toward professionalization

is clear.... In the late eighteenth century not one man specialized in economics; in the early twentieth century there were only four who wrote outside the field....” (Stigler 1965, 37) This was to render Jevons’ model increasingly likely to draw a warming reception over time. The academic economist, whose opinion was increasingly subject to criticism of both its underlying logical postulates and its intellectual means of presentation, would find the apolitical dress of Jevonian theory, along with its high level of abstraction and amenability to mathematical expression, increasingly attractive.

In this circumstance, the ideological and logical rather than the political appeal of the model was its primary advantage. Certainly research supports the contention that, by the time Jevons’ Theory of Political Economy was to appear, the development of economic theory would increasingly be a product of the internal development of the science itself. In consequence, it would be driven less and less by conscious political motives. In sum, particular models and perspectives would thereafter be progressively expanded along lines suggested more by their own internal logic than by the ideological requirements of classes within the society, or the immediate practical needs of social and economic classes. Among academic economists, this new identity of the study of economic ideas as a modern science akin to research taking place within the physical sciences would mean that theory was to increasingly be driven by its own self-propelling forces related to logical characteristics of models already in use. It is in this case no surprise that Jevons’ utility-based theory and its flattering conception of capitalist activity won adherents only slowly, as academic use was found for its postulates and as its postulates were given classical reference by Marshall.

With regard to its “ascent to orthodoxy” even so, Jevonian theory was granted an

advantage over critical alternatives to orthodox “classical” economic theory. Because of the inharmonious or inflammatory political character of such ideas, critical alternatives were not to be accorded the practical advantages that acceptance by a mainstream audience would be associated with, and of course this would affect their fortunes over time. Nevertheless even today the primary alternative to marginal utility theory within academia and without would be the labor theory of value as this had been developed by Ricardo, despite its rather more critical co-opting by more radical proponents in the eighteen-eighties and beyond. Jevonian marginalism, as it came to be incorporated into neoclassical theory, would however increasingly occupy a strong position among academics and professional economists by virtue of its uncritical nature alongside a number of other intellectually appealing attributes (such as amenability to mathematical expression), in sum. Nevertheless such considerations were not immediately important so far as the early fate of marginalism was concerned.

In this regard, a related anomaly did exist that was to buoy Jevons’ ideas immeasurably. Jevons’ ideas were to benefit from the fact that certain insights of the classical economists and Ricardo in particular were gaining attention in an unintended fashion: they were becoming a popular basis for radical criticism of the nature of capitalist employment. Influential critics of classical doctrine, such as Thomas Hodgskin were to utilize the Ricardian labor theory of value to bring into question the ability and moral authority of employers to appropriate what critics contended rightfully belonged to the laborer, meaning the profit so produced. At issue was the nature of wages as a sufficient or exploitative payment for the value of the items produced. This was to expose, in some sense, the “Achilles’ heel” of Ricardian theory: its antagonistic depiction

of economic and more generally social relations as borne out by the nature of the employment and wage relations existing among employer and worker.

Ricardo held that value derives from labor embodied in a commodity in the process of its production. One possible and fairly damaging endpoint would envision the employer, by virtue of his ownership over the means of production, as “capturing” this value so produced as economic profit not resolvable into payment for forbearance, risk, superintendence or what have you; the implication is that this employment relationship is, at base, exploitative. However if, on the other hand, goods produced for the market derive their marketable value from the esteem they are held in by consumers having means to purchase them, in conjunction with their supply in relation to the monetary or trade-able value of such resources including labor, then the production process acquires no such obviously negative character. This is so, however, only to the extent that the process is not analyzed historically in terms of the growth of resource endowments considered not as a stock but as a flow conditioned by prior stocks of and access to such resources. The revised vision offered by Jevons would have this latter character, quite distinct from the former, more problematic nature of classical, labor-based ideas in a similar direction.

Neoclassical theory having its origins in Jevons’ utilitarian vision has become the dominant means of analyzing the determination of wages. However, this hegemony was to appear only as confidence in the classical treatment of the matter began to wane. As workers became increasing practically educated as to the nature of the economic system and the nature of capitalist employment, they and those who sympathized with them were inclined to question received doctrines. This was to further damage confidence in

classical postulates over time. The overtly political nature of the Ricardian apparatus also became, thereby, increasingly evident. As J.K. Ingram was to write in his 1888 History of Political Economy:

The instinctive repugnance of the working classes had continued, in spite of the efforts of their superiors to recommend its lessons to them - efforts which were perhaps not infrequently dictated rather by class interest than by public spirit. (Ingram [1888] 1967, 222)

In this regard, attempts by members of the “Trades Union Movement” to educate workers as to the exploitative nature of the system of capitalist employment were met by harsh efforts on the part of the government to limit the political and economic gains of workers over employers. Combined with the experience of capitalist employment itself, this tended to contribute to resistance to capitalist employment.

So, equally, did rising urban concentrations. In this regard, the whole of British society was to become cognizant of the more problematic features of capitalist employment, as its effects became increasingly evident among urban populations. Its most frightening endpoint was combination. Characterizing the implied threat, Hodgskin’s 1825 Labour Defended Against the Claims of Capital held out the possibility of more positive action toward workers’ aims, noting that:

Throughout this country at the present there exists a serious contest between capital and labour. The journeymen of almost every trade have combined to obtain higher wages, and their employers have appealed to the legislature for protection.... It is possible for the workmen to force their masters into compliance, but they must convince the public of their demands. (Hodgskin [1825] 1963, 21)

By either means, all became attentive to the conflict which so existed.

It was in this context that the issue of worker combination would be of growing political importance over time, and all the more likely to draw forth ameliorative political

action. By the time Jevons' Theory of Political Economy appeared in 1871, indeed, the opposition between the interests of laborer and capitalist, as against the Ricardian-era preoccupation with capitalist versus landed nobility, had become perhaps the greatest of difficulties that the state was to face with regard to its proper method of governance and economic policy options. Economic debates of the time were politically charged and subject to politically-motivated manipulation where consideration of this topic was concerned. S.G. Checkland quotes an 1876 observer (Checkland 1951b, 148) as being of the opinion that among economists there was a temptation to neglect "the pure and unexciting investigations of theory for the dazzling attractions of the art of government." Cairnes likewise felt that the profession had been invaded by "sociologists and smatterers."

As Checkland notes, moreover, "Free Trade...had debauched the study." "Free Trade" was, incidentally, a primary component of "laissez faire" doctrines dear to industrial interests in the realm of international trade. Workers understood laissez faire in the context of both the Corn Laws which were the focus of great parliamentary debate, and industrial regulation or the lack thereof. In essence, in terms of its endpoints in public economic policy the practice of economics was at times inseparable from the pursuit of economic and political advantage both. Jevons offered relief from this, as well as a suitably sanitized and rather ingenuous depiction of economic life well-suited to general perceptions of the educated elite - i.e., one center-pointing the harmony and beneficence of the social system.

Practitioners of economic theory of all varieties rushed to submit their thoughts in regard to such matters. Pamphleteers and writers presented arguments on both sides of

the debate, and it was in this context that the various elements of Ricardian theory were to meet with the sharpest of criticism. At issue, quite often, was the nature and determination of wages. In fact, in this context Hutchison notes that K.J. Arrow and D.A. Starrett have attributed the fall of classical theory to its failure to explain either absolute or relative wages. Hutchison gives reference to a symposium address wherein Arrow and Starrett were to hold that:

the Classical structure gradually faced new challenges, partly due to a more detailed study of the real world, partly due to changes in that world. By the middle of the nineteenth century, the course of real wages was clearly inconsistent with any subsistence theory...the most casual observation of the world suggested that equalizing differences [as Ricardo did] were an inadequate explanation of relative wages. (Hutchison 1973, 193)

F.D. Longe, W.T. Thornton, Cliffe Leslie, J.E. Cairnes and Fleeming Jenkin among others were all to exhibit discontent with received ideas regarding wages. In the course of such discussions, the “Wages Fund” as well as the “Cost of Production” doctrines of Ricardo met with pointed criticism. Schumpeter was, observes Hutchison, to label “killing the wages fund” as a “favourite sport.” (Hutchison 1973, 189) He notes, as well that, in the second edition of his Theory, Jevons was to demand that economists “cast ourselves free...from the Wage-Fund Theory, the Cost of Production doctrine of Value, the Natural Rate of Wages, and other misleading or false Ricardian doctrines.” (Jevons [1871] 1970, 148)

By the 1870s, the empirical content of a hard-line Malthusian population doctrine that was the primary support of the wages-fund doctrine and related notions was increasingly devoid of empirical content (Hutchison 1973, 197-198). Given cheap imports of American wheat after the Civil War, the constraint on foodstuffs (with this being

conceived of as a primary determinant of wage costs) was nullified. This substantially undermined the logical basis of the Malthusian population doctrines that underlay Ricardian theory.

Jevons was to admit that these discussions regarding wages influenced the shape of his model as it was presented in his Theory of Political Economy. He notes in passing, in this regard, that “Considerable discussion has taken place concerning these laws [sic. The ordinary laws of supply and demand], in consequence of Mr. W.T. Thornton’s writings upon the subject...and in his work on the Claims of Labour...” (Jevons 1970, 148) With similar intent, Hutchison cites Sidgwick as saying that so far as a date can be affixed to the denouement of classical Ricardo-Mill doctrine, “I should place it at the appearance of Mill’s notice of Mr. Thornton’s book On Labour in the Fortnightly Review of March, 1869.” (Hutchison 1973, 186)

Classical economists imagined wages as oscillating around a “natural” or subsistence level. Ricardo was to distinguish the “natural” from the “market rate” with the natural price being “that price which is necessary to enable the labourers, one with another, to subsist and perpetuate their race without either increase or diminution.” In his view, “However much the market price of labour may deviate from its natural price, it has...a tendency to conform to it.” (Ricardo [1817] 1986, 93) When the market price rose above this natural price, “the condition of the labourer is flourishing and happy,” moreover, with the reverse being true when the market price falls below the natural price. In the tradition of Malthus, Ricardo was to observe that, therefore, “There cannot be a better security against a superabundant population.” (Ricardo [1817] 1986, 100) And in Ricardo’s studied opinion, thus, “Like all other contracts, wages should be left to the fair

and free competition of the market, and should never be controlled by the interference of the legislature.” (Ricardo [1871] 1986, 105)

Ricardo was to end his chapter titled “On Wages” in this manner. The discussion that follows as the text moves on demonstrates that “The clear and direct tendency of the poor laws, is in direct opposition to these obvious principles.” In arriving at this conclusion analytically, it was necessary for Ricardo to hold that there was but one “natural” wage for all varieties of labor, effectively equalizing differences between occupations. And while this was certainly contrary to empirical reality given that wages did vary between occupations, Ricardo maintained this simplification. His prior concern was to explain the general or intrinsic level of wages over time, and thus also the movement of labor’s share of national income as a result of population growth. The whole edifice of Ricardian theory was constructed, in this case, so as to arrive indubitably at endpoints that were, not surprisingly, compatible with the reigning ideology among like-minded Whig politicians and men of business. The conclusion could thus be drawn by radical opponents and others was that Ricardian theory was fashioned in an effort at demonstrating propositions regarding appropriate economic policy, as above with respect to the poor laws, rather than the vehicle of logic out of which such conclusions scientifically arose. Ricardo’s use of the wages fund in achieving these ends was, in particular, to prove problematic theoretically and politically. Nevertheless the practical political or programmatic implications of the Ricardian doctrine of wages were realized on just such grounds.

The combined result of the intrusion of unreality and politicism into the Ricardian model was both to impugn its truth-value as time went on, and to make many begin to doubt its practical efficacy in that it: (a) fueled criticisms of the institution of capitalist

employment itself, (b) lacked empirical content, and (c) was increasingly politically irrelevant as its political program of action was achieved. Through the latter half of the century, dissatisfaction with classical analysis on all of these bases was to grow. In this environment particularly, the development of critical theory at the hand of radical theorists would provide a disturbing transformation of classical analysis. Within the relatively more conservative confines of British academia, and among the British intelligentsia, at any rate, history tells us that marginalism would provide a more compelling challenge than would radicalism, for the most part. This understanding was, by its very nature, less disturbing to the variety of conservative thought dominant here, for it was, in sum, not in conflict with the conservative and mild interpretation of this ideological perspective, which was to view capitalist employment as a more or less beneficial state of affairs.

The doctrine of wages would be central, even so, to all three variants of economic theory. However, whereas Ricardo had understood costs of production to be the primary determinant of price, Jevons just as other early proponents of marginalism understood demand as the basis of values as they were to appear in the marketplace. Wages were, herein, conceived of as being the product of a “derived demand” as the demand for Labor came to be determined, in fact, by the marketable value of its “marginal product.” In the Jevonian schema, as such, wages were not advanced on the basis of a “fund” allocated over time for the subsistence needs of laborers, and they were not provided through the prior “abstinence” of capitalists as in classical theory. They became the product of a flow of revenue accruing from the sale of the products of labor.

In the later part of the nineteenth century, Alfred Marshall would at some level

reconcile these two perspectives of Jevons and Ricardo. Jevons' marginalist ideas were ultimately popularized, moreover, through their use and further development in the hands of theorists like Marshall, Wicksteed and Edgeworth. In this way, Jevons' marginal utility analysis was adapted so as to provide an answer to the most politically weighty of economic questions acceptable to academic and popular audiences alike, at least so far as their views were typical of conservative understandings of the process of capitalist employment were concerned. T.W. Hutchison (Hutchison 1973, 200) finds it significant that Marshall was to down-play the importance of Jevons' challenge to orthodox ideas; still, he remains convinced that Jevons' ideas "together with other attacks in the late sixties and early seventies by economists of the same new cohort or generation as Jevons [constituted] the final and decisive rejection" of the hard-line Malthusian doctrine on which the propositions of Ricardo and also Mill had been based.

In sum then, while we might not immediately connect political and institutional change with this grand transition in economic theory signified by the exchange of a Ricardian for Jevonian theory, or what amounts to that, ultimately the same elements leading to changes in political institutions and the structure of political representation over time were also to engender the formation of an ideological perspective consistent with the transformed material structure of British society that was to exist as the eighteenth century drew to a close. The resulting theory was developed as a means of addressing the dissonance between existing theory, and practical elements of reality including the status of conflicting and conflictual notions of the process of material interaction. Like the transition taking place at the level of institutions, moreover, the theoretical movement so occasioned would equally prove accommodative of the capitalist

market and its attendant features.

It was the combined “rupture” between reality and theory, and between theory and ideology, as such, that would lead to discontent with the postulates of the classical model. This was similarly to result in the formation and acceptance of an economic theory alternative to that of the classical thinkers, one serving to rationalize nontraditional (i.e., non-landed) forms of property and social position. The search for an alternative to the Ricardo-Mill paradigm was, as such, ultimately engendered by the changing relational structure attendant to the movement toward a society purely capitalist in its overall character.

One effect was to occur in an unexpected fashion, as a negative reaction to the overt politicization of the discipline. This politicization was connected to the utilization of economic doctrines for political or obviously ideological purposes as in the case of Ricardo’s assertions regarding the Corn and Poor Laws. This was to be an effective agent of change.

Equally important, however, were the institutional changes wrought by this changing structure of relations among classes of resource holders. These were to alter the underlying manner in which Capital and Labor were to interact. They would bring a new face to the labour “movement” in evidence from the beginnings of the industrial era; it would be rendered amenable to greater perception of the advantages to be gained through capitalist employment and markets, rather than the violent and principled rejection of these. This would go on to affect the construction of a vision of the dual roles of capital and labor in the production of the nation’s material well-being. This we find reflected, moreover, in Jevons’ model as it was finally introduced.

Both institutional and doctrinal changes were as such occasioned by the transition to a mature capitalist economy in which fully formed capitalist class relations had become dominant in all spheres of practice. Thus the political history of nineteenth-century Britain is an important resource in our study of the history of economic “opinion” in general, and the formation of support for the marginalist theory of Jevons as well.

CHAPTER 3

THE PLACE OF W.S. JEVONS IN THE HISTORY OF ECONOMIC THOUGHT

In closing his 1871 Theory of Political Economy, Jevons was to note that “In the republic of the sciences, sedition and even anarchy are beneficial in the long run to the greatest happiness of the greatest number.... Our science has become far too much a stagnant one, in which opinions rather than experience and reason are appealed to.” (Jevons 1970, 261-262)

Jevons hoped to move economic science forward along the lines of the physical sciences, wherein “authority has greatly lost its noxious influence.” In this attempt, he struck out on a path that was at once original and timeworn. He was, on the one hand, to put the notion of utility to a much more general use than had previously been the case; nevertheless this was a concept having application both wide and long. He was to utilize the technique of marginal analysis in the derivation of a comprehensive theory of value applicable to all economic goods, and yet he was to do so solely on the basis of an analysis of the relation between the act of exchange, and the production of value. In so doing he was to derive an economic theory absent of any critical understanding of the process of capitalist production. Nevertheless Jevons’ insights would be rendered academically successful only through Alfred Marshall’s efforts to weld classical and

marginalist theory into one compatible whole.

In sum, however, Jevons' ideas did not depart from the classical tradition of treating capitalist economic intercourse noncritically. Yet at the same time Jevons was one of three theorists to almost simultaneously and quite independently derive highly similar constructs of thought which today we term "neoclassical" to distinguish them from their classical forebears. The timeperiod or process in which the "Marginal Utility" theories of Jevons, Karl Menger and Leon Walras were expanded and developed has come to be termed the "Marginal Revolution," moreover, implying a substantial discontinuity between the two sets of theory.

The work of these three theorists would indeed become the basis of a new generation of economic thought, one which was to discard some insights central to the classical analysis of Smith, Ricardo, Mill and others. The term 'revolution' draws attention to this fact. It implies a break within the tradition of economic thought. Quite obviously, as such, some antinomy exists between understanding Jevons' work as being a simple continuation of the classical tradition of noncritical analysis, and assuming him to have actually achieved that break with classical thought which he felt himself to have achieved, and which some scholars also clearly perceive to be the case.

A great deal of research has focused on properly "placing" Jevons and his accomplishments, and those of the other "marginalists" Menger and Walras, in the history of economic thought. Research into Jevons' role in the 'Marginal Revolution,' nevertheless, includes a number of common considerations. The first may be characterized as an exploration of the nature of scientific change itself within the tradition of economic thought. Analyses inclined in this direction take in consideration of the

beginning and completion of the 'revolution' to the extent one is thought to have occurred. In a related manner, secondly, much thought has also been given to notions of "paradigmatic change," and how this can be defined in relation to the transition to marginal analysis. In this latter context, contention exists regarding the role various thinkers including Jevons played in the "neoclassical" transformation of economic theory. Thirdly, at any rate, a fair number of theorists have as well attempted to resolve the mystery of the "retarded acceptance" of marginalist theory, i.e., the fact that it did not climb to a position of intellectual prominence until decades after its initial formulation at the hands of Jevons, Menger and Walras.

3.1 Mainstream Opinion

Marion Bowley (Bowley 1972, 9-29) has taken the position that no revolution in thought occurred. This view is set out in a well-known article entitled "The Predecessors of Jevons - the Revolution that wasn't." Regarding the contributions of Lloyd, Longfield, John Craig, Dupuit, Lauderdale, Malthus, Senior and others active in England in the 1830s and 1840s, Bowley concludes that the emergence of statements of the law of diminishing marginal utility, of the concept of intensity of demand and of attempts to measure utility, appear to have no "revolutionary" significance. For in Bowley's view (Bowley 1972, 27) these were "well within the classical framework. They exhibit a continuance of concern with the problems of utility apparent in the work of the founders of the classical school."

Bowley regards the word 'revolution' as implying either:

the oversetting of an accepted solution to a problem, or the introduction of a new concept or method of analysis which is recognized...as of

fundamental importance.... The discussions of utility theory among the predecessors of Jevons...do not qualify as revolutionary...[and as such] we have to abandon any dramatic interpretation of the history of utility theory. (Bowley 1972, 28)

For in essence, although clearly concerned with problems of Utility these predecessors "were not concerned with altering the emphasis or the nature of the main questions with which political economy was preoccupied; their work did not alter the analytical framework." (Bowley 1972, 29) Thus as Bowley points out, marginal utility theory was originally envisioned as an adjunct to classical theory, and not an alternative to it. Each of the "Predecessors of Jevons" implicitly assumed this to be the case, moreover.

Bowley's determinations are fairly unique in the extent to which he finds classical and neoclassical traditions to remain joined. Although others have equally questioned the revolutionary significance of marginal utility, alternative analyses are dissimilar in the features of thought they identify as being carried forward in Jevons' model, and in general the consensus among researchers in this area is that a revolution of sorts did occur. Nevertheless, research supports the understanding that the revolution was neither sudden nor sharp, and implied no final point of chronological or intellectual divisibility between the two traditions. The transition from classical to neoclassical economic theory encompassed, rather, a "process" that took place over a longer period of time. It is somewhat arbitrarily associated with Jevons, Menger and Walras for the simple fact that their primary theoretical contributions were each similarly complete and logically congruent theoretical constructs, and contiguous in time.

Bowley's account, equally, is contrary to prevailing thought regarding the extent to which statements of the law of diminishing marginal utility in discussions of value, or

statements that hint of it, can be interpreted as anticipations of Jevons, or of another of the marginalist trio of Jevons, Menger and Walras. And in fact Bowley himself observes that his view is opposed to that of Schumpeter, who believed it legitimate to think of the period of the seventeenth and eighteenth century up to the publication of Adam Smith's Wealth of Nations as one in which steady progress occurred practically to the brink of a great "break-through," something which was in any event only accomplished later, with a number of thinkers keeping the "torch alight" in the intervening years.

Mark Blaug has, in a related manner, found that the primary difficulty regarding research into the matter of the marginal revolution is that such inquiry tends to confuse the origins of the revolution with the subsequent popularization of marginalist theory. With regard to the matter of origins, in fact, he comes to the conclusion (Blaug 1987, 294) that no decisive element can be identified, for: "In short, the simultaneous discovery of marginal utility may call for an explanation but none of the available explanations is satisfactory." In an article entitled "Was There a Marginal Revolution," moreover, Blaug looks at many standard explanations of the revolution, from class conflict to philosophical and intellectual traditions, and in the end finds that no sense of intellectual crisis seemed to draw forth marginalist theory. What he deems to have been "adequate defenses" of capitalist enterprise existed in both Bastiat (Bastiat [1850] 1968, 1) and in the classical wage-fund argument. Equally, given that policy conclusions of the early marginalists including Jevons were not derived via marginalism, practical recommendations stemming from the marginalist approach appear to Blaug to be "ill-fitting" as concerns the larger edifice of utility-based theory. Any element of what might be termed a 'revolution' Blaug finds in the fact that marginalist analysis was to redefine

the essence of the economic problem itself. It was to shift attention from the importance of accumulation through time, to the relationship between given ends and scarce means having alternative uses (Blaug 1972, 269-280). This necessitated, moreover, the movement towards the sort of mathematical analysis we associate with marginalism.

Blaug finds, of existing explanations of this shift, that the most plausible is to understand it as a product of autonomous intellectual development. He finds it, for instance, relatively more difficult to find reasons for supporting the idea that it was the product of philosophical currents, buffeting theory with the winds of intellectual fashion. Likewise, Blaug finds that it was not likely related to institutional development, something T.W. Hutchison has in contrast found to offer significant explanatory value. With regard to materialist explanations specifically, Blaug understands such arguments as indicating that marginal utility theory may be interpreted as an intellectual response to radical and socialist criticism of standard economic thought. He is in disagreement with this contention. Notably, he interprets this thesis as applying at the level of ideas, without greater reference to material practice.

Blaug notes that in the end marginalist theory of the type proposed by Jevons, Menger and Walras presented a sort of adjunct to classical economic theory in that classical theorists “frequently wrote as if distribution preceded valuation in a causative sense” while marginal analysis assumes that “the income of productive factors [is the result] of product prices.” In fact the two are simultaneously determined. Thus, notes Blaug, “The real claim of the new economics was that it broke down the departmentalized approach of Ricardian economics” and thus was able to by-pass the classical need for a dual theory of value as between manufacturing and agriculture.

Similarly to Schumpeter, however, historian of thought Henry William Spiegel finds that:

the break with the past was not as pervasive as the word revolution implies...in its broader pattern the new thought had strong links with the great ideas of the past - with Bentham's calculus of utility and with the incipient equilibrium economics and subjective theories of value developed in eighteenth-century France and Italy. In matters of economic policy, there was continuity rather than a break with the ideas of the classics. (Spiegel 1983, 505-507)

Spiegel is not alone in this finding. In contrast to Bowley, at any rate, Spiegel notes that:

When this revolution had run its course at the end of the century, both the structure of economics and its method differed sharply from the political economy of the classics. The labor theory of value was shed...the unifying principle, which was now at hand, was the marginal one.... Economics became the science of treating of the allocation of a given quantity of resources, which meant that little attention continued to be devoted to the question of how this quantum was determined and how it could be increased. (Spiegel, 1983, 505-507)

Thus even while Spiegel finds a degree of continuity to have existed, he identifies elements of discontinuity at a methodological level. And so far as this sort of a transition did take place, he observes

that the acceptance of marginal analysis was delayed for so long reflected inertia and resistance to the employment of mathematics as well as a twofold failure of communication - the lack of attention given to the contributions of those who worked outside an incipient scientific community that was in the process of attaining professional status and inadequate lines of information with the community and from one national branch to another. Outsiders ranked prominently among the pioneers of marginal analysis.... It was the work of these men that set off the marginal revolution. They had many precursors whose thought, however, had little effect on the opinion of their contemporaries. (Spiegel 1983, 505-507)

Spiegel has found, in sum, that "The doctrinal history of marginal analysis in the nineteenth century provides a case study that shows the emergence and eventual acceptance of a new scientific idea of major importance." Regarding the three pioneers

of the idea:

The circumstances attending their discoveries lends support to the hypothesis that among the strategic factors responsible for the emergence of the new idea were the inner logic of economic science, the philosophical predilections of some of its students, and the practical requirements of applied economics. (Spiegel 1973, 507)

As for Jevons in particular, Spiegel believes that "Jevons's claim as a pacesetter is stronger than that of the others.... It was only Jevons who excelled both as a theorist and as an empirical investigator and whose quantitative studies foreshadowed the rise of econometrics in the twentieth century." (Spiegel 1973, 514) But in the case of all three theorists, recognition was slow in coming. In this respect, says Spiegel, "Why they were successful when their predecessors failed is a question that has been much debated but defies definitive conclusions." (Spiegel 1973, 513)

Jevons' mathematical bent may nevertheless have done him some damage as it had Cournot, notes Spiegel. Even so, the substance of Jevons' argument is "a consistent development of the ideas of Bentham, still a living tradition in England." Jevons also had the attraction of working in both theoretical and applied areas. As Spiegel puts it, "He was equally attracted to the creation of formal structures of thought...and to...new facets of the external world." (Spiegel 1973, 516) Jevons' work can thus be said to be continuous in certain respects even while it proves discontinuous at the level of methodology. With regard to his principal contributions to the core elements of economic theory, Jevons' Theory of Political Economy constituted "a new beginning" for Spiegel, since at the time Jevons was not acquainted with the work of any of the primary

anticipators of such ideas, Cournot, Von Thünen or Gossen.¹

The "capstone" of Jevons' theory for Spiegel is the proposition that the ratio of exchange of any two commodities will be the reciprocal of the ratios of the marginal utilities of the quantities of goods available for consumption after completion of exchange. In symbolic terms:

$$\frac{\phi_1 (a - x)}{\psi_1 y} = \frac{y}{x} = \frac{\phi_2 x}{\psi_2 (b - y)}$$

where "a" represents an initial endowment of some good held by person A, while "b" represents an initial endowment of another good held by party B. Each will surrender units of their own commodity in return for units of the other party's commodity so long as each considers the loss of utility thereby incurred to be exceeded by the gain in utility attending the acquisition of the other commodity. In the end, A will hold (a-x) units of its own commodity and (y) units of the other commodity, and so forth. As exchange continues, the utility gained from successive units obtained falls. Continued exchange finds a lowering of the marginal utility of the good acquired, and an expansion of that of the good surrendered. The net result for either party thus eventually reaches zero and thereafter represents a negative value. When the marginal utilities of the two goods have become equal, moreover, opportunities to add to utility through exchange have been exhausted, and further exchange will cease.

¹ Of Dupuit, Jevons notes that "I am not aware that any Englishman every knew anything about these remarkable memoirs...."; of Cournot, "I procured a copy [of his *Recherches sur les principes mathematiques de la theorie des riches*] as far back as 1872...."; of Gossen, "I never saw nor so much as heard any hint of the existence of Gossen's book before August 1878." With regard to Von Thünen, Jevons cites his inability in German as reason for his lack of familiarity with Gossen's work.

In this way a "ratio of exchange" will be reached corresponding to the reciprocal of the prices of the two goods. Jevons calls this his "Law of Indifference." While Jevons intended this to be equally applicable to all types of markets in which informational requirements are met, the solution in the case of a competitive market requires intermediary steps, Spiegel points out, which Jevons did not seek to address. Nevertheless, in this way Jevons was to develop a theory of consumption based on utility. In the case of production, in fact, Jevons outlines a theory of cost similarly "expressed in terms of feelings of disutility or pain, an analysis that, although not yielding a theory of the firm, did shed light on the determinants of the supply of labor." (Spiegel 1973, 520) This rather "ingenious" analysis failed to exert lasting influence, according to Spiegel, because it is grounded in the unrealistic assumption that hours worked are under control of the laborer.

Spiegel is, in the end, of the opinion that the final key to the interest Jevons' work received after the publication of his Theory of Political Economy in 1871 was due to two factors, primarily. Firstly, the publication in 1865 of his Coal Question

an early study of conservation and a message of pessimism similar to Malthus's population theory...[that] turned its author, then thirty years old, into a personage whose acquaintance was sought by Gladstone and to whom Mill referred in flattering terms in Parliament. Thus when The Theory of Political Economy came out six years later, Jevons had already established a highly creditable record as an author. Nevertheless his credentials were not strong enough to secure a favorable response to the new ideas submitted in the book. (Spiegel 1973, 523-524)

Secondly, Spiegel finds that interest in Jevons' utilitarian ideas was a product of synthesizing efforts on the part of Alfred Marshall, whom Spiegel notes was, during his own lifetime, thought to be the greatest theorist in England:

When toward the end of his life Jevons noticed a more positive attitude to

the mathematical approach in England, this largely reflected the rising influence of Marshall's teaching. Marshall was seven years his junior but survived him for forty-two years, and his work, more than Jevons's, was responsible for the eventual acceptance of a new economics fostering marginal analysis and mathematical methods. (Spiegel 1973, 524)

Prior to Alfred Marshall's death in 1924, Jevons' ideas continued to gain ground through their influence on Edgeworth and Wicksteed. F.Y. Edgeworth occupied the Drummond Chair at Oxford from 1891 to 1922. He was editor of the Economic Journal for an extensive period. Founded in 1891, this in particular was an important organ for the dissemination of ideas among academic economists. Like Jevons, lastly, Edgeworth was a committed utilitarian. Indeed, similar things can be said of Phillip Wicksteed. In the 1890s, he was to apply marginal productivity theory to the problem of distribution. Eventually he was successful where Ricardo was not, in offering a general analysis of what had been only hinted at by Ricardo. In doing so he was to extend the overlap between classical and marginalist ideas, and make Jevonian marginalism both more palatable and more adaptable at a general level. Indeed, his marginal productivity theory was developed primarily in his 1894 Essay on the Coordination of the Laws of Distribution, a work today taken as exemplifying the extent to which Jevons' marginal utility approach could be expanded along lines less in opposition to the classical approach than would have been the case at the point of The Theory of Political Economy's initial appearance. Thus generally, both Marshall and other prominent economists of this later generation including Edgeworth and Wicksteed exemplify the blending efforts that were to occur subsequent to the formal introduction of Jevons' model in 1871.

Through the committed use of his technical and methodological perspective at the hands of such theorists, Jevons' ideas gained ground among academic economists

throughout the eighties, nineties, and on into the twentieth century. These theorists, like Marshall, even while not uncritical of Jevons, would assist in the development of his marginalist insights. According to Spiegel they were the "true heirs of Jevons" by virtue of the prominence they accorded to utility theory.

Spiegel is not alone in noting the importance of both Wicksteed and Marshall had in determining the ultimate fate of Jevonian theory. Jevons' work unmistakably became a platform others of similar theoretical perspectives could successfully build upon. S.G. Checkland thus asserts that "It was Jevons' mission to usher in the marginal utility approach and the frank use of mathematical concepts, making it possible for Marshall to proceed to a new and fruitful synthesis of the new and the old." (Checkland, 1951b, 169)

Similarly to Checkland, historians of economic thought Ekelund and Hébert accord Jevons great weight in the determination of the course of subsequent theory, even while in the end they believe his influence to have been the result of a confluence of factors. These theorists emphasize Jevons' originality, as does Schumpeter rather more grudgingly. In this regard Eckland and Hébert quote Prof. Herbert Foxwell, a colleague of Jevons, to the extent that "the only point about Jevons was that he was a genius." Ekelund and Hébert agree. In their words, "A look at Jevons's entire lifework bears out Foxwell's opinion. Jevons's legacies to economics are indeed fragmentary, but they are the leavings of a genius." (Ekelund and Hébert 1983, 312)

Ekelund and Hébert posit a number of reasons for the decline of the classical school and its subsequent replacement by marginalist theory. On the one hand academic and philosophical interest was to move towards subjects that, firstly, turned the attention of theory away from classical doctrines. Such was the effect of the interest in Darwinian

evolutionist ideas that was seen towards the 1870s, and was evident in works as diverse as Hearn's (1864) Plutology and Marshall's Principles, they note. Secondly, the "Methodenstreit," or battle of methods fought between rationalist, a priori classicists and inductivist historians of the German Katheder-Sozialisten school and English historians such as Cliffe Leslie and John Ingram brought increasing censure to the classical tendency to reason from empirically weak propositions. In the estimation of Ekelund and Hébert, this made Jevons' less rigorous deductivism relatively attractive. There was also, importantly, Mill's discontent with the doctrine of "laissez faire" (which other authors point out was not an isolated sentiment, and which they also note may well have been an important factor in the eventual abandonment of Ricardian doctrines). Ekelund and Hébert go on to make the inference that the implicit dissatisfaction with classical thought offers a plausible explanation for the emergence of Jevons' Theory of Political Economy, as well as for interest in it.

By 1865, Jevons' professional reputation had also been advanced by the publication of The Coal Question. This accorded him new prominence. Nevertheless, his striking originality had as yet failed to purchase him a great deal of attention once interest in this work died down. To this end, Ekelund and Hébert note J.M. Keynes' assertion that by 1936 only 39,000 of all nine of Jevons' major works had been sold. Yet apart from such possibly minor interest in Jevons' himself (an assessment that might be tempered by its juxtaposition against the likely numbers of academically-inclined readers in these years), they believe the way had been cleared for the advance of his ideas. For Jevons was both original in his approach, and successful in answering a number of economic conundrums such as the diamond-water paradox of Smith. We must also consider what Ekelund and

Hébert term his "pioneering" utility analysis. This was "more than matched" by his efforts in empirical and statistical science. His importance in these terms, according to Ekelund and Hébert, is accentuated by Jevons' importance in advancing technical economic analysis (as apart from historically inclined economic studies).

Ekelund and Hébert also contend that:

most geniuses responsible for the major mutations in the history of thought seem to have certain features in common. First and foremost, the great intellectual pioneers of the past held a skeptical, almost iconoclastic attitude to traditional ideas. Second...an open-mindedness...towards new concepts.... The creative process is a wrenching away of a concept from its traditional context or meaning. (Ekelund and Hébert 1983, 4)

They clearly find Jevons to have fit this mold. But in addition, they are sympathetic to the idea that "another precondition for basic discoveries is the "ripeness" of the age."

They hold that this was in fact the case when Jevons brought his theory forward, for:

The climate of economic opinion in England was of a distinctly stormy nature in the late 1850s, the 1860s, and the 1870s...[and therefore] if widespread dissatisfaction with an old paradigm is, as many intellectual historians believe, the prerequisite for the emergence of a fundamentally new (but not necessarily contradictory) system of thought, then a ready explanation for the emergence of Jevons's Theory of Political Economy in 1871 is at hand. (Ekelund and Hébert 1983, 309)

In these terms, the appearance of Jevons' Theory of Political Economy is seen almost to be one of necessity. As for its reception, the improvement that took place between 1862 and 1871 is explained, for Ekelund and Hébert, by the positive effect of The Coal Question on Jevons' professional reputation, in combination with these other features that together constitute "ripeness" in their terms.

T.W. Hutchison is the author of two items of special note in this regard. The first is his Review of Economic Doctrines, 1870-1929. The second, but no less important, is his "The "Marginal Revolution" and the Decline and Fall of English Classical Political

Economy," published in a 1972 edition of the journal History of Political Economy, in an edition devoted to a conference held in Bellagio, Italy, regarding the nature and consequences of the marginal revolution. This conference was to showcase the best minds in the area of history of thought who were then specifically interested in the marginal revolution. The list of presenters included Mark Blaug, S.G. Checkland, A.W. Coats, R.D.C. Black, Neil de Marchi, G.J. Stigler, Ronald Meek, G.L.S. Shackle, T.W. Hutchison, Ronald Meek and others. Its proceedings expose the range of opinion existing regarding the nature of Jevons' contribution to the marginal revolution, and indeed the character of the revolution itself. Black, Coats and Craufurd Goodwin were subsequently to edit and publish these papers under the title The Marginal Revolution in Economics, a work generally thought to depict the consensus of experts in this area.

Hutchison's contribution herein echoes his opinions levied elsewhere. He emphasizes many of the same elements as do Ekelund and Hébert, but to a different effect. For unlike Ekelund and Hébert, Hutchison gives weight to the influence of social and material factors driving the movement of theory even while in the end he assesses these with regard to their action at an epistemological level. In this Hutchison's analysis becomes strikingly similar to Ekelund and Hébert's in some respects. It nevertheless differs with regard to the degree to which Hutchison allows for material elements to have affected both the content and the reception of Jevons' ideas.

Hutchison, just as Ekelund and Hébert, presents intellectual development of Jevons as being highly instructive in answering the question of why Jevons' theory appeared when it did, as it did, to be received as it was. Both Hutchison and Ekelund and Hébert, moreover, sketch Jevons only in the context of a wider social picture. Ekelund and

Hébert nevertheless rely more than does Hutchison upon what they believe exposes the “ripeness” of the era for theory of the sort Jevons was proposing. For Hutchison the more important circumstance regarding the ultimate reception with which Jevons was to meet with concerns the dominance of the classical school within orthodox economic theory. This, in Hutchison's view, was an important spur to reaction.

The development and acceptance of marginalism, for Hutchison, can be understood as a development of the "'internal' logical requirements of economic theory." In Hutchison's analysis, this exercised a "predominant directing influence comparatively more immediate than the problems of the contemporary economic world. This was the case to a much greater extent than in any previous history of the subject." (Hutchison 1975, vii) For in Hutchison's estimation, given that such theoretical development coincided with a period of what he finds to be comparatively stable politico-economic development in the Western world, "economic reality did not force itself too brusquely or strikingly on the more detached student." In addition:

The wide acceptance of the classical system of political economy, though the source of its great practical strength, was at the same time the source of one of its most vulnerable weaknesses and ambiguities, that is its failure adequately to distinguish, and keep separate, scientific doctrines from practical maxims and political principles. (Hutchison 1973, 2)

Hutchison speaks, herein, of the peculiar "Ricardian vice" of "mazy and preposterous" conclusions, and a priori reasoning on the basis of dubious points of beginning. At issue, then, were these items that had come to be accepted as the methodological premises of the classical model. These were increasingly seen to be political argument in the guise of science, which rankled opponents of such theory. The inductivism of the Historical School was thrown up as a direct methodological challenge to this aspect of the

orthodoxy. For this reason, Hutchison presents theoretical development in the field of economics through this period as being an "internal" logical development, largely unaffected by "external" factors. He finds that such development was not primarily or effectively the result of material or sociological elements except in the limited sense in which these impinged on the 'internal' logical development of the science itself.

Nevertheless Hutchison goes on to note that, "In so far as we attempt any interpretation 'external' to, or in addition to, the 'internal' logical development of the central problems themselves, we do so individually (or micro-historically) in terms of the particular intellectual biographies of the leading great economists." (Hutchison 1975, viii) Thus we see the areas Hutchison finds significant: the internal logical development of economic doctrines, plus particularist renderings of the intellectual biographies of their primary developers. The latter approach is of course similar to that adopted by J.M. Keynes in his Essays in Biography. On the basis of such considerations, Hutchison notes (Hutchison 1975, 6) that in "hindsight the 1870's appear today as one of the three or four out-standing decades of creative debate in the history of English political economy...."

At the point when Jevons introduced his model, in fact, number of "unsettled questions" had risen to the forefront of academic and popular discussions of economic issues.² In conjunction with a centenary celebration of Adam Smith's 1776 publication of The Wealth of Nations held by the Political Economy Club of London on May 31, 1876, a number of such issues were noted, being described by Hutchison at length in his

² As is evidenced by the 1844, 1868 and 1874 editions of J.S. Mill's *Essays on Some Unsettled Questions of Political Economy*, reprinted by Augustus M. Kelley in "anniversary" editions 1968 and 1974.

Review of Economic Doctrines 1870-1929. First was the existence of a heated methodological debate, the same mentioned by Ekelund and Hébert and chronicled in Joseph Schumpeter's History of Economic Analysis and also described at length by a contemporary of Jevons, J.K. Ingram, in a somewhat dissimilar context. Second was the tendentious issue of laissez faire, in which context Acting-Treasurer of the Political Economy Club William Newmarch was hopeful that the future of “Political Economy” would be practically productive of the reduction of the functions of government to a “smaller and smaller compass.”

In addition to matters of practical economic policy, at issue were specific elements of classical doctrine including its four main pillars: (1) the Malthusian population doctrine, (2) the wages fund theory, (3) rent theory, (4) labor/cost of production theories. Together, these three sets of items (with the last being a more inclusive category) form the "unsettled questions" Hutchison believes largely determined the reception with that Jevons' work was to receive. One consequence of these heated disputes was that:

It was not that there occurred in the seventies any very marked or sudden change in the political attitude of the leading economists. But gradually, instead of the free market being held innocent or beneficent until it was proved guilty, while State action was held guilty until proved innocent, the two came to be weighed up on rather more equal terms. In particular, a more systematic attempt came to be made 'to gather in orderly fashion,' and to concentrate more attention on, the cases for State intervention. (Hutchison 1975, 11)

This softening of attitudes concerning the proper scope of economic intervention by the state coincided with a marked shift toward ideas more in harmony with Jevonian marginalism than with certain classical doctrines. Urban growth and rapid industrialization through the 1850s and 1860s brought increasingly difficult problems including hours and conditions of work, child and female labor, public health, trade

unions, ownership and management of public utilities, public education etc., all resulting in a steady encroachment of the state into public life. Moreover, Hutchison notes that:

In fact, the 'new intervention' (factory acts &c.) had got under way long before the 'old intervention' (Corn Laws &c.) had been removed...acknowledged exceptions to the laissez-faire maxim...steadily and inevitably increased in number and importance...after the onset of the great depression of 1873, they were to increase still more rapidly.
(Hutchison 1975, 7)

Thus he notes that industrialization brought to importance the “social question” of poverty, and as well it highlighted the importance of clear guidelines regarding the management of the economic affairs of private parties. In both cases, urbanization was an important element. Hutchison quotes André Gide in his observation that, “Real poverty is that of cities, because it is there such a close neighbor to the excesses.” According to Hutchison and others, urban poverty also brought into being a social consciousness that we find to be quintessentially Victorian, as well as specifically Jevonian. Hutchison sums up this trend with the assertion that, "An irrevocable step was being taken in the transition from the 'closed,' unselfconscious, spontaneously functioning society of tradition and inheritance, into the 'open' self-conscious society of choice, plan and design." (Hutchison 1975, 7)

All this, in Hutchison’s estimation, served to ready the world for new ideas. Thus Hutchison quotes Mathew Arnold, who in Culture and Anarchy writes that “now the iron force of adhesion of the old routine - social, political, religious - has wonderfully yielded; the iron force of exclusion of all that is new has wonderfully yielded....” An element of this can be seen in Jevons' Methods of Social Reform, a work in which Jevons suggests ways of dealing with such issues of urban concentration and urban poverty. As Hutchison points out these problems increased in importance along with "the steady

expansion of the franchise" for the "urban masses of industrialism...[were] clearly a force with which the political classes would eventually have to come to terms." (Hutchison 1975, 7)

For Hutchison, the growing political effectiveness of the laboring classes translated into growing theoretical interest with epistemological concerns. These, along with a new-found faith in social revisionism and in man's ability to reform society in beneficial ways, meant that "in England in the sixties and seventies it was bound to lead to a heightened interest in political economy and social investigation, and a confident belief in their potentialities of social policy and social control." (Hutchison 1975, 9) Hutchison thus notes that, "the 22-year-old Jevons - on many issues ahead of his time - had written to his sister from Australia, that "You may feel assured that to extend and perfect the abstract or the detailed knowledge of man and society is perhaps the most useful and necessary work...." (Hutchison 1975, 10-11)

Jevons had begun a search for such truths, Hutchison points out, as early as 1857. By this time Ricardian Classicism had gained such influence, with its overwhelming emphasis on laissez faire, that Jevons was to term laissez faire doctrines the 'metaphysical incubus' of political economy. In Hutchison's opinion: "What was above all called for was a sharp intellectually disciplined distinction between laissez-faire as a practical political rule of thumb, and as a scientifically established and authorized conclusion of the science of political economy." (Hutchison 1975, 10-11)

But the basis of such a demonstration necessarily resided in a refutation of the methodological underpinnings of the classical model. On one hand, this meant that the social methodology of the classical school was fair game. The classical account of

distribution, especially of Ricardo, was posed primarily in aggregative terms. Hence for instance, reason existed for the social atomism we find to be a hallmark of Jevons' model. Albeit he does not make this specific point, Hutchison does argue along these lines, holding that much of theory developed as an intellectual response to dissatisfaction with features of the orthodox model. In this context he notes that even within the ranks of those whom we ordinarily consider "classical" economists, signs of discontent had arisen. Thus, Cairnes had discerned "signs of a belief that political economy had ceased to be a fruitful speculation," while Mills abandoned the wages fund doctrine altogether in 1869, terming it a "shadow which will vanish if we go boldly up to it." (Hutchison 1975, 13)

And in fact, the case of the wages fund doctrine is particularly instructive as to the overall tenor of Hutchison's argument. In this respect he says that:

The 1850's and 1860's saw such a great increase in population accompanied by such a palpable rise in living standards that the classical population theory and its law of 'natural' subsistence-wages, could only in some degree be saved.... Once a permanent rise in working-class standards became accepted as an accomplished fact, the entire notion of a 'subsistence' level became extremely nebulous, and what might have been regarded as the one fairly firm anchor for the classical account of distribution was removed. (Hutchison 1975, 13)

In the ensuing decades, controversies over the wages fund would continue. Many important insights arose out of this controversy, including some regarding issues that lay at the heart of analyses of value. In this respect Hutchison asserts that:

It is Jevons's Theory of Political Economy (1871), with his marginal utility theory of value, and his incisive attack on the labour and cost-of-production theories, which is generally taken today as the decisive moment in the transition from the classical system. (Hutchison 1975, 14)

In this context, Jevons' utility-based analysis was to resolve long-standing paradoxes in

classical definitions of value. But, Hutchison points out, in a much quoted insight, that "what was important in marginal utility was the adjective rather than the noun."

(Hutchison 1975, 16) The mathematical or analytical technique of marginal analysis was, in Hutchison's estimation, Jevons' most significant contribution to economic theory.

As for why this 'discovery' occurred as and when it did, Hutchison offers a dual explanation. Firstly:

The problems of public utilities...were growing rapidly in importance in the middle decades of the nineteenth century and the labour and cost-of-production theories of value as then formulated, had little to contribute to their elucidation.... So much for Jevons's route to the more important half of the 'marginal utility', the 'marginal' half. (Hutchison 1975, 36)

As for the utility half, Hutchinson points to the intellectual importance of the on-going debate in this context in existence through a long line of English thinkers, most notably Bentham. Jevons' 1862 address to the British Association for the Advancement of Science (the famous "Section F"), is put forward as a case in point. In this Jevons gives notice of his theoretical intentions in strongly Benthamite terms. In this connection Hutchison finds that Jevons' solitary years in Australia combined with his own internal disposition and the financial situation of his family led Jevons to consider optimization and utility-based problems generally. The outcome was his essential sympathy for Bentham's description of human behavior as maximization on the basis of limited means.

With regard to the timing of the wave of interest in marginalism Jevons was to spark, much more is offered by Hutchison (Hutchison 1972, 442-468) in a short article on the decline of the classical school. In this, he accepts the characterization of the Marginal Revolution as a 'revolution' in the Kuhnian sense. While Hutchison does not feel that such a characterization can be made of traditions in either Vienna or Lausanne (the

homes of the other two marginalists, Menger and Walras), with respect to England he notes that, while there had been the long domination of an orthodox body of doctrine comprising method and policy as well as theory:

The rejection in the late sixties and early seventies of these central theories of value and wages, by Jevons and others of a new cohort or generation of economists, which was accompanied by a more widespread questioning of orthodox methods and policy principles, was a pretty sudden and rapid one. This might well be described as the destructive phase of a "revolution," though the constructive phase was slow in getting under way and only followed after a long time lag. (Hutchison 1972, 442)

This movement had begun long before Jevons came onto the scene. Thus Hutchison says:

Jevons...in 1871 was giving a weighty and spirited shove to a bandwagon of revolt which had begun to roll two or three years previously.... In fact, in the space of a few years in the late sixties and early seventies, the Ricardo-Mill system underwent a remarkably sudden and rapid collapse of credibility and confidence, considering how long and authoritative had been its dominance in Britain. (Hutchison 1972, 450-451)

Similarly:

The upheaval beginning in the late sixties and the watershed of the seventies were, of course, concerned with policy and method as well as theory. Clearly, after the extension of the franchise in 1867 fundamental new departures in policy would have to be considered sooner or later. (Hutchison 1972, 451)

Hutchison concludes that the historical and Comteist attacks of the Historicist thinkers were responsible for a methodological "reaction" of the type we saw in Jevons.

J.K. Ingram, writing shortly after the appearance of Jevons' Theory, equally was to note the influence of "Comteist" critics of historicism. Such critics followed in the tradition of August Comte, who established what Ingram called a "process of sociological comparison" based on historical analysis which opposed the shaping of social science along the lines of physical or biological sciences in a "monist" fashion. In this regard

Hutchison finds (Hutchison 1972, 452) that, as a result of such criticism: "As regards the central theoretical structure, some of the main pillars seemed to have lost the ability...to bear the weight of generalization" - a reference to the "Ricardian Vice" of turning policy propositions into the stuff of science through a series of axiomatically derived deductions. Thus the classical method, used to support vastly generalized claims of political importance, ultimately was responsible for its weakness as regards enemy formulations like Jevons. In this regard, Hutchison quotes Sidgwick's assertion that by 1871 the 'halcyon days of political economy had passed away,' in the context of which Jevons' Theory of Political Economy was a crucial assault.

Hutchison emphasizes that Jevons, in this, was to successfully attack the central pillars of the Ricardo-Mill orthodoxy. In fact, in the second edition of his Theory, Jevons exhorts readers to "cast ourselves free from the Wage-Fund Theory, the Cost of Production doctrine of Value, the Natural Rate of Wages, and other misleading or false Ricardian doctrines." Hutchison goes into great detail regarding additional reasons as to why such doctrines eventually failed. These concern the efforts of other thinkers, notably Walter Bagehot and John Elliot Cairnes. In Hutchison's view the final felling of this great tree of theory occurred via the efforts of F.A. Walker, John Ingram, Arnold Toynbee, Thorold Rogers, Henry George and Henry Sidgwick.

3.2 Critical Analyses

Ronald Meek accords much less weight to a changing intellectual environment. In his view the popularity of marginalism came about as a consequence, rather, of material changes in the structure of society itself, changes according marginalism new usefulness.

This both engendered marginalist analysis, and led to its eventual triumph. In an article titled "Marginalism and Marxism" (Meek 1972, 499-511), Meek notes that Marxists have always felt that the transition to marginalism "set the seal upon that crucial historical process of abstraction from the socioeconomic relations between men as producers which began in theoretical economics in the years following Ricardo's death." (Meek 1972, 500) In essence, while classical economists focused on the process of production and production relations, marginalist theory abstracts away from both. In terms of a theory of value, this transition was marked by the emergence of subjectivism, while in the case of distribution there thus came to be what Schumpeter has described as a tendency to speak in terms of categories without particular class connotations. Thus:

The so-called "marginal revolution" set the seal upon this development in a distinctive and decisive way. The new starting-point became, not the socioeconomic relations between men as producers, but the psychological relation between men and finished goods.... It was in this striking way, then, that the primary focus of attention in the theory of value was shifted away from the relations between men as producers to the relations between men and goods. And in the new theory of distribution which gradually developed...the tendency was in the same general direction - towards the notion that the socioeconomic relations between the classes which supplied land, labor, and capital had nothing essentially to do with the respective rewards which the market process afforded them. (Meek 1972, 501-502)

Associated with this abstraction, notes Meek, is a certain "ideological illusion," something that has been interpreted in various ways by theorists. Interpretations of this across theorists range from an ascription of elements of conscious intent (i.e., "conspiracy" theories which point to an intent on the part of the bourgeoisie to hide elements of capitalist reality from workers, so ensnaring them in it), to something unconscious but at the same time mistaken in its characterization of the particular processes taking place. In this context, Meek (Meek, 1972, 503) notes that Schumpeter

was correct in his assertion that the new theories "emerged" as a "purely analytical affair without reference to practical questions" for, notes Meek, it is by no means a proven fact that such doctrines were utilized explicitly to further the interests of the bourgeoisie.

Meek nevertheless finds that they were put to this use, a view supported by comments among participants and observers throughout the period in question.

Jevonian arguments were also utilized to attack Marxist theories directly, even while (ironically) Fabians such as Bernard Shaw and Sydney and Beatrice Webb were to employ Jevons' ideas as a basis for their own nonconservative variety of thought. Still, says Meek, "In good logic, it is true, no political or ethical conclusions could in fact be drawn from them - but that is hardly the point. The fact remains that it took a long time for this to be realized, and that apologetic use was extensively made of them during the period...." (Meek 1972, 503)

In this context Meek agrees with Joan Robinson's assertion in her Economic Philosophy that the primary intent of utility theory has been to justify laissez-faire, the meaning of which is unrestrained activity by capital. Moreover, Meek notes, Jevons himself was pointed in demonstrating that his theory of capital belied the doctrine of a falling rate of profit to the extent that Jevons held that wages and profit are not opposed; this is so unless the pace of technological advance is insufficient to support a growth in the net amount produced over time. In Jevons' words:

It is one of the favourite doctrines of economists since the time of Adam Smith, that as society progresses and capital accumulates, the rate of profit, or more strictly speaking, the rate of interest, tends to fall. The rate will ultimately always sink so low, they think, that the inducements to further accumulation cease. This doctrine is in striking agreement with the result of the somewhat abstract analytical investigation [earlier accomplished]. Our formula for the rate of interest shows that unless there be constant progress in the arts, the rate must tend to sink towards zero,

supposing accumulation of capital to go on...statistical facts, too, confirm this conclusion historically. (Jevons [1871] 1970, 245-246)

Jevons goes on to point out that the issue this brings up is the cause of this tendency, of which he notes that Adam Smith attributed it to competition among capitalists while later economists attributed the apparent antinomy between interest and profit in the face of rising labor costs. He notes, further, that "interest is determined by the increment of produce which it enables the labourer to obtain, and is altogether independent of the total return which he receives for this labour...[therefore] I conceive that the returns to capital and labour are independent of each other." (Jevons [1871] 1970, 246)

Yet even if there are thus grounds for believing that Jevons himself was interested in using his theoretical apparatus in support of a conservative view of the process of capitalist production, Meek goes on to say that what is really important in this regard is not the uses made of such theory, or its nature, so much as "why so many members of the new school, having as it were cut their teeth on the scarcity problem, were unable to transcend it, thereby giving the impression that they were unconcerned with the great problems of capitalist reality which worried the man in the street." (Meek 1972, 505)

What the theory does accomplish, in Meek's view, is the ascription of a particular sort of rationality to the whole of social relations, including those of the household. In this context, all noneconomic motives are excised from the consideration of economic theory. "Society" is thus "economic society" with the economy and economic activity generally being thought of as being completely disembedded. It is apart from other varieties of social or other determination from any other sphere of activity. Economic activity, moreover, is assumed to be governed by simple postulates of rationality and self-interest.

This ascription could not be applied to a noncapitalist system of social organization.

A capitalist system functions on the apparent basis of just such items. Thus Meek notes that, "Prior to this, economic activity tends to be largely traditional and customary in character, rather than "rational" in the relevant sense.... With the eventual arrival of capitalism, however, "rational" behavior comes to prevail in the sphere of gainful activity...." (Meek 1972, 506) Once the "spirit of capitalism" (the term Meek borrows from Weber) has come to "prevail," this is so.

Still, household activity would, for instance, generally be considered as being governed by traditional and customary considerations, rendering it outside the purview of economists. Yet marginalist theory does not separate out categories of behavior as non-economic except by labeling them "irrational" or outside the subject-matter of economic science, and it refuses to consider anything not governed by postulates of rationality and self-interest. Thus says Meek, in line with Oskar Langé, it is implicitly assumed that a uniform aim pervades all aspects of social life, namely that we interact solely with the object of maximization. And thus any "economic" activity is undertaken on this basis. The last developmental stage of the marginalist trend is reached when "economics" has come to be defined as the study of any kind of behavior governed by this principle of rationality, thus reducing all such activity (i.e., anything we term "economic") to praxiology, which in the end renders it the study of rational activity as such.

Ironically, Meek observes that, given that the marginalist trend leans so far in the direction of praxiology, it has resulted in "theories, concepts and techniques which have become an indispensable auxiliary to Marxism...." (Meek 1972, 509) This is so because it describes, given a certain population having certain resources, capabilities and so on, "the formulation of optimum conditions for maximizing welfare." In the end, as such,

Marxist apprehensions regarding the essential movement of marginalism as abstracting away from class relations at a methodological level tend to be instructive as to both the appearance and the eventual acceptance of Jevonian marginalism.

Meek's analysis presupposes that a revolutionary shift in theory did occur, and in fact this methodological transition demonstrates this. Another Marxist writer taking a similar position is Nikolai Bukharin. His Economic Theory of the Leisure Class presents a critique of the phenomenon of Marginalist theory as a whole, but is in fact centered on Austrian theory. Bukharin finds this to be the epitome of what he terms "bourgeois" economic theory, with this being the ideological adjunct of the "rentier" class that grew up along with the formation of capital. Behind this theory is the presumption that:

The historical mission of the bourgeoisie has already been fulfilled all over the world. It is now approaching its end... the time at which Marx's prophecy, namely, that the last hour of capitalist property will have struck, will be fulfilled, is no longer far off. (Meek 1972, 16)

This sentiment has been echoed by other Marxist thinkers. However, it is especially significant in this context for the way it trains Bukharin's analysis. He understands Subjectivist theory (with Bukharin accepting Austrian as well as both Jevonian and modern neoclassical theory as all falling in the more general category of subjectivist theory), to have found its logical and historical endpoints in modern theory. Moreover marginalism, like Austrian analyses, represents an extreme form of subjectivism, such that society and related concepts are altogether excised from economic theory. Thus even while Bukharin offers only the barest mention of Jevons, his points may be interpreted in this context.

With this in mind, we might say that Bukharin finds that all types of economic theory (from Mercantilism on) have fulfilled broad ideological functions shaped by the needs of

capital itself, as a historically given "form" derived from the mode of production. Thus Mercantile or Commercial capital represents one historical and evolutionary stage, Classical analysis another (that of Industrial capital), while the subjectivist trend characteristic of Austrian thinking is derived from the era of financial capital, and more current subjectivist theory would be applicable to what might be called "entrepreneurial" capital or capitalism. Bukharin takes many of his characterizations of the age of financial capital from Werner Sombart's analysis (Der Bourgeois of 1913), including insights relating to the "capitalist spirit." It is on this basis along with writings of Marx that he finds the period in which subjectivist theory grew up to be marked by the growth of a class of capitalists (the "rentier" class) whose ongoing wealth is derivative of the ownership of financial assets such as income from the ownership of stock, bonds, real estate etc. and who "draw permanent and secure income from the latter." He notes that "With the evolution of stock corporations and banks, with the rise of an enormous traffic in securities, this social group becomes more and more evident and entrenched." (Bukharin [1892] 1970, 24) This class comprises a distinct segment within the larger category of capital, and may be distinguished by the fact that its income bears no tie to the actual fortunes of industry, whether as employers or as the employed. In fact, "enjoying the income of gilt-edged securities [they] have severed this bond connecting them with the socio-economic life...." (Bukharin [1892] 1970, 25) This group needs do little beyond receiving income and consuming. Thus "Consumption is the basis of the entire life of the rentiers and the psychology of pure consumption imparts to this life its specific style.... Production...lies beyond his horizon and is therefore an accident in his life." (Bukharin [1892] 1970, 26)

The applicability of such descriptions to Jevonian theory should be obvious.

Bukharin's ideas accord well with the fact that, for Jevons, production seems to be almost an accident or an afterthought. Mark Blaug is among the theorists who have put forward such an opinion. Certainly, Jevons' theoretical construction is consumption-based. It is also subjectivist and atomist - which Bukharin also points to as being characteristic of theory associated ideologically with the rentier class. For in his words, "The rentier knows nothing of social life at all; he stands apart from it; the social bonds are loosed; even the more general trials of this class cannot weld together 'social atoms'...."

(Bukharin [1892] 1970, 27) In essence the material existence of this group is not connected to the more general social bond, one primarily effective by its identity within the mode of production. Given this intrinsic "atomism," the associated ideology of this group is "strongly individualistic." This is the individualism we find characteristic of both Jevons and marginalism generally.

CHAPTER 4

JEVONS' "THEORY OF UTILITY"

In 1871 William Stanley Jevons, a young professor of logic, mental and moral philosophies and political economy at Owens College in Manchester, England, published his Theory of Political Economy. In a subsequent edition he was to note some discomfort at to its original titling: "I cannot but help thinking that it would be well to discard, as quickly as possible, the old troublesome double-worded name of our science." He referred to the term "Political Economy" as it was applied to the practice of economics in his day. Nevertheless this book was later to be described as one of the four or five great books of nineteenth-century English political economy.

Jevons' Theory arrived just over 60 years beyond the publication of David Ricardo's 1817 On the Principles of Political Economy and Taxation and just more than two and a half decades after John Stuart Mills' 1848 revisionist volume Principles of Political Economy. Together with Adam Smith's Wealth of Nations which had come into being roughly a century earlier in 1776, these provided the primary ideas which would be read as "classical" economic theory for centuries beyond their initial appearance. Jevons, along with Alfred Marshall whose Principles was to appear by 1890, was to provide the basic structure of modern, "neoclassical" economic theory. It was to differ from classical theory in, most significantly, its underlying theory of value.

Scattered among the pages of Jevons' slim volume are refutations or many

components of then-popular economic “doctrine.” Jevons’ primary concern was to provide a novel approach to the formation of value. The conceptual basis of this process was to be distinctly different from the classical reliance upon labor for this purpose. Jevons was to introduce the time-worn notion of utility in a new light, as a comprehensive cause and measure both of economic value. Jevons was to open the preface to the second edition of his Theory by observing with respect to utility, that “The subject, of course, is one which lies at the basis of all clear thought about economic science.” (Jevons [1871] 1970, 46)

Yet Jevons’ primary task was evidently not to find, via utility, the value of consumer and producer goods as we find to be the case in fully developed neoclassical economics. It was to determine the route through which purchasing decisions and thus elements of supply and demand affect payments for three important types of factor services: Labor, Land and Capital. Of the first, Jevons observes that “the main problem of the science [is] to determine the wages of Labor.” (Jevons [1871] 1970, 43)

What might be called ancillary issues, then, included arguments relating to the “Wages Fund” out of which it was assumed that laborers were paid, and the size of which relative to population should therefore determine the average rate of wages over time. Also in this category was the notion of “laissez faire” or “leave it free.” This matter, originally posed in relation to government or official interference in International Trade, had bred sharp disagreements among economists as to appropriate economic policy on the part of regulatory officials of the state. Indeed the “science” of political economy as often as not became a means of advancing political propositions regarding this and other such matters. Economic theory, in other words, was in many instances a convincing

package of logic wherein political ideas were presented. Jevons was determined to avoid this troubling tendency. Accordingly he was to place great importance on the derivation of a means of rectifying the basis upon which all such arguments would find solution in a way he assumed to be scientific in form and content both.

A portion of Jevons' task as he saw it was thus to excise the "political" from "Political Economy," as the science of economics was still called in his day. Jevons remains an important thinker for his commitment to sanitizing the practice of economics. To this end he points out his substitution (Jevons [1871] 1970, 48), in the 1879 edition of his Theory, the "single convenient term economics" upon the belief that "it would be well to discard, as quickly as possible, the old troublesome double-worded name of our science." In so doing Jevons helped to usher in an era of model building in which political considerations and value judgments are ostensibly placed outside the discipline so far as orthodox thinking is concerned. In terms of the lineage of such a propensity, however, Jevons is important not only for the conscious way in which he attempted to distance himself from the "political" economy of old, but also for the way his commitment to this rule went on to affect the structure and content of the sum total of his ideas. This was also to determine, ironically, its ultimate reception within the community of professional economists.

4.1 Jevons' Challenge to Received Doctrine

Jevons envisioned his task as being that of providing the elements upon which the larger edifice of more specific economic theory could be built. In the preface to the second edition of his Theory appearing in 1879, as such, he was compelled to say:

I must beg the reader to bear in mind that this book never was put forward as containing a systematic view of economics. It treats only the theory, and is but an elementary sketch of elementary principles. The working out of a complete system based on these lines must be a matter of time and labour, and I know not when, if ever, I shall be able to attempt it. (Jevons [1871] 1970, 67)

Jevons was to clearly realize the controversial nature of his economic propositions. We find evidence of this in the tentative titling of his work as against Ricardo's, Mill's and Marshall's "Principles" and also in journal entries he was to make through time, and comments written in letters to family members and others. His Theory of Political Economy was intended to be an exposition of the workings of a capitalist economic system. In this, participants were assumed to engage in exchange on the basis of self interest motivated by notions of economic gain; exchanges, moreover, were to be the determining factor influencing prices and thus also distribution.

While in some elements of his work we find Jevons to be fully of aware of the historically particular nature of the capitalist social organization, theoretical recognition of this fact is hardly present in his Theory. His viewpoint is essentially static, and avoids almost entirely a discussion of the Ricardian notion of a falling rate of profit leading to a decline in the rate of capital accumulation and so economic stagnation in the long run. Nevertheless he does say that the assumption of a falling rate of profit contradicts neither his findings nor statistical evidence. He finds, nevertheless, that this need not imply an antagonism between wages and profit, as Ricardo's model clearly did. Rather, with interest being synonymous with profit for Jevons, he holds that "interest...is altogether independent of the total return which [the laborer] receives for his labour." (Jevons [1871] 1970, 246)

For Jevons, the long-run implications of any supposed opposition among the

distributive shares of the various parties to production and exchange are not a primary concern. Rather, he had come to believe that the fundamental idea by which the subject matter of economic theory can be described is the “mechanics of self-interest,” self-interest which seeks to satisfy its desires through products gotten in the market and yielding “utility.” By means of such “mechanics” inapplicable to a precapitalist economy, Jevons advances the notion of utility as the origin and measure of value both. Price, and as such value, is the material outcome of psychological estimations of “pleasure and pain” to be derived from the obtainment of some good. All are worked out in the context of exchange.

Interestingly, however, Jevons states the two aims of the science of economics as being the establishment of a “true theory of wages,” firstly, and of the nature of “capitalization,” secondly. He utilizes his conjoint theories of utility and exchange to achieve this. The consequences, he notes, are

rather startling. We are forced...to admit that rates of wages are governed by the same formal laws as rents...a more startling result is that, so far as cost of production regulates the value of commodities, wages must enter into the calculation on exactly the same footing as rent. Now it is a prime point of the Ricardian doctrines that rent does not enter into cost of production. Rent in fact is represented as the effect not the cause of high value; wages on the contrary are treated as the cause.... (Jevons [1871] 1970, 69-70)

He goes on to say that: “There is no such thing as absolute cost of labour...wages are clearly the effect not the causes of the value of the produce.” He concludes his preface:

It will be seen that that able but wrong-headed man, David Ricardo, shunted the car of economic science on to a wrong line – a line, however, on which it was further urged toward confusion by his equally able and wrong-headed admirer, John Stuart Mill. (Jevons [1871] 1970, 72)

In Jevons’ estimation, the true “doctrine of wages”:

is not really novel at all, except to those whose view is bounded by the maze of the Ricardian economics. The true doctrine may be more or less clearly traced through the writings of a succession of great French economists, from Condillac...through Say...down to Bastiat. (Jevons [1871] 1970, 67)

Such French writers of what may be called the “Harmony” School believed, like Jevons, in the ultimate felicity of economic interaction. Bastiat in this regard declared:

I have undertaken...to show the harmony of the providential laws that govern human society. These laws are harmonious rather than discordant because all the elements, all the motive forces, all the springs of action, all the self-regarding impulses within man, work together toward attaining a great final result...and this result will be the progressive merging of all classes at a higher level – in other words, the equalizing of all individuals in the general enjoyment of a higher standard of living. (Bastiat [1850] 1968)

Jevons, similarly to Bastiat, believed that exchange allows the harmonious working out of self-interest, and thus found the appropriate focus of his attention to be the process of exchange itself.

In this, Jevons found that exchange might be depicted as the simple mechanical process of maximizing one’s “capture” of utility by virtue of the economic resources one has at hand. Jevons opens his “Theory of Utility” as follows:

Pleasure and pain are undoubtedly the ultimate objects of the calculus of economics. To satisfy our wants to the utmost with the least effort – to procure the greatest amount of what is desirable at the expense of the least that is undesirable – in other words, to maximize pleasure, is the problem of economics. (Jevons [1871] 1970, 101)

By implication, as such, the problem of the economist is to discern with some exactness the necessity of such a process, i.e., its scientific nature. In practical terms, he notes that it is, as well, to “maximize the products of labour.” (Jevons [1871] 1970, 212)

While he purports to be looking at “the daily operations of industry,” Jevons opens his Theory of Political Economy with an essay (his “Introduction,” Chapter I) explaining his

assertion (Jevons [1871] 1970, 77) that utility rather than labor is the true source of value. “Labour,” he says, “is found often to determine value, but only in an indirect manner, by varying the degree of utility of the commodity through an increase or limitation of the supply.” Jevons moves on to his “Theory of Pleasure and Pain” in the following chapter, before coming to his “Theory of Utility” which occurs as a third chapter. Next there is a long section laying out his “Theory of Exchange.”

Only when the overall nature of the process of exchange in which value arises has been made clear does Jevons go on to consider the value which comes to be attached to the different classes of productive agents, Labor, Land and Capital. Jevons lays his argument to rest with the subject of Capital, noting (Jevons [1871] 1970, 225) that “Economics...is not solely the science of exchange or value; it is also the science of capitalization.”

In this he has carefully laid out an argument in which his comments regarding the relation between Capital and Labor may be considered to be the very items he has labored to give proof. A last chapter entitled “Concluding Remarks” provides a summary of the primary ways in which his theory can be found not to agree with classical theory as communicated by Ricardo and Mill. Jevons’ conclusion, that profit is not inherently in opposition to the payment of wages, is given in the penultimate chapter and brought further emphasis in his concluding remarks. Thus by means of the model as a whole, Jevons redefines the nature of both capital and wages, and in so doing derives a relation between the two that serves to contradict Ricardo’s depiction of these as being opposed in their economic interests.

Utility is the tool accomplishing this conceptual feat of overturning the long-standing

importance of labor as determinative of value. “I am,” Jevons declares, “inclined, therefore, to reject altogether the current doctrines as to the rate of wages...It is impossible that we should accept for ever Ricardo’s sweeping simplification of the subject.” (Jevons [1871] 1970, 256-257) For in Jevons’ estimation the “fact that workmen are not their own capitalists” introduces only complexity, and implies no inherent opposition of economic interests between capitalist and worker.

In fact, “competition to obtain proper workmen will strongly tend to secure to the latter all their legitimate share in the ultimate produce.” (Jevons [1871] 1970, 258) Moreover, given that workers supply labor only in response to subjective valuations of the utility associated with particular wage offerings, for Jevons the worker cannot be subject to any degree of exploitation. The worker’s decision to exchange work or give up leisure for a particular payment is deemed to be one of choice in the face of economic incentives, with the worker being the most proper judge of his own economic welfare.

In Jevons’ view, moreover, through competition among capitalist employers for the right to employ labor, labor and not capital comes to be the economically more powerful agent in the process of production. And in some sense, as in classical theory, wages are thus determined by the population of comparable laborers. Thus, asserts Jevons:

It will be observed that this account of the matter involves a temporary application of the wage-fund theory...but we have a clue as to the amount of capital that will be appropriated to the payment of wages in any trade. [It] will depend upon the amount of anticipated profits, and the competition to obtain proper workmen will strongly tend to secure for the latter all their legitimate share in the ultimate produce. (Jevons [1871] 1970, 257-258)

Even so, the value thus accruing to labor comes about only with the realization of payment for the commodities so produced. Neither Capital, nor Land nor Labor affords

value in and of itself. This is determined within the process of exchange, in which context neither the constituent value of labor embodied in a good nor its cost of procurement (i.e., the subsistence costs of laborers and thus the wages paid) will determine the value that it will exchange for in the market place. It is thus clear that none of these can be considered without an understanding of the means by which such “commodities” (meaning “any object, substance, action or service, which can afford pleasure and ward off pain....”) are afforded economic value (Jevons [1871] 1970, 101), and that this process is essentially that of exchange.

In his reliance on utility and thus exchange as the explanation of value, Jevons was to depart from the tradition of political economy as it then stood, and as it had been carried through the centuries by two principle theorists, Adam Smith and David Ricardo. For each of Smith and Ricardo agreed that labor was in fact the “original purchase price” of a good, even while the two disagreed on the further specifics of such a proposition. Given this focus, each of Smith and Ricardo looked to the process of production rather than exchange in explaining the relative value of particular goods. In advancing his Theory of Political Economy, as such, Jevons was to present an important challenge to mainstream theory.

This was a challenge Jevons made in earnest. In fact he may have overstated the “revolutionary” quality of his theory so intent was Jevons on separating his ideas from those of such distinguished predecessors as Ricardo and Smith. For in the end, Jevons’ advancement of what has since come to be called “marginalism” is largely “evolutionary” in content, if not in form. It retains categories of thought, as well as a similarly non-antagonistic depiction of interaction among productive groups, which is in fact highly

reminiscent of many classical writers. And indeed many of Jevons' theoretical inclusions hearken back to earlier strands of thought, notably the "Utility" tradition of Bentham, and the "Harmony" tradition of Say and Bastiat.

Recent note has been made of the close parallels between postclassical economic theory and ideas and modes of argument emanating out of the physical sciences, classical Physics most notably. Phillip Mirowski's Against Mechanism: Protecting Economics from Science falls within this category, as does a similarly recent analysis by Michael White. In Mirowski's opinion, for instance, the timing of the Marginal Revolution, and thus the ostensible reception accorded Jevons' ideas through the last decades of the nineteenth century, may be "explained by the timing of the energetics revolution in physics, and by the fact that scientifically trained individuals in different Western European countries at this time had access to the same body of knowledge and techniques." (Mirowski 1988, 30) White on the other hand, offers a more constrained analysis of the relation between what he takes to be Jevons' "summary" argument and the rest of the analysis (i.e., the model) advanced in his Theory of Political Economy. He finds that Jevons' use of the principle of the conservation of energy within a closed system, along with various other components of analysis taken from extant discussions in the physical and mathematical sciences offers "the basis of an explanation" of the means by which, in the 1860s, Jevons "found the resources that were to serve as the basis for the formulation of the summary of his marginalist program." (White 2004, 242)

These discussions are rich in historical detail as to the development of arguments across disciplines, and offer much of value as to the genesis and specific structure that "scientific" explorations were to take across the period. This is especially so of White.

However, as Mirowski observes, while “The energetics metaphor can be found in every major neoclassical theorist of the nineteenth century and can be used to explain some controversies in the history of economic thought,” we are left without an answer to the ultimate causal question of “why the energetics metaphor was so attractive to nineteenth-century economic theorists....” Summarizing the primary currents of this area of research, he asks:

Should we look to the level of personal motivation or structural tendencies? Should we look to empirical inadequacies or logical flaws, or some less rigid intellectual influences? These questions give rise to a research project, which could be carried out at many different levels: the level of individual desires (e.g., Jevons’ personal motivations), that of individual influences...that of class interests, that of the sociology of professions (here the location of economists in universities), that of the canons of empiricism (the rise of quantification as an empirical technique), that of the status of alternative competing paradigms (the dissolution of the Ricardian program by Mill and the retreat of the labor theory of value), and that of metaphysical predispositions in that larger culture.... (Mirowski 1988, 29)

Even so Mirowski does not attempt to answer this question, much as other theorists equally pursuing this line of research leave open the ultimate reasoning behind the “physics envy” that was to so permeate postclassical economic theorizing.

In sum, the possibility that a more fundamental level of causation might in fact generate both sets of phenomena is not countenanced within the analysis. Mirowski, nevertheless, has recently given this problem some thought. In this context he catalogues the extent to which neoclassical models have in general been used to support, explain and legitimate social practices, leading to the funding and selection of programs of research compatible with them.

Not coincidentally, Karl Marx was to note that all discussions of economic phenomena were essentially about only two topics: either the real relations of production

(meaning the relational context in which production takes place), or the economic forms in which such relations display themselves in the course of such production. Each exhibits itself in a theory of value and, on this basis, a theory of distribution as well. The latter category of traditions, i.e., those which fail to consider relations, Marx termed “vulgar economy” in contradistinction to what he called “Classical Political Economy.” As a result of their concern “with appearances only...” Marx understood the vulgar theorist to seek for only the most “plausible explanations of the most obtrusive phenomena, for bourgeois daily use...proclaiming for everlasting truths the trite ideas held by the self-complacent bourgeoisie with regard to their own world, to them the best of all possible worlds.” (Marx [1867] 1987, 85) In attempting to derive a “scientific,” ostensibly “value-free” means with which to demonstrate the harmony of economic interests occurring within a system of capitalist production and exchange, Jevons falls into this latter category.

4.2 Academic Hegemony of the Ricardian Labor Theory of Value

Jevons’ scientism was, in any event, in line with theoretical developments of the time. Much attention had been drawn to the matter of methodology, and an active debate existed across much of the nineteenth century as to the degree of abstraction and empirical content optimally to be included within theory. Yet other currents of change were equally abroad. Over the space of the hundred years or so preceding Jevons’ work, the material construction of life in Britain had undergone profound transformation. This was reflected, eventually, at the level of political institutions in a number of important changes that took place across the nineteenth century. This would also eventually

become visible within the intellectual and philosophical thought by which material life was rationalized and acted upon. Its influence would be evident in the shape Jevonian theory was ultimately to take. In the hands of Jevons and others, economic theory was to grow up in this period as the first true social science. Quite understandably, its doctrinal development would be affected by all of these factors; underlying each, however, was the process of material development occasioning all.

It is in this respect, in fact, that Jevons' theory is especially striking. So far as economic theory in general was concerned, as the nineteenth century began the classical ideas of Smith and, in particular, of Ricardo were widely deemed to be, both theoretically and ideologically, almost impervious to assault. In this case the success of Jevonian theory, even while slow to occur, is somewhat surprising. Yet indications were certainly present that change might be underway. For instance Jevons, summing up the mood of the times in 1871, was to hold that:

I believe it is generally supposed that Adam Smith laid the foundations of this science; that Malthus, Anderson and Senior added important doctrines; that Ricardo systematized the whole; and, finally, that Mr. J.S. Mill filled in the details and completely expounded this field of knowledge. Mr. Mill appears to have had a similar notion, for he distinctly asserts that there is nothing in the laws of value which remained for himself or any future writer to clear up. (Jevons [1871] 1970, 43)

Classical economic theory was thus evidently considered by many to have derived a fairly complete and sufficient understanding of the process of production, one comprehensive in its understanding of economic affairs. Yet over time critics were able to expose a fatal contradiction: a labor theory of value belied the notion of a harmony of interests that underlay the tradition of noncritical economic theory from Smith onward. Jevons' marginal analysis, providing as it did a nonantagonistic basis for the production

of value, was to rectify this situation.

Going back in time, a central tenet of Enlightenment philosophy and social and political theory generally was this idea of harmony, meaning the assumption that economic interaction as a category of social action resulted in a magnificent confluence of interests enabling a sort of Panglossian ‘best of all possible worlds.’ Yet Ricardo, the most influential economic thinker of the nineteenth century, was to construct his theory in a way that belied this assumption of a harmony of interests, albeit he did so not as a critic of classical theory but as a practitioner. For in fact not only is the primary outcome of Ricardo’s model an unavoidable antinomy of interests between feudal proprietors of the land and all others in society, it did as well posit an essential opposition in the interests of capitalist employers, and wage laborers.

The Ricardian model was nevertheless to be highly influential both inside and outside of British academia not least because its political endpoints were fairly consistent with the larger currents of popular political thought in Britain. It would stand firm even given such a glaring contradiction between the model and the larger tradition of social thought. For it was taken up broadly as a means of advancing the political agenda of capitalist manufacturers intent on manipulating the economic and institutional construction of the state. The model was as such also highly controversial, and in fact problematic by reason of its widespread popularity and indeed its powerful political influence. Still, however, its most significant weakness lay in its labor theory of value. For most problematically, this proved to be amenable to argument of a very critical variety, one damaging to the logical hegemony of Ricardianism over time. It is thus not surprising that following the rise of social tensions that reached a crescendo in the years following the French

Revolution in 1789 and extending into the first decades of the 1800s, conservative thinkers would attempt to solve the more problematic aspects of classical economic theory by substituting an alternative theory of value based on the notions of utility. And indeed as time went on, the classical constructions of Ricardo and Mill would only grow increasingly untenable.

At a methodological level, certainly, Ricardian theory was rather impervious to assault by virtue of its heavy reliance on a priori propositions. This left few obvious openings by which a critic could malign its truth value. Nevertheless its methodological character also exposed the Ricardian model to allegations of unreality. And on the other hand, there was the problematic issue of its failing efficacy so far as policy was concerned. On this basis as well, however, so thoroughly were the model's policy conclusions bound up with the structure of the model, which was itself almost impeccably deductive as well as a prioristic, that it was difficult to construct an equally consistent argument in opposition. Both characters of the model were equally, ironically, to be of a double-edged nature: together these were to become an "Achilles' heel" with respect to continued confidence in Ricardian postulates. T.W. Hutchison, in his Review of Economic Doctrines, 1870-1929, observes that:

This wide acceptance of the classical system of political economy, though the source of its great practical strength, was at the same time the source of one of its most vulnerable weaknesses and ambiguities, that is its failure adequately to distinguish, and keep separate, scientific doctrines from practical maxims and political principles. (Hutchison [1953] 1975, 2)

Maxine Berg, in her chapter on Ricardo in The Machinery Question and the Making of Political Economy 1815-1848, describes the situation similarly:

Ricardo created a new conception of political economy...he moulded an original and unified body of theory. To contemporaries this appeared as a

consolidated set of principles so systematic in nature as to be called a science. But it also appeared a corpus of doctrine so strictly applied and so closely connected to politics and personalities that it became a creed termed Ricardianism. (Berg 1982, 43)

“Ricardianism” was ultimately reflective of the political perspective of capitalist manufacturers, an increasingly significant group in terms of both resources and influence. Ricardo’s “Corn Model” was, for instance, compatible with laissez faire policy with regard to international trade. In this, the economic interests of the nation were held to be synonymous with the economic interests of producers. Ricardo deemed these responsible for the material prosperity of society.

Ricardo’s insights in this important regard would be expanded to justify a blanket imposition of laissez faire. In broad terms this meant that the government should reduce its presence in the economy to the greatest extent possible, lessening its regulatory presence and curtailing its taxes upon manufacture and industry. In general, it should work to foster a free market. Given the structure of legal prohibitions which had come into being along with the political dominance of British society by a landowning, post-feudal elite, in the context of trade this translated into an exhortation to do away with restrictions on international trade in foodstuffs. Serving to protect domestic agricultural incomes, these were contentious notions politically and ideologically.

Certainly free trade was an idea which appealed most to the commercial and industrial classes who found profits squeezed by the related necessity of an increased value of foodstuffs, an important determinant of wage demands. However laissez faire, implying as it did the dismantling of protection, was inimical to the interests of the ruling class, traditional feudal landowners. The Reverend Thomas Robert Malthus had argued that landowners were responsible for economic prosperity and stability of the economy by

virtue of their willingness to consume rather than withdrawing funds for purposes of investment as did capitalist manufacturers. Ricardo derived an alternative theory holding that landowners, especially given such protection, could be responsible for a fall in general prosperity over time. His finding was derived by means of a construction of theory center-pointing an apparent opposition between wages and profit, a particularly inflammatory perspective given the reigning state of fear and reaction in these years. The struggle over the “Corn Laws” protecting against the importation of cheap foreign grain came to reflect, as such, related struggles between two alternative sets of opposed social classes: landowners and capitalist manufacturers, and these same capitalist manufacturers and workers.

Over time restrictive legislation such as that which limited the importation of foreign-grown grains and so protected agricultural prices, as well as other similarly preferential or exclusionary practices, had proven extremely beneficial to landowners. This type of practice had helped to maintain the structure of social and economic power over time, and certainly landowners were not in favor of doing away with this class of protection. Laissez faire policies of the type Ricardo advocated became a powerful means of breaking down antiquated feudal ramparts such as these. At a practical level, as such, laissez faire directly attacked the legislative and the institutional framework upon which was grounded the entire structure of the feudal social order. Thus there existed at least two reasons for the strong doctrinal position of laissez faire in the tradition of English political economy. On the one hand, there was its methodological character, and on the other there was its practical and political efficacy in advancing the interests of an important social class. This was an unavoidable aspect of the popularity Ricardian

“political economy” was to ultimately achieve.

As the nineteenth century advanced, important changes would occur that would substantively affect the fortunes of Ricardian doctrine. Hutchinson, in an essay entitled “The ‘Marginal Revolution’ and the Decline and Fall of Classical Political Economy,” notes that the latter part of the eighteen sixties had seen a series of “attacks on the central body of the orthodoxy...broadly on the method and policy conclusions of the dominant English school of thought.” Similarly, Henry Sidgwick, an economist active in the latter years of the century, was of the opinion that:

Some thirty five years ago, both the Theory of Political Economy in its main outlines, and the most important practical applications of it, were considered as finally settled by the great majority of educated persons in England. Two causes appear to have chiefly co-operated in producing this result. The prosperity that had followed on the abolition of the corn-laws had given men a most impressive and satisfying proof of the soundness of the abstract reasoning by which the expediency of free trade had been inferred; and a masterly expositor of thought (J.S. Mill) had in 1847 published a treatise containing a skillful settlement of the chief results, of the controversies of the preceding generation; in which the doctrines of Ricardo were presented with many of the requisite qualifications, and much of what was sound in the objections...of other writers duly taken account of. (Sidgwick [1883] 1903, 1)

Sidgwick goes on to say, nevertheless, that, “In 1871, these halcyon days of Political Economy had passed away.” He was to accord Jevons an important role in this. Whereas Lionel Robbins was less impressed than was Sidgwick with the effect that Jevons’ theory had upon the later shape of things, Sidgwick was firmly of the opinion that:

In the years following the publication of Mill’s Principles of Political Economy a certain stagnation had overtaken the world of economic thought. The Classical ferment had ceased to work. Yet the Classical system, beautiful as it was, was incomplete. In default of new constructions, it was inevitable that attention should be drawn more and more to its deficiencies.... Some of the liveliest minds of the time were beginning to distrust theory or to lose interest in it. (Sidgwick [1883] 1903, 1)

By midcentury, there existed a growing discontent with classical theory. Jevons epitomized this spirit of intellectual reaction to the crumbling orthodoxy. In 1877, in fact, Jevons was to write that “there have been for some years premonitory signs of disruption...we find the state of the science to be almost chaotic.” Similarly Cairnes, in his Essays in Political Economy, observed that he himself had begun to discern “signs of a belief that Political Economy has ceased to be a fruitful speculation.” In fact by 1868, the British Society for the Advancement of Science was to consider doing away with its now-famous “Section F” devoted to economic theory and practice, a startling occurrence given that an 1861 edition of the *Edinburgh Review* was to observe that “Political Economy is the only moral science in which definitions of fundamental terms sufficiently accurate to obtain general currency amongst all persons conversant with the subject have yet been produced.” (Sidgwick [1883] 1903, 186) Thus given the sentiments which were abroad at the point when Jevons’ Theory of Political Economy appeared, Prof. Robbins notes (Robbins 1970, 171) that it was, “in such an atmosphere...at once a challenge and a portent.”

CHAPTER 5

DEMOCRACY, INSTITUTIONAL GUARANTEE OF CIVIL RIGHTS

AND JEVONIAN INDIVIDUALISM

As W.S. Jevons was to publish his Theory of Political Economy in 1871, a process of social and economic transformation under way within Britain for roughly three centuries was coming to a close. In this period, the centuries-long ascendancy of capitalist practice over its feudal, manorial predecessor was to find an endpoint in both theory and practice. Britain would see an array of modern, democratic institutions protective to the individual springing up in the relatively short span of time between Waterloo in 1815, and the Marginal Revolution in the 1870s and shortly thereafter. It would also see the birth of economic theory enshrining the individual in both subject matter and methodology.

In its causation if not in its endpoints, though, this process was hardly sudden: in truth it extended far beyond the limited period of time between Waterloo and the Marginal Revolution. Indeed, the transformation brought to fullness within this small span of time stood astride a much longer period of change extending across two or even three centuries. This period between Waterloo and the Marginal Revolution was nevertheless to be one wherein we would see the ripening “first fruits” of ideological and institutional adjustment to a number of rather incremental changes in the material construction of British society across these preceding centuries. These would be the consequence of the

particularities of capitalist development taking place within Britain across preceding centuries. Democracy and the protection of peoples, in essence, would be the unwilling outcome at a political level. This allowed for the placement of institutional guarantees on a number of important civil rights, including the ability of laborers to act and bargain collectively. This offered unions a guaranteed right of existence, and the protection of national oversight. Taken together, both the franchise and the allowance of union membership and activity would substantially advance the position of the laborer in civil society. The counterpart of such harmonistic measures in economic theory would be marginalist individualism. This too would be accommodative of capitalism in its endpoints. This is not surprising. Taken as a whole, the period circumscribed both British capitalism in its infancy, and its coming to age at the levels of both institutions and ideology. In this, we see the profound connection between existing here between Capitalism, Democracy (i.e., representative political institutions), and Individualism.

The result of capitalist expansion would be seen politically in the extension of democratic rights to the masses. Jevons had high expectations in this regard:

Enjoying the rights and performing all the duties of the English citizen, the trades unionist will before long cease his exclusive strife against his true ally, his wealthy employer. It is impossible not to accept the general views...that as working-men gradually acquire their full rights, their leaders will turn to impressing upon them the duties of citizenship. (Jevons [1882] 2002)

Jevons offered the complement in economic theory. It was, however, not to be beyond his death that the ascendancy of a paradigm focusing on a harmonistic model of social action would be assured. By the former political means, ratification of the apparatus of governance within an overtly capitalist state was to proceed, serving to offer legitimacy and acceptability to the structure of power as it was. By the latter intellectual means, on

the other hand, its legitimacy in the minds of social scientists was both recognized and ratified.

At the level of political institutions, through the mechanism of the “vote,” as such, the capitalist market and the system of social and political organization that it entailed (meaning its attendant features including the organization of society around an array of markets, monetization, institutions such as private property and wage labor), would achieve institutional recognition, and indeed formal political acceptance of its concomitant values. The outcome was, thereby, the social and political sanctioning of an institutional structure consistent with the functioning of a capitalist market-oriented society. This would include its legal recognition by means of parliamentary and judicial action. The acceptance of economic theory of parallel content was to similarly signal academic acceptance of its attendant values.

Viewed broadly, this transformation would encompass, of necessity, the gradual dismantling of an array of feudal social and political institutions, and ideas. These would be replaced with patterns of behavior and values more consistent with capitalist economic power and social prerogative, and it is no surprise that it is in fact here that we find the origins of the aforementioned progression: it was begun in the realm of practice. It sprang from participation in capitalist enterprise, capitalist markets and exchange activity. For out of gainful activities would grow the companion effect of economic change associated with movement away from the customary hierarchical, feudal society of old. This had been based solely on access to landed wealth, and yet new forms of wealth and resource ownership would be associated with market participation. These would be as destructive of the “old,” as they were to be constructive of the “new.”

On the one hand, the structures of government dictated by custom and tradition would fail in this environment, as equally as would the ideas which had expressed understanding of them. Both order and ideas, after all, were ultimately premised in practice. In their place, as such, there arose a set of social institutions and ideas accommodative of wealth derived from nontraditional resources more widely dispersed than had been true in the medieval period. Such resources would be privately held and customarily traded on a monetary basis and utilized as means of private gain via the capitalist market. They would be used privately by individuals as economic resources, in other words, rather than as social resources as had been the case in the past. This movement would be reflected in the turn towards marginalist analysis offering an analytical rationalization of wise utilization of economic resources.

Marginal analysis entailed the application of a single principle to all cases in which the “utility” associated with resource use was to be maximized, or in which the cost of gaining some degree of utility was to be minimized. This was quite compatible with the fact that, among the general population, the broad array of subsistence needs were widely being met on a similar basis, i.e., through market trades given some initial stock of resources. Other desires were also met in this fashion. Gain-seeking behavior of this sort entailed adjustment in assumptions regarding the nature of property. This would necessarily affect the nature of rights of property ownership over productive resources, and indeed the latter would form the basis of a new class system. Both social institutions and ideas reflective of this fact were the corollary. For while the transition to a modern capitalist economy and society began at the broad level of social practice, all society was eventually littered with its artifacts.

The process of capitalist development would entail a reformation in both theoretical and practical terms. In the political realm, older institutional forms would be toppled from their traditionally solid social mooring in consequence of this basic alteration in the nature of access to resources, and its broad social sanction of resources as private, versus public. This transformation in the nature of property would spur a much broader social transformation, one intimately related to the progression toward a fully representative political system in which individuals are valued in the political process as individuals and not, ironically enough, through the prism of class or traditional social status. In this all classes would receive protection of property, person, and action albeit in unequal measures.

Not unexpectedly, in this final transformational phase, the process of adjustment to capitalist social institutions would bring a series of assaults on traditional forms of social privilege. One of the foremost would be, not coincidentally, the right of parliamentary franchise. This development would be initiated in time by the entry of a capitalist middle class into parliament; beyond this would follow, after some struggle, the greater part of the working class as well. Change would thus occur in a piecemeal fashion through successive and incremental extensions of the franchise based on wealth. Only in this way, in other words, was the right to vote in parliamentary elections gradually extended, coming last to those having such economic and financial means as were found at the lowest levels of society. Extension was to proceed by way of categories of resources customarily associated with certain groups or classes of individuals, such as shopkeepers, tradesmen, and finally the common laborer. Thus lord and laborer, merchant and miner alike would be allowed rights of franchise in spreading, concentric circles of wealth or

similar control over resources as time went on. Moreover, even while the achievement of such by each was to occur decades apart, all were exceedingly potent political victories affecting the whole of the national community.

Of course it is unsurprising that the last bastion of tradition should reside in government. To understand, one need only consider the extent to which government is a primary and essential means by which economic privilege is maintained and perpetuated over time. In the midst of a “blended” transformation of old into new, the effect in the case of nineteenth-century Britain, as elsewhere, was a movement toward a form of “resource-merited” democracy, and away from the imposition of traditional prerogatives of the ruling class. Nevertheless, this process of expanding representation and protection was to end in the recognition of people themselves to choose, whether it be parliamentary representation, conditions of employment, or political association. Again ironically, however, this basic freedom to act was won only through the threat of radical action, mainly in the workplace. It was also to be accorded only on the prior condition of wealth.

Prior to the beginning of the nineteenth century government in Britain was, at any rate, already highly undemocratic in nature; it was understandably largely consistent with the structure of material privilege that gave rise to it. Government just like society was exploitative of the working class. Moreover, government was imposed upon the “lower orders” by both custom and tradition, and by the material and military advantage of those who wished to protect the structure of property and privilege as it was. In addition, government along with much of the larger pattern of social institutions remained guarded all round by an inherently conservative religious ideology. In sum, thus, government had

long implied governance imposed by a class having sufficient access to resources materially and ideologically to command the civility of those who did not. This was given, at both ends, in return for the extension of various rights of protection.

But by the end of the nineteenth century, to all appearances, the social bonds cementing this arrangement were in almost complete dissolution. The working class had achieved not only a viable franchise, but also the right to act collectively within the bounds of the law, and the ability to form political parties for the advancement of working class aims and candidates. Parliamentary duties would be carried out on a paid basis, allowing participation by those having insufficient wealth to allow the exercise of such responsibilities. The dawn of a new day had more or less certainly arrived.

This was however only in part due to the fact that, over time, the working class had remained resistant to government imposed by a propertied elite, something increasingly true as governance was increasingly untempered by either traditional paternalist regard for the under-classes, or the noblesse oblige associated with the traditional nobility. In the end, this was to be but one element of a larger ferment of change occurring between workers and the whole of civil society. In the view of workers, this was a society resting upon labor, but giving insufficient reward for it, and they would struggle to correct this. Attempts to rectify the situation ranged from pamphleteering to radical political action. Discontent was to be evidenced in the public activities of unions, not to mention the formation of a Labour party toward the latter part of the century. Nevertheless until such a time as the nation's governors found it to be in their own best interest to extend limited political rights to the masses, resistance would remain of little effect.

One reason was that resistance, early on, was directed at the system of capitalist

employment itself, given that this was the system generating such disparities in access to resources, in addition to the purely political means of retaining or profiting from the status quo. Unfortunately in this regard, workers, by virtue of the capitalist's differential access to productive resources, were at both a real and a perceived disadvantage in their ability to bargain and resist exploitative demands. To the extent that the powers of government were used to buttress such differential advantages, the working class would nevertheless seek to resist the will of what might be called "agents of capital" in its economic and political forms both. As time went on, however, workers were forced to adopt a more limited agenda, whereby the laboring class would seek a lesser goal: to enter or influence the process of election to public office, and the process of public policy formation. This, certainly, was a much more attainable goal as it was much less destructive to the overall construction of capitalist society. In sum, as such, limited political rights would readily be conceded even while little else would be.

Given the determination of the upper classes to maintain traditional mechanisms of privilege and social and political power, not to mention wealth, until the nineteenth century all citizens who were not members of the traditional, mostly land owning elite, had no right of franchise. They had no institutionalized right, thus, to assist in the selection of Members of Parliament (MPs), or to effectively resist the legislative will of this august body. For practically, none without the following two prerequisites could expect to be elected to a seat in parliament: firstly, they would need to be financially independent; secondly, they would likely need the sponsorship of a landed individual, as votes were traditionally controlled by proprietors of landed estates, and older population centers.

Yet this traditional system of governance would be subject to challenge beyond the

period of the Industrial Revolution, at which point workers were to become both self-aware as a class, and increasingly convinced of their importance and pivotal position in the overall social “machine.” It was in both of these contexts that the old feudal hierarchy of privilege and power would almost entirely dissolve. Nevertheless, while the first group to successfully gain rights of franchise would be the middle class early on in the eighteenth century, it would be more than three decades later that the first members of the working class would be allowed a similar right to vote.

Still, the fact remains that these expansions of the right of franchise would be companion to other important institutional changes empowering to the common man. The most significant would be the acceptance of Trade Unions under the broad umbrella of government. From a public and administrative perspective, only hereby could worker agitation occur with the guided mediation of the state. In combination with the extension of the vote, by this means as the tail end of the century neared workers were in effect rendered relatively peaceable participants in the process of governance.

Moreover, as citizens of a capitalist state legitimized by some element of popular democracy, the working class was effectively assimilated into capitalist society. The working class would no longer stand in overt and menacing opposition to larger society, and a corresponding reduction in violent worker agitation would be realized. Violent action was not found to be relatively productive, as workers had gained an effective, institutionalized outlet for discontent and the airing of demands; the latter allowed the achievement of many of the same ends, with a significant reduction in risk. From the perspective of both the worker and the society, this was preferable to the historical role of labor as agitator.

Ironically, this took place just beyond the ascent of the capitalist middle class of industrialists and manufacturers to a position at the head of the governing elite. These would obtain residence here in the structure of government with or alongside the traditional nobility and others of older commercial or mercantile wealth. In both a political sense and in an economic sense, as such, it would become increasingly evident that these identically empowered groups were destined to coalesce over time; nevertheless the longer-term aim of workers would be realized in the achievement of a working-class vote by century's end, and this would be gained only by virtue of the fact that segments of the elite as yet remained split in two. Workers would achieve substantial "profit" in their division, for thereby laborers were profoundly strengthened in their political efforts. In sum, as such, the ultimate (albeit mildly angled) ascendancy of the working class, politically speaking, would be a result of the nascent restructuring of the ruling class taking place through the period in which this was occurring.

Of additional aid to the working class was the fact that tension between components of the ruling classes would remain tempered by the overwhelming desire of both parties to maintain broad social order through time. This led to the extension of significant advantages to the working class. For in this context, the political aims of the ruling classes were multiple and were not gained solely through either repression of the underclasses, or the reverse. Otherwise-competing segments of the elite each sought, and often in unison, to both manage and to gain the support of workers, in which case there was a continual rethinking of means of persuasion. A historical confluence of possibility and probability would thereby function to advance working class aims as time went on. By the last quarter of the nineteenth century, the most visible outcome would be the

periodic and cumulative offer of political advance, conciliation and the amelioration or wrongs in a legislative (and in some cases a judicial) fashion. Thus in essence, the fractured power of the ruling class given by the historical development of this group from its feudal, armigerous base would stand midwife to a new political problematic. This would eventually bring the working class to a position of institutionalized protection of its rights, and indeed of its “citizenry” within an overtly capitalist state.

The effects of material change would not appear, at any rate, in this single venue of institutional adaptation. A companion effect would be the shaping of a construction of economic theory depicting a harmonistic concourse of economic actors, one put forward in challenge to the more conflictual mode of thinking favored among the Ricardian orthodoxy. However this would grow from material change, as twin produce of this basic and most constituent fact. Even so, especially prior to its taking stricter scientific shape later in the century, economic theory would nevertheless be highly political in both its derivation and use, and also highly amenable to ideologically and politically-driven application. Yet it was fundamentally not its political use that drew economic thinking forward, even while both economic thought and political institutions were to move roughly in tandem. Material change was the ultimate source of the underlying alterations in both.

In its Ricardian guise, even so, economic theorizing was known to be tainted intellectually and politically for its dual character as economic and political reasoning. To some extent given this, within the British Isles Ricardianism was to grow to be a most influential body of economic theory. It gained rapid currency both outside and inside of academics (a distinction less meaningful then than now) as a means of protecting profit

and rights of accumulation from political action by the state as the political agent of the powerful landowning class, not to mention of powerful merchants intent on protecting their interests in foreign trade through exclusion and monopoly. Ricardo's ideas only slowly lost currency, however, as attention turned away from such needs. Utilized in the buttressing of these perspectives, Ricardianism would nevertheless remain ideologically powerful at least through the end of this century.

Even so, before the midpoint of the century the practical problems engendering Ricardian doctrine would largely melt into history. While Ricardian theory was to center-point the dismantlement of areas of protection and economic privilege accorded to traditionally powerful components of society (namely landowners and merchant capitalists), for instance, such privilege would be legislatively markedly diminished by midcentury. Similarly, rising dissonance with empirical facts served further to undermine adherence to Ricardian postulates, particularly among certain bright and favorably inclined thinkers not well-tethered to established doctrine. Continued material development would thus affirmatively invite departure from established opinion.

Perhaps more importantly, another political problematic would evolve in its place, however, one which would indeed advantage rival marginalist theory. This would occur by virtue of the evolving nature of the capitalist economy. As industrial capitalism advanced, those empowered economically would lay claim to parallel political rights, notably that of enfranchisement. Economists like politicians would thus be forced to consider the implications of what were, in essence, strictly material changes. For their part, economists turned increasingly toward the proper management of economic interests within a state where such interests were apparently sometimes in opposition or

seeming opposition, and wherein often the market was held to blame.

The marginalist model of W.S. Jevons was to profit in this environment, given its demonstration of the “greatest good for the greatest number” as occurring within an unmanaged market. This construction was consistent with the continued material advance of the rising middle classes, which included shopkeepers, manufacturers, employers and others who stood to benefit from such a policy. These would logically tend toward conservative ideas, not favoring a radical sweeping away of existing structures of power and enterprise. Academic economists sharing a similarly uncritical understanding of social activity might also be drawn to Jevons’ model. Additional material authored by Jevons went, moreover, consistently on to demonstrate the practical limits of the market, and to further describe the proper role of the state as companion to an unfettered market (e.g., the Coal Question and The State in Relation to Labour). Jevons’ ideas were to appear alongside less mild explorations of Ricardian doctrine among academic economists; to the extent that these tended to concentrate on the negative features of the capitalist system of employment, production and markets, these were unacceptable to the conservative mind. Thus it was well for him that, while Jevons was to acknowledge market imperfections, he was rather to concentrate on the political curtailment or management of its action and effect at a fairly superficial level, meaning without the contemplation of major reform. It is thus not wholly unsurprising that conflict engendered by its labor theory of value would eventually result in growing recognition of Ricardian theory’s more problematic components, alongside growing interest in Jevons’ marginalist postulates.

Thus while it is not generally thought that Jevons’ work has great application to

political events within nineteenth century Britain more generally, his model can be shown to reflect and reiterate the division of resources between classes. In this way it strikes at what was, in essence, the most defining issue of his day. It was one which would determine the developmental course of modern political institutions in this, the most advanced of all nations in the context of its capitalist development.

Political development thus takes on new importance in relation to Jevons' model. Redefining the structure of political institutions on the basis of economic class, across the nineteenth century a series of extensions of the right of franchise took place that were to encompass the endpoint, at a practical level, of centuries of capitalist development within the British Isles. This was to result in the reformation, in an essentially harmonious fashion, of the political character of British society. The same can be said of Jevons' model in that it depicts an entirely harmonious relation among individuals and productive groups, redefining the Ricardian problematic altogether. In both contexts, the interests of landowners, merchants and industrial capitalists were to coalesce as common owners of productive resources. As companion members of the ruling class, these interests would stand opposed to those of the working class in economic terms. Nevertheless laborers would be allowed requisite political advantage to compensate and mediate against untoward injury. Jevons was to allow workers similar advantage in specific restraints placed on industry where "the greatest good for the greatest number" was to result.

Jevons was to treat this matter in a highly conservative fashion, emphasizing the strictly "scientific" nature of his arguments. His message was one of harmony in enterprise. As time went on, it so happens, history and the democratization of British society would add increasing empirical validity to Jevons' harmonistically inclined

theory. Taken together, at any rate, both political and empirical elements would assist in putting to rest the problematic that economic writers from Adam Smith to Ricardo had dealt with in the sociological and methodological presumptions of their theory: namely that society was constructed of three primary social groups which may be construed as antagonistic in their interests.

In this context as well, however, division among the ruling classes bore importance. E.K. Hunt has provided what is perhaps the best existing analysis of the intellectual empowerment that marginal analysis received as competing segments of the elite converged:

During the initial phases of the industrial revolution (from the middle of the eighteenth century through the first few decades of the nineteenth century), industrial capitalists engaged in a prolonged struggle against the landed interests and merchant capitalists for economic and political supremacy.... The central focus or objective of their endeavors had been the rapid accumulation of industrial capital, and their main intellectual concern had been to understand the source of capital accumulation. The labor theory of value perspective had furnished the most serviceable insights into the process....

During this same period, merchant capitalists and landlords received their incomes from ownership and market exchange. Their situation could best be served by economic theories that sanctioned private ownership of capital and land, while extolling the beneficence of exchange.... (Hunt 1992, 348-349)

But as the industrial revolution progressed, industry grew in size and scope. Industrialists became less involved in the day to day management of business affairs, ceding this to professional managers. In this case:

The owners of industrial capital came more and more to resemble, in social and economic functions, the landlord class. Increasingly, profits and interest came to be the result of passive ownership. Therefore, the theoretical and ideological needs of the owners of industrial capital became identical with those of the landlords and merchant capitalists. They all needed a theory that sanctioned their ownership and proclaimed the virtues of an exchange economy.

Therefore, at the very time when the labor theory of value, in the writings of Karl Marx, was becoming identified with the interests of the working class, the utility theory or market perspective began to serve the interests of all elements of the class owning the means of production (whether land, merchant capital, finance capital, or industrial capital). (Hunt 1992, 348-349)

Thus Hunt notes, as competing segments of the elite coalesced into one, increasingly they would become allied not simply in interests, but in those depictions of economic activity that they would find ideologically acceptable. Each would, moreover, increasingly tend to find that market or utility-based analyses of economic activity best described their own ideologically-compatible understandings of the nature of such intercourse. This was to coincide in time with the growing notice being given to the antagonistic overtones of the Ricardian labor theory of value, as well as a changed political dynamic which in fact made political realities within Britain (and via these the economic intercourse among groups) much more apparently “harmonistic” and “cooperative” than had ever before been the case. In this climate, the utilitarian vision offered by Jevons would appear both empirically and ideologically attractive.

5.1 The Historic Lineage of Nineteenth-Century Political Institutions

It is apparent that this multifaceted process of paradigmatic change had deep historical roots, and that some of the most apparent companion events were in fact political and institutional in content. It is with this in mind that we turn now to the lineage of nineteenth-century political institutions in the more distant scope of British history. In this, it becomes apparent that process of political development was an essential historical step in both the growth and the eventual dominance of capitalist practice.

Of course the march of history through this particular valley took a number of

centuries, and long in advance of its gaining political effectiveness beside the traditional ruling elite of landed nobility through institutionalized means, the “middle class” of capitalist traders and financiers would gain material ability by virtue of a financial alliance with the monarch. Eventually, its new-found economic importance would be appropriately reflected in growing political ability as well. However this did not occur at once. It was in fact the joining of commercial and financial wealth with the power of the monarch that allowed merchants to achieve many advantages. However, this also was to create a situation in which merchants were bound equally to struggle against the nobility for political effectiveness in tandem with their growing economic ability.

To the extent that they were part of an older regime of shipping, slaving and overseas empires, merchants were accorded political rights attendant to the older population centers wherein such interests had arisen historically. To the extent, moreover, that they were independently wealthy, they could afford to sit in parliament without compensatory payment for their time. And to the extent, lastly, that they were familiar to landed individuals, they might be able to garner votes under such auspices. In any of these cases the merchant could thus practically sit for the House of Commons. In the event they did not meet these conditions, however, the merchant could not practically seek elected office. Thus in historical terms, within the traditional structure of British society as it had developed across the centuries, the nobility (both temporal and secular) existed both politically and economically as a privileged elite. In political terms, they did indeed largely and almost wholly constitute the governing class.

As for the whole social edifice so constructed, one writer was to note that if the monarch was the keystone of a grand arch of political, economic and social power, the

landed nobility and the medieval Catholic Church were the twin pillars upon which this authority had withstood the test of time. The nobility had managed over time to retain control of the legislative apparatus of the state as it developed out of the loose tribal organization that was its ultimate origin, and over time it would indeed force even the king to submit to the will of this “parliament of nobility.” The political ability of others within society was limited at best, moreover, excepting to the extent that they might (as in the case of great merchants and companies of merchants) have access to irregular (extra-institutional) aid of the sovereign or others of the ruling class.

Until the first decades of the nineteenth century, the nobility was thus to remain almost the sole heir to political power. This was so historically by virtue of the fact that rights of franchise had generally only been extended to the proprietors of great landed estates and older population centers, wherein these individuals stood as the parliamentary representatives of the surrounding community. This was a right accorded them by a variety of traditionally accepted means. In many cases this would have come about, for instance, through their traditionally paternalist social role as leader and protector of inhabitants of estates granted to them under bonds of fealty. It might be so either by heredity (as in the case of nobility), or additionally through actions supporting established government or regularly calling one into association with them (as in the case of knights, wealthy merchants extending credit and large commercial receipts to the crown, and clergy). In any case, so long as such avenues for the advancement of powerful interests did exist, there had arisen no general and compelling impetus to attempt a restructuring of political representation by some other means. This was, as such, the customary means by which administration of the state grew up and continued through time to exist.

Beyond the Industrial Revolution, however, in Britain as elsewhere across Europe, the struggle for political effectiveness would come to threaten the construction of the state itself, to no small extent. With disaster knocking at perception's door by way of proximity to difficulties in France, disempowerment of such large segments of the population could not continue to be the case far into the nineteenth century. While as yet there existed no defined franchise extending beyond the bounds of the aforementioned groups, and certainly no franchise extending across all segments of society, this was due to change along with the construction of society itself. Three decades into the nineteenth century, the middle class would succeed in their efforts to gain institutionalized political protection of their position in the new society and fully capitalist economy of modern Britain.

Change thus eventually came, but only by virtue of the preceding centuries of commercial expansion and material development. Widening of the franchise was, thus, to have its origin at the level of the material resources existing in the hands of the middle class. Over the centuries, in sum, during a period coinciding roughly with the Enlightenment, merchant, industrial and manufacturing wealth were to grow up as a competing source of economic and political power standing alongside the rights of the traditional landed nobility.

The rising capitalist middle class would flourish, on the one hand, for its unique and unparalleled control over financial resources at a time when such resources would increasingly be in need for reasons of statecraft and military defense. It was largely by this means that the commercial class grew to be a highly effective segment of the population even without rights of franchise. They were able to influence the

development of legislative enactment to some degree both by means of their close relationship with the monarch, and by means of carefully crafted appeals to the interests of the nation addressed both to the monarch and more widely. In addition, more wealthy members of the middle class (great merchant families such as those of William Wilberforce and William Pitt, often by “suprainstitutional” means) came to be included within the House of Commons.

In this context, it is widely noted that “blue blood was purchasable.” This would also be the case as regards other related privileges. Even so, on into the nineteenth century, the upper and controlling house of parliament was and would remain a “noble preserve.” Likewise, access to the lower house would be limited at best, and not subject to a defined right. In rural districts, a “Freeholding” peasant holding land and renting it for a relatively small sum could ostensibly sit for the House of Commons; in practical terms, however, it is logical to believe that this would only be possible provided that the peasant had means sufficient to support such a pursuit, or allegiance with one who did. For, while seats in parliament required attendance they received no compensatory remuneration.

It was thus by means of wealth that entry into parliament or influence over members of parliament could be gained by those of solid commercial worth. It was only by this means, moreover, that they could practically come to have some role in policy formation. Yet nevertheless it remained true that a set of political institutions allowing the capitalist middle class either wider control over the apparatus of parliament, or an institutionalized right to elect representatives to this body, were lacking. It was not until midcentury that

the property qualification for M.P.s was abolished (Cole 1950, 29).¹ Thus up until the latter part of the nineteenth century, not only would parliament remain dominated by the House of Lords at a procedural level, election to the other house would remain limited to those of established and adequate financial and social means of obtaining membership without statutory right, and without electoral support from companion citizens.

With this being true by virtue of both its structure and its design, parliament was a product of the historical genesis of the institution as a means of noble control over the affairs of the state. Commercial and manufacturing entrepreneurs of growing but more limited wealth did not, thus, qualify by the long-standing standard of admission to the electorate, as it had originally been designed to include only those of landed wealth. As such, the man of commerce had no traditional right to vote in parliamentary elections. He was not likely to sit in the House of Commons failing the abolishment of the property requirement for such, and could do so only with the sponsorship of a local lord or other well-placed or powerful individual having means of securing such a position in their behalf and of offering financial support subsequent to their admission. Thus:

The House of Commons, almost by definition, represented the prospering section of the gentry: a landed family would not long maintain a position of leadership in the county if its revenues declined significantly; conversely a new family would be accepted into county society in a generation or two if it was rich enough. So the House of Commons tended to express the wishes of the well-to-do gentry. (Hill 1974, 68)

The nineteenth century would nevertheless encompass a period of transformation. Herein, the traditional system of rule by the landed elite would be forcibly adapted to a new society and new economy dominated by wealth among a commercial middle class.

¹It was not until as late as 1911 that an act was passed establishing the payment of Members.

A new social balance would come to exist, being characterized not only by the presence of well-to-do gentry existing parasitically beside those of hereditary title (i.e., the landed), but by the rising economic ability of a class of industrial manufacturers and others of types of commercial wealth. These would have no connection to the traditional elite, quite dissimilarly to the gentry. The commercial middle class would, as such, have an incentive to challenge traditional usurpation of the process of both election, and governance generally.

The century would also, at any rate, be characterized by a growing urban population. A great mass of unpropertied citizens would settle in cities and towns away from the sources of traditional manorial political control and traditional support. Partly in consequence, the nineteenth century would be studded with the outbreak of open struggle among classes competing for a right to effectuate policy in their own interests, or to garner the protection of such. Workers had both reason for demanding intervention on their behalf, and the physical and informational proximity to masses of others sharing their views. In this case, the working class took on a menacing quality not characteristic of the rural serfdom of old.

Thus it is evident that two separate conflicts were in existence. One issue concerned workers versus their social governors at all levels, while another concerned segments of the ruling class (traditional elite versus rising middle class). In doctrinal terms, features of each such struggle came to impinge on economic doctrine as this was developing among its British practitioners. With the formation of political and social power based upon commercial and later manufacturing and industrial wealth, an increasingly antiquated accretion of political and legal privilege would prove inimical to the advance

of capitalist activities. This would spawn struggle both for and against. In consequence, intellectual differences of opinion regarding economic policy favoring one class as against another constitute a dominant source of conflict, not incidentally being counted as influential factors assisting both Smithian and Ricardian theory to popularity. This would not so clearly advantage Jevons. Nevertheless the changing institutional structure of British society which was the byproduct would over time find empirical resonance in Jevons' harmonistically-inclined utility analysis, as history and political development together rendered conflict both regulated and dampened by the new-sprung necessity that it should work itself out through institutionalized, socially acceptable means. From this point, exploitation and disharmony would remain undercurrents only recognized by those with "eyes to see" and "ears to hear," excised from the body of mainstream thought.

At a practical level, by the early nineteenth century the former struggle had crystallized into a political effort by the capitalist middle class to wrest institutionalized political control from the traditional elite. This had mild implications so far as economic doctrine was concerned by virtue, in part, of its audience. For as the institutional landscape of Britain was transformed in consonance with the growth of a purely capitalist class structure, with but a thin inclusion of precapitalist rule by a feudal elite existing beyond this point, economic analysis center-pointing a conflict between capitalist and landowner was rather bound to have failing applicability. Nevertheless, classical analysis (especially that of Ricardo) would continue to offer a consistent basis for the derivation of value, and would remain in high esteem, in part, for its emphasis on the doctrine of laissez faire. The unfolding of events across the space of the century would, even so, spur greater appreciation of Jevonian insights by the time the century was to near its

endpoint.

In 1832, the middle class would find success politically with the assistance of skilled laborers lured into the political process hoping for their own rights of franchise. The hopes of the working class would remain unfruitful in 1832. Even so this process of institutional development was a stone that continued to roll forward, for given that their initial aspirations were not met laborers continued to struggle for political inclusion. Skilled workers were victorious in their demands for entry into the electorate by 1867 in a limited fashion, and by 1884 this was to occur on what may only be considered a class-wise basis. Early on, the working class struggled fiercely to achieve a place in the political process; with time, they tended to concentrate their collective efforts on obtaining a political compromise wherein a worker-led democracy could be established. This allowed, by late in the century, the achievement of most of their aims, and led to a situation of relative harmony unprecedented historically.

In the midst, the Ricardian labor theory of value was used by radicals in support of laborers. In the hands of radical opponents of the capitalist system of employment, it was a damaging means of political and economic debate. Over time this could only diminish its attractiveness among the mainstream of intellectually and politically conservative economists. And much to its detriment, in this respect economic theory was to be manipulated by a variety of interests. This was remarkably true during the period in which Ricardian ideas arose to their early position of intellectual dominance; however it was decreasingly so by the period in which Jevons was to introduce his version of marginalism in the 1870s. For his part, Jevons would be active in attempting to separate economic theory from overt politicization.

5.2 The Evolution of Democratic Political Institutions in Nineteenth-Century Britain

In his contribution to the Pelican Economic History of Britain series, entitled Reformation to Industrial Revolution, Christopher Hill notes (Hill 1974, 13) that: “The connexion between economics and politics is not simple.” With regard to the monumental change taking place in the preceding period, he says:

Neither demography nor monetary factors furnish a single key to the understanding of historical change. The seventeenth-century economic crisis which affected the whole of western Europe led to a strengthening of absolutism in most continental countries...in England alone it created a political system within which commercial and industrial capital had freedom to develop. (Hill 1974, 4)

In a complex web of association, this period just as the next two centuries would be characterized by changes that both enabled and attended the growth of a capitalist economy, and its final extinguishment of the system of medieval feudal privilege. Adam Smith, in this regard, was to observe that:

Commerce and manufactures gradually introduced order and good government and with them, liberty and security of individuals, among the inhabitants of the country, who had before lived in a continual state of war with their neighbors, and of servile dependency upon their superiors. (Smith [1776] 2003, 144-145)

Looking quite far back, we find that, beyond the breakup of the Roman Empire in 395 AD, events would occur that would determine much of the later history of the British Isles. For with the decline of Roman might, there grew up in its place a variety of political power that was to remain in existence right up to the timeperiod wherein Jevons’ model was ultimately introduced. These political structures would find resonance within

the conceptual basis, content and presentation of Jevons' model,² even while it was authored at a point relatively distant from such events. Such ancient prehistory resulted, indeed, in that constellation of social structures that were the historical basis of Jevons' marginalist model.

In the wake of the anarchy ensuing upon the retreat of the Romans, tribal affiliations were effective in ensuring the security of isolated groups across the countryside. The result was the formation of a martial society characterized in the main by its hierarchical, hereditary division of rights and responsibilities, and access to the primary economic and/or material resource, land. This, ultimately, was the origin of both feudalism, and parliamentary rule.

The term "feudal" is drawn ultimately from the grant of large landed estates. In this context, a feudal structure of society was birthed in which custom and tradition, reciprocity and not gain, ruled. Characterized by self-sufficient estates held in a hereditary fashion, this system grew out of not only the anarchy but also the regional autonomy that came with the decline of Roman control occurring in this early period. For, in historical terms periodic invasion as well as periodic and sometimes prolonged famine resulted in an overriding need for both physical security, and military preparedness. This was the basis of a political structure in which the organizing feature was control of the land.

² *American Heritage Dictionary* defines "politics" as: (1) intrigue or maneuvering within a political unit or group in order to gain control or power, (2) political attitudes and positions, and (3) the often internally conflicting interrelationships among people in a society. *Oxford English Dictionary* defines "politics" as: (1) a particular set of political beliefs or principles, (2) activities aimed at gaining power within an organization, (3) the principles relating to or inherent in a sphere or activity, especially when concerned with power and status. Both sources hereby support my use of the term in this capacity.

Out of the tribal organization of old, a structure of control based on a hierarchical arrangement of power and access to land spreading down from the ruler to his nobility came to exist through military conquest:

The State, growing out of the military conquest and division of the country and the permanent importance of the king as war leader in a period when war was the normal state of affairs, superseded the looser tribal organization that had served the English in their German homeland.
(Morton 1979, 40)

In this context, wealth and social control both came to be based on a hereditary right to exist upon the land, and to exact obligations from others who equally claimed such rights. These prerogatives were granted by virtue of conquest. In order that the resulting dominance should be maintained over time, moreover, one obligation was that of military preparedness. Another was the payment of a part of all that was produced on one's land, in support of one's overlord. This was in the nature of "feudal dues," just as was the obligation of military preparedness. Both were required of those who were feudally obligated to a party in such hierarchical terms. Given regular and savage invasions by Germanic and other tribes from the North, military preparedness was indeed the hallmark of feudal society, as was the related imposition of virtual autarky.

"Feudal" social organization was given specific sanction by the monarch, William the Conqueror of Normandy. His successful invasion of Britain in 1066 was followed by a confiscation of the lands of reigning Saxon King Harold's nobility. In turn, these lands were divided among the conquering group in exchange for a reciprocal agreement to provide one's overlord with mounted warriors in times of military need, and to adhere to a number of other bipartite arrangements. This was to establish the basis of feudal land tenure.

Given that production was almost entirely based in subsistence agriculture, possession or control of land was of the utmost importance. As such, it is at this point that feudalism is usually said to have been fully established in England. Nevertheless, as A.L. Morton remarks (Morton 1979, 60-63) in his People's History of England, "It is quite impossible to put one's finger on any date and say, "At this moment feudalism in England exists perfectly and completely." From this time forward, given a division of rights to land, and all of the reciprocal advantages and obligations that this entailed, the feudal system of governance and interaction was largely in place.

From this point of initial division of rights, a struggle for supremacy would exist within this feudal hierarchy. At its center was the monarch. While he arose as a tribal lord, his reign was accorded wide social sanction by virtue of "Divine Right." And in this case, the king or ruler was vassal to God and no other; indeed this would become the ideological brick from which his rule was built. Even so a fairly constant struggle was to exist between the centralizing power of the crown, and the feudal tendency toward regional autonomy of titled nobility. This was an autonomy literally grown up over centuries and centuries of localized defense against tribal aggression and incursion. The nobility constituted, in essence, petty regional lords anxious to usurp the monarch's place. As time went on, moreover, it was to be this feature of the structure of feudal social power that was to prove of the utmost importance as far as its eventual breakup of feudalism was concerned. This would also be true of its eventual replacement, as feudal social relations were supplanted by capitalist institutions by the late seventeen hundreds and beyond.

In reality, while a king could not rule without the support of the landed class, its

interests were nevertheless largely antagonistic to those of the monarch. Over time this exposed the monarch to continuing vulnerability in the form of his dependence on the nobility. This was especially true by virtue of the fact that only persons having vassals lodged on the lands immediately about them had the ability, effectively, to call up mounted fighters. In this context, as such, Sir Walter Raleigh has been credited with the comment that the gentry, “spread over all, are the garrisons of good order throughout the realm.” (Hill 1974, 30) The monarch did not take such a beneficent view, ever remaining interested in consolidating his or her own power against members of the landed aristocracy.

In essence, then, a centralized monarchy existed alongside a confederation of localized or more regional interests, which led to continual struggle between the two. So even while the primary trend was always towards an increase in centralization of authority (something which ultimately led to the rise of nation states), this authority was forced to develop within the constituent framework of feudal social and political institutions. These both limited and conditioned it.

Yet once feudal strictures were in place, it proved a long and arduous process to dismantle them when they no longer corresponded to the economic and larger relational structure of activity and social organization generally. Economic theory, as a means of persuasion and logical repartee, played an important role in enabling this process to occur. Successive paradigms, from Mercantilism and Physiocracy onward, became materially effective ideologies in the struggle to divest feudal lords of their traditional rights. Equally, however, economic theory would be derived to justify such interests, as in the case of the French Physiocrats.

In sum, while the political and social organization imposed by the Normans laid the foundations for customs and traditions which would prove enormously durable over the centuries, even when subject to attack. Nevertheless, after a certain point this would prove much too long-lasting for others whose rights were so trampled upon. In this social, intellectual and political climate, economic theory was to become an important element in the parallel struggles to either dismantle or conserve important vestiges of postfeudal privilege.

The basis of such privilege grew out of the process of agriculture production, which provided the material underpinnings of medieval society as a whole. At the bottom of this process stood the agricultural cultivator of the field, the common "serf."³ During the period of Norman rule, the nobility gained passage of a body of law giving institutional recognition to the political subservience and economic dependence of smaller agriculturalists. The intent of the nobility was to divest from these any independent means of subsistence and/or material advance beyond the bonds of serfdom, in which case their own social and economic position was safeguarded. Of the unfortunate serf, Morton draws attention to Pope Innocent III's statement that "The serf...if he possesses naught he is compelled to earn; and if he possesses anything he is compelled to have it not.... Nature brought freemen to birth but fortune hath made him bondmen." (Morton 1979, 68-69)

Nobility were the first to extract written specification and protection of their privileges with regard to the monarch, and thus within the state. In 1215, King John was forced to

³ The word "serf" is derived from the old French term for "slave," which itself is derived from the Latin term "servum" or "servus", meaning "slave." By the seventeenth century it had come to designate the lowest class of cultivators in continental European countries.

accord his nobility the set of guarantees set forth in the Magna Carta. So unusual was a written specification of such rights and protections that this is regarded as a turning point in English history similar to the ratification of the Constitution of the United States.

However unlike the Constitution, which attempts to define a whole structure of government, the Magna Carta was to clarify only the specific entitlements granted to the landed nobility. It gave written verification of the crown's recognition of its responsibilities in this regard.

However the agreement the Magna Carta bears witness to was achieved by virtue of noble associations that were indeed opposed to the more general nature of feudal society. For the means of winning these concessions was that the nobility should form new sorts of combinations (Morton 1979, 87), something contrary to the regional polarizations of power that constituted the ultimate constructive underpinning of feudal society. As such, this was a significant turning point in British history. It portended much of what was to follow.

This "combinatorial" behavior certainly signaled the beginning of a new era of political practice. It would prove to be an important element ensuring the continuance of noble privilege until the dawn of the modern era. Eventually, however, the privilege of the ancient nobility was to be crushed by the combined weight of the market and monetization. Together these would work to erode the basis of feudal reciprocal obligations in "kind," meaning in goods or other "like" products, rather than in the form of a monetary equivalent. This was, however, one of the primary reasons for the degree of social stability that the structure of British society had exhibited over time.

Yet it is so that, even as feudal society was beginning to form, it held the seeds of its

own demise. These were of two types, political and economic. Politically, this struggle for control between the monarch and his landed nobility was extremely destructive to the established structure of power over time. Historian Christopher Hill explains that: “Throughout the Middle Ages, there had been a tug-of-war over control of royal administration. Government originated in the King’s household...a weak king would have to accept baronial domination....” (Hill 1974, 28) Thus broadly, one of the most problematic issues with regard to the structure of feudal control was its hierarchical organization, along with the necessity that the king must rely upon his underlings for material support of all varieties. The issue was at its heart related to the struggle between the monarch and the feudal lords who controlled estates throughout the land, and who could equally raise up fighters to go forth in the name of the king, or against him if the need arose. Other forms of support could, moreover, be used similarly. Thus as Hill observes:

effective power lay with ‘the country’ - the alliance of ruling landowners which had [over time] replaced the great lordships - , with the armigerous. The gentry officered the militia, and no one below the rank of gentleman carried a sword or gun without permission. Consequently, the order which was maintained had to be their sort of order. (Hill 1974, 30)

As this hold of the nobility over the king extended into the area of finances, the struggle contained more than just the obvious economic nuances. The later fact was to become increasingly important as the wealth of the landed came to suffer a long-lasting decline. While there were a number of causes attached to this fact, at its heart it was the consequence of the expansion of commerce and markets. From these many a “capitalist” would spring up. Their commercial activities, bringing attractive wares from near and far, eventually induced the nobility to give up a variety of traditional privileges such that

they would be more able to take advantage of merchant offerings. Merchants would, after all, be understandably unwilling to accept payment in agricultural or similar products that were the basis of traditional payments in kind flowing to the nobility. The bulk of these items in relation to their value made transport untenable, as did the differing characteristics of demand for such items across regions.

So far as monetary incomes were concerned, one option open to the nobility was to take end products to market themselves. This practice grew in importance as merchants, craftsmen and a variety of peasants settled within the shadow of the castle walls. These communities grew into thriving commercial centers over time, needing their subsistence, literally, carted in from the surrounding countryside. The nobility, in corresponding fashion, preferred to sell the produce of their lands in the town market, and settle with laborers on monetary terms. This in turn led to the exchange traditional feudal obligations for monetary ones. Economically, the exchange of feudal dues in kind for contracts of a fixed monetary value, enabling participation in the market, was to be an agent forceful in the slow death of feudal wealth. It was to destroy the basis of a feudal fealty constructed from a network of obligations that went far beyond the simple monetary payments substituted for them increasingly over time. Termed “Commutation,” this practice of exchanging traditional payment in kind for contracts of a fixed monetary value was, as such, to spell the ultimate end of feudal political, economic and social privilege.

Numerous effects of this process were seen as a long-lasting period of inflation spread across various areas of Britain and Europe. Although its effects were mixed, in time such inflation would serve to diminish the value of monetary incomes flowing in to the

nobility as feudal payments in kind had in effect been “cashed in” for ones of fixed monetary value. Eventually, the nobility would be reduced from the status of a privileged elite, to that of an impoverished class of titled aristocrats holding little but that title.

Alongside the waning fortunes of the nobility, commercialism (and the associated fact of merchant capital) flourished. Merchants would be the beneficiaries of a resulting transfer of wealth; nevertheless, this was without institutional prerequisite. Quite often though, political advancement was gained just as title was: through service to the crown, through the administration of its entities, or through association with those formally empowered to look after these. It is by this means that merchants came to rival the traditional nobility in terms of their importance to the crown. However, to quote Morton:

The medium through which this new opposition expressed itself was Parliament. But while this is so, the Crown itself frequently made use of the town merchants as a supplement to the barons and in this sense their growth to political importance can be regarded as a by-product of the struggle between king and nobles, a struggle between two evenly matched powers anxious to secure an ally. It is at any rate to this clash of classes that we must look for the origin and development of Parliament. (Morton 1979, 95)

Not insignificantly, eventually merchants were to take the place of the nobility in financing and otherwise sustaining the king materially, and the structure of parliament is reflective of this fact. It is a legislative body technically comprised of the Monarch, a House of Lords, and a House of Commons. However, only members of the latter are elected. Membership in the other house arises by entitlement. Nevertheless, the executive head of the government is drawn from the House of Commons. Thus even while the House of Commons began as an adjunct to the House of Lords, over time it came to have the utmost of effectiveness in its own right.

This was not true further back in time. The beginnings of parliament go back to the

medieval gathering of the “Curia Regis,” an executive and judicial body gathered from the nobility and the church. This was called to aid the monarch. By the thirteenth century, knights and burgesses would also be called to give approval to royal acts, and indeed this summoning constitutes the origin of the House of Commons. As a unified structure, at any rate, parliament was formed as King Henry III attempted to utilize state finances to further the interests of his son, in which case the nobility responded by creating a system of committees responsible for carrying out government affairs, forestalling the Prince’s request and altering the structure of government at once. (Morton 1979, 96)

In contrast, the Curia Regis, as the origin of the House of Lords, was less hastily conceived. Members of this group were by definition landed, in which case they were also by intrinsically the propertied class in this early feudal context. The House of Commons, quite to the contrary, consisted of non-noble individuals selected through their associations with members of the landed nobility. As such, over time this was populated mainly by local gentry consisting of financially independent commercial individuals and others. These were, in essence, the only groups able to step far enough from subsistence duties to carry out the responsibilities attendant to membership in this body. As delegates to the House received no remuneration, only persons of property or with an independent source of financial support could practically sit in such positions.

Hill has noted that, “By the seventeenth century some merchants were as rich as peers, though their fortunes were usually made in one lifetime.” (Hill 1974, 54) Such individuals were sometimes elevated to the nobility, receiving their social rank by virtue of political, administrative or financial assistance to the monarch. It is reported that

beyond the Protestant Reformation in the fifteen thirties, the territorial franchises of the nobility began to disintegrate such that the “whole body of the baronage is...fallen...from their ancient magnitude and luster” (Hill 1974, 47) as “the great magnates lost their franchises, the gentry stepped into their places, controlling local government in the king’s name.” (Hill 1974, 50) The “gentry” moreover, consisted of anyone who might live without working and still be able to afford to dress and live as a gentleman, most all of whom would have a degree from Oxford or Cambridge (Hill 1974, 51). Under the reign of Elizabeth I, “peerage as a social group ceased to coincide with the biggest landowners: and when James and Charles renewed creations [or Peerages], merchants were rich enough to buy them.” (Hill 1974, 48) Thus it is evident that over time these two forms of wealth, landed and commercial, would coalesce. However, the subtleties of this relationship were both numerous, and institutionally significant. To again quote Morton:

The alliance between the merchants and the squires is the key to the growth of parliamentary power. It enabled the former to develop their strength under the wing of an already established class and it enabled the House of Commons to act at times as an independent body without the Lords... Yet it would be a mistake to overestimate the strength of the merchant class. If Parliament was allowed to acquire many powers it was because it was still nominally held by the Lords.... The whole period was one of transition, of a delicate balance of class forces, and Parliament became at the same time a reflection and a battleground of these forces. (Morton 1979, 101)

Over time, moreover, changes in feudal practice allowing market participation by the nobility led to a gradual dissolution of feudally organized modes of agricultural production, and thus to feudal privilege in its most basic sense. This would soon affect parliamentary rule, a trend evident even as early as the thirteenth century. As such, within the space of just a few centuries traditional feudal agriculture was to decline. In a parallel fashion, moreover, traditional landed domination of parliament was also to

diminish over time. For feudal agriculture implied, by its very nature, the structure of power as it stood. This was its origin.

In this context, given that a reciprocal exchange of labor and complementary services were given over as a customary part of feudal dues owed between the party holding tenure in land and his vassal, it is by the within the nature of this relationship that the overlord was accorded political control of a region. Nevertheless this institution would suffer under the competition of market practices. For by this means, feudal agriculture was to gradually be replaced by capitalist, profit-seeking agriculture in which the worker was either paid a money wage, or simply farmed land in exchange for a monetary rent following the sale of his produce in a nearby market. Both were steps on the road to a fully commercialized economy based on capitalist industry and agriculture both, not to mention the companion “commodification” of both Land and Labor.

As such, a monumental transformation was clearly underway, one bearing the markings of a maturing of the capitalist social system. Hill, in this context, gives us some idea of the scope of the transformation, and the expansion of the market which formed the basis for this decline in feudal cultivation:

These two and a half centuries are a period of social transformation. In 1530 the majority of English men and women lived in rural households which were almost economically self-sufficient: they wore skins, sackcloth, canvas and leather clothes, and ate black bread from wooden trenchers; they used no forks or pocket handkerchiefs. By 1780 England was being transformed by the factory system: brick houses, cotton clothes, white bread, plates and cutlery were becoming accessible even to the lower classes. (Hill 1974, 20)

As a whole, these changes were result of commercial expansion.

As commerce and industry grew up, a slow diminution in the importance of traditional forms of agricultural production took place as these hampered the land-holder’s ability to

utilize land to private advantage. Over time the nobility sought increasingly to take over, for their individual benefit, the right to farm the land. In this process, traditional cultivators became redundant as new methods of farming were introduced as a means of enhancing the productivity of the land. Great numbers of agricultural laborers were thereby released from their feudal bonds of fealty to the lord of the manor on which they had been housed.

This was so for both serfs, who had heretofore retained traditional rights and obligations both with respect to the lord, and for peasants who had already been freed from a portion of such obligations and rights. Morton notes that individual peasant cultivation, which began to occur to some small extent quite early, was a transitory form of ownership arising out of the breakup of the manor. He observes that “Feudal agriculture had been largely collective...based on the plough team and the joint cultivation of the common lands that were the legacies of a distant tribal past. Such a collective agriculture could not pass directly to capitalist agriculture...” (Morton 1979, 166-170) In effect the peasantry was “atomized,” rendered defenseless and pushed from the land into areas of growing urbanization. This was not the result of conscious efforts in this direction on the part of any one group, even so. It was a result of the overall process of social transformation that both brought feudalism into being, and spelled its demise.

An important step in this process of decline was the so-called “Enclosure Movement” wherein landholders, by parliamentary statute and otherwise, took control of lands formerly held by serfs and peasant cultivators. The practice of enclosing land as a means of claiming sole rights to utilize it had long been a method used by wealthier landowners to take over peasant lands as it suited them. Original title was, indeed, vested with the

monarch, yet in this way hereditary rights to control the land could be transferred, and so transformed into ownership rights whereby land itself could freely be bought and sold. In essence, what had formerly been a good held “in common” was now privately owned. It was retained or sold as private property on a “fee simple” or some other basis.

“Enclosure” thus entailed the legal abrogation of feudal rights to control of the land. It became the basis of a new form of wealth, one having value in the market not just on account of its saleable produce. Given this, the practice became increasingly popular over time. During the Tudor period (1485-1603), Enclosures would enable the development of a fully capitalist economy in the ensuing timeperiod by serving to so rapidly commercialize two of the primary components of capitalist production.

This was in part due to the fact that, during the Tudor period, widespread dispossession of the land coincided with a marked increase in the population. According to Morton, Enclosures occurring at this time:

coincided with the growth of population to perhaps five million...the maximum which the land would support under the hitherto existing mode of production. Under these circumstances enclosures of an extent which earlier might have passed almost unnoticed were bound to involve sweeping social changes. Further, these changes coincided with the beginning of a rise in prices which was the result of an influx of precious metals into Europe. This had the effect of doubling profits and almost halving wages by the end of the century. The ‘prosperity’ of the later Tudor period was in fact a vast transfer of wealth from the labouring masses to a small class of merchants and capitalist farmers. (Morton 1979, 166-167)

We cannot, thus, underestimate the importance of either agriculture or the market in the transition that would eventually take place. The latter was to fully transform the former. Thus while it is estimated that in the last decades of the seventeenth century approximately 88 percent of the population of England was still engaged in agriculture,

as yet a number of important changes had already begun to occur that would have effects on both agriculture and other areas of production. These processes of change were to fundamentally transform the way economic activity was organized all across the United Kingdom. Eventually this was to result both in the decline of the manor, and in the ultimate subjugation of all society to the will of the market.

As it occurred, this decline in feudal agriculture was to affect the balance of power as it existed between the king, his nobility, and the gentrified middle class of merchants, shop-keepers and others. It was both the cause and the effect of the process of commercialization alluded to by Adam Smith, and was eventually to allow those of commercial wealth to overtake the nobility in terms of their importance to the king. Early in the nineteenth-century, moreover, this group of capitalist entrepreneurs would equally usurp a portion parliamentary control as well. Yet what is important to note it that the forward movement of “representative” political institutions so specified was inseparable, in fact, from the triumph of the market and exchange relations generally.

In this, the appearance of inflation was to assist in the final tipping of the balance toward overt control of a stewardship of national affairs by members of the commercial class. For it was to spell the end of the traditional ruling class, their wealth, their power and prestige, and the feudal social system of which they were grand beneficiaries along with the monarch. Thus the appearance of inflation stands as a meridian of change, signaling the onset of a much more profound transformation of society. For in sum this would spell broad destruction of what, in Britain, might be termed the “ancient regime” as it provided a stimulus toward the commercialization of agriculture. Initially this would prove beneficial to those who held the land, as its effect was a rise in yields per acre that

went on to expand the surplus of goods available to be sold to nonagricultural workers residing in cities and towns distant from the fields in which their support was grown. This had largely been the result of enclosures, but it was as well dependent upon fundamental improvements in the method of crop rotation and similar improvements in the "technology" of agricultural production.

An array of circumstances thus encouraged a transition to market-oriented agriculture. Yet at any rate, its most significant companion effect was the increasing drive for enclosure. For it would be true that as former serfs moved into cities and towns, becoming paid laborers, they too came to taste of the market, and thereby to exhibit a desire for monetary as opposed to traditional incomes in subsistence goods. Ultimately the result was an expansion of the market itself, and a wholesale destruction of the traditional system of agriculture upon which the power and wealth of the traditional nobility rested. The aristocracy would thus be, in a sense, the architect of its own demise.

For a period, population in urban areas tended to increase faster than did the available agricultural surplus, and as such existing imbalances between agricultural and other prices received somewhat of an accent. This served to nudge the process of change along at an increasing rate. Similarly the increased demand for food by urban populations, now devoid of the ability to produce for themselves as they had in the past when they were still rooted to the land, created a need for more extensive use of the land. As such there was a pressure to cultivate common and wastelands, and royal forests. Taken in combination, all these items strengthened incentives to enclose lands and drive traditional holders off, in which case they moved into the growing ranks of wage laborers. In combination, then, such factors served to create not only a new pressure for the

commercialization of agriculture, but also a need for movement beyond feudal restrictions on the ownership and sale of productive resources, notably land.

The transition so begun would spell the death of the parliament of nobility, as the decline of the nobility would occur alongside an incipient rise in the power of the state. For whereas the gentry and the nobility had earlier provided order on a purely regional basis, it is certainly by virtue of the declining power of the nobility that the state would take its place as the "law of the land" ensuring peace in both countryside, and city. Ironically, though, the empowerment of the state was initiated by commercial interests dependent on royal support. In consequence of the ongoing conflict existing between centralization and regional powers, however, the process would end with the king sweeping all into a single bag, that of the "nation." This would bring a territory uniform in its government and administration of law and order. It would have defined boundaries in which security of person and property was assured. This allowed commerce to flourish, and would be to the benefit of those seeking to expand wealth through commercial or industrial means.

A trend toward national consolidation was, moreover, widely in evidence. European powers generally were undergoing similar developments, in which case monarchs were increasingly in the position of having to engage in matters of statecraft in hopes of forestalling an increase in foreign territorial or political control. It was in this context especially that the king's dependence on his nobility created a worrisome vulnerability given that they alone could draw up defensive and material resources both. Again, however, a solution was to be found in the commercial middle class. Merchants in possession of great stores of commercial wealth as price increases acted to buoy their

fortunes extended support to financially strapped monarchs. In this case, the monarch found that support of merchant enterprise could be beneficial to both sides. Often, as well, merchants achieved royal protection or advantage in return for allegiance. In such circumstances members of the nobility voiced opposition to the crown through parliament. Nevertheless, according to A.L. Morton:

the Crown itself frequently made use of the town merchants as a supplement to the barons and in this sense their growth to political importance can be regarded as a by-product of the struggle between king and nobles, a struggle between two evenly-matched powers anxious to secure an ally. (Morton 1979, 95)

As time wore on a significant portion of effective control was to be ceded to a commercial middle class that included not simply merchants but also richer artisans, the independent peasantry, and well-to-do peasant farmers. "It was such independent men of small means who established the new ideology of the middle-class home, as against the great households (aristocratic, monastic) of the Middle Ages." (Hill 1974, 55) Eventually wider political control would be held by capitalist manufacturers, industrialists and professional financiers just as it was formerly held only by the landed "householders." The state, in the midst of this larger process of material transformation was to assume the functions of its feudal nobility by degrees.

Noble duty traditionally included the administration of justice, protection of agriculturalists and the wider peasantry, and service in times of war. Yet as the landed aristocracy gradually divested itself of these functions (becoming land "owners" in the modern sense), its political activities were accordingly more limited. Over time, such functions were restricted to official parliamentary duties.

In addition, as Hill comments, "As great landowners lost...power, they had to adapt

themselves to the new society in which money was king...." (Hill 1974, 67) In essence, this movement toward the restriction of landed power at an institutional level would signal the final triumph of a capitalist social system, one in which money is or financial resources of paramount importance in the determination of power. For as the power of the state as representative of propertied interests developed, it served to destroy all that was its origin, including the power of the landed. The development of nation states was thus to supersede all feudal sources of power, which in practice meant that both nobility and king would suffer from a diminution of effective political power as time went on. In addition to the toll these broad changes wrought upon the position of the landed nobility, the conflict existing between the nobility and the monarchy ultimately served to diminish the power of each.

While the fall of the nobility was in a final sense more the result of economic events and processes, the reining in of the king was the outcome of that political struggle that had long existed between the king and his nobility. The locus of change was, indeed, at the seat of institutionalized political power. The feudal right of an unrestricted monarchy was thus to slowly dwindle away, even while it was the increasing centralization of authority on which the growth of the "nation-state" indeed rested.

The fifteenth century witnessed, in parallel fashion, the turmoil of the Wars of the Roses. This was a series of dynastic struggles leading to the rise of the Tudors, notably Henry VIII and Elizabeth I. Henry remains symbolic of the transition taking place, in fact. For by virtue of his actions, the office of the king was eventually to become subordinate to the interests of an institutionalized power representative of the new material structure of society. This was a structure which centered on the dominance of

the state as above the interests of its monarch or other poles of political power. During the reign of Henry VIII, that the other pillar of feudalism, the medieval Catholic Church, was to be forced out of England in favor of “lay nobility.” This was to destroy one pillar of medieval political control: landed entitlement. It would not be long before the defined rights of the landed ceded to the nobility as a result of the Magna Carta were given over voluntarily in exchange for participation in the market. Their position in the state was, as such, to suffer a diminution parallel to that of the king.

The analogous feudal legitimacy of the church, being traditional and customary both, stood solidly upon a rock of deep-rooted feudal ideology that served to sanction its dominion. Similarity between church and nobility was deep and meaningful, and indeed this was quite true in terms of the process of historical legitimatization bringing each to power. As such the coexistence of the church within the state did little to harm the nobility. However, with respect to the commercial class this was not so. Medieval religious ideals were inimical to the advancement of commercial interests. Papal practice and religious teachings were opposed to the profit-centered, market oriented interests of the rising commercial elite. Only with the expulsion of the church would the business class complete its ascent to the seat of institutionalized political power.

The church was, however, that institution which had long lent ideological legitimacy to the crown. Until this fact was overcome, and the monarch (and eventually the state) was able to achieve legitimacy independently from the church, the state itself could not rise to a situation of complete institutional preeminence. Until separation from the church was achieved, the monarchy's derivation of its own legitimacy from its "divine" nature meant the king or queen would be constrained in the practices and policy in which

he or she could engage. This situation precluded royalty from openly supporting or sanctioning the profit-making or other activities of the commercial class.

At a more general level, it was also true that the church had at least one other negative character so far as the power and preeminence of the state was concerned. For indeed, the Catholic Church coexisted as a structure of power and wealth competing with feudal lords intent on pressing forward their own economic and political interests. In this case, church leaders were often equally committed to such aims. A reduction in the power of religion and the Church may thus have enabled many of the later changes that did take place to come about.

The ban on usury presents a case in point. In relation to the limits this placed on royal prerogatives, the church's ban on usury and gain-seeking behavior generally proved an irritation as the royal purse became increasingly slim, and indeed the decline in the religious censure placed on usury was eventually to facilitate the royal sanction of patents, monopolies and charters that would eventually yield the crown and the nation, rich benefit. This was especially so given that merchant enterprise included the crown as a partner to profits gained from merchant ventures whether through taxes, transfers or lending. The presence of the church thus proved an important internal impediment to change on many counts, as it compromised the ruler's ability to sanction commercial activity. Indeed, as such the medieval church helped to ensure stability of the whole social system over time, as against the commercialism that was to eat away at the larger edifice of medieval society with the passage of subsequent decades.

Merchant activity would be, at any rate, constrained by an additional external circumstance. This was the mastery of the Spanish over the seas, as well as the Dutch

with their fast sailing ships. Beyond 1588, after defeating the Spanish Armada sent by Phillip II in retribution for an English attempt to found a colony along the eastern shore of North America, England was finally able to claim supremacy at sea. Thereafter she began aggressively expanding abroad, a process that would serve to magnify changes taking place at home. Commercial activities undertaken by merchants abroad would eventually lead to the founding of a great colonial empire, one serving to enhance the growth of merchant and commercial wealth and political ability at home.

This would not take place, however, until nearly a century of civil and religious warfare had taken place, altering the construction of the state so as to allow free commercial intercourse. The process of change would, in a sense, find temporary conclusion in the “Glorious Revolution” and the “Constitutional Settlement” that was its outcome. Placed on the throne were William III of Orange and his wife Queen Mary, daughter of the deposed Catholic King James II. On December 16, 1789, the pair gave assent to a document outlining their statutory subservience to the rule of parliament; in their acceptance of the terms offered them, in effect, they put to rest the divine right of kings on British soil. This led the way to a sustained decline in royal prerogative, and a corresponding rise in the rule of civil society. Ultimately each would benefit the commercial middle class, who would go on to install a parliament not of nobility, but of the citizenry. All men would vote, and their rights to collective action would be given official sanction. The days of an all powerful king and an all powerful parliament, as such, would be numbered.

This peaceful end would be accomplished only after long and hard-fought struggle. It would include the Protectorate of Thomas Cromwell, Earl of Essex under King Henry

VIII. Cromwell is remembered as a ruthless administrator and also an important agent in the ultimate destruction of papal power. He was to supervise both the king's break with Rome under the Act of Supremacy of 1534, and also the dissolution of Monasteries taking place from 1536-39. However, in both contexts it is useful to recall Cromwell's assertion that "Religion was not the first thing contested for..." (Hill 1974, 191)

In the context of such struggles, the might of religious ideology was compromised and weakened by the material and political means by which the church and the clergy were brought under the control of the nobility. Just decades beyond the conquest of secular control, ironically, the same struggle would be undertaken by the nobility against an all powerful monarch. It was in the course such conflicts taking place in the midst of the seventeenth century, in fact, that parliament would rise to prominence as a governing institution.

In the midst of this progression the groundwork was laid for the governance of England in the modern era. Indeed, it was in this context that the king was forced into capitulation by parliament. Moreover, the representational basis of parliament was eventually expanded on a similar basis. In sum, it was to become increasingly apparent that either a powerful king or a powerful nobility (secular or religious) could be damaging to the "national interest." This became starkly evident as the House of Lords gained control over legislation and the administrative affairs of the state while the House of Commons remained the less-effective home of a less-proprietyed yet nevertheless semi-elite gentry. In this case, action by parliament was fairly synonymous with activity in conformity with the wishes of a proprietyed elite. It came to be the institutional embodiment of the ruling elite, in some sense. However as the nature of "property" was

to change, so would the nature of both parliament and parliamentary rule. In the end, all of civil society would be forced into conformity with capitalist forms of practice.

Capitalism essentially deleted the role of traditional honor and its hereditary and other preferential associations, replacing these with the rule of wealth and financial gain.

Parliament would be widened in recognition of this fact; in this, the essential nature of conflict resident in a capitalist economic system drove the governing population to allow limited admission even to the working class. In similar fashion, parliament would extend statutory protections to official representative bodies of laborers in exchange for the right to supervise the same.

In this, it is important to note that the endpoint of this great process of change was, indeed, presaged by the character of the conflict. In demonstration, we must consider each element in tandem. Regarding the monarchy, by 1640 the monarchical system derived through centuries of feudal rule had broken down beneath the weight of its struggle against the nobility; in this environment, the conflict would erupt out of a revolt of the nobles (Hill 1974, 127) against the privilege traditionally accorded the monarch. The outcome would be a reduction in the prerogative of the king.

In this respect, it must be remembered that even while the king was powerful in his own right, there remained the fact that the nobility represented a competing and roughly analogous structure of power. In historical terms, this was to result in the granting of institutionalized legitimacy by means of the Magna Carta. While the monarch had been, in this regard, fairly easily able to divest the church of its holdings by royal decree, a similar reduction in power could not so easily be achieved with respect to the nobility. The nobility was largely equivalent to the monarch in its ability to command material and

other support.

Thus as royal power grew the nobility would act to arrest his ascendancy. In this context, a king supported by merchants proved an anathema to the nobility. His presence was beneficial to the commercial class, on the other hand, as he was the steward of centralized power and thus of a broad uniformity of practices throughout the realm. In this way, he assisted in widening the extent of commercial practice. For the nobility the situation was much different. On the contrary, the king presented little more than unwanted competition. Moreover, the nobility clearly perceived that adequate constitutional or statutory provisions for controlling the king did not exist.

A wise monarch tended to be restrained in the manner in which his power was wielded, however, especially with regard to taxation. Nevertheless it was in this very context that the nobles would express increasing dissatisfaction over time. The reign of Charles I remain notable in this regard. Herein, parliament was driven to strike out against certain of the king's ministers who acted to facilitate unacceptable fiscal decisions actions on the part of the monarch; in so doing it was declared it illegal for the king to act without the consent of parliament in regard to the spending of public monies. Hill, in this context, observes that the king held an unexpected card, for so long as parliament had neither "confidence in nor control over the king," neither could afford to arouse the anger of the masses. As such these were to experience a period of unparalleled freedom: "The use that the lower orders made of this liberty helped the king...to fight for the traditional, ordered, hierarchical society in which the king was the keystone of an arch whose pillars were the gentry and the church..." (Hill 1974, 128) Compromise was eventually reached with the creation of measures by which parliament's control over the monarch could be

enforced. Nevertheless, it remained an open question as to whether or how the king might be fully reined in.

This question, in essence, revolved around the role of the monarch in a civil state. In the British case, the lack of clarity which existed on this point erupted into a dispute between "Independents" satisfied with the traditional mechanisms of control and social hierarchy provided only that parliament's control over the king could be enforced, and "Levellers" who desired considerable extension of the franchise, along with an abolition of both the monarchy and the House of Lords. In this context, Hill notes that it should therefore be clear that what began as a revolt of the nobles against the control of the king ended as a struggle between opposed social classes.

This problem would spread into the next century. Given existing laws of succession, during the eighteenth century heirs of the British throne were of German origin; this fact was to expand the conflict beyond the lines of the monarchy in its implications. Thus as early as the end of the seventeenth century, the monarch was reduced to a symbolic head of state in the opinion of Morton. In addition to this, the situation in the American colonies (in which context Hanoverian King George III's actions would yield powerful results), would lead to a further reduction in royal prerogative.

For their part, the nobility would find themselves in the midst of a long-lasting decline in their political ability, notwithstanding this victory. By the early seventeenth century, even so, sovereignty was to yet reside with parliament rather than with the king. The official leader of the government became the Prime Minister whom, it will be recalled, hailed not from the House of Lords but from the House of Commons.

5.3 Beyond 1832: The Way Forward

Thus while the nobility would remain in control of the state at the level of political institutions for some time, a trend toward political change was clearly in evidence for many centuries. Moreover, this institutional “advance” was clearly intimately related to commercial development. In commercialism, we see the swaddling clothes of democracy.

Ultimately, however, the economic might of commercially-minded manufacturers and industrialists (i.e., the new "middle class") would serve to unseat the nobility from the place of traditional, institutionalized preeminence. Almost literally, this commercially-minded group would make it into parliament on the basis of wealth and economic ability alone. This would be the origin of the reforms taking place in 1832: representation was expanded, herein, not on the basis of people but property. In a sense, this was the purchase price of democracy and the protection of peoples. Both were to be associated with wealth.

Commercial expansion of the British into a number of forums across the waters was an important factor in this, ironically. During the eighteenth century Great Britain increased its wealth and power tremendously by using both the raw materials and the markets of its growing empire. It would, by virtue of this fact, become embroiled in numerous conflicts involving access to, and the division of spoils flowing out of, client nations. Power abroad was increasing and unavoidably accompanied by a growth in the economic power of these industrial entrepreneurs at home. However one impediment would, for a time, slow the pace of change: Britain was to face a determined adversary in Napoleon Bonaparte of France, one who would try at all costs to place a stumbling block

in the path of Britain's economic, political and military advance.

Napoleon was nevertheless finally defeated at sea by Britain's Lord Wellington at Waterloo in 1815, but only after a long and expensive period of warfare. This was to affect, perhaps more than anything else, the country's internal political situation. In some sense this event marked Britain's passage to world dominance; equally, it marked the beginning of the modern era in Britain. In sum, the close of hostilities with France at Waterloo in 1815 was to inaugurate an era marked by an increasing diminution of the political power of the traditional nobility under pressure from the more commercially inclined middle class. The next quarter century would stand out for its identity as the "age" in which political aspirations of the commercial middle class were finally to be realized. Political institutions were to undergo changes consonant with the fact of a fully developed, industrial capitalist, market based economy.

So far as economic theory was concerned, the period following Waterloo would see the ascendancy of Ricardo. The Ricardo-Mill model was to dominate academic discourse up until the last quarter of the century. At this point, however, a competing schema would be proposed, one supporting an ideology characteristic of middle class enamor with the ultimate machinery of capitalist intercourse, the market. Spare and simple, it was the Marginal Utility apparatus of Jevons proposed in 1871 with the publishing of his audacious assault on classical political economy entitled Theory of Political Economy. It was an attack destined to be most effective in form and timing both, for it was to occur alongside the final political ascendancy of the middle class whose views it both rationalized and propounded.

CHAPTER 6

EXPANSION OF THE PARLIAMENTARY FRANCHISE

Following the 1815 close of hostilities between Britain and France across the Napoleonic Wars, conflict was to appear domestically. Morton cites a contemporary of Jevons, radical critic of the government Samuel Bamford, who was to say in this regard that, “a series of disturbances commenced with the introduction of the Corn Bill in 1815 and continued, with short intervals, until the close of the year 1816.” Rioting was to follow. Moreover, Morton observes that, “What distinguished...earlier disturbances from those which followed Waterloo was the consciously political character of the latter.” (Morton 1979, 365)

The internal consequences of the conflict with France were profound. Effects were seen in many different arenas, and indeed the increasing popularity of the Ricardian perspective beyond this point was connected with the economic and political circumstances of this era. One fairly well-known issue centered on the “Bullion Controversy” regarding the conversion of paper notes into gold bullion upon demand, an issue that arose while the conflict yet raged on, in connection with the British Government’s temporary suspension of the gold standard after 1797 rumors of a French invasion. Without adequate revenue available to back up the large expenditures associated with the conflict, and with exemption from the rather mechanical action that

conversion upon demand would entail, inflation ensued. The Bullionist argument that Ricardo and others were to advance was aimed at the reining in of inflation. This required that the convertibility of notes into gold should be restored as a means of reigning in monetary authorities. Among the spokesmen for this cause were both Henry Thornton and David Ricardo.

It is generally accepted that, as in this case, the main propositions embodied in Ricardo's thinking had their initial cause in practical political debates of the day. Ricardo's ideas were first placed before the public in 1809. In the midst of a series of writings to the Morning Chronicle regarding the aforementioned issue, Ricardo sought to demonstrate that the issuance of nonredeemable bank notes should gradually be reduced. The Bullion Committee created by the House of Commons in 1819 was subsequently to adopt his recommendations.

Notes Cannan in his 1893 History of Theories of Production and Distribution from 1776-1848: "It was in dealing with these practical matters that [Ricardo] formed what...Malthus called his 'peculiar opinion on profits, rents etc'...." (Cannan 1893, 306) For in sum, with the coming of peace after Waterloo as equally as with the coming of the war, practical difficulties such as this were to arouse the interest of economic theorists. As would be expected, peace brought a downward revision of government spending, and an associated decline in employment, while war implied an inflationary expansion in spending. Thus contractionary measures associated with a closing down of the war effort threatened the peril of profound civil unrest. With trepidation and care, as such, in 1819 Britain reversed decades-long suspension of the gold standard. Such action was unfortunately combined with a series of additional contractionary measures seeking to

quell inflation, and together these served to further stir the cauldron of existing hostilities.

Making the situation more complicated still were the "Corn Laws" designed to restrict the import of grains if the domestic price of such goods fell below a certain level. These statutes had been set down in the name of preserving the economic welfare of the nation as a whole, and were not put forward as a defense of private interests. Nevertheless they clearly served to protect the incomes of agricultural producers. Moreover, the heightened food prices these laws fostered could be expected to add to the worries of the growing population of decommissioned soldiers, not to mention vast numbers of those unemployed on other terms. However, as Eric Hobsbawm has put it:

The Corn Laws which the farming industry imposed on the country in 1815 were not designed to save a tottering sector of the economy, but rather to preserve the abnormally high profits of the Napoleonic war-years, and to safeguard farmers from the consequences of their wartime euphoria, when farms had changed hands at the fanciest prices, loans and mortgages had been accepted on impossible terms. (Hobsbawm 1999, 175)

Given the apparently slack nature of production, manufacturing and industrial profits were not helped by this policy of aiding landowners. It is not surprising that, in this regard, components of Ricardian theory were utilized as a means of rationalizing a position contrary to the exercise of the Corn Laws; indeed, this was the nature of Ricardian theory broadly. This purely political stance was, in fact, among Ricardo's more carefully crafted propositions.

Ricardo's thoughts came to prominence, fortuitously for Jevons, just as yet another conflict was brewing. For in spite of the fact that domestic economic circumstances did gradually begin to improve, the exercise of such measures defensive to landowning interests was to produce (Checkland 1983) challenges to electoral control of the state.

Ironically, though, viewed in the longer term the changes so wrought would actually be conducive to long-term stability. They were to bring about an expansion in institutionalized protections such as a right of parliamentary franchise and, given this, were likely only to quell conflict over time. For in this case, discontent would be more likely to achieve an institutionalized versus a radical political outlet. Yet while this was to boost political stability, it was also to signal the culmination of a far greater material transition. This would, in turn, assist in bringing the long period of Ricardian ascendancy to a close. For the ideological acceptance of Ricardian postulates was premised upon the reality which generated both Ricardian analysis, and its acceptance. A changing reality, indeed, brought changing theory.

Movement would, thus, occur along multiple fronts. Nevertheless, in the case of the movement for parliamentary reform, the battle lines had long been drawn. For the root cause of the movement for parliamentary reform lay far back in the past, wherein an anachronistic, historically-derived structure of political power had been birthed. This stood unsteadily now upon the shifting grounds of ever changing material abilities among various components of the population. In particular, political power did not stand parallel with the economic and financial power that had grown up over more than two centuries of engagement, as a nation, in capitalist market activity. Power, in a market economy, is derivative of the market. As late as 1800, at any rate, extant political institutions were not reflective of this fact. At the same time, the traditional construction of the state did not grant institutional recognition to monetary and other forms of nonlanded wealth.

Thus it was that, at the crucial level of parliament, many holding vast amounts of material wealth yet remained devoid of an institutionalized right of franchise. This would

include those most influential in commercial affairs, the “middleclass” of manufacturers, petty industrialists and similar others. It was also true that both middle and working classes were equally voteless, in which regard Morton notes that:

The demand for Parliamentary Reform around which the agitation of these years now centered was...not a demand for abstract democracy so much as an attempt by the masses to gain control of Parliament and make it serve their own interests. (Morton 1979, 365)

Conflicts among groups actively supporting or opposing reformist efforts would ultimately, and perhaps surprisingly, spill from politics to economic theory. In this period economists did little to disguise their partisan and ideological leanings, and only later would economic science scrub itself to the elbows and declare itself scientifically free of partisan participation in political conflict. This “cleansing” was to occur in part not coincidentally, in reaction to the “scientism” of the Ricardian model. For the Ricardian model was at once partisan and supposedly wholly logical and thus ostensibly apolitical in its endpoints. By means of a tightly woven set of deductive axioms, Ricardo had been uniquely successful in presenting his ideas, even while the model so-formed was indeed highly political in content.

In their lauding of a set of political ideas associated with the policy prescription of “laissez faire” of primary benefit to the manufacturing middle class, Ricardo’s ideas added fuel to a century-long political debate among the working class. For in an ever-increasing fashion, the state would prove steward over the affairs of the poor and working class once they were moved off of their traditional homes on landed estates. Laissez faire would, in this regard, relieve the state somewhat of the burden of oversight, provision and support. In part, moreover, this occurred as a result of Ricardian prescriptions for reform centering on the notion that a market system would best exist uninhibited by state

intervention of the sort contemplated by the primary targets of Ricardo, the Corn and Poor Laws. To the extent that such admonitions were followed, this prescription abandoned the poor to the mercies of an unforgiving market. Ricardo would thus, with respect to laissez faire, seize upon what was likely the defining question of his day for its broad implications with respect to the working class, employers, accumulation, progress and indeed the progress and prosperity of society generally. On the other hand, it may also be said that Ricardo's theories were to a great extent fashioned as a deductive approach to such tremendously current issues, and that it was the practical efficacy of his model that was to bring him such wide admiration.

Cannan, writing as Ricardianism had finally been displaced from its position of preeminence within English political economy, was to note that:

Among all the delusions which prevail as to the history of English political economy there is none greater than the belief that the economics of the Ricardian School and period were of an almost wholly abstract and unpractical character...[when] in the great majority of cases, practical aims were paramount, and the advancement of science secondary. (Cannan 1893, 302-303)

The relevance of Ricardian ideas to practical matters of policy brought Ricardian economic theory to the pinnacle of success within the practice of economics. Yet this was to be so only in combination with the relatively incontrovertible nature of the model itself. Even so, as time went by, this would be proven increasingly prone to critical controversy as it was shown to be incommensurate with developing realities. Its vulnerability to criticism would be underlined by the increasing consonance with empirical facts of harmonistically inclined constructs like the one Jevons was to offer in response.

The particular sympathies bred by Ricardian theory bred were to resonate throughout

a broad swath of society. This was particularly so in the case of the associated movement for parliamentary reform. The political outcome of reformist efforts on this front would be seen both in agitation for the “Parliamentary Reform Act of 1832,” and in that surrounding the Chartist movement of 1838-1848. The mixed nature of the support such efforts drew is evident. For instance, the latter movement would receive its name from the “People’s Charter,” a demand for rights presented to the House of Commons by Thomas Attwood and reprinted in the “Chartist Circular” on October 05, 1839, and was drafted by William Lovett of the London Workingmen’s Association. Its full title ran as follows: “Outline of an Act to provide for the just Representation of the People of Great Britain and Ireland in the Commons' House of Parliament: embracing the Principles of Universal Suffrage, no Property Qualification, Annual Parliaments, Equal Representation, Payment of Members, and Vote by Ballot.” As its titling indicates it expressed the desire of workers to gain economic and political equality, nevertheless its hearing in parliament was supported by Benjamin Disraeli. Even such clearly politically aimed efforts, in sum, arose amid a conjoint effort reaching across class boundaries. This was aimed at pressing the propertied elites then constituting the vanguard of the conservative Tory party to yield to what might broadly be termed “public” demands for an expansion of the franchise. Nevertheless success in this venture would not filter down to the lower or working classes: even skilled craftsmen and other relatively well-to-do laborers would remain excluded from the vote for some time into the future.

In this regard, the events of 1832 would constitute the first in a series of compromises spread across many decades. These compromises were, one upon another, finally to result in the granting of electoral rights to both the commercial and the working classes,

and to commercial districts heretofore unrepresented. Traditional voting rights had formerly largely been held by proprietors of landed estates. A slow redistribution of political power would begin with the reforms of 1832, however, and a fuller expansion of such rights was achieved in piecemeal fashion in the decades to come. Ultimately, in any event, the working class would remain in a voteless position long after the middle class.

By 1832, even so, parliament was forced to concede to an extension of the franchise on a household, and thus in effect an “income” basis. Male householders of £10 of material wealth qualified. Admission to the vote thus remained restricted to the propertied classes, albeit this right had now been extended marginally downward to encompass newly propertied, nonlanded individuals. Voters were required to occupy a home with a rental value of at least £10 per year, and the result was an increase of the electorate nearing 80 percent. Yet the effects of the Parliamentary Reform Act of 1832 were to extend beyond its importance in terms of the simple numbers of voters so enfranchised, as the voters so admitted were to be numbered almost exclusively among the commercial and industrial classes. It was, then, by means of property that a segment of the middle class would come to exercise control over parliament alongside that of the landed nobility and other wealthy individuals of the long-standing elite. Effectively becoming part of the “governing classes,” they hereby joined the traditional ruling class in their ability to directly control the legislative apparatus of the state.

By no means were “Commoners” to supersede landed power in terms of political ability, however, for the House of Lords was nevertheless to remain constituted upon a traditional basis. As a result of the Reform Act of 1832, even so, the overall constitutive basis of the state was nevertheless profoundly altered. The House of Commons would

now function on the principle of representation on the basis of a franchise defined so as to extend such rights to those of the commercial middle class.

6.1 Post-1832 Parliamentary Reform

Beyond 1832, discussion arose over the issue of an even much more fully representative government, and in fact the aforementioned Chartist movement took strength from the negative sentiment that inevitably followed resolution of the 1832 electoral reforms. For in truth, voting rights had been granted to only a very narrow segment of the population and as such this was not the end of the movement for parliamentary reform (Hill 1974, 127-134; 142). Moreover working-class demands had, in contrast to those of the middle class, been left unsatisfied. Worker discontent would thus remain an effective agent of change.

Yet it must also be said that many causes acted together to create the transformation in political structures that was to take place in the ensuing period; chief among these, however, would be conflict engendered daily within the process of employment. One result was that the next three decades were to be characterized, as much recent British history evidently had been, by a simmering of class conflict. The nineteenth century as a whole can in fact be summarized as a period of both political and economic conflict. On the positive side, the end result was reform. However the road to this end was not smooth. Britons would see acid debates in parliament over laws aimed at ameliorating harsh conditions in manufacturing facilities. Disputes would likewise rage over Corn Laws, Poor Laws, the franchise and the condition of the working class generally. While both of the former, the Corn and Poor Laws, would be of primary importance in relation

to Ricardian theory, these other issues would have consequences seen even as far as the ultimate acceptance of Jevonian marginalism.

The challenges that arose were, in any event, primarily assaults to political stability. However all of these were to result in institutional and economic imperatives. Poverty would become more pervasive and commonplace, and more menacing in an urban context. This was the unavoidable outcome of a rather systemic redistribution of income and wealth towards the commercial and industrial class, as well as the traditional feudal class of landowners and other propertied individuals. This also was to result from the separation of a good deal of the population from their traditional means of agricultural and other varieties of feudal support. In this particular regard Hill, noting that the release of the feudal agriculturalist from his home on the manor was indeed not an “unmixed blessing” given the harsh life of the manor, quotes Tawney to the effect that where villeinage ended, the “poor law” began (Hill 1974, 56). Given the ultimately exploitative character of the early capitalist economic system as it had arisen in Britain, moreover, the incidence of poverty was not confined to those who did not or could not work: poverty was endemic. Poverty affected even the “working poor,” with these being spread far and wide across urban and rural areas both. Yet in this period the poor of the cities were to be a much greater problem given their concentration. This facilitated communication, plus the coordination of radical activities.

Poverty and the massing of the poor into urban “ghettos” were both the unforeseen consequence of industry. Indeed, the progress of industry and its associated array of markets for goods and services, labor included, would pose many unanticipated difficulties with regard to the regulation of working conditions, and industrial enterprises

generally. Also, because of the increasing numbers of both people and industrial concerns in cities, there would be numerous problems associated with matters such as public health, crime, and general unruliness. Education, moreover, would assume new importance consonant with the growing technical and social complexities of daily life.

Taken together, these four items would bespeak the growing need for public provision of health, welfare and other programs including the oversight of industry and employment. All such needs would arise from the basic fact of the prevalence of market-based industrial employment. Here, the industrial “overlord” had none of the traditional responsibilities as did the traditional “lord of the manor” toward his underlings. Thus the new society arising out of centuries of change, in effect, now had to make way for the public provision of what had hitherto been absorbed by private parties: feudal lords (including those of the clergy) whom such responsibilities had fallen upon as part of the set of reciprocal obligations that served to legitimize the differential wealth and status of this class with respect to the “lower orders.” In addition, however, the bitter fight for an extended franchise had generated a new political ethos among both the middle and the working classes. They would collectively and actively seek to make such expectations known amongst the governing classes.

Agitation for reform had numerous, far-reaching effects, and not all were positive. Popular demands voiced by the lower classes centered on working-class notions of fairness and requisite assistance from the state in the absence of traditional protections. While some progress was made in consequence, nevertheless the official stance toward the lower classes was neither sympathetic nor conciliatory. This would not change until later in the century, when a newly enfranchised working class made conciliation possible.

This was also assisted into being by the powerful necessity of maintaining social and political stability in the face of perceived challenges to traditional policy, political structures, and the traditional structure of political control by a landed or otherwise privileged elite.

Thus it was that, early on policy remained overtly opposed to the interests of the poor. In 1834 the New Poor Law was passed. By 1835, similarly, a Prisons Commission was set up and given the task of standardizing means and facilities of incarceration. And indeed, both actions were similar in intent as they were equally aimed at curbing the tendency of the poor to exhibit socially unacceptable behavior, whether that be failing to accept gainful employment, or failing to pay one's debts. Each action evidenced a hardened social attitude toward the poor, in sum.

Nevertheless the New Poor Law was not unique in its effect. The New Poor Law Act of 1834 provided that if the poor were to gain relief, this should be only according to absolute necessity, meaning under threat of starvation. Different classes of paupers, moreover, were accorded differential access to relief, such that the "able bodied" poor would receive no disincentive to actively search for employment. In addition, this law resulted in the erection of a Poor Law Commission to ensure universal and impartial administration of its newly-mandated standard of relief. In all ways, it was to exemplify the mood of these years so far as reduced support for and toleration of the poor were concerned.

Such legislation had been unnecessary in the context of traditional feudal society. For in this case, the population was spread out across the countryside engaged in traditional agricultural pursuits, with their efforts for the most part being aimed almost exclusively at

the satisfaction of basic subsistence needs for themselves and as well as the proprietor on whose grounds they were housed. In this, they were assured of their ability to do so by virtue of the traditional protections accorded all members of society. On the one hand, the fact that so little surplus was produced along with the traditional structure of society itself almost ensured that all able bodies were anchored to field and farm.

As former serfs and also peasants moved away from traditional means of support and into cities, however, consequences such as the ones contemplated by reforms of the sort heretofore described were almost inevitable. Public provision of education, for instance, would be an important outgrowth the destruction of traditional society, which had been remarkably stable and undemanding in regard to the education it had formerly drawn forth. As industrialization and attendant commercialization of all forms of production advanced, the traditional ruling class as well as children of the commercial class equally needed education in the ways of the new society, even while the needs of the lower classes would be deemed to be of a more minimal variety than those of these other groups. Regardless of economic or social class, however, every citizen ultimately now required increased skills and knowledge so as to navigate the system effectively. This would, in the end, lessen the need for state support and intervention.

From an administrative point of view, for many of the working class state action might have meant little beyond the “educating” of minds to the simplest and most beneficial aspects of the market. For women, who remained largely under the protection of males and thus required little commercial or technical knowledge, education was still considered both optional and extraneous, as equally as were voting rights. In the case of the upper tiers of society, in contrast, more opportunities for advanced knowledge had

always been expected, and for the children of the middle classes this would also increasingly be the case. During the medieval period, only those engaged in the dissemination of the medieval religious ideology and their secular counterparts (studiously looking to ideas of the past) were offered access to advanced knowledge. Even the most minimal skills such as reading and writing were pursued by only a few, primarily clergy who were engaged professionally in passing on religious learning.

Change would continue beyond the midpoint of the century, but this too would not be entirely salutary in some respects. Recession was to be the frequent companion of industry given its associated dependence on monetary interaction, and its separation of individuals and families from the means of agricultural subsistence failing the sale of their labor in the market. Jevons' family would be damaged by unfortuitous economic events occurring between 1847 and 1848, for instance. While in the quarter century following 1851, Britain was to reach a pinnacle of political and economic supremacy, a variety of negative outcomes such as these would constitute the “flip side” of industrial development. One outcome, for instance, would be growing disparities in wealth. Thereby, prosperity would be marked by increasing dissatisfaction among the lower classes. Moreover, the long lasting downturn appearing in the early 1870s further challenged working class calm.

Demands for reform grew, as such. Passage of the Second Parliamentary Reform Bill in 1867, a hard-fought and long-awaited measure enfranchising relatively well-off members of the working class, would ironically serve only to further inflame workers not so privileged. Still, it marked a significant extension of the franchise in favor of the working class, and by 1868 there were more than two and a quarter million registered

voters, a greater than threefold increase over 1832. With respect to pre-1832 numbers, this was to present an increase of more than fivefold. Yet once again this change was not merely significant in numeric terms: just as in the case of the 1832 reforms, it was important as well for its overall character. For it was through the Reform Act of 1867 that members of the working classes gained their first institutionally guaranteed right to assist in the selection of elected representatives to the House of Commons. Moreover, in the opinion of Morton, “The great importance of the Reform Bill of 1867 was that it provided a basis for the formation of an independent parliamentary party of the working class.” (Morton 1979, 417; also Gardiner 1903, Ch. XXVII)

This privilege would, as in the case of the middle class brought into the electorate in 1832, be achieved only on the basis of a property qualification. In fact, however, this had been the long-standing rule so far as admission to the electorate was concerned. Following the 1660 restoration of the monarchy after a long period of civil unrest, a right by property to participate in government would be garnered by only an exceedingly limited segment of the population, and herein only on the basis of property holding. Indeed the “Instrument of Government of 1653” established an electorate among men having at least £200 of material resources.¹ While this provision proved both short-lived and malleable in form and substance, moreover, its importance is clearly in an overt statement that property qualified one for admission to the electorate. While a number of more inflammatory restrictions were dropped soon thereafter, beyond 1688, it may be

¹The text of the “Instrument of Government” makes this clear: Article XVIII states that “all and every person and persons seized or possessed to his own use, of any estate, real or personal, to the value of £200, and not within the aforesaid exceptions, shall be capable to elect members to serve in Parliament for counties.”

noted, no further attempt was made to extend the franchise on any sort of formal basis until after the conclusion of the Napoleonic Wars (Hill 1974, 142). As such, this was significant in both content and form. It set a significant precedent so far as it levied the right to vote only on the basis of wealth.

Outside of such limited specifications, what rights would exist outside of those formally and officially protected on behalf of the nobility after 1215 would remain so by custom and tradition, similar to the fact of government itself. Although elements of a written constitution did exist, these were not codified in any single, all-encompassing document. Government, as such, existed largely on a de facto basis, without legal or binding documentation suggesting its ultimate social or democratic sanction at the hands of concerned parties. In the American colonies, in contrast, government was not a foregone conclusion; it arose by consensus, in the midst of one self-contained action. In the case of Britain, this had not been the means by which the government of England had been formed.

Today, Britain is governed by a constitutional monarchy in which such monarchs reign but do not govern. With its lower house being elected on a democratic basis, parliament sits at the helm of government. Members of society are accorded specified rights formally assigned to them in a limited number of official instruments such as the Magna Carta. Since the latter part of the seventeenth century, power has resided mainly with parliament. It remains true that the body is divided into an upper and a lower house with one encompassing offices of a hereditary or "titled" character on the basis of landed

estates or other significant wealth.² Yet in no sense did this begin as a “representative” institution, nor was it the product of mutual consent. However, given the set of parliamentary reforms occurring in this period, it was rather forced to accede to demands for a democratic inclusion of members of both middle and lower classes.

Parliament arose, in fact, as an advisory union of nobility and their commoner allies who would both assist the king, and monitor his activity. This was to serve as an adjunctive and subjunctive element of the monarchy itself. Members of the upper chamber, the House of Lords, held their seats as privileges attached to rank, and hence the term “Peer” applied to them. This was held either by royal prerogative, or by traditional hereditary rights to equivalent social rank. Members of the House of Commons, in contrast, gained their seats through election, and as such rights of franchise implied the ability to elect delegates to this body only. This division of parliament into two houses took place during the reign of Edward III, when knights and burgesses formed the House of Commons, whilst the clergy and nobility became the House of Lords.

Before 1867, workers had effectively been excluded both from membership in parliament as elected officials via the resource requirement implied for both attendance, and through their lack of admission to the electorate. In the latter regard, they remained excluded from the right to vote to elect members of parliament through a formal restriction of the franchise to those holding a sufficient amount of property to qualify for

² This would eventually be altered somewhat by the “Life Peerages Act 1958” (6 & 7 Eliz II c. 21). This established the modern standards for the creation of “Life Peers” who are appointed for life-long terms, but whose membership of the House cannot be inherited by their descendants.

such.

Through the early and middle part of the nineteenth century there would be growing pressure for parliamentary reform. Even so, without a small number of ancillary conditions conducive to the grant of such rights, there may have been no or little advance along these lines. Self-interest and a survival instinct on the part of the ruling classes would eventually serve to tip the balance of probability towards further extension of the franchise. Thus it was not numbers nor might, but practical advantage to the ruling classes that resulted in extensions of the right to vote in parliamentary elections beyond 1832.

6.2 Post-1867 Parliamentary Reform

The attitude of the working class was nevertheless central to this equation. In utter irony, in this case it was true that working class discontent proved useful to the middle and upper classes both, as it served to bolster claims as to the need for greater state management of workers and the “poor.” Yet in this, no one stood to benefit so much as the commercial class. This was to temper the fact that beyond 1832 political efforts to stifle industrial regulation and similar measures would remain hampered by paternalist sentiments obviously in contrast to the harsher treatment of the working class at the hands of employers. In fact the traditional ruling class was largely inclined to thwart measures beneficial to industrial interests. This was so excepting through periods wherein working class discontent seemed to threaten greater harm to the public good by way of occasioning radicalism.

This historic equation would change with the passing of the reforms of 1867, as these

gave the lower classes a measure of autonomy by allowing better off workers an institutionalized means of addressing their complaints through the election of parliamentary officers, or through the action of political parties sympathetic to working class concerns. Working class discontent was thus to be rather fatally deradicalized as it was given an institutional outlet by means of "the vote." The right of franchise was to be the saving grace of a union of political interests legitimized on the basis of some degree of popular democracy. The overall character of such obviously antagonistic interests, however, remained a significant factor in determining practical possibilities open to the working class. Success would finally come by virtue of competition within the governing classes themselves, and in a very real sense this set the stage for the eventual advance of the working class.

Ironically, the reforms of 1867 would serve to level the playing field between conservative Tory Landowners and their liberal Whig counterparts so far as their laboring class counterparts were concerned. This gave each of the major political parties an incentive to attract the support of the working class. Paternalism now might be practiced judiciously by both Whig and Tory, as the practical need arose, meaning as opportunities appeared for the attraction of labor to some cause or action. For in sum, even such limited enfranchisement in effect widened and diversified the constituency, and necessitated an accommodation of popular needs. Each party would, as such, be inclined to accommodate working class demands to the extent that they reasonably could, as this vote might decide the balance between Whigs and Tories in parliament.

In practical terms, this could have important implications. For following an election the head of the winning party is designated Prime Minister and is thereupon able to form

a government of ministers from among the more important members of his own party. These leading ministers make up a cabinet or council responsible for assisting the Prime Minister in carrying out his governmental mandate. Given that the two parties were broadly split along class lines or at least with interests consistent with social class, working class votes might hold vast importance in the day to day administration of the state as well as the struggle between classes over possession of the right to enact official policy. As such to some degree the extension of the franchise to working class individuals placed the nobility and the commercial and industrial middleclass on one political footing in that each party would similarly be in the position of having, thereafter, to compete for the working class vote.

This requirement that governments heed the voice of labor grew larger beyond 1884, moreover, when a further extension of the franchise was passed that would bring still another segment of the working class into the ranks of voters. This would be so even while the industrial elite would nevertheless remain capable of commanding superior political effectiveness commensurate with its superior material abilities. This was an effective outcome of at least the following three characteristics of the economic position of the elite: (a) material control the capitalist class could bring to bear against the working class, leading in the end to (b) control over resources conducive to successful runs for parliamentary office; also (c) an ideological perspective lauding the market that all were eventually to share or be forced to share to some degree or another, realizing it to be the basis of rising living standards which all were to enjoy, however unequally.

Engendered by a precarious material and political situation in the early and middle decades of the century, as such, industry and radicalism together would strain the

heretofore existing social bond between upper and lower classes. The effect was to leave the working class vulnerable to the variety of exploitations companion to capitalism and an unfettered market. The companion outcome of “laissez faire” policies, moreover, was further radicalization of the working class. Farther back in time, in the midst of both French Revolutionary and Napoleonic eras, forces of national cohesion had served for a time to quell internal conflict. As well, increased spending on the war effort was to enhance prosperity at home, buoying economic activity in a way beneficial to the working class. Even so, social unrest would bubble up along with decreases in these expenditures. Radicalism, in other words, was the companion of harder times.

With the crisis of the Napoleonic Wars past, however, social unity would be broken as both concrete events and competing political doctrines each stirred dissent. An early outcome would be the parliamentary reforms occurring in 1832. Yet given its character, this would do little to quell conflict. In fact, it was to do the opposite. It served to breed desire for further reform. Its exclusionist nature would ignite working class ire, for the numbers of relatively less propertied workers left out. The result would be two further reforms, each encompassing incremental additions to the electorate.

This being said, it was true that initially the movement for parliamentary reform had not, at any rate, been driven forward by working class discontent, for the most part. It was rather propelled by a desire on the part of those who had profited by both industry and empire to lay some claim to institutionalized political ability. Agitation among the commercial class had been strengthened by the steady progress of commerce, manufacturing and industry, and efforts toward reform represented a desire to put forward wealth as a claim to political ability. These efforts bespoke a desire that wealth

be allowed to beget wealth. It symbolized the desire for a broad social, and in fact institutionalized, acceptance of what had already come to be in material terms: a fully capitalist social system. What was sought was freedom of accumulation. This was, not coincidentally, the essence of all Ricardian doctrine. Ricardo was in some sense the voice of the middle class, and it is unsurprising that Ricardian prescriptions for laissez faire would become the byword of the manufacturing middle class seeking reform of government and policy both.

At the level of parliament and politics, in a related fashion, the business-minded middle class found an appropriate political voice in members of the Liberal or “Whig” party. “The defeat of the two extremes [present during the period of civil war] coincided with the consolidation in power of men of moderation, of property, of compromise: the Whig oligarchy, the Bank of England.” (Hill 1974, 213) Whig spokesmen were understandably content that property, rather than the people who held it, should garner claim to representation. Radical orators and pamphleteers such as Thomas Paine (1737-1809), on the other hand, would demand the representation of the people without qualification of property. In the end the Whigs were victorious in their early attempts to limit expansion of the franchise to moderately propertied individuals.

Logically and practically, it must be said, radicalism had and generally has no strong appeal among the successful and the powerful. These, of necessity, have the most material incentive to preserve the status quo. Thus the process of parliamentary reform was to move forward in consonance with Whig aims. This was so in 1832, with the passage of the first Reform Bill. Yet in concomitant fashion a variety of suffragist aims would nevertheless be so fed, such that the reformist movement would not be fated to die

down with the passage of the 1832 measure. In fact, it was to receive new life therein. By 1867, limits on the franchise would again be lessened, allowing the number of voters to leap forward. Universal suffrage was not to be achieved in England until after World War I.

With the passing of the Parliamentary Reform Act of 1884, nevertheless, statutory representation by all groups having even a moderate economic stake in Britain's capitalist society and capitalist market would be granted. This was in addition to the more limited segment of the working class that had gained the right to institutionalized political representation even much earlier, just prior to the introduction of Jevons' model in 1871. Once the legislation of 1867 was in place, for instance, out of a population of many millions the total electorate nevertheless stood at only 1,995,000 by 1868, and one in eleven citizens was actually qualified to vote, according to Cole (Cole 1950, 3-15).

Morton comments with respect to the 1867 action, that:

This bill gave the franchise to all householders and certain others in the boroughs, but not to those workers who were lodgers: it left voteless the agricultural workers and those industrial workers, including a large proportion of the miners, who did not happen to live in Parliamentary Boroughs. (Morton 1979, 417)

With the passage of the Parliamentary Reform Act of 1884, in contrast, this ratio was to be increased to one in six, with the number of eligible voters having been enlarged by two-thirds including miners and agricultural workers outside of these boroughs.

While it is, moreover, evident that a fair portion of the population remained without the vote, it is generally agreed by social historians and labor historians both that the 1867 and 1884 reforms, along with their associated redistribution of voting rights among geographic regions and municipalities, had the effect of admitting a large and highly

significant segment of the working class to the ranks of the voting populace (Cole 1950; Morton 1979). Such achievements were, even so, won only the basis of both property, and the payment of municipal taxes. In some sense, then, it was by virtue of its participation in the capitalist economic system and not their opposition to it that by the latter part of the nineteenth century the working class gained the right to an institutionalized political voice.

Yet this fact must be considered in combination with yet another noteworthy incentive toward participation versus opposition to the capitalist social system: legal recognition of unions. For given rights of franchise alongside the legal recognition and rights extended to organized, collective organs of the laboring class, enfranchised workers would gain a vested interest in the continuation of Britain and the British social system as it was then constituted, one in fact unparalleled in time and experience.

Certainly this was to the worker's advantage, and allowed a historical opportunity for the advance of working class political activities. For instance while:

The Chartists had been an agitational party of the disenfranchised...the Labour Party, handicapped as it was by its origins in bourgeois Radicalism and the opportunism of its leaders, grew up with one leg in the Trade Unions and the other in Parliament and so had a solidarity that the Chartists never possessed. (Morton 1979, 417)

This was to have far-reaching effects, not the least of which was to turn radicalism away from a concerted search for alternatives to capitalist organization of employment and production. For the most part radicals, as trade union and labor leaders generally, became content to join the Liberal party (Cole 1952, 228-232) and to work within rather than against the system as it stood.

Beyond 1884, acceptance of existing governmental structures and social and

institutional realities was to be the rule at the political level. Indeed in general, acceptance would extend to the structure of capitalist society itself. Within the academic mainstream, widespread interest in radical theoretical alternatives to either classical or neoclassical theory would remain weak until the success of the Soviet experiment made these seem more attractive following World War I.

Looked at in a general manner, all categories of change (material, political and ideological) would, in retrospect, be pointed in but a single direction. Within the political realm, however, the trend would bear particularly striking fruit. For across the whole of the nineteenth century, all parliamentary reform bills either passed or considered served to assist in breaking the hold of the elite class of landed and otherwise propertied individuals on the political apparatus of the state. Many sought to manage laborers and the poor through an institutionalization of responsibility for their stewardship and care. Quite literally, the older “social” and economic responsibilities of the traditional nobility were transferred to the political organ that was the new embodiment of the “ruling class” in the formal administration of the state: parliament and the associated apparatus of government.

For so it was that at this anachronistic level of political institutions, precapitalist social relations stood firm long after economic motives consistent with interaction within a capitalist market became the organizing feature of British society. Within the context of capitalism, in contrast to the precapitalist experience, parties are forced to rely upon its given stock of resources to look after their own welfare, and citizens are bound to one another only formally by contractual specification. There is no customary care of those who are poor or unable to contribute great worth to this system. There is not either

traditional honoring of nor obeisance to one's superiors (i.e. employers), nor is there paternalist regard for the employed on the part of their employers. With the onset of market-based practices, as such, by degrees the state was either forced to take on such responsibilities. It would otherwise face discontent, possibly even such as was seen in France. Eventually this fact produced a political "impasse" wherein reform could no longer be resisted by the governing classes. Nevertheless, this process was circumscribed by the fact that the electoral reforms eventually carried out would, as had historically uniformly been the case and certainly since the formation of the Commonwealth, be conceived on the basis of property. There would be no outright ceding of power to the inherently powerless. This was as equally true of both the 1832 and the 1867 reforms, and also those taking place in 1884.

An important companion effect could, at any rate, immediately be noticed. Beyond 1867, as parliamentary representation was extended to take in components of the lower or working class vote, the parliamentary system itself came to be largely dependent on the vote of the working class. The governing classes would, in other words, be forced to accede to working class demands in one form or another as a means of retaining their own controlling interest. Nevertheless it is also true, and equally important to note, that the incorporation of the working class within the machinery of the state immediately de-radicalized this group, almost by definition. It immediately rendered more palatable, to the bulk of the population, the existence of a capitalist market economy. As such worker demands with regard to repair of government and government action were heretofore much less substantial and more threatening than had formerly been the case. In part, this can be attributed to attempts by both Whig and Tory parties to maintain peace among

various economic and political classes over time, or at least to seem protective of the interests of voters of different, and specifically lower-class, economic complexions.

The death of Lord Palmerston in 1865, for instance, marked an important point of transition for the Whig party. It would hereafter identify itself with a Liberalism unhindered by the leadership of aristocratic landowners. For practical and political reasons, and in this Whig Liberalism was inclined toward a conciliatory catering to the interests of the working class. And in fact Palmerston (1784-1865) was to be succeeded by Gladstone (1809-98), who would go on to form an alliance with the Radicals (Morton 1979, 415) that would commit the Whig party and its leadership to an extension of the parliamentary franchise on behalf of workers. But even before the 1867 reforms, charismatic leaders such as Gladstone and his Tory competitor Benjamin Disraeli (1804-81), who came out of the middle class, had succeeded in giving government of the time a more liberal trajectory so far as the notion of reform was concerned.

Benjamin Disraeli, a conservative statesman who held the post of Prime Minister of Great Britain in 1868, and also during 1874-80, was a Member of Parliament from 1837 forward, as well as Chancellor of the Exchequer 1852, 1858-59, and 1866-68. His influence was acknowledged to be crucial in the passing of the 1867 Reform Bill that accomplished the enfranchisement of an estimated two million working class voters. Disraeli's short-lived first ministry was to end when the Liberals, under William Gladstone, won the 1868 elections. Nevertheless during a second period in office he was to accomplish domestic reforms related to slum clearance, public-health reform, and the improvement of working conditions. All were to possibly be expected given the changes in the economic composition of voters.

Change of this sort was, then, not to end with the reforms of 1867, and neither was it to end with the defeat of the Tory party and the departure of Disraeli. For even as early as 1870 it was clear to members of both parties that the state itself would require reform in the interest of stability in the face of agitation toward this end on the part of the working class. Indeed, to some extent the reforms Gladstone was to achieve during his tenure in office would stand as a testament to the political effectiveness of such forces. It was under his administration, in fact, that the 1884 Parliamentary Reform Act was passed.

Gladstone also, however, provides an example of the extent to which, during the period following upon the 1867 reforms, change beneficial to the laboring class was premised upon the winning of the working class vote. Beyond a tactically-motivated revision of the government's official stance toward a more mild treatment of unions and collectively activity on the part of labor generally, Gladstone would for this reason alone allow the passage of many components of a radical program of action. One such measure included would be the secret ballot. This had long been sought by labor as a means of lessening undue influence by employer, estate-holder or similar individuals to whom the common man might be "beholden."

Under Gladstone, equally, an extensive reordering of many components of government along ostensibly egalitarian lines would begin (Thomson [1950] 1981, 130-136). Thus between 1868 and 1874 the three main branches of government, the civil service, the military and the judiciary, were in fact each overhauled to some extent. The military in particular had stood out as being very much in need of change. For given that peerage itself arose out of defense and support in times of war, not coincidentally the

military had been constituted on the basis of patronage and influence. It had, in other words, long remained the province of nobility. Hoping, as such, to diminish the importance of class in military appointments, by 1870 Gladstone's Secretary of State for War Edward Cardwell set about abolishing, by royal warrant, the purchase of military commissions. Thus even while military service would remain elitist in character given mandatory deference on the basis of rank, its overall nature was in fact greatly transformed during this same period of time.

As the economic character of British society changed, so would its institutions, most evidently. Such reforms were to be but telling examples of pressure of another sort. This was along the lines of Smith's assertion regarding the powerful influence of "commercialism" in bringing forward "good government and...the liberty and security of individuals." For in effect, never at any point in time did the political will exist to extend an equality of privileges to all classes in society, or to all members, regardless of their material or social standing; the interest, rather, was staunchly one of stability, and "good government." For in the end, "good government" is safely stable government, protective of property and the rights of individuals to it. The reforms achieved across the course of the nineteenth century were not evidence, in fact, of broadly held egalitarian values. This was a necessary compromise that came to exist among all parties having an active economic stake in the capitalist market and participating peaceably in its activities. As for those who did not, they would be granted similar rights only much later, and equally for the fact that obligations (i.e., military duty) could no longer be imposed upon them without the extension of some semblance of political representation. The feudal elite was thus to give way to a capitalist variety of the same equally intent on maintaining things as

they were, sweeping away each small dust-storm of discontent as it appeared without ever truly changing the organizational features of society to any marked extent. Yet all in all, over time conflict was to diminish so far as workers and the social elite of all varieties was concerned, if only for the unique leverage gained by workers and the poor as a result of such expansions of the social and political entitlements.

At the level of economic theory, the views of Ricardo, marked as they were by an underlying notion of conflicting interests among competing economic classes of landowners and capitalists and implying an inherent opposition between wage earners and employers, were to diminish in popularity as time went on. This was especially so as they were taken up as a weapon in the hands of radical opponents to orthodox political and economic views both. At the same time, an essential insight of the Ricardian model was used to successfully attack capitalist enterprise and the system of social and economic organization that allowed it to flourish. The Ricardian model was to eventually, as such, suffer a fate similar to the Corn Laws, that great bane of Ricardo: eventually the Ricardian orthodoxy would largely be put aside in favor of an alternative more consistent with the overall progress of capitalist values.

An important component of the triumph of capitalist social relations was the political and economic seduction of even those who had resisted its advance with the most stalwart of political wills, the working class. This was accomplished through extension of the franchise, plus the acceptance of trade unions into institutional machinery of the state in tandem with the reforms of 1867 and 1884, not to mention other circumstances more brutal in content. A similar victory would eventually be reflected with much less telling historical evidence in the replacement of the labor theory of value of Smith and

Ricardo with the utility perspective offered in such a timely fashion by Jevons by 1871. No document was signed or announcement messaged about, and hence our difficulties concerning dating. What took place in this regard was rather a slow dawning of the ultimately prophetic insight of Jevons' model. Its felicitous endpoints were to presage the mode of social interaction destined to subvert all of British society to its aims. This is the nature of capitalism as an overarching social and political system. In this case, property becomes the standard not only of social interaction (labeling one as employer versus employed, owner versus worker), but of one's admission to a voting population identified with the "nation." Property would also, thereby, identify one as having consequent rights of protection and action guaranteed to all such citizens through their submission to the paternal rule of the state. This would also extend to collective bodies of such citizens, providing they behaved peaceably within a circumscribed set of social and political boundaries. Once institutionalized, these features would both sanction rule by capital (meaning economically valuable property separable from one's person), and facilitate it. This was to stand well alongside Jevons' harmonistic picture of social interaction, and certainly was to facilitate the acceptance of his ideas toward the latter part of the century.

CHAPTER 7

WILLIAM STANLEY JEVONS AND THE INTRODUCTION OF MARGINAL UTILITY THEORY

William Stanley Jevons might have remained a more or less obscure thinker in the history of economic thought were it not for his importance in regard to what has come to be called the “Marginal Revolution” in economic theory. Little has been written about Jevons that is not a consideration of the relation between his work and this larger shift in theory with which his ideas are associated. This is not surprising given that the transition in theory that this ‘revolution’ ushered in has had profound effects on the shape which economic theory has taken since this point:

As is well known, during the early years of the 1870s a handful of brilliant innovators in several different countries published a series of pathbreaking ideas which, taken collectively, exerted a significant influence on the course of economic science in the ensuing century. (Black, Coats, and Goodwin, eds. 1973, 29)

Neoclassical economic theory is based on an elaborate model posed in terms of “marginal” increments to a variety of items such as utility and cost. The concept of the “margin,” or the last incremental value of a thing such as cost that is assumed to change through time, has come to be applied to both production and consumption, to theories of the firm and the consumer of its products alike. This theory serves, at its most elegant, as a demonstration of the ultimate logical equivalence of these two categories of action, with

the utility-maximizing behavior of the consumer appearing exactly analogous to the cost-minimizing (and hence profit-maximizing) behavior of the firm. Mark Blaug explains the situation as follows:

The general principle is that of ordering a series of attainable positions in terms of the respective associated values of a relevant maximand, the optimal position being the one that assigns the greatest possible value to the maximand. Whether the maximand is utility or profits or physical product, the analysis remains formally identical. (Blaug 1987, 296)

The idea of the margin is central to such demonstrations. It may be stated in terms of the ‘equimarginal principle’ that describes the process by which a maximum value will be attained when a process of optimization is subject to constraints. Much of modern neoclassical economic theory consists of the utilization of this principle in widening contexts, along with theoretical demonstrations that the principle of competition will produce equimarginal allocations of expenditures and resources. Yet this conceptual framework was not developed at a general level prior to what has come to be termed the “Marginal Revolution.”

7.1 The Transition in Theory

The revolution in theory so signified thus marks an important point of transition between the theory of the classical economists (including Adam Smith and David Ricardo), and that of the modern “neoclassical” school of which William Stanley Jevons is one of the earliest representatives. R.D.C. Black notes that “the term revolution is certainly a misnomer, for the change did not take place violently or in a short space of time; nevertheless it was a fundamental change producing ultimately the emergence of the first true social science.” (Black in his “Introduction” to Jevons [1871] 1970, 10) At

another point, Black equally observes that the conventional view of the matter is as follows:

despite the existence of numerous earlier versions of the marginalist concept, the combined achievements of Jevons, Menger and Walras in the 1870's did constitute an intellectual breakthrough in the development of economic analysis and may be regarded as revolutionary in their implications, if not in their novelty or speed of diffusion. (Black, Coats and Goodwin 1983, 38)

One theorist in notable disagreement, however, is G.J. Stigler, who is of the opinion that “The essential elements of the classical theory were affected in no respect.” (Stigler 1969, 225) For indeed utility-based theory and marginalism were both in existence long before they were taken up by the “pioneers” of Marginal Analysis, Jevons, Menger and Walras. The concept of the margin was similarly introduced (Howey 1973, 33) with reference to “the margin of cultivation” by Thomas Chalmers as early as 1832 in his On Political Economy in Connection with the Moral State and Moral Prospects of Society. As such, doubt such as that expressed by Stigler continues to exist regarding how accurately the resulting theory can be termed an “innovation.”

Before this point marginalist concepts had equally been put to use. However, this had occurred in isolated contexts such as Public Utilities and Railroad pricing. For instance Jevons was to acknowledge his indebtedness to Dionysius Lardner's 1850 treatise Railway Economy for his mathematical approach. T.W. Hutchison, for one, is doubtful that any institutional basis for the rise of marginalism exists (Hutchison 1955, 5; Hutchison 1953) beyond the pricing problems of Public Utilities. Hutchison is of the opinion that the large fixed costs that increasingly became a feature of businesses such as railroads, steelworks and entities equally having a good deal of fixed in relation to variable capital led to the concept of marginal cost being utilized in many countries

during the closing decades of the nineteenth century, given the rapid onset of industrial development.

Unlike such forerunners as Lardner who were to apply marginalism in relatively restricted contexts, Jevons was to use the notion as an abstract method of demonstrating general economic propositions. Moreover he was one of a trio of thinkers who almost at once were to utilize marginalism in conjunction with the older notion of utility in just such a capacity. All three of these theorists, moreover, were to use the technique of marginal analysis in conjunction with that of utility in the derivation of a solution to the overall problem of “value.” When Jevons put marginalism to use consistently throughout his theory of value as a mathematical “method” of analysis at such a general level, this was uncharted terrain. Yet in this way Jevons helped to lay the groundwork for what was to grow into a mature neoclassical model. In the words of R.S. Howey:

After 1890 the academic subject of economics differed markedly from the same subject in the years before 1870. During these twenty years, economics underwent as crucial a transformation as had taken place in any earlier period. The insertion into economic analysis of the idea of marginal utility in the intervening twenty years accounts for part of the difference. Prior to 1871, no economist made any substantial and recognized use of marginal utility, while for a long time after 1889 most economists felt constrained either to use marginal utility or to disapprove of its employment. (Howey 1960, ix)

Thus Jevons’ work retains importance if only for its identity of a beginning point for the creation of the larger edifice of neoclassical economics. In a real sense, it is this. It has been argued (Hunt 1992), however, that Jevons’ work represents little beyond a reinvention of the long-standing idea that capitalism works to the benefit of all concerned. In this case terms like “revolution” and “pioneering effort” might fundamentally misrepresent the character of Jevons’ ideas. Certainly such words are commonly used to describe W.S. Jevons’ efforts, and certainly, Jevons’ overall

theoretical perspective must be described as uncritical.

Not coincidentally, questions remain regarding the extent to which this was the outcome of Jevons' own personal or ideological idiosyncrasies versus external circumstances. Yet among most historians of thought a consensus has arisen that the appearance of Jevons' model is best explained on the basis of Jevons' own "inner constitution," intellectual interests and personal history. Together these are thought to have led Jevons along a path divergent from that of the classical thinkers, in which context he was to formulate a novel theory of value that was to ultimately largely supplant the labor-based theories of Adam Smith and David Ricardo. Jevons settled on this theory slightly more than a decade before his Theory of Political Economy was to appear (La Nauze 1953, 151-152), in advance of both Menger and Walras.¹ This was so even while he utilized tools and methods preexisting his adoption of them.

The development of Jevons' theory is, if we subscribe to these views, thus understood to be largely idiosyncratic and not determined by some larger historical process of social or economic development. A similar assessment exists, moreover, as to the ultimate success of Jevons' abstract model over time: this is not widely considered to be essentially connected with the evolving character of the economic structure Jevons was describing. Exceptions pointed out by Stigler to this basic thesis regarding the mostly idiosyncratic nature of the theory are in regard to questions that are of pervasive, persistent and of "vast importance" (Stigler 1960) in relation to conditions of all

¹ La Nauze established through a diary that had remained in the hands of Jevons' son that Jevons renounced his earlier confidence in the Labor Theory on February 19, 1860, saying "At home all day...arriving as I suppose at a true comprehension of Value regarding which I have lately very much blundered."

economies at all times. Consideration of the constituent elements of Jevons' ideas has thus largely been confined to discussion of their place within the practice of economics, as well as any ancillary intellectual influences Jevons might have encountered.

Directly opposed to this approach and standing perhaps a bit less confidently in the halls of academia is a means of understanding Jevons that relies heavily on notions of material causation. While mainstream theorists class this approach as "environmental," it would consider the development of the production-based social relations brought into being by the growth of the capitalist economy, and the special role economic thought has had in this process. Karl Marx, Nikolai Bukharin and I.I. Rubin have each presented an understanding of this sort, as have others including Ronald Meek (Black, Coats and Goodwin, eds. 1973, 233-245). This perspective is critical of Jevons' ties to capitalist development.

Indeed Jevons' work is open to criticism to the extent that his model is a species of what has been called "bourgeois" economic theory, meaning that it can hardly be interpreted as anything but uncritical of the process of capitalist production. Indeed, it exhibits striking affinity with the ideological perspective of capitalists antagonistic to working class interests, or at least unsympathetic to working-class concerns. For while capitalist production is necessarily based on a process that is ultimately "exploitative," bourgeois economic theory, just as Jevons', not only dismisses this notion, but in general attempt to prove otherwise. Thus, for instance, the concept of exploitation is conspicuously absent from Jevons' theory of economic activity. This view of Jevons' work, at any rate, can be developed either from a perspective whereby notions of ideology take on a central role in explaining the use of utility-based theory, or from one

more solidly “materialist.” In the latter case, broader categories of social and historical determination receive relatively greater emphasis. In either context, however, the scholarly assessment of Jevons’ work advanced on this basis is generally critical in all senses of the word. This variety of analyses has been termed “macrosociological” in that these may be expected to take in systemic varieties of sociological determination.

On the other hand, noncritical treatments of Jevons that are not strictly “microsociological” also exist. In these, Jevons’ preoccupations are seen as being the outcome of his own personal and intellectual history and training, but are nevertheless understood as being related to larger institutional and thus quasi “material” features of the economy Jevons was describing, i.e., equally to “environmental” factors. In an expanded context, Werner Stark is the best example of this perspective, which tends to assume that ideas are not only conditioned by reality but are in fact determined (Stark 1944) by it. A more subtle approach is that of Leo Rogin, who maintains that the importance of institutional change connected to the process of capitalist development has been a persistent and critical feature determining the movement of economic theory (Rogin 1956).

Jevons’ ideas have, even so, also been seen as forming a point of fracture wherein intellectual discontent with particularities of classical theory created reactionary and revisionist efforts towards a reformation of the more problematic aspects of such theory. In this case Jevonian theory is understood to be an intellectual response to movements taking place within the discipline or practice of economics. The theory’s popularity is widely thought to be of a similar character. In either of these instances, moreover, the importance of environmental factors is limited at best. Stigler, Hutchison and Checkland

have all judged a “reactionary” response to have been of minor importance in regard to the overall construction of Jevons’ theory, however. Checkland nevertheless has found (Checkland 1951, 143-169) that Jevons’ theory was to deal a final and crucial blow to what remained of confidence in classical postulates.

Jevons’ abstract model was timed fortuitously in many respects, not the least in its mathematicism. As the professionalization of the discipline expanded so did its mathematical nature, something that ultimately rendered Jevons’ mathematically-based theory appealing even while this was not the case either initially or early on in the life of the model. G.J. Stigler has advanced this explanation (Stigler 1965; 1960) of the growth in popularity that Jevons’ abstract model experienced after 1870 as rising above the importance of “events and policies.” Others would equally conceive of the development of economic theory as a self-driven process (Bharadwaj 1978) occurring fairly independently of the historical development of the society.

Among heterodox thinkers who do not take this stance, Jevons’ model has been characterized as an example of conscious or unconscious conservative “apologetics” seeking to justify the system of capitalist ownership and exploitation that Jevons depicts in terms sanitized of anything hinting at the underlying nature of the system. Bukharin drew parallels between the individualist social ontology and emphasis on the consumer rather than on the process of production so characteristic of Jevons’ abstract work, with the psychological perspective of the rentier class living on gilt-edged stock (i.e., on the proceeds of ownership rather than labor), as well as the bourgeoisie. Bukharin’s model is an example of the varying interpretations accorded “environmental causation,” and is ultimately similar to other critical assessments of Jevons.

Given that such a range of views exists regarding both the nature of Jevons and of his contribution to the growth of theory, one finds that it becomes apparent that multiple levels of analysis must be undertaken if an accurate presentation of his contribution to the history of economic thought is to be achieved. Stigler, Blaug, Checkland, Hutchison, Rogin, Eric Roll and others have made this point in relation to the Marginal Revolution generally. Nevertheless as Blaug has noted, no explanation has as yet been considered definitive in this regard. The same can be said with respect to evaluation of alternative interpretations of both the nature and the importance of Jevons' ideas. Good reason exists, therefore, for taking a closer look at circumstances that have not heretofore been seen as particularly valuable additions to discussions of Jevons.

7.2 Jevons' Primary Ideas

In this context, it is appropriate to consider the notional "heritage" of Jevons' theory. As was noted, it cannot be said that it was Jevons himself who was the originator of the technique of "Marginal Analysis." For herein, he was to utilize a notion already bearing a long lineage (Kauder 1953; Halévy 1965) both in and outside the practice of economics, and running far back in time. Not only did Jevons apply different terminology to it, even so, he was to put it to a much more general use than had previously been the case. What has since come to be called "marginal utility" Jevons called "Final Degree of Utility," (Jevons [1871] 1970, 10) for instance, defining this as "the degree of utility of the last addition, or the next possible addition of a very small, or infinitely small, quantity to the existing stock." At other points still, he alternatively he offered the term "Terminal Utility" in a similar respect, as in the following passage taken

from the first edition of his Theory:

I may suggest that this distinct feeling of value is probably identical with the final degree of utility. While Adam Smith's often quoted value in use is the total utility of a commodity to us, value in exchange is defined by the terminal utility, the remaining desire which we or others have for possessing more. (Howey 1960, 85)

Jevons was aware of the lineage of the concept, and did not deviate far from its employment at the hands of Bentham and others.

What is particularly striking is the fact that, within a relatively short time, the much more general use to which Jevons was to put the related technique of marginal analysis was sharpened and made more dramatic in its effects by the similarly inclined work of two other theorists, Carl Menger and Leon Walras. Herein, Jevons succeeded in constructing a theory of market behavior focused on the value that decision-making at all levels of market interaction confers upon objects produced for the market, one that would be echoed almost at once in two additional and separate social milieu in strikingly similar form. Yet in fact Jevons is widely considered to be a fairly inconsequential thinker within the utility tradition traceable far back in the history of economic thought, excepting that he offered one of the first coherent theories of value based on psychological or individualist motives and derived via the technique of marginal analysis. Nevertheless in so doing Jevons, in the company of Menger and Walras, stands out for being an identifiably important step in the transition from the "political economy" of the classics (notably Ricardo and Mill) to the modern practice of neoclassical economics as we know it today.

This transition is the essence of the "Marginal Revolution" for which he is famous. Yet the movement from classical to neoclassical paradigms, with the work of Jevons,

Menger and Walras being representative of the latter, was not a quick occurrence (Blaug 1972, 269- 280; Bowley 1972, 9-29). Marginalist thought only caught on across a number of decades, and never fully supplanted classical theories of value and distribution. Nevertheless within half a century of its initial formulation at the hands of Jevons, Menger and Walras, marginalist theory had become the dominant brand of economic thinking among academic economists. In England, in fact, a fairly dramatic effect was to occur even earlier. In this regard Hutchison notes that:

In England...there had been the long domination of an orthodox body of doctrine comprising method and policy as well as theory and including, in particular, theories regarding labor, value, and wages (analytically linked in their simplifying assumptions) which had long been impervious to intellectual influences from abroad. The rejection in the late sixties and early seventies of these central theories of value and wages, by Jevons and others of a new cohort or generation of economists, which was accompanied by a more widespread questioning of orthodox methods and policy principles, was a pretty sudden and rapid one. This might well be described as the destructive phase of a 'revolution,' though the constructive phase was slow in getting underway and only followed after a long time-lag. (Hutchison 1973, 76)

Many have sought to make sense of this "Revolution" in the practice of economics, and of the importance of Jevons with regard to it. Of the many eminent thinkers who have considered the role of Jevons' work, T.W. Hutchison is one of the most highly regarded. One aspect of Jevons' work that Hutchison singles out for discussion is the lack of interest in Jevons' model as it was proposed early on in 1862, versus that which it was to arouse subsequent to the publication of Jevons' Theory of Political Economy in 1871. Hutchison has found it plausible to explain the differing reception of Jevons' work by reference to Jevons' own professional reputation. George J. Stigler has, in a similar regard, pointed to the importance of the growing professionalization of the discipline of economics as having had a relatively profound effect on interest accorded

Jevons' theory among academic economists. Stigler holds (Stigler 1972) that professionalization led to a search for more precise modes of reasoning, a characteristic suited to Jevons' use of mathematical techniques.

By at least 1870 economists were self-consciously interested in distancing themselves from the broader, armchair variety of theory which had characterized their intellectual approach historically. Like both utility and marginalism, this trend toward increasing professionalization had been in existence over the whole course of the nineteenth century. Using publication data for the period 1766-1915, Stigler has found that while across the whole of the late eighteenth century not one economic writer specialized in the writing of economics alone, by the twentieth century there were only four who wrote outside of the field (Stigler 1965, 37). He asserts this as evidence of the extent to which professionalism had begun to train the activity of economists by this time.

In an article entitled "The Adoption of the Marginal Utility Theory," Stigler notes that while:

utility theory was developed as a theory of human behavior before the end of the Napoleonic Wars...the theory of utility was not deployed successfully until its introduction by Jevons, Menger and Walras. (Stigler in Black, Coats and Goodwin, eds. 1973, 305-320)

His "explanation for the retarded reception" is consistent with the one offered here.

Firstly, he says, "the acceptance of a theory by a science is a social act, not an individual act...[and] we must not explain the general reappearance and acceptance of the marginal utility theory between 1870 and 1890 as the singular achievement of a Jevons, a Menger or a Walras." In explanation, he proposes that:

Economics became primarily an academic discipline in the last decades of

the nineteenth century. Previously it was a science conducted by non-academicians whose main interest was in the policy implications of the science; thereafter it was conducted by professors who accepted the ruling values and incentives of scholarly activity. (Stigler in Black, Coats and Goodwin, eds. 1973, 305-320)

And therefore:

Few academic economists separated themselves entirely from discussions of contemporary problems, but the sovereign importance of policy questions diminished as the science became more exclusively a university profession. (Stigler in Black, Coats and Goodwin, eds. 1973, 305-320)

The popularization of Jevons' ideas, however, is separate from the problem of their genesis. Historian of economic thought Mark Blaug has advanced this opinion with respect to the Marginal Revolution as a whole:

the simultaneous discovery of Marginal Utility theory may call for an explanation, but none of the available explanations is satisfactory. Perhaps [in this case] the difficulty is that the idea of a 'marginal revolution' is [a] sort of rational reconstruction of the history of economic thought...[and] the debate over the so-called marginal revolution has in fact confused two quite different things: the explanation of the origins of the revolution, if revolution it was, and the explanation of its eventual triumph. (Blaug 1987, 294-295)

The same may be said with respect to Jevonian marginalism in particular. Jevons' professional presence grew substantially between 1862 and 1871, the dates that loosely specify the differential reception of his work noticed by both Hutchison and Stigler. Yet Alfred Marshall, in reviewing Jevons' 1871 Theory of Political Economy, was unimpressed. When next he had an occasion to levy such an opinion, Marshall had become brighter. Nevertheless, Marshall did not at any point advance a wholly positive opinion of Jevons' contribution to the development of marginalist ideas. In fact Marshall steadfastly held that he himself had, in any event, been utilizing such methods in his teaching for some time, even while he was not to incorporate the idea of marginal utility

into his theory of value until as late as 1879 (Howey 1960, 78). Marshall was thus to consistently minimize Jevons' contribution to the development of economic theory, and in fact his approval of marginalist ideas was to be reserved for their further development at the hands of F. Y. Edgeworth, whose Mathematical Psychics Marshall was to review in 1881.

Of Edgeworth, whose results he acknowledged paralleled those of Jevons, on the other hand, Marshall was to say that his book "shows clear signs of genius" and "is a promise of great things to come." (Howey 1960, 79) Marshall was, furthermore, of the opinion that, "Although the difference between the two sets of theories is of great importance, it is mainly a difference of form." (Howey 1960, 63) In the view of Howey, Marshall was to remain critical of Jevons' opinions primarily for the disrespect Jevons displayed with regard to his predecessors (Howey 1960, 63), Ricardo in particular.

Nevertheless it has been noted that if we take the incorporation of marginal analysis into general treatises on economic theory as signifying a stage of either "marked" or "final" acceptance of the technique by academic economists, this was to occur through the 1880s and 1890s, just a decade or more after the publication of Jevons' Theory of Political Economy. G.J. Stigler points out that "...the theory was adopted at least by 1884 by Phillip Wicksteed and not later than 1892 by Irving Fisher." (Stigler in Black, Coats Goodwin, eds. 1973, 312-313) The term "marginal" was, for instance, substituted for Jevons' "Final Degree of Utility" in Wicksteed's 1888 Alphabet of Economic Science. By the 1890s it had invaded even the American tradition. The Annals of the American Academy of Political and Social Science of 1890 contained two translations of articles utilizing Friedrich Wieser's companion term *Grenznutzen* introduced in Wieser's

1884 Ursprung. By 1896, the term had been included in Palgrave's Dictionary of Political Economy (Howey in Black, Coats and Goodwin eds. 1973, 30-31).

While Marshall was to downplay Jevons' importance as an innovator, others have been more charitable in this regard. Acknowledged authority on the rise of Marginalist ideas Richard S. Howey points out that, "Early in 1860, Jevons worked all of his facts or material" into a "finished fabric of theory...." (Howey 1960, xv) We know from Jevons' own written comments that, at this point, Jevons was convinced of the novelty of his ideas and was anxious as to their possible reception.² When their circulation did not spark interest within the larger community of professional economists Jevons concluded that the model required more effective distribution. As such by 1866 he had prepared a longer version, one that came to be published in the Journal of the Royal Statistical Society, and by 1871 he had submitted a book-length manuscript to Macmillan. Only the latter was greeted with some excitement among Jevons' fellow academics (Howey 1960, 61-69), and even at this point interest was shallow even while on the whole reviews were positive.

It seems likely that some portion of the more positive reception Jevons' work received after 1871 is due to the fact that, with his Theory of Political Economy, a book was being received rather than an article. It thus reached a wider and not strictly academic audience. Nonetheless at that earlier point, the model had been published in a journal reaching 300-400 subscribers (Howey 1960), 18) including noted economists. By 1871, at any rate, albeit progress was slow it was of an advancing variety whereas previously

² By 1879, Jevons' had discovered that "the theory in question had in fact been independently discovered three or four times." Jevons believed this lent it the value of truth.

had not been the case. This was so despite the fact that marginal "productivity" theory would not be fully discovered and exploited until after 1890, at which point it met with the acceptance of a number of influential economists (Howey 1960, xvii). In his view, moreover, "Acceptance was crucial...[even while it] required a conscious effort by Jevons, Menger and Walras to win supporters.... Perhaps the time was right for eventual success...."

CHAPTER 8

WAGE DETERMINATION AND CAPITALIZATION:

JEVONS' THEORETICAL CONCERNS

The decades preceding the introduction of W.S. Jevons' Theory of Political Economy encompassed a remarkable institutional accommodation of the material changes wrought over two or more preceding centuries of capitalist growth. Such changes were attendant to the formation of a fully capitalist, industrialized economy. As early as the first third of the nineteenth-century, moreover, a trend toward increasingly inclusive political institutions was evident, one allowing for guaranteed representation of elements outside of the traditional landowning elite that had historically constituted the governing class. By 1884, moreover, political representation had been won by most all persons and interests from the middle class of manufacturing and industrial entrepreneurs and newly-industrial locales, down through the ranks of *pétit bourgeois* craftsmen and skilled laborers, on even to the lowly miner and rural field hand. The franchise had, in the series of reforms stretching from 1832 to 1884, been extended to all having a significant economic stake in the community when figured on the basis of their property holdings, including both all urban and rural "rate payers," and also many living in rural districts. In addition, trade union activities would have been given governmental and judicial sanction and protection.

Within the narrow corridor of the nineteenth-century, in a corresponding fashion in fact, Britain was to witness the successful introduction of economic theory center-pointing free action of the individual within a system of market incentives, plus the legislatively and judicially enshrined liberty of individuals to act singly and in concert to affect both governmental and employment issues within a framework of institutionalized prerogatives. On the latter fronts in particular, this was a powerful step forward for the common man. Economists, on the other hand, have heretofore found importance mainly in the former, or theoretical advance. In the case of nineteenth-century Britain, however, the truth of the matter lies in some combination of the two.

8.1 The Institutional Backdrop, 1832-1884

Institutional change across the nineteenth century runs parallel to changes occurring in the realm of economic ideas. As such we must look at the generative process producing both the former, and also the latter. For given the similarities existing in the nature of these events plus the timing of their occurrence, we might infer a common source of causation. Material change, in this regard, adequately describes both.

Changing political institutions were the result of the shifting grounds of wealth and social power created by a combination of feudal history, and the process of capitalist economic development taking place over a number of centuries. Prior to 1832 it was true that only a small fraction of the population was accorded the right of voting in parliamentary elections, and that this was determined solely with respect to the dominant form of feudal wealth, with this being land. The right of franchise was, in other words, based on traditional forms of property and wealth, and was retained by landowners

almost exclusively. However, in the first years of the 1830s a process of institutional reform was to begin a rather narrow and ultimately step-wise correction of this fact.

Even while the basis of representation remained narrow with the passing of the first Parliamentary Reform Act of 1832, elections acquired a more-or-less representative character for the first time. It nevertheless remained true that, “the House of Commons was chosen, not by the people, but by the middle and upper classes alone.” (Cole 1950, 5) The Second Parliamentary Reform Act of 1867 would go on to nearly double the electorate, from 1,057,000 to 1,995,000 according to Cole, who was to that, “At the General Election of 1868, as a result of the extension of the urban franchise, one in every eleven, out of a total population of about twenty-two millions, had the right to vote.” (Cole 1950, 5) Most significantly, these new voters would be numbered among the working class.

On average, for instance, by 1868 the proportion of town laborers eligible to vote had risen by more than one half. Still, however, the basis of dominance of the landed aristocracy in the countryside was unchanged, for the 1867 measure as yet left intact the ascendancy of landowners in county constituencies. This was so by virtue of the fact that the 1867 Reform Act did not extend the vote to rural laborers; it extended the franchise only on the basis of the payment of municipal taxes.

With the passing of the 1884 Parliamentary Reform Act, by contrast, the balance of power between urban industrial elite and landowner would suffer permanent alteration for the fact that the franchise had now been extended to the countryside and county on the same basis as had earlier been the case in urban areas affected by, firstly, the 1867 reforms and, secondly, the accompanying redistribution of representation that was to take

place in the following year. In the case of the 1884 reforms, this was the open intent of the legislation. For the 1884 Reform Act was:

passed by the Liberals and designed to break the Tory monopoly on the countryside, [and] was based on the assimilation of the county to the urban franchise, and produced its increase mainly in the county constituencies. (Cole 1950, 5)

The basis of representation was to remain unchanged for more than a third of a century beyond this point.

By 1884, by this means, voting rights had been achieved for all but a limited segment of the working class. Such extensions had been levied, however, similarly to previous reforms: on the basis of wealth and economic participation in the system of capitalist employment. Nevertheless, as a result of the 1884 reforms, one in six persons were nevertheless eligible to vote; in contrast, the 1832 Reform Act had resulted in a 50% increase in eligible voters such that one in twenty was within the limits of the franchise (Cole 1950, 5). By 1884, with the franchise extended to agricultural workers and miners, few remained beyond the pale of this privilege. As a result of the Reform Act of 1884, together with its accompanying Redistribution Act of the following year, the community of voters had risen again by two-thirds over 1867 numbers. Whereas the total electorate of England and Wales stood at 2,618,000 before such reform, its effect was to increase this to 4,381,000, according to G.D.H. Cole.

The fires of radicalism would, with the expansion of the franchise so framed, burn less brightly given the alternative means of acting upon dissent and frustration; this development would be strengthened by continued expansion of the franchise due to occur less than twenty years hence. The situation was especially attractive to the working class given that it had, over a period of decades, been preceded by the combined historical

influence of reactionary suppression of agitation, and frequent and long-lasting periods of economic distress. Together, these factors acted to encourage workers to accept incorporation into the civil “body politic,” even as they found themselves, thereby, drawn into the citizenry of a state governed by a capitalist elite. Toward the latter part of the century, accordingly, the working class would show far greater interest in political cooperation. Legal recognition and protection of unions and union activity would add to this tendency, moreover. These events were, on the other hand, to facilitate not only social interaction generally, but also the process of capitalist employment. Such institutional adaptations were indeed to facilitate its ideological acceptance. They would, in sum, create a civil, harmonious and environment in which employer and laborer would interact in apparent amity.

In an expected fashion, as such, social harmony was finally to dawn with the construction of political and juridical institutions fostering a joint intent among classes to cooperate in the democratic management and election of officials and official policy. Correspondingly, social thought center-pointing notions of harmony would take firm root in academia, replacing the conflict-laden ideas so popular in the preceding half century marked by overt strife among classes, not to mention employers versus the employed. In this, the seeds of paradigmatic change within the discipline of economics became visible.

Such seeds would, nevertheless, await fertilization particular to the evolving needs of the science. They were sown decades prior, in the context of material changes serving to undermine Ricardian doctrine, and yet they were to await the sunlight of an altered institutional framework facilitating interaction versus simply radical “action.” Thus the acceptance of the working class into the machinery of civil society would be a process

that would vastly diminish both the ideological and practical importance of interclass political conflict. In the fertile soil of academic debate, this would soon become evident. Within just more than two decades, the harmonistically-inclined apparatus advanced by Jevons would take precedence over the increasingly more tenuous model of David Ricardo.

8.2 The Genesis of Jevons' Model

One outcome of this conjoint process of social and economic development was, at a doctrinal level, the "Marginal Revolution." Nevertheless, the technical elements to be so utilized were in existence prior to their popularization after 1870. Philosophically the notion of "utility" had grown out of inquiries into the connection between morality and society; its lineage goes at least as far back as the early 1700s, and was based in associationist psychology attempting to describe action as the outcome of mental associations of pleasure with certain courses of conduct. In 1738, for instance, David Hume published his Treatise on Human Nature in which early associationist ideas may be found. Over the course of the eighteenth century such thought was expanded, however primarily in an attempt at applying its insights to problems of legislation and the systematic and rational revision of the penal code (Halévy 1966, 9-13). It is no accident that the premier Utilitarian, Jeremy Bentham, titled his treatise on utilitarian ethics Introduction to the Principles of Morals and Legislation. In it he attempted to reconcile the "well-regulated application of punishments, the great problem of morals" through an enforced meeting of "the interest of the individual with the interest of the community." (Halévy 1966, 18)

While Utilitarianism acquired a following outside the British Isles, its more influential proponents were British. Marginalism, on the other hand, was a technique in wide but scattered use. In Britain it was, for instance, utilized with respect to the management of public railways as these grew out of older mining tramways, and in dealing with the large fixed costs associated with public utilities. Moreover, while Jevons followed the lead of others such as American economist Lardner and Frenchman Cournot, he may still be considered a “pioneer” given the use to which he was ultimately to put both such concepts in the derivation of a consistent framework of value applicable to all goods.”

With regard to “productive” goods, in fact, Jevons was to make important assumptions that would go on to affect the character of his theory as a whole. He was to consider consumer goods to be of the nature of nonfixed capital. As such, what one might call the “means of production,” Jevons deemed to be widely distributed and held by all social classes. All produced goods were understood by Jevons to equally be “capital,” and he drew no distinction between “producer” and “consumer” goods. He notes in this regard that:

I shall try to put the Theory of Capital in a more simple and consistent manner than has been the case with some later economists. We are told, with perfect truth, that capital consists of wealth employed to facilitate production; but when economists proceed to enumerate the articles of wealth constituting capital, they obscure the subject. "The capital of a country," says Mac-Culloch, "consists of those portions of the produce of industry existing in it which may be directly employed either to support human beings, or to facilitate production." Professor Fawcett again says: "Capital is not confined to the food which feeds the labourers, but includes machinery, buildings, and, in fact, every product due to man's labour which can be applied to assist his industry; but capital which is in the form of food does not perform its functions in the same way as capital that is in the form of machinery: the one is termed circulating capital, the other fixed capital." (Jevons [1871] 1970, 222-223)

With respect to fixed versus circulating capital:

Economists have long been accustomed to distinguish capital into the two kinds, fixed and circulating. Adam Smith called that circulating which passes from hand to hand, and yields a revenue by being parted with. The fact of being frequently exchanged is, however, an accidental circumstance which leads to no results of importance. Ricardo altered the use of the terms, applying the name circulating to that which is frequently destroyed and has to be reproduced. (Jevons [1871] 1970, 242)

Moreover:

The views of the nature of capital expressed in this chapter generally agree with those entertained by Ricardo and various other economists; but there is one point in which the theory leads me to a result at variance with the opinions of almost all writers. I feel quite unable to adopt the opinion that the moment goods pass into the possession of the consumer they cease altogether to have the attributes of capital. This doctrine descends to us from the time of Adam Smith, and has generally received the undoubting assent of his followers. The latter, indeed, have generally omitted all notice of such goods, treating them as if no longer under the view of the economist. Adam Smith, although he denied the possessions of a consumer the name of capital, took care to enumerate them as part of the stock of the community. He divides into three portions the general stock of a country, and while the second and third portions are fixed and circulating capital.... (Jevons [1871] 1970, 259)

In sum, Jevons cannot accept the proposition that “capital” should be confined to the classical definition given by Smith, and that neither fixed nor circulating capital as economists expressed these ideas corresponded to his own understanding of the nature of capital.

The consequences of this simple redefinition are far reaching. As E.K. Hunt wisely points out, Jevons’ view of the relation between respective owners of capital and labor is one of the utmost harmony of interests, wherein he notes that Jevons was to declare in his 1882 State in Relation to Labour that, “the supposed conflict of labour with capital is a delusion.” (Hunt 1992, 312) For in Jevons’ view, capitalists perform the beneficial function of allowing the satisfaction of wants to occur. The capitalist is, in Jevons’

words, a friend to labor. He is the laborer's "true ally, his wealthy employer." (Jevons [1882] 2002, 127)

Production, in this case, was conceived of by Jevons as consisting of little beyond the exchange of labor, and this process of "enabling" labor in its ability to produce goods toward the satisfaction of human needs. In the former connection, Jevons was to point out that, "The general result of exchange is that all commodities sink, as it were, to the same level of utility in respect of the last portions consumed." In this case wages will ultimately be determined within the process of exchange rather than that of production, and will be dependent upon the laborer's subjective valuation of the pleasure and pain associated with "the last portions consumed" of the commodity gained through the expenditure of labor:

A free labourer endures the irksomeness of work because the pleasure he expects to receive, or the pain he expects to ward off, by means of the produce, exceeds the pain of exertion...he will cease to labour just at the point when the pain becomes equal to the corresponding pleasure gained.... (Jevons [1871] 1970, 169)

Jevons comes to the conclusion that, as such, the "amount of reward of labour" over time (dl/dt) can be expressed as the product of the ratio of the commodity produced (dx) to the time taken for such production (dt), multiplied by the ratio of the utility gained (du) to the amount of produce or commodity so obtained (dx) or, considering infinitesimal changes in each:

$$\frac{dx}{dt} \times \frac{du}{dx} = \frac{dl}{dt}$$

The conclusions Jevons was to draw are unsurprising. First, the price of labor will be determined by the incremental additions to resulting produce throughout the period of

labor. The laborer will cease work when his internal balance tells him that dis-utility exactly matches utility, and will in fact be out-matched if further toil is undertaken.

Jevons goes to the effort of including a diagram of this pleasure-pain process by way of demonstrating the basis of such an argument.

At point “m” in “Figure 1” below (titled “Theory of Political Economy, Figure VIII” as per Jevons’ original manuscript), the “pleasure gained is exactly equal to the labour endured.” (Jevons 1970, 192) Here pain exactly equals pleasure, and any further effort would result in “dis-commodity.” To restate matters, in effect the laborer “will cease to labour just at the point when the pain becomes equal to the corresponding pleasure gained.... As long as he gains, he labours.”

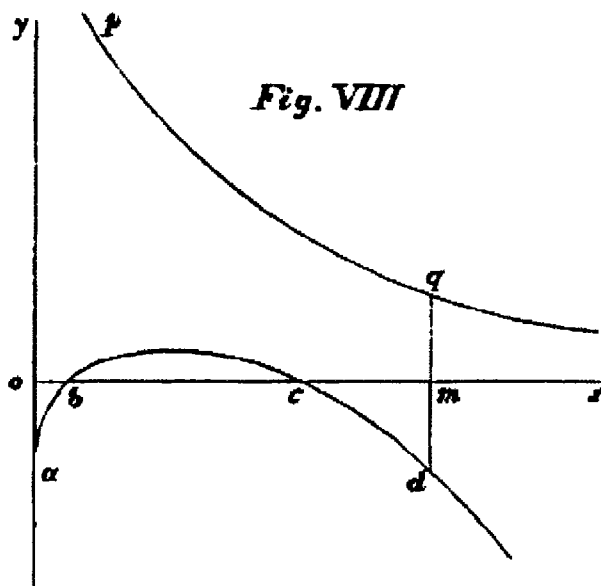


Figure 1, “Theory of Political Economy, Figure VIII”

Jevons explains Figure VIII as follows:

We may at the same time represent the degree of utility of the produce by some such curve as pq , the amount of produce being measured along the line ox . Agreeably to the theory of utility, already given, the curve shows that, the larger the wages earned, the less is the pleasure derived from a further increment. There will, of necessity, be some point m such that $qm = dm$, that is to say, such that the pleasure gained is exactly equal to the labour endured. Now, if we pass the least beyond this point, a balance of pain will result: there will be an ever-decreasing motive in favour of labour, and an ever-increasing motive against it. The labourer will evidently cease, then, at the point m . It would be inconsistent with human nature for a man to work when the pain of work exceeds the desire of possession, including all the motives for exertion. (Jevons [1871] 1970, 101)

Given the concurrent assumption that marginal utility is positive but diminishing, with successive units of the commodity so acquired, successive “gains” of utility will eventually fall to zero. At this point labor will cease. Another conclusion must also follow, however. The worker must enjoy a surplus of utility for each unit of labor up to that point wherein he determines that he has had enough work in relation to utility, and will cease. He will cease labor for the fact that “the pain of work exceeds the desire of possession....” Implicitly, then, that the employer profits from this situation is beside the point, for so does the laborer. The employer has merely “enabled” satisfaction of the laborer’s needs, and the fact of production, as that of employment, is irrelevant except from this perspective. In this Jevons’ position is distinct from that of a close predecessor, Bastiat, who believed interest to be a fee gained for “rendering a service” in the advancement of capital for tools, materials and provisions as this involves sacrifice, and thus abstinence. For Jevons, interest was to be determined by the rate of increase in value of the produce that was to be the end result of the process of production. And thus in this

case we find that economics is the science of the satisfaction of human needs, and “to maximize pleasure, is the problem of economics.” (Jevons [1871] 1970, 101)

Surprisingly, though, for those trained to think of “capitalization” as a process of investment in productive resources, Jevons equally asserts that economics is also the “science of capitalization.” In effect, Jevons has obliterated the distinction between production and consumption, and between production and exchange, with each being a simple example of a process contributing to the satisfaction of human needs. In this sense, “capitalization” is only the use of any current resources to sustain the laborer over the duration of the labor process. For Jevons, in fact, there is no such thing as productive resources in the ordinary or critical sense.

As such each act of exchange, and what Jevons calls “capitalization,” equally becomes the subject matter of the economist, even while according to Jevons, “There is no close or necessary connection between the employment of capital and the processes of exchange.” Similarity lies in the fact that, “Both by use of capital and by exchange we are enabled to vastly increase the utility which we enjoy....” Jevons asserts that, therefore, “Economics is, then, not solely the science of exchange or value: it is also the science of capitalization.” (Jevons [1871] 1970, 225)

Capitalization, for Jevons, to reiterate, is simply the application of capital to the process of production. Both the market and the process of production, then, are somewhat illusory in that their only character is the satisfaction of needs. Moreover, both are seen as being beneficent. Exploitation cannot exist when the worker is actually better off for each hour worked; he works as a matter of individual attention to his own self interest, and the capitalist in fact enables him to do so.

In Jevons' schema, then, a "capitalist" is one who has sufficient resources available to allow a lengthening of the process of production, i.e., an increase in its "round-aboutness" in the manner of the Austrian school. Thus he says:

The notion of capital assumes a new degree of simplicity as soon as we recognise that what has been called a part is really the whole. Capital, as I regard it, consists merely in the aggregate of those commodities which are required for sustaining labourers of any kind or class engaged in work. A stock of food is the main element of capital; but supplies of clothes, furniture, and all the other articles in common daily use are also necessary parts of capital. The current means of sustenance constitute capital in its free or uninvested form. The single and all-important function of capital is to enable the labourer to await the result of any long-lasting work - to put an interval between the beginning and the end of an enterprise. (Jevons 1970, 223-224)

Jevons offers no thoughts regarding the historical process by which such resources, or "capital," would have been accumulated. He is, however, concerned to show that the "stock of food, clothing and other requisite articles of subsistence in the country" spoken of by economists such as Mill and Ricardo in their demonstrations of an inverse relation between wages and profit do not, in fact, differ from any other goods held by any other party. He holds that any good that "labour has been spent upon...[and] of which the whole benefit is not enjoyed at once" is equally capital regardless of who holds it and for what purpose so long as this contributes to the satisfaction of the wants of a country's inhabitants. Thus economics is "also the science of capitalization." Capitalization here refers, as in the former case of the exercise of labor, to the satisfaction of human wants, in which context "capital" allowing increasing round-aboutness in the production process, will necessarily be a core element, and will be equivalent to exchange in importance.

Jevons acknowledges his debt to Hearn in this regard:

Professor Hearn has said, in his admirable work entitled *Plutology*: "The first and most obvious mode in which capital directly operates as an

auxiliary of industry is to render possible the performance of work which requires for its completion some considerable time...capital also implies other consequences which are hardly less momentous. One of these is the steadiness and continuity that labour thus acquires. A man, when aided by capital, can afford to remain at his work until it is finished, and is not compelled to leave it incomplete while he searches for the necessary means of subsistence. (Jevons [1871] 1970, 225)

For Jevons the significant aspect of production and consumption both is the fact that these are equivalent processes yielding a market price for labor in the same way that supply and demand generally will determine a market price for other goods on the basis of the utility of either those goods, or the products that would be the end result. Returns to capital, in contrast, will accrue concurrently and coincidentally to the party ultimately financially enabling, superintending and undertaking the risk of supporting the process of production. The employer, in consequence, has no intrinsic debt to be paid to the laborer other than the wage so determined. Thus “The theory of exchange...rests entirely on the consideration of quantities of utility, and no reference to labour or cost of production has been made.” (Jevons [1871] 1970, 168) The value of resulting produce, and the respective incomes derived from such activity, bears no relation to either labor embodied, or labor costs.

As such Jevons was able to utilize marginalism as the technical basis by which to demonstrate that utility could in fact replace labor as a complete and consistent answer to the problem of value given the fact of exchange of a self-interested variety. He was thus to assist in the destruction of classical demonstrations of the importance of capitalist accumulation through time in relation to the employment of labor, and to contradict the negative relation between wages and profit so drawn. In so doing he helped to usher in a new era within the practice of economics.

8.3 The Close of the Classical Period

Ricardian theory, however, was to advance hardly impeded by alternative constructions until at least midcentury. This period was a crucial one in the triumph of the capitalist market, and Ricardian theory was used facilitate this. As such, it achieved popularity beyond its value to academic economists. It would be highly supportive of a “free market” stance useful to entrepreneurial class, and offered a laudatory analysis of capitalist production. Moreover, it included materials center-pointing issues of the utmost currency: the Corn Laws and the Poor Laws. Nevertheless eventually it was to fall victim to the very capitalist advance that, in some sense, brought it into being.

At the point when Ricardian theory was to ascend to the center stage of economic theorizing, the political scene would be characterized by two struggles symptomatic of the social tensions had come into existence as a result of the changes taking place. The movement for parliamentary reform was the result of agitation by capitalist manufacturers and petty producers intent on doing away with traditional political restraints. This would be a self-serving effort aimed at the achievement of an unfettered market, and would be concurrent with associated agitation over the Corn and Poor Laws. On the other hand, workers had equally begun a fight for economic self-determination and freedom from economic oppression; this would include Chartist efforts by the 1830s, but would be spread across a much wider expanse of time. While in many respects these parallel struggles would be largely equivalent, they would remain incommensurate by virtue of the differential material abilities of the associated groups, along with the categories of social and political advantages these differences entailed. Nevertheless, even while the overall objectives of workers and manufacturers were to remain opposed,

the interests of these two groups in expanding the electorate would be conjoint. In bitter historical irony, in fact, the two groups would work together toward the passing of the 1832 parliamentary reforms.

However, in the words of G.D.H. Cole:

The Act of 1832 did nothing to enfranchise the working classes.... But it did, by giving votes to the middle classes and separate representation to the growing industrial towns, open the way to a Parliamentary Radicalism...In the main, the effect of the Reform Act was not to put the representatives of the middle classes into Parliament but to compel the upper classes, who continued to occupy most of the seats, to govern the country in accordance with the wishes and interests of the rising capitalist class. (Cole 1950, 4)

The interests of this rising capitalist class lay primarily in a dismantling of the restrictive legislation enacted during the period when Mercantilism (the economic ideology associated with merchant capitalist enterprise and powerful companies of merchant traders) reigned, and merchants held sway. During this period, the financial relationship of merchants and men of commerce with the monarch was of special importance for its results. The body of legislation formed as a result was, for evident reasons, incompatible with the idea of "laissez faire," or market freedom of benefit to domestic industry and manufacturers. Existing legislation would be based not on the idea of the notion of "competition" we understand to be consistent with the function of industrial capital in the context of the market, but rather on the usefulness of a monopoly position with respect to international trading relations, and colonial trading relations in particular.

This latter perspective had historically been used for the extraction of proprietary rights over colonial trading opportunities, among other things. At the same time, though, it was inimical to internal industrial growth at home. Moreover, British economic policy did in general bear the mark of this embrace of king and merchant, as it was (as many

affairs of state) conducted on the basis of an ideology consistent with requirements of successful mercantile enterprise. The state was also structured, nevertheless, with an eye to the nobility given the traditional reliance of the monarch on his feudal underlings, stewards of great landed estates, and their unique monopoly position within the government as it had arisen over the centuries. Each was thus to exert pressure toward the formation of policy appropriately fashioned to reflect its own particular economic interests. While merchants had no rights of franchise, some were nevertheless to garner the ability to purchase either seats in parliament, or associated privileges. The purchase of a landed estate from a cash-strapped member of the nobility was to occur with some frequency. Even so, they had no such institutionally enshrined right until 1832. Given the reformation in parliamentary voting rights that was to follow:

there was in the reformed Parliament a leaven of middle-class Members...most of them representatives of capitalism, intent chiefly on sweeping away aristocratic privileges and obstacles to the freedom of trade, and intensely hostile to any working-class claims that conflicted with capitalist freedom of enterprise. (Cole 1950, 9-10)

The lower classes would thereby find that their situation worsened once the initial reforms allowing rights of franchise to this capitalist middle class were achieved. For while these did nothing to enfranchise the working class, they did much to strengthen the political ability of employers, who would in turn be interested primarily in strengthening the “discipline” of the market as against medieval grants of privilege of whatever variety. The political demeanor of the Whig government brought into power as a result of these shifting sands was, for instance, evidenced in its draconian revision of the Poor Laws so as to strengthen market incentives to engage in paid labor.

To this end, the New Poor Law Act of 1834 banned all relief outside of the

workhouse. Relief was, moreover, to be administered (Cole 1952, 92-93) such that it should always remain 'less eligible' than the remuneration accorded by the least desirable employment in the community. Given this, working-class ire grew hotter, and through most of the remainder of the century the question of the working class would remain an important political issue. Additionally, as contention over the protection of domestic sellers against international trade and trade monopolies was concluded by mid-century, the issue of "labor" became what would be perhaps the dominant political issue for at least another three decades. Yet concurrently, from 1832 through the remainder of the century, ironically, both Tories and Whigs would equally remain intent on courting the working class vote.

Such behavior intensified after the middle part of the century. The passage of the 1867 Reform Act extended the vote to a portion of the working class for the first time and, as such, had powerful consequences. Beyond 1867, certainly worker militancy remained high given that a good portion of the laboring class remained disenfranchised. Workers would continue to strive toward change. The outcome, given the historic opportunities extended to them by virtue of the tenuous political fortunes of successive Whig and Tory governments, would be both democracy, and the protection of peoples encompassed by a legalization of trade unions as organs of collective political activity. For in their dealings with the working class, the nations' governors found that courting labor increasingly meant courting unions: trade unions had begun to take part in political struggle in a way they never had before, serving of as the mass advocates of the laboring class.

One such body indeed proved instrumental in winning the electoral reforms of 1867.

This was the working-class “National Reform League.” It was nevertheless a body fated to die an ignominious death beyond the achievement of its relatively limited aims. One apparent reason was that with the 1867 enfranchisement of a more prosperous portion of workers, these had been drawn into the political arena as individual participants. This diminished the perceived value of organs of mass participation. In addition, as collective bodies having an identity apart from that of individual participants (much akin to a corporation), however, unions would remain of questionable status in the eyes of the state. This would place them at a disadvantage so far as the protection they could afford workers was concerned. Yet taken either individually or collectively the laboring class was no longer, by and large, engaged in militant or concerted protest seeking to supersede the capitalist market and its associated structure of political power with a worker-dominated “democracy.” (Morton and Tate 1956, 120-128) In tandem with an expanding franchise, they were increasingly content to work within an accepted political framework to achieve their aims. By the late 1860s the idea of militant opposition was abandoned by all but a subset of socialists and anarchists, with these often having ties to labor in other national areas (Morton and Tate 1956, 120-128). Organized labor sought to advance the idea that workers should have greater political weight in the existing structure of society, while leaders of the skilled laboring classes were increasingly drawn into the Liberal party. As in the case of the National Reform League, this was to prove fatal. Nevertheless, in the longer term it was to increase social harmony over all as a political party receptive to working class interests was the result.

Thus the result was the subsuming of workers into the machinery of parliamentary democracy. And indeed, with the onset of depression in the early eighteen seventies,

demands for “democracy” were only rarely advanced with the historic intent of the formation of a worker-led state. The term “democracy” would, hereafter, be used primarily to refer more narrowly to a possession of certain limited political rights, according to Morton and Tate. In their words:

So, although 1867 was a political victory, its effect was undone by the way in which the acceptance of capitalist ideas had already destroyed the class independence of the leaders and the extent to which the rot had spread downwards through considerable sections of the organised workers themselves. (Morton and Tate 1953, 121)

One of the first objectives of organized labor after the passing of the 1867 reforms was a revision of the Master and Servant laws (Cole 1952, 197-198). This body of statutes placed workers at a legal disadvantage in the event of any breach of contract. Initial revision was obtained in 1871 under the Gladstone government of 1868-73. However, in this case, laborers were not accorded an unmediated victory, for indeed two acts were passed at once that were in fact opposed in their implications. In this context G.D.H. Cole has observed that:

The working classes, even if they had as yet no direct representation in Parliament, were securing the benefits of their partial enfranchisement through the competition of the two great parties for their electoral support. The Tories, in 1867, had extended the Factory Acts to cover all types of manufacture, and had passed the first important Housing Act. The Whig-Liberals, after their return to power in 1868, had granted the Ballot, made provision for a general system of elementary education, opened the Civil Service fully to competitive examination...and legalized Trade Unions, albeit they accompanied this concession with reactionary conditions limiting the right to strike. (Cole 1950, 65-66)

Cole refers here to passage of the Trade Union Act of 1871 under Gladstone, plus the Criminal Law Amendment Act of the same year (Morton and Tate 1956, 124-125). The first action secured the legal status of trade unions, and as a result of this legislation no trade union could be regarded as a criminal “restraint of trade.” It would be analogous to

the National Industrial Recovery Act Section 7a within the United States. In the British case, union assets were additionally protected on behalf of their stakeholders, correcting a long-standing legal anomaly in this regard. Quite different in its intent, however, was the Criminal Law Amendment Act passed this same day, and making picketing illegal. This was aimed at disallowing coercive efforts on the part of unions or others towards co-workers. In a companion fashion, however, it would clearly circumscribe the means by which union goals could be pursued. In some sense, nevertheless, both actions are not out of line with expressed Whig aims. The Trades Union Act comprised an important concession to labor even while it is true that the Criminal Law Amendment Act criminalized coercive attempts to circumvent the market so far as this affected wages and working conditions.

The political evolution of such measures is not difficult to discern. Liberal Gladstone was to be succeeded in office by the conservative Disraeli in 1874, yet attempts to court labor remain noticeable across both administrations. For instance in 1875 Disraeli undertook a repeal of the aforementioned 1871 Criminal Law Amendment Act that had made picketing illegal. It would be replaced, after heated negotiation, by a balancing measure termed the “Conspiracy and Protection of Property Act” of 1875. Together with the Employers and Workmen Act 1875, the Conspiracy and Protection of Property Act decriminalized the work of trade unions. Cole in this regard has observed that:

The Master and Servant Act of 1867 was replaced by the Employers and Workmen Act, 1875 – a change of name which signified also a vital change of substance. Imprisonment for breach of contract was abolished.... The contract of employment was made, like other contracts, a purely civil engagement, into which employer and worker entered as legally equal parties. (Cole 1952, 214)

This act was to define offences such as intimidation and obstruction narrowly, in favor of

union activities which might earlier have been construed as criminal restraints of “trade” between employer and employed. Given this revision, all but the most egregious actions would no longer constitute criminal offenses. Hence the action was considered an amendment to criminal laws. Moreover, the Employers and Workmen Act sanctioned the notion of labor as private property to be disposed of in any manner a party deemed serviceable to their own private interests; Jevons in this regard observes that this question “lies at the basis of many past and present disputes....” (Jevons [1883] 2002, 98)

In concomitant fashion, moreover, the Conspiracy and Protection of Property Act of 1875 established the principle that a trade union could not be prosecuted for an act which would be legal if performed by an individual. In his study of the matter, Jevons was to note that:

There is no part of the law relating to labour which has been debated with more bitterness than that touching on the doctrine of conspiracy. Until quite recent years the common law gave the power to the judges...to treat any combination of labourers aiming at an increase of wages as a conspiracy against the public weal, an attempt at public mischief, which could be punished as a misdemeanor by fine and imprisonment...The common law has now been defined and restricted, if not almost completely abrogated, by the Conspiracy and Protection of Property Act of 1875.... (Jevons [1883] 2002, 128)

In view of the Conspiracy and Protection of Property Act of 1875, as it was not illegal for an individual to cease work, then by extension a union could not be prosecuted if it similarly organized a strike of many self-possessed individuals. Under this act, as such, peaceful picketing was allowed to take place during industrial disputes, effectively offering legal protection to one of unions’ most powerful tools.

Originally, a bill combining features of both the Trades Union Act and the Criminal Law Amendment Act had been contemplated as a means of “regularizing” the legal

position of unions altogether. However separation was ultimately premised upon the legal dispute surrounding the 1867 case of *Hornby v. Close*. This exposed vulnerabilities of unions regarding finances and assets. Such vulnerabilities were addressed in the context of the combined bill, and yet this was accomplished only with restrictions placed on picketing and other activities in connection with strikes. By 1875, even so, the Gladstone government clearly realized that the legalization of unions contemplated by the 1871 Trade Union Act could be realized without conditions more objectionable to labor associated with the Criminal Law Amendment Act. By dropping objectionable language from the Trades Union bill, moreover, the administration would appear sympathetic to working-class concerns while at the same time offering little in the way of costly concessions.

It was on a similar basis (Jevons [1883] 2002, 128) that the Conservative party was, in 1875, to pass the Employers and Workmen Act. Intended to replace the Master and Servant Act of 1867, this enabled workers to sue employers in civil courts if they broke employment or other contracts, equalizing the treatment of workers and employers before the law. For given the revised statute, breach of contract became a civil offense. As a result, criminal sanctions could not be levied against a worker in breach of an employment contract, and the worker would not be subject to either imprisonment (the criminal penalty) or fines (the civil outcome). As Cole notes, in sum, by 1875, "To all intents and purposes the struggle over the Labour Laws had been brought to a triumphant issue." (Cole 1950, 73). This would exclude the effects of the 1901 Taff Vale decision. This was to place a damper on union activities even while it was to gather labor to the

Labour Party.¹

Yet of no less importance to the laboring class would be reform of the Poor Laws.

¹Implications of the Taff Vale decision should not be overlooked (Adams 1902, 89-92). On July 22 1901, five judges of the British Supreme Court of Appeals unanimously decided “Taff Vale Railway Co. v. Amalgamated Society of Railway Servants.” This was undertaken by Taff Vale Railroad against the Amalgamated Society of Railroad Servants and two of its officials. The Respondents solicited removal of the Society from the action as it did not meet the definition of a corporation as the action implied. In that case, it would be treated as a fictive individual for legal purposes, one capable of both suing and being sued. Notably, while the Trade Union Act of 1871 had secured the legalization of Trade Unions, it did not allow them incorporation. Unions were not corporations in a legal sense even while the Friendly Societies Act of 1875 enjoined them to register with the “Registrar of Friendly Societies,” in which case they were granted the legal right to own land and other assets in the name of their trustees and the ability to take out legal proceedings in return for their acceptance of public oversight.

Counsel for the Society presented the organization as being in the nature of a club, and so not liable to suit or countersuit; in this case the Trustees alone would be the correct targets of legal action. However, Counsel for Taff Vale argued that so powerful an entity should be held to public accountability. Also, while not technically a corporation, the Society could be found to possess the essential characteristics of a corporation. Just as a corporation could be sued for the acts of its appointed officers, so then should this entity which ostensibly met the definition of a corporation also be liable to suit. The five justices of the Court found the acts of 1871 and 1876 were consonant with this, and thus the Society could be sued. Once union assets became liable in this manner, trade union actions opposing employers rapidly declined as unions could now be held financially responsible for stoppages of trade or other damages. This served as an incentive for labor activism to be channeled into parliamentary action through working class political parties. In 1900, union leaders had met with representatives of major socialist groups, which led to the establishment of a Labour “group” in Parliament willing to cooperate with any party engaged in promoting legislation in the direct interests of labour; this led to the establishment of a Labour Representation Committee (LRC) including members of the Independent Labour Party (ancestor of today’s Labour Party), the Social Democratic Federation, the Fabian Society, and trade unionists. When a Royal Commission was eventually called to investigate the implications of the Taff Vale decision, this utilized the LRC and so helped establish the Labour Party as a political force (Rowley 1984, 1135-1160). Beyond World War One, following the 1918 passage of the Representation of People Act enfranchising all males and deleting disenfranchisement attached to “dependency” status (except that of women), the Labour Party would achieve nationwide political support.

While passage of the Trade Disputes Act 1906 would reverse the Taff Vale precedent by allowing unions immunity from liability for civil damages, this ignominious episode illustrates the extent to which laborers had achieved socially acceptable, institutionalized outlets for discontent following their enfranchisement in 1867 and 1884.

The growth of this body of law was intimately connected with the fact that the political power of the governing class depended upon internal peace and social stability. In some sense, governors of the realm must do just that, in essence: they must govern. As such the welfare of society was thus to depend upon the welfare of the poor. Even so, the provision of support for the poor outside of the market was understood to be deleterious to the “work ethic” of the poor. The Poor Laws were, in other words, inimical to the needs of wage-paying manufacturers wanting no undermining of the necessity of the laborer to find work, even while the end effect of such assistance was sometimes to subsidize wages. This system, characterized by “parish provision” for the poor, was necessary in an era in which serfs were forced penniless and property-less off of traditionally-held land. Nevertheless in some districts yearly poor rates comprised an ever-growing component of taxation, in consequence.

The continuation of such legislation was of particular importance to the working class, but in this case we find that with respect to the larger social order associated with capitalist practice, all would be subject to the discipline of a market dominated by a capitalist elite. For without countervailing institutions, the political arena became dominated by powerful interests antagonistic to the poor:

The eighteenth century as a whole was an age of steadily advancing Capitalism. In the previous century the struggles of the English Revolution had won for the dominant section of the bourgeoisie the kind of state the government and political system which they needed to grow rich. The final phase of that Revolution, in 1688, after the defeat of the popular forces which defended the interests of the small producers, had left the great Whig landed families, in alliance with leading merchants and financiers of London and the other big towns, in an unchallengeably strong position. For almost a hundred years politics were kept as the close preserve of this privileged group, and political struggle became largely a private battle for pickings and plunder. (Cole 1950, 73)

Marx similarly described this situation as a “permanent alliance between the bourgeoisie and the greater part of the big landlords” enabling a long-lasting dominance of the Whigs over policy from this time forward. While such strength was first challenged by the monarch (George III), it later was to be nullified through the changes wrought by the aforementioned series of political reforms. Ironically, the first set of 1832 reforms was in fact passed by a Tory government fighting to preserve the hold of the gentry on rural areas in the face of pressure for reform. It was, though, to achieve something quite different.

Whig interests, in contrast, were rooted in the concerns of the business community. Trade with and the exploitation of colonies had fueled manufacturing growth at home, and both were to result in growing wealth among a class having no political control at home except by proxy. Thus increasingly the interests of producers and the traditional comptrollers of the state were, in this latter respect, to clash. One area of contention was as regards the body of privileges established by parliamentary mandate, and of primary benefit to privileged merchants and land-owners engaged in capitalist agriculture. These parties found optimal protection in a closed economy, and so were largely sympathetic to the restriction of trading and other privileges, including those regarding the use of ports and shipping facilities. Such protection had existed far back in time, but in order for the legislated privileges accorded merchants and great landholders to be struck down, some degree of political control needed to be wrested from their grip. This would enable producers to buy and sell abroad and to support their laborers more cheaply, without the impediment of an effective inflation of the cost of subsistence, and thus wages. Given this, workers were bound to become pawns in the challenge of traditional political power.

Ricardian theory, as Smithian theory before it, became an important tool in this struggle. It provided a seemingly scientific argument against the privilege accorded the traditional elite. As well, it center-pieced the antinomy of interests Ricardo assumed to exist between landlords and others. Ricardian theory, in obvious respects, encompassed an attack on the landed interest. Merchants and Mercantilism had been the focus of that other most influential member of the classical school, Adam Smith. Both bodies of theory would be put to the task of assisting the interests of capitalist producers in doing away with both sorts of protective legislation.

Ricardian theory, although it was advanced as a strictly economic argument, depicted the struggle between landed elite and industrialists over the appropriate impact of various forms of taxation, economic assistance, and policy generally. Given the almost incontrovertible nature of Ricardian doctrines, with Ricardo's help economic policy to the benefit of industry gained popularity at ideological and political levels both. In essence, Ricardo's model advanced the political aims of the ascendant class of capitalist manufacturers, and it did so in an attractively scientific guise. Its dual theoretical and ideological appeal assured interest in Ricardian postulates although, similarly to the case of Jevons, the Reform Bill of 1832 can be thought of as having provided appropriate circumstances for widespread acceptance of Ricardian policy propositions. These reforms were to allow action among the governing classes congruent to the outcomes of his theory.

It was with the assistance of a willing Whig administration, indeed, that Ricardo's forthright aims would be achieved. This happened with a fairly rapid dismantling of most all targeted legislation, notably the Corn Laws in 1846. These had been of greatest

benefit to the gentry. The final repeal of the Navigation Acts in 1849 completed the movement away from mercantile advantage. The opinion has been expressed that such achievements were to spell the demise of Ricardianism (Kanth 1986). Even so, Ricardo's ideas would remain popular for at least a few decades more. Ricardian theory would retain its popularity until its final displacement by the marginalist ideas initially put forward by Jevons in the 1870s or even later. Moreover, the two sets of theory continued to exist side by side for quite some time before interest in Ricardianism began to dwindle.

A.W. Coats, in this regard, observes that:

Unlike natural scientists, economists are rarely confronted with crises resulting from an accumulation of experimental results which conflict with existing theories; indeed their theories have rarely been subjected to vigorous empirical testing, and it is consequently more difficult for the historian to determine the precise reasons why one economic theory displaced another. Two or more rival theories often coexist, and it rarely happens that one is superior to its competitors in all respects – e.g. generality, management and congruence with reality. (Coats in Black, Coats and Goodwin, eds. 1973, 44)

Regarding the nature of paradigmatic change and scientific progress generally, Thomas Kuhn has described the first situation of immanent crises in theory resulting from a conflict between theory and empirical circumstance as initiating a shift between rival theories, from one having increasingly less empirical content to another having greater empirical content. In this context he has noted that during what is called a “preparadigm period,” the practitioners of a science are split into a number of competing schools, advancing competing claims with respect to the same subject matter but approaching it in quite different ways. However, he noted that this developmental stage should be followed (Kuhn in Robinstein 1981, 293) by a period in which inferior rivals of some theory are expunged in the face of evidence to the contrary. Rival theorist Imré Lakatos,

however, has maintained that the competition among rival theories is endemic, especially during periods of rapid advance. He observed that no “crucible” at an empirical level usually exists, and there is a lag between disproving experiments and the theoretical understanding of the extent to which one theory is consequently superior to its rival. In this context Lakatos introduced the significance of the principle of “tenacity,” meaning the desire among theorists to retain a theory despite an accumulation of anomalies and counter examples (Lakatos and Musgrave 1970). The tenacity of Ricardian theory following the achievement of its major policy objectives would fall into this category of scientific phenomena.

Ironically, then, interest in Ricardian theory may not have been so much the result of policy as it was the underlying institutional structure that generated the shifting sands of material advance. This would, of course, also alter the issues drawing political attention. Such changes within the sphere of politics and policies would have small bearing on the assessments of the Ricardian model among academic economists in Britain.

The process of institutional advance was noticeably complete by 1884 (Cole 1950), at any rate. At this point, further efforts at a reformation of the franchise on the basis of assets and income (both proxies for economic class) were at an end. Hereafter, laborers would remain reasonably content to exercise their political rights through institutionally sanctioned means. Working class objectives would, beyond 1884, indeed appear mild in comparison to the demands of labor earlier in the century. Foremost desires would be an eight-hour limit to the working day, secret ballots and payment for parliamentary duties. Beyond 1884, reform movements were primarily formed around the issue of gender

equality; and even while agitation for such reform existed even before the “great war” (WWI), females were not accorded the right of voting in Parliamentary elections until the passage, in 1918, of the Representation of People Act in which context all citizens were ostensibly given the right to vote.²

Beyond 1884 there would not be further action occasioning reform. From the 1870s through the turn of the century, scuffles would arise between Socialists and “Trade Unionists” in particular reform propositions. Trade unionists, just as Fabians Bernard Shaw and Sidney and Beatrice Webb, were willing to work within the extant set of social institutions to affect needed reforms (Cole 1950, IX). As such, “radicalism” inside Britain was split over the question of whether to work within the existing framework of government, or whether in any way attempt to overcome it. Incorporation of the working class into the body politic of the nation had the effect, however, of shifting probability toward the latter possibility. This was to compromise the determination of laborers to bring about further change. The ideological split between the two, moreover, was to damage the ability of both groups to achieve their more lofty aims.

Cole, by way of example, compares the radical parliamentarian Joseph Chamberlain with the hard-line “Social Democratic Federation.” Joseph Chamberlain ran for office as an extreme Radical. Nevertheless he was invited to enter Gladstone’s cabinet in 1880. While he was indeed instrumental in the passing of the 1884 reforms, by 1885 he was to resign over the issue of Irish “Home Rule.” Even subsequent to this, however, he was to

² This Act, however, preserved existing gender inequality in that the voting age for women was set at 30, while their male counterparts could actually vote at 21. Accordingly, yet another reform was passed in 1928 offering women a vote on the same terms as men.

proclaim fairly radical views. These were based on the idea that the rich, given they had gotten so through appropriating for themselves what had been the common property of the nation, should be compelled to ‘pay ransom’ in the form of providing basic municipal and social services. Chamberlain’s ‘Gas and Water Socialism’ was to be financed, in other words, through a program of progressive taxation, somewhat similar to “Share the Wealth” policies advanced in the 1930s in the United States by Senator Huey Pierce Long of Louisiana. By way of contrast, however, at an 1882 meeting of the Social Democratic Federation a declaration was advanced (Cole 1950, 78-81 and 122; Cole 1966, 297) citing the group’s “opposition to the landlord and capitalist parties who at present control the machinery of the State.” In this context, both the Whig and the Tory parties alike were seen as being equivalent in their opposition to the interests of “those whose labour makes the wealth of these islands.” (Cole 1950, 87) As for the relative success of the two approaches of cooperation versus radical opposition, the former method of cooperation and practical acceptance tended to dominate beyond 1884, according to Cole, albeit the appeal of Marxist/Social doctrines increased along with the misery of the long-lasting depression occurring by 1873.

The process of capitalist development engendering such deep antagonisms was to reach completion during the period in which the aforementioned series of parliamentary and related institutional reforms were won, and indeed this was the underlying reason such reforms would receive official sanction. History would demonstrate that once the “genie” was out of the bottle so far as expansion of the franchise was concerned, it could not be replaced. The rising middle class had been intent only on achieving political power in line with its economic ability, and was able to achieve this by virtue of its

control of material resources, and the process of accumulation. Yet even following the achievement of political power by this class, the working class would remain a problem that the nation's governors would be forced to manage. In fact, this would not change through the whole of the century, although the character of such management would change. However, the mere fact of their being subsumed within the machinery of the state rendered the working class less of a worry as time went on. "Conflict" could be worked out by political, versus overtly radical or destructive, means.

The outcome was a society, and a ruling strata (Whig and Tory, academic and non-academic), attracted by the apparent similarity of British society to Jevons' vapid depiction of capitalist enterprise. Nevertheless "governance" of the laboring classes would still be the task of a "ruling elite" composed of Whig and Tory, capitalist and traditional elite alike. At issue would be the extent to which the notion of laissez faire would be applied to domestic industry, versus the degree to which protection of the working class would be required on the part of the state. In this context it is perhaps important to note that the history of laissez faire bore direct relation to the internecine struggles which were to continue on within the ruling strata. In sum, both before and after 1832 capitalist and landowner would remain immersed in struggles against one another. This was not a battle over policy per se but over the effecting of policy consistent with their respective political wills. It was a battle for control of the political institutions through which social power would be exercised in this civil society.

Beyond 1832 these two antagonistic poles of interest were to coalesce in opinion with regard to only one out of three important issues. These were as follows. First there was the fate of policy protective to the interests of landed individuals and merchants-turned-

gentry. This problem was to result in a drive for “laissez faire” on the part of manufacturing and industry. As a result of the high degree of success of the practical, Ricardian-inspired program of reform, and at the behest of manufacturers and industrialists, of laissez faire at home was to replace laissez faire externally as a major policy concern. The importance laissez faire in matters of trade would, moreover, melt into history by midcentury, for the most part. Second and more importantly still, though, there would be the conjoint and ever-important aim of keeping workers “in check.” Third and lastly, there would be consideration of the means by which laborers could be utilized as a pawn in the preservation of each political party’s respective electoral and thus political and economic advantages.

As time went only the second concern was to retain the greatest importance. For management of the working class, and as such the essence of the capitalist market, was to take precedence over all other matters. For in sum, this would determine the character or lack of social stability over time. In and of itself, the working man tended to view participation in the process of capitalist employment in one of two fashions. His views might be incendiary and divisive, or rather cohesive and corporatist. Of course the latter view was beneficial to larger society, as it was an aid to progress and the expansion of opportunity over time. Clearly the governing classes, whatever their social origin or however high they had risen above the working class, valued both stability and prosperity. France was the best example of inattention to these concerns.

In this context, thus, the aim of the ruling strata as a whole would be the achievement of its aims without untoward alienation of labor. This could best occur via a winning of “hearts and minds.” Empirically, this was to coincide in both time and substance to the

underlying forces of structural transition. As the Protestant Revolution demonstrates, change would occur most effectively through the organic development of an ideological perspective serving, in the most neutral sense of the word, to rationalize such a situation of economic and political dominance by capitalist market practices.³ In this regard, the prevalence of market activity and capitalist employment would itself provide effective instruction as to the logic and worth of capitalist institutions, including both democracy and private property. The first was to allow “property” in one’s ideas and rights of election, while the other was to allow the rational and self-motivated disposal of the whole of one’s resources, including time and effort.

Jevons, for his part, was to provide a theoretical apparatus suitable for gaining a degree of “educated tractability” among leading elements of working-class agitation. However, this did not determine its appeal among academic economists. In the academic arena, the ideological character of his model was to coincide to an increasing extent with empirical reality. It met the crucible of empirical verification, as such.

At a strict political level, at any rate, Jevons’ harmonistically-inclined views were to work rather ironically to the political advantage of laborers over time, as their deradicalized participation in capitalist employment and society allowed for extension of the legal and political protection of their rights, in both individual and collective fashions. Yet even given this, it would be the political dependence of both Whigs and Tories on the working class vote that would allow workers to achieve these gains. This was, in all

³ This is very similar in essence to the process of legitimization of the feudal hierarchy, in which context medieval religious stood alongside bare material circumstance and the necessity of the material provisioning in the face of numerous material impediments to this – all of which bred an ideology of acceptance, respect for tradition and duty, etc. In this case, what would arise would be an individualist ethos rationalizing market practice.

regards, the origin of the reforms of both 1867 and 1884. Reform was to occur, as such, by virtue of a confluence of auspicious circumstance.

In any event, the effects of the actions so achieved would spill over in time. Each successive reform was significant in terms of its cause and effect both, and no single reform retains a great deal of meaning in isolation from the others. Only together do these become indicative of the underlying causation involved. In this light, we might note an especially telling comment of Thomas Hodgskin written in the year of the first reform act in his Natural and Artificial Rights of Property Contrasted: “purely political changes [had] left the social problem exactly where it was....” (Hodgskin [1825] 1963, 15) The “social problem” was not to be cured by politics, but by the system itself, as workers were brought into the capitalist economic system as interested and active partners in the “affairs of state” ostensibly on a par with all other groups.

Institutional transformation to this end bespoke nothing so much as the pressure arising out of economic development of a system of capitalist markets and employment. This encouraged an organic alliance of the capitalist bourgeoisie with a petit bourgeoisie of skilled artisans and master craftsmen. It led to the efforts by such parties to oust traditional administrators of the realm, as the interests of such individuals and groups were inimical to those of both employers and workers alike. The result of this joint enterprise was the passing of the initial set of reforms in 1832. Worker disgruntlement and agitation led to the second in 1867. The last reform, carried out in 1884, reflected a necessary concession on the part of the elite (now composed of industrial and financial capital, landowners converted to capitalist agriculture etc., as well as the upper tier of independent craftsmen) to working class efforts to stymie production failing

improvement of their material, political and juridical situation. All suffered from the tensions so aroused, and all sought to use it to their own advantage.

It is nevertheless evident that changes in representation and protected civil rights achieved over time were, in this case, symptomatic of shifts in the underlying structure of class relations. These shifts were, moreover, coincident to the maturation of the capitalist market and system of capitalist production. In effect this was to create strategic and defensive shifts in political alliances, political strategies and, ultimately, control over or access to institutionalized political power. None of this, however, occurred overnight. The process of change took place in tandem with the growth of the working class movement in Britain. It took place, in other words, in conjunction with the militant rise of the working class, and found conclusion in the ultimate subsuming of laborers within the political, ideological and economic machinery of capitalism. One by-product was the final crumbling of feudal means of control.

In the words of G.D.C. Cole:

The same forces were at work, both in the successive extensions of the franchise and in the struggles of the workers to secure means of political expression. These forces were basically economic; they arose out of the changing forms of industrial life, and the changing class-structure in which successive phases of economic organization worked themselves out. (Cole 1950, 9)

The formation of a sense of identity and common interest among the working class began much earlier than the electoral reforms it helped to achieve. This is generally said to have taken place in Britain between 1760 and 1830 (Cole 1966, 9). Nevertheless its role in the rise of marginal utility theory after 1870 represents an important component in our understanding of Jevons. For we are led to the conclusion that the developmental period in which appropriate circumstances, for both the formulation and acceptance of Jevons'

model, were put into place over a period of at least a century preceding the introduction of the model. Its elements, moreover, are many, and lie beyond the boundaries of inquiry strictly economic or even technically economic in character. They are “environmental” in essence, and bear a direct relation to the developing structure of class relations present in the British economy in the whole of the period surrounding both the introduction of Jevons’ abstract model, and the spread of his ideas across various intellectual milieus in subsequent decades.

8.4 The Jevonian Revision

With the achievement of the last electoral reform in 1884, a positive reception of Jevons’ model was increasingly likely given the changed complexion of British society. This was to include the reformation of political institutions in a way bound to foster a far greater degree of harmony among participants in the process of production, as well as in the division of distributional gains. The same could not be said even as early as 1867, given that at this point: (a) the larger and relatively less advantaged component of the working class remained disenfranchised, and (b) a legalization of collective activities (i.e., unions) had not been gained. Thus the statement acquires strength when applied to the period beyond 1884, when both of these events had come to pass.

Jevons’ model, with its emphasis not on capitalist versus landowner but capital in conjunction with labor, thus offered an increasingly attractive means of envisioning the processes of production and exchange. Jevons presented a relatively mild depiction of economic relations between classes of resource owners. Emphasizing as he did the benefits to each party in any transaction including the exchange of labor services, it was a

perspective consistent with the overall view prevalent among economists taking a noncritical view of the capitalist process of production. Jevons' model was characterized not by coercion, in other words, but cooperation. Ricardo's model had proven too easily amenable to the former idea. In addition, Jevons' model deflected the attention of theory from the process of capitalist accumulation, to the relatively beneficial effects of daily interaction within a framework of economic relations governed by the market in conjunction with the Smithian principle of specialization.

It was to be in this context that Jevons would put the idea of utility to an important new theoretical use. It was publicly, however, to be put to another, more invidious use: it was to become a justification for exploitative labor contracts of all varieties, as well as the resulting distribution of wealth and material privilege. Moreover, given the methodological character of his model, the propositions so advanced were convincingly scientific. Jevons himself gives only the barest indication that a conscious ideological motive of this type was attached to his work. Indeed he was proud of its scientism, a quality that supposedly rendered it free of the variety of ideological inclusions marking Ricardian doctrine. Jevons points out that simple introspection would serve to verify the authenticity of his axioms regarding "pleasure and pain": "The science of economics is in some degree peculiar, owing to the fact...that its ultimate laws are known to us immediately by intuition...." (Jevons [1871] 1970, 88)

Jevons' model found affinity with the dominant ideology of the timeperiod. For as Hutchison notes this was not an era of outright struggle. It was, rather, an era of acceptance and accommodation of capitalist values and, indeed, of the capitalist market. This was so even while Jevons' was not likely conscious of the powerful ideological

message encompassed in the model. All indications point to his conviction that such motives were not the stuff of science, and in fact his career was in part built on illuminating such issues. Moreover, the acceptance of Jevons' insights among academic economists would appear to have been equally "passive." The academic economist of the late 1800s, as Stigler has demonstrated, was after all not the "political economist" of old (Stigler 1975, 31-50). Within the profession, the model was adopted slowly and only with revisions rendering it more palatable to those comfortable with thinking within the Smith-Ricardo-Mill tradition (Howey 1960; Stigler in Black, Coats and Goodwin eds., 1973, 321-336). It was not adopted, moreover, to manipulate an outside audience (i.e., the working class), nor was it utilized as propaganda. It was utilized in the building of a model consistent with the overall "world view" of both Jevons and the variety of economists destined to adopt it. It should thus, in this context, be noted that the political views of this group have tended over time to be fairly conservative (Stigler 1975, 51-65), and certainly Jevons' model is consistent with this fact. However, research also demonstrates that the adoption of the postulates of the Jevonian model by professional economists was governed equally by the fact that such postulates were framed in terms amenable to scientific development in the light of existing theoretical needs (Hutchison in Black, Coats and Goodwin eds. 1973, 176-202).

Outside academia, interest in marginal utility theory would take on a much more consciously ideological face. This was connected, in sum, to long-standing political struggles. Throughout the expanse of the medieval period, across Europe and Britain order had been assured by religious emphasis on patient acceptance, and the divinely determined nature of privilege. Along with medieval church's long-standing admonition

that one's rightful focus should be towards the after-life, feudal deference and other notions supportive of the hierarchical structure of society served to ensure the stability of wealth and status over time. With the dissolution of feudal society the upper class was much more vulnerable to the dangers of discontent on the part of the masses. This was especially so (or at least perceived to be so) after the uprising in France in 1789, an event put in motion by continuing extravagance on the part of royalty and nobility. In Britain, in fact, the repressive measures taken to control suspect activities of the working class in the half a century following the French Revolution illustrate the fearfulness of the upper classes of a similar occurrence within their domain (Cole 1950; 1952). Much later, a correlative ideological consensus would develop among the elite, middle and lower classes alike via the prevalence of capitalist activity, in conjunction with the growth of capitalist social institutions. Marginalist theory would ultimately become an appropriately fashioned means of rationalizing the process of capitalist production, and educating all as to the nature of including its socially and individually ostensibly beneficial nature. In this, such theory would be adopted as an adequate rationalization and also justification for the system of privilege attendant to a capitalist market and a capitalist-style organization of productive activities. It would serve the governing elite more capably, in this particular regard, than had the Ricardo-Mill model with its reliance upon the labor theory of value. This was especially so given the Ricardian model's unfortunate amenability to critical use, political content, and evident empirical flaws.

A first step in the acceptance of a noncritical ideology that was the basis of Jevons' model was the admittance of an upper tier of workmen into the body politic that occurred with the successive legislative widening of the franchise across the nineteenth century.

The Reform Act of 1867 moved skilled and relatively privileged workmen to a position of political acceptance of the existence of the capitalist social system, employment and markets, which they had a relatively minor but nevertheless tolerable role. This group would thereby become statutorily lodged somewhere peaceably within the capitalist economic system which was the foundation upon which “rule by capital” would be founded. In some sense, as such, what was herein achieved was a conversion of those at the vanguard of working class political action.

The Reform Act of 1884 would similarly work to defuse the radical intent of remaining segments of the working class. Over time, this presence and participation of the working class within the halls of representative government was to both foster and enshrine an apparent harmony of interests among workers and capitalists. It was as well to mirror the harmony of interests depicted in Jevons’ marginal utility model, making its postulates more and more likely to gain acceptance as time passed.

Jevons’ model provided a fortuitously simple depiction of economic interaction overlooking its more conflict-laden aspects. These were, of course, the very features which Ricardian theory, in the hands of radical critics, had been utilized to expose. And even while the original intent behind Jevons’ fashioning of his model does not appear primarily to have been motivated by conscious ideological motives, it was nevertheless well adapted to such use. The same may be said of its subsequent adaptation and development.

By way of a prerequisite for this occurrence, the system of capitalism employment itself, alongside the aforementioned institutional developments, would prove to be the most efficient means of “indoctrination.” Given the failure of attempts by laborers to

create viable collectivist alternatives to capitalist employment (Cole 1952; 1950; Morton and Tate 1956) such as consumer and producer cooperatives, “Friendly Societies” and other self-help efforts, Owenite and other varieties of Socialism, plus the harsh repression of efforts to thwart or dampen exploitation, it is not unexpected that laborers would eventually be not only be “broken,” but made to see the practical advantages they stood to gain from patient and even willing or enthusiastic participation in the employment process. Later on, many forces combined to foster such a view, notably Social Darwinism (and education generally), the advertising industry, credit and installment plans extended on the basis of income rather than wealth, the appearance of joint stock arrangements and so on. The list could be extended. In the end, in sum, the economic system itself would solve the problem with little conscious effort on the part of its overlords.

Even so, for a time the going was tumultuous. The century following the French Revolution had been one of great internal turmoil for the British as well as the French, and for similar reasons. As awareness of a common destiny and common enemy developed among the working class, more and more strongly would they struggle toward change. The history of the Labour Movement in Britain stands as testament to this fact. Laborers were held in check only by its own material and civil vulnerability to rebuke, and the fiercely reactionary mood of a middle class wary of its intentions and fearful of a revolution at home equal to ones seen abroad. Given such tensions, the ideological perspective of Jevons’ model was bound to be an important factor in its eventual acceptance even if it was not the over-riding factor determining the speed with which its particular elements would be adopted at a technical level. Jevons’ model is, quite

significantly, marked by a perspective which is highly uncritical of the nature of relations among classes, and two classes in particular: Labor and Capital.

Jevons formed his ideas about the functioning of the British economy during the period in which collective associations of laborers, and trade unionism in Britain in particular, was being remade following its earliest radical attempts at forcing employers to accede to its wishes for reform. Subsequent to the 1848 defeat of Chartism, amid arrest and violent suppression, working-class efforts at rebellion were to fail. These events taken together with the memory of the “hungry forties,” moreover, would transform the face of working class activism. By 1860, unions had quite clearly taken on a political role (Cole 1952, 169-185), and through the next decades one of the primary difficulties unions were to experience in advancing their interests was due to the split that had developed between those wishing to work within the system, and those choosing rather to rebel against it. Yet even with the face of working class agitation changing, such activity was to be no less worrisome. It would remain a foremost concern throughout the whole of the century.

Much of progress that did occur was achieved by the legal sanction of moderate activities on the part of trade unions, even while the nature of such protection varied greatly over the whole course of the nineteenth century. Laborers had learned difficult lessons concerning the power of the state as the century went forward, and as such worker activism was confined to less radical agendas than had earlier been the case. The overall effect of repression, deprivation and formal recognition of unions and individual workers together was to tame the oppositional activities of laborers, and to encourage laborers to struggle to achieve political protection of limited rights. They had definite

material and political incentives for doing so. Both employers specifically and the governing and elite classes generally had similar incentives to encourage and facilitate workers' movement in this direction.

This revised "paradigm" of social action was broadly beneficial to social stability, for it encouraged retreat from militant struggle on the part of laborers. Workers were relatively unlikely to think of themselves as oppressed if they entered into this civil, political and economic arrangement by choice, benefiting from it as Jevons' ideas suggested. With both training (through institutionalized avenues of worker education and the interested efforts of pamphleteers alike, and also through the birth of acquisitive desires born along with monetary incomes and market activity) and the harder lessons of experience, over time few beyond committed radical reformers would fail to find the more conservative insights of Jevons' an attractive alternative to Ricardo's incendiary emphasis on the importance of labor, and the process of capitalist accumulation.

Material circumstance strengthened the tendency for increasing numbers of citizens throughout all segments of society to adopt this attitude (Morton and Tate 1956; Cole 1950; 1952), in other words. In the case of workers, a growing historical distance from their agrarian past was yet another factor which eventually led to a more passive acceptance of capitalist employment and social repression. The economic functioning of society itself would thus eventually render workers willing parties to the economic, just as to the political, process. Yet undeniably another component of this incorporation of laborers as willing, relatively cooperative participants in the economic process was the ideological training of laborers that came as part and parcel of compulsory and other offerings of education. With reference to the reform acts of 1867 and 1884, for instance,

Cole notes that, “these two acts have to be considered together with the Forster Education Act of 1870 as the link between them (Cole 1966, 8). Industrialism more and more needed educated workers – not a minority of skilled craftsmen, but an educated people.” But, he continues, “it was difficult to grant education – even elementary education – and refuse the vote.” According to Morton:

The establishment of a system of universal education, the work of the Act of 1870 associated with the name of W.E. Forster, was one of the most important measures of this period. It was indeed urgently demanded by the requirements of industry in the new age...as England became the commercial and financial center of the world, an increasing number of clerks and supervisory workers were required, and these had to be drawn from the working class. [Also] the workers were showing a disturbing tendency to educate themselves, and there was no guarantee that this self-education would not develop along subversive lines. (Morton 1976, 419-420)

Through both practice and learning a positive, noncritical understanding of the system of production became firmly integrated into working class thought. Jevons’ theoretical depictions would be adopted by a layer of educational administrators and social engineers sharing its ultimately beneficent view of human interaction, and would go on to foster an ideological perspective consistent with this view. The model seemed to demonstrate in a disinterested scientific manner that the outcome of economic interaction is beneficial for all concerned. Moreover, it seemed to show that classical (meaning orthodox Ricardian) notions of wages being in conflict with profit were mistaken. As such in some sense Jevons’ timing was fortuitous, if not also to be expected given the institutional changes that were fast occurring.

Jevons’ theory was, in addition, technically superior to theoretical constructions of a similar ideological perspective. In Britain there was Senior. In France, there were Say and Bastiat. However Jevons’ framework of analysis, like Ricardo’s, was

methodologically suited to adaptation, expansion and refinement in a way that the ideas of these other thinkers were not. This was so by virtue of his abstract, formalized and mathematical methodology. It was so largely by virtue of his joining of marginalism with utility as a logical basis for his model. In the end this factor would be of the utmost importance within the ranks of academic economists.

8.5 The Ascent to Orthodoxy

Successive reformations in the franchise occurring across the nineteenth century stand as visible signposts of the underlying development of social relations within Britain preceding Jevons' introduction of his marginalist model, and direct our attention to a strengthening of the civil incentives for peaceful participation in capitalist society. Yet it cannot be overlooked that such alterations in the nature of political participation signaled equivalent changes in the character of the structure of class relations. It is this development that both engendered Jevons' model and served to foster its ultimate ascent to orthodoxy. Nevertheless, the rate at which interest in the model among academic economists was to dawn was connected most closely to the intellectual development of the science. This much seems clear.

What has not been made clear is the way in which the transition in theory would correspond to material and companion institutional changes taking place in the nature of British society, social institutions and economy through the same period in question, and why this might be so without reference to psychological, nonmaterial varieties of determination, and without resorting to an identification of marginalist theory as conservative propaganda consciously adopted as such. In this context, we must return to

an analysis of the underlying, determinative changes taking place at a material level. Heilbroner, in observing that "Doggedly, the landed nobility sought to protect its ancient privileges against the encroachment of the moneyed nouveaux riches," has made the following remark in regard to the fundamental structural rearrangement that took place in the period preceding the introduction of marginalist economics:

the process of economic enlargement, breaking down the established routines of the past, rearranging the power and prestige of all social classes, could not be stopped. Ruthlessly, it pursued its historic course and impartially it distributed its historic rewards and sacrifices. Although stretched out over a long period, it was not an evolution but a slow revolution that overtook European economic society. Only when that society had run its long gauntlet, suffering one of the most wrenching dislocations of history, would the world of transactions appear "natural" and "normal" and the categories of "land," "labor," and "capital" become so matter-of-fact that it would be difficult to believe they had not always existed. (Heilbroner 1998, 48)

These are the categories we find replicated in Jevons, in consonance with the tendency of classical theorists. This is not unexpected given that economic theory grew up not only with its feet planted firmly in the soil of past understandings, but in concert with the political and social development. The economic model depicted in Jevons' Theory of Political Economy offers a perspective uncritical of the process of capitalist production. At the level of policy, its corollary is economic liberalism akin to that of Ricardo.

Yet as T.W. Hutchison was to note:

In the space of a few years in the late sixties and early seventies the Ricardo-Mill system of theory underwent a remarkably sudden and rapid collapse of credibility and confidence, considering how long and authoritative had been its dominance in Britain. (Hutchison in Black, Coats and Goodwin eds. 1973, 185)

Citing the 1871 publication of Jevons' Theory as an important "second shock" after the fall of the Wages-Fund doctrine, in his consideration of the decline of classical theories

of value and distribution in the wake of such long-lasting popularity, economist Henry Sidgwick was to write in his 1883 Principles that, "In 1871...these halcyon days of Political Economy had passed away...." Hutchison, in contrast to Sidgwick, relates this less to the intellectual movement of the science than to the importance of changes in policy companion to social and political change of the sort we have looked into. It is in this context that Hutchison observes (as was noted earlier) that:

Clearly, after the extension of the franchise in 1867, fundamental new departures in policy would have to be considered sooner or later...[and] the upheaval beginning in the late sixties and the watershed of the seventies were...concerned with policy...as well as theory. (Hutchison in Black, Coats and Goodwin eds. 1973, 185)

CHAPTER 9

RIGHTS OF LABOR RECOGNIZED: THE INSTITUTIONAL ACCOMMODATION OF CONFLICT

The period extending from Waterloo in 1815 to the end of the nineteenth century would be one wherein significant institutional refinements were to occur within Britain, transforming the nature of the political process therein. Even so, these advances may best be understood as the culmination of an expansive process of economic development spreading far back in history. The summit of this process of material transformation taking place across the preceding centuries was to be reached during the last decades of the nineteenth century. It was institutional in nature, encompassing an accommodation of new forms of wealth and social prerogative at an institutional level. Nevertheless, the last phase of institutional adaptation was to span a space of roughly 50 years. In consequence of the rapidity of advance during these years, the nineteenth century was to witness the completion of a process of change in which the underlying material structure of British society would find appropriate reflection in its political institutions. In effect, this transition was complete as we passed into the twentieth century.

The nineteenth century would thus spell a profound and portentous transformation in the means by which relations of power, and powerlessness, would find practical, institutionally sanctioned expression and protection through the political process. In the

absence of a monopoly on military or coercive might as had existed across the middle ages, this was the necessary endpoint of material change occasioning the growth of a class structure characterized by differing levels of privilege and advantage on the part of its component groups. At a logical level, a perpetual situation of struggle, strife and outright oppression would be a less viable alternative to institutional adaptation of this variety, over time. This would be so by virtue of numbers, if nothing else, as followers of Marx have long understood. Certainly the privileged, as a class, would understand the importance of ameliorative institutional reform to the maintenance of a system of production from which they, themselves, were to benefit most richly. As such, this is the expected historical endpoint of this process of material change. Political institutions evolved so as to incorporate conflict into the apparatus of the state, such that it was not instead worked out across street and countryside, as had been the case in France.

The existing relational mix that was to characterize Britain at the beginning of the nineteenth century would include a privileged elite effectively split into two segments, corresponding to what has been called an upper class of traditional, landed and titled nobility, and a middle class holding material privilege in its stead. Nevertheless, only the traditional nobility was to retain an institutionalized protection of its political rights. The middle class stood with society generally in not being so either protected or privileged at an institutional level, the reason being that political privileges had traditionally been premised upon military and otherwise material support for the crown, each of which were only possible for holders of landed estates, and the hereditary entitlement to such. Yet given more than two centuries of the development of capitalist enterprise, beyond the period of the Napoleonic Wars the economic character of classes would now also

encompass, with a fair degree of frequency, vast holdings of nonlanded wealth. As such, the “privileged elite” would practically consist of both the older “nobility” and a rising capitalist “middle class” of manufacturing and industrial wealth.

At the level of the whole society, these would be supplemented by a lower class composed of tradesmen and wage laborers of all varieties. This last and relatively more numerous segment of the British population was to consist, in sum, of a “nonowning” or “non wealth-and-resource-holding” segment of society, one that had historically not found means of accumulating wealth or economic resources of any variety at a systematic level. These were also correspondingly not to be successful in capturing political privilege until later in the century, while indeed the middle class of wealthy manufacturers and financiers was to gain such rights just beyond the quarter century mark, in 1832. Even so, in the space of just about 50 years, both the middle and the working class would be allowed institutional recognition of their rights to assist in the selection of members of parliament, altering both their real and their perceived status within British civil society.

As for laborers, this was to give rise to the first independent working-class political parties, and working class delegates to the House of Commons, on the basis of privileges accorded the working class between 1867 and 1884. These rights would be granted to the middle class much sooner but with similar effect, as a result of an initial set of reforms passed in 1832. All such reforms would nevertheless be extended only on the basis of wealth and income, even while they were to be accomplished in the context of three separate reforms. In sum, then, on all counts “property” and not persons would be the standard of admission so far as rights of franchise were concerned.

Both directly, of itself, and indirectly through the resulting effects on the country's political climate, this economic and coincident class restructuring would become companion to a variety of associated ideological changes. These would spill over into a possibly unexpected area: social thought depicting, at times fairly subtly, the material intercourse among classes. Such processes would in fact culminate, toward century's end, with the acceptance of a new paradigm constituting an alternative means of describing the essential features of economic activity consistent with the insights of W.S. Jevons introduced so presciently in 1862. This would, among academics, shortly supersede the more conflict laden notions of Ricardo.

At the level of popular opinion, competition among classes for economic and political advancement was an important factor leading to increased appreciation for and utilization of Jevons' insights as the century passed through its final decades. An important caveat would nevertheless exist as regards the well-insulated tradition of academic economics. For here, marginalist ideas required reformulation at the revisionist hands of Marshall and others before their ultimate acceptance as orthodox belief would come about. Marshall would provide the essential intellectual "bridge" allowing passage from one paradigm, classicism, to another, neoclassicism. Yet given the parallels existing between the nature of institutional and legislative reforms and the reformation in economic theory, a compelling possibility exists that the struggle for advantage among opposed classes was not without some importance in the context of this theoretical transition. For in sum, class interest and class affiliation may be seen as clearly through the veil of the political process in which its imperatives are worked out, as in the economic theories adopted as a means of rationalizing specific sets of class relations and their associated political

consequences.

Within the political process, one of the most active segments of the governing elite was that associated with the business community which came to political power beyond 1832. In parliament, this group found representation in Whig Liberals. Under such governance, the state was to show a defensive and belligerent political face in the wake of agitation arising out of the French Revolution, and stretching across the middle decades of the nineteenth century. Yet the defensive posture actually arose earlier, wherein the whole of the more privileged classes would realize the tendentious nature of the times. For strife occurring just across the English Channel was to leave its mark on Britain as well as France, and would be most noticeable in the reactionary mood of the privileged classes.

Workers, for their part, even while they were to some degree inspired by the successes of their Jacobin counterparts in France, were ultimately only as militant as they dared to be. Landowners and others of the traditional ruling class would, meanwhile, remain committed to retaining time-worn categories of privilege, and in this case the underclasses were subject to repression. Yet certainly among the traditional elite, this objective would be tempered by the recognition that, in their struggles with the rising class of capitalist manufacturers and industrial entrepreneurs seeking to oust this traditional nobility from their position at the head of the ruling elite, and no matter their title or position, they could not afford to alienate the working class too greatly. As such the position of the traditional ruling class was in some sense analogous to that of the working class on at least one basis: as concerns the prerogatives traditionally accorded them, they were only as committed to these as they could publicly and safely admit. In

such an environment, concessions won by laborers from either employers or from the elite as a whole were hard fought, and any privileges granted them would be extended only on the basis of practical political considerations. This was especially so given the enhanced position of employers beyond 1832.

Ricardo would speak as one with a vested interest in gaining political advantage through an appropriate presentation of his ideas; nevertheless this was not outside customary practice of the time. His logic was unabashedly in accord with the practical and political views of the “manufacturing” class. Jevons, on the other hand, while he could hardly avoid class affiliation, was much more “academic” in his presentation. Nevertheless both Jevons and Ricardo were to speak without censure of manufacturers, the process of capitalist employment and capitalist accumulation of wealth, and resulting disparities in resource and circumstance.

One at least one essential point, however, Jevons and Ricardo would differ. This was as concerns their overall understanding of the causes of value, and the incipient social relationship that this would imply existed with regard to employers and workers, and with respect to the respective financial returns accruing to each in the process of productive activity. Ricardo, in this context, understood the profit of the manufacturer to be opposed to the wages of the laborer in the sense that as wage costs rose in real terms, profit must fall. He was to ask: “can any point be more clearly established than that profits must fall, with a rise in wages” (Hutchison in Black, Coats and Goodwin eds. 1973, 115). Jevons was, to the contrary, to show that the market, which is at the base of all capitalist economic intercourse and certainly all of the processes Ricardo was to discuss, functions rather to the benefit of all concerned and does not yield an antagonistic wage-profit

relation as an inescapable consequence.

Nevertheless, Jevons was not blind to the fact that employers were not entirely blameless, tending periodically (as individuals rather than as a class) to inflict harm upon the laborer. For he understood that the market did obviously “fail” in certain circumstances, and as such Jevons recognized that the political necessity of intervention would exist. More largely, even so, Jevons and Ricardo were not to differ greatly in their views as to the beneficence or advisability of intervention; on this matter Jevons and Ricardo were opposed only to the extent that Ricardo espoused *laissez faire* as a general rule, while Jevons recognized that this general rule must be subject to well-placed interventions aimed at increasing “the greatest good of the greatest number.” Economic theory provided justification and rationalization of policy stances of both varieties, while Jevons included an additional variety of logical arguments pointing to the obvious occurrence of externalities that could not be handled except with fairly infrequent instances of intervention. In any event, economic theory would similarly be utilized by both Ricardo and Jevons as a primary justification of a noninterventionist stance, in which context both Ricardo and Jevons were at pains to describe the bases on which intervention was justified or necessary.

Across the whole of British society, opinions of intervention varied. Manufacturers were understandably antagonistic to industrial regulation. Nevertheless, they would be forced to accept regulatory oversight as a matter of political expediency. The same could be said of the ruling class, albeit for wholly different reasons. For with respect to the working class who were the ultimate beneficiaries of industrial regulation, the position of both the traditional governing elite and the middle classes was indeed very similar. It

was differentiated only with respect to the degree to which they would perhaps wish to avoid the empowerment of laborers. Yet we find that, given political expediency once again, even in this respect the attitudes of the two were often similar. Nevertheless across some period, by virtue of its institutional disempowerment, the middle class would, in its struggle against the traditional elite, be beholden to working class beneficiaries of industrial legislation to a much greater degree than would their noble counterparts. For the middle class would, ironically, require the assistance of the working class in gaining an expansion of the franchise.

Through manipulation of ideology and political events, at any rate, employers would eventually see the triumph of viewpoints and legislative action consistent with their best interests – economic, political and social. These would clearly dominate in the context of the larger processes taking place. Nevertheless as the century passed all segments of the ruling elite, traditional and capitalist alike, would be forced into a conciliatory regard for working class concerns, and in fact the result is unsurprising. It was the (albeit unwelcome) incorporation of relatively nonmilitant segments of the working class into the “body politic” of an overtly capitalist state.

Such institutional recognition of the political role of labor would occur in consonance with the wider achievement of the legal rights of labor unions to exist and bargain together collectively, and of workers to resist more unscrupulous wage demands by employers. The latter objectives were achieved through the courts even sooner than analogous privileges were accorded to the working class as individuals at the point that they were given the right to vote, moreover. Yet the winning of none of these categories of rights, however, should be taken as evidence of a softening towards labor on the part

of any segment of the ruling class. For prior to the death of Chartism in 1848, any conciliatory tendency was overshadowed by the reactionary suppression of working-class discontent. 1848 would nevertheless mark a decisive change in relation to the character of the labor movement for, in the words of one author (Cole 1952, 139), “Revolt had failed. Vainly had the workers kicked against the pricks of the new order, which was all the time steadily and swiftly growing in power.”

As always, yet another source of conflict remained effective in shaping the movement of legislative enactments. This was a struggle occurring within segments of the privileged classes. Indeed over time the importance of the interclass dynamic of political factions across these would not dampen, given that parallel categories of material privilege were spread across groups that were in fact composed of non-homogenous and conflicting elements ranging from traditional landowning and commercial interests (i.e., early merchant capitalists who had achieved wealth and perhaps landed status thereby decades of even centuries previously), to a newly-risen middle class made wealthy through the growth of capitalist manufacturing and all manner of similarly-constituted industry. Moreover, only the former, traditional elite composed of landowners, merchants and lenders, had garnered a grasp on power relatively early in the formation of the formal apparatus of the state. The other group had risen through the more recent phenomenon of industry, and was indeed not so fortunate as to have received institutionalized advantages. They remain, at more than one level, disenfranchised just as was all of the larger society.

This was a perpetual source of conflict. As the wealth of the capitalist entrepreneur grew, moreover, the efforts of manufacturers would be increasingly centered upon

gaining a right of franchise in order that their own political will could be effectively carried out, and their economic stake and financial fortunes so protected. In this situation, the traditional landowning and mercantile elite were made vulnerable so far as their monopoly on governance was concerned. On both sides of the matter, the working class was to become a useful political pawn.

On this count if no other, the privileged classes were bound to constrain their actions in line with the upholding of a superficial allegiance of interests with the working class. For the capitalist class, however, temporarily at least a special bond with the working class differentiated them from their politically more privileged counterparts. For both working and capitalist classes together had reason to struggle against traditional governance by a privileged elite. This fact indeed drew the two groups to one another on some limited bases. As fate would have it, this affinity was powerfully in favor of the ultimate subsuming of the working class with the voting populace. In effect, as such, all components of the privileged classes had necessarily to behave in a conciliatory fashion towards workers. This served to focus attention on the right of franchise.

The working class understood the state to be an instrument of power and oppression, yet over time they were increasingly willing to accept participation over desperation. For in truth, if the power of the state could be set aside, it would occur only by means of either a worker-led state, or a democracy in the truest sense of the word. In the event they did not achieve either, the laboring classes nevertheless wanted the ability to vote. Thus even while workers would for a time remain largely ideologically committed to a dismantling of a structure of institutionalized privilege weighing most harshly against them, in practical terms this implied either a dismantling of the state itself, or something

much more modest. Systemically speaking, the latter choice was to be the more expected outcome: on a variety of fronts, workers were practically bound to opt for less. For a dismantlement of the state, once arisen, was clearly unacceptable to all those deriving benefit from it, and having an advantage with regard to means of control and coercion.

Nevertheless two things were true. So long as oppositional sentiments were to be demonstrated widely among the working class, conciliation or conciliatory behavior on the part of the upper classes was necessary. However, all too frequently this became the victim of a need to suppress radical action (real or anticipated) on the part of workers, something especially so in the earlier half of the century. In the view of capitalist employers, on the contrary, the market itself was the best instrument for the taming of labor. Thus employers were content to allow most economic intercourse to be mediated by the competitive market. This called, on the whole, for nonintervention. However, the opposite was true when it came to allowing mass action by workers, or allowing workers to take some other element of control over the wage-bargaining process. Activity of either variety was deemed to be an unacceptable “restraint of trade.” A.L. Morton observes that:

From the earliest of times in which wage earners have existed as a class, they have formed associations to defend their interests and rights against their employers.... Such organisations were always liable to prosecution under the Common Law for conspiracy, or for acts “in restraint of trade....” (Morton 1979, 423)

At points when such action was not thought a menace to the system of social organization as a whole, worker combinations were left to exist without molestation. However:

The Industrial Revolution changed all this by making wider and more formidable combinations possible. When the industrial discontent was crossed with political Jacobinism, the ruling class was terrified into more drastic action.... (Morton 1979, 424)

Restrictions existing so late as the nineteenth century that were not so designed to block attempts at worker combination were of primary benefit to only one class: wealthy landowners and commercial traders taken together, i.e., the traditional governing elite. The latter class or mercantile traders, notably, had entered this class as “gentry” through the purchase of either titles, or seats in the House of Commons. Nevertheless, as such they were aware of the tenuous nature of their privileges: these did not have the sanction of a distant process of history by virtue of their having occurred in the rather recent memory of involved parties. Therefore, while rule by a traditional elite was to change across the course of the nineteenth century, political privileges extended to the working class across this period would remain limited to those practically necessary. The position of labor as allies to both segments of both middle and upper classes would indeed be limited by political considerations, and in all regards prerogatives were granted with the sole aim of ensuring stability.

Historically, the state had tended to be harsh in its repression of both workers and the poor, especially during more difficult economic periods. Indeed on this count even aristocratic “paternalism” on the part of the traditional landowning class never extended far enough to advance the interests of these vulnerable individuals exceedingly far. Moreover, while paternalist assistance sometimes did aid workers, almost of necessity such assistance was in direct opposition to the concerns of the middle class of petty manufacturers and capitalists, in which case the middle class (and successive Whig governments) sought to limit government interference in the market in most instances.

Mainstream classical economic theory had reference to this conflict. For instance Ricardo, at a general level, championed the manufacturer in his struggles with landowner

and worker alike. However, in the process he also painted an uncomfortably inharmonious vision of economic society. More harmonistic theoretical alternatives did exist, and provided a haven of ideological affinity for those who, similarly to Jevons, subscribed to a more beneficent view of economic reality. His ideas would be one means by which all members of society were to be educated as to the limited need for interference in the market against the unfettered action of industry.

Jevons' utility-based theory, for all that Jevons felt it to be scientifically free from partisan class interests of any variety, would become instrumental in allowing only selective restrictions on the action of capital to occur. In other words, it would be used toward the maintenance of *laissez faire* in the domestic sphere in the face of necessity of limited reform. Indeed concerning reform, impetus toward this would reside in the pervasive nature of the problem itself. It lies at the very heart of capitalist employment. Given this, the struggle between worker and employer would over time come to usurp the importance of any conflict occurring within segments of the privileged classes. The latter conflict was the result of a dwindling of feudal control against that inherent to the capitalist market. The other exists as an intrinsic component of capitalist social relations. In all applications, Jevons' model would constitute a ready justification of the merits of a free-market philosophy with regard to labor, the workplace, and capitalist intercourse generally.

The ultimately felicific basis of Jevons' model limited the varieties of intervention espoused by Jevons. Limited intervention was nevertheless fully consistent with the larger maxim of *laissez faire*. This was a notion attractive to industrialists and manufacturers as these sought to cast off antiquated restrictions of limited benefit, and

indeed Jevons was to “weigh” the notion similarly. Ricardo had advanced it in this fashion, for instance. Nevertheless in the case of Jevons, the cry of laissez faire was to admit only limited intervention not inconsistent with the larger purpose of smoothing the path of economic expansion and the progress of the capitalist market generally. The same could be said of Ricardo. Jevons’ admonitions of laissez faire were premised upon the assertion that the market was to be understood as rather felicitous in its outcomes. This quite logically allowed for the necessity of only limited intervention, in case where the market failed.

Economic policy would require justification in theory, and neither theory nor policy would be unconnected with the presence and domination of capitalist, market. The claim that fair and economically-warranted remuneration was received by all classes of economic participants was given primary emphasis by Jevons. The argument, advanced in his 1871 Theory of Political Economy, for instance, culminates in the contention that rising wages were not in fact in conflict with rising levels of profit. This was combined with a shift in theoretical perspectives away from the importance and exploitative nature of capitalist accumulation, and thus the usefulness of Jevonian marginal utility theory in the struggle to advance the interests of capitalist employers of labor in this regard is obvious. Given this, Jevons’ ideas were utilized for purposes of propaganda and influence. For from the employers’ point of view, economic policy that strengthened the institution of a competitive market was preferable to protective intervention designed to shield workers and the public from the unrestrained interplay of private interest. This would remain so in the case of wages. Yet some degree of public oversight was increasingly deemed to be necessary in the face of action by workers, and also their

aristocratic allies in parliament. A competitive market kept down the unreasonable demands of workers in all types of employment, in both rural and urban areas. Both segments of the governing classes were thus largely in agreement on this matter. Yet manufacturers had an interest in the market others perhaps did not. Their desire, apart from the preservation of their own particular interests, was ultimately to ensure both the survival of the market, and the system of capitalist, profit-seeking production as a whole. Expedience alone required their acceptance some degree of oversight, even while at a philosophical level broad commitment to the idea of laissez faire would remain.

Yet given the economic interest manufacturers had in the maintenance of a free market, some theoretical limit to the extent to which market activity was to be circumscribed must be offered in defense of laissez faire policies. Ricardian theory, center-piecing production rather than exchange, dealt with this via an assertion that labor received its value by virtue of the social and historical worth accorded its products. This would largely justify a noninterventionist stance. Yet it also might, at the same time, imply that laborers were in some sense entitled to the products of their labor, and as such that profit was generated by means of legalized extortion. This was an uncomfortable conclusion at best, and a damaging one in the hands of radical critics of capitalist production. Jevons' model was, in contrast, free of such uncomfortable outcomes at an obvious level. Jevons' model provided a demonstration of the beneficial effect of market interaction for all concerned. Partly as a result, it was to provide the logical basis for the "boundary lines" of laissez faire. These would allow the utmost latitude to employers; intervention was warranted only in the most egregious circumstances.

In his policy writings Jevons was clearly cognizant of both sides of the matter. He

was to advance the idea of laissez faire as being mediated by larger political or social concerns. His 1865 Coal Question provides an illustration of this point. In this, Jevons argues that while for the most part laissez faire is preferable to intervention, Britain's overall industrial supremacy and economically advantaged position in world trade and as a producer and manufacturer generally might depend upon the restriction of coal exports. It is notable that between 1850 and the appearance of Jevons' Theory of Political Economy, coal exports were to increase in value by a factor of five, while those of machinery were to increase only by a factor of four (Morton and Tate 1973, 101). The fear Jevons was to give voice to in his Coal Question was whether it was wise, forward-thinking policy, in the face of an ever-advancing use of coal domestically given growth in population and industry both, to allow the continued unrestricted export of coal. In some sense a "public" good was being utilized for the profit of private sellers, and in this respect the market might not provide a check adequately protective of the public interest.

Jevons' perspective in this regard is similar to arguments in support of tariffs on steel designed to preserve domestic production of this important strategic good, although such arguments go beyond those of Jevons in scope. A similar variety of "national security" argument is also offered in defense of advantages offered to domestic energy production, and to agricultural protection, although neither usually directly involves restrictions being placed on exports as in Jevons' treatment of Coal Question. The primary idea in all cases is that sometimes a higher practical or political need might "trump" an overall desire for laissez faire in economic terms. The key idea, and the idea that brought Jevons early fame unconnected with his more strictly theoretical work, was this idea of "selective" intervention. While the idea was not the necessary logical result of Jevons' abstract

model advanced in his Theory of Political Economy, it did meet with wide avenues of application.

Only in time was the value of Jevons' abstract model, in contrast, to be equally appreciated. This was not to occur until as late as the 1890s or even beyond. His policy writings such as those recommendations found in his Coal Question were to gain favorable and interested attention much earlier. With respect to coal, indeed Jevons had chosen a subject of great topical worth. Both natural resources and industries "so distinctly English and National" as iron would receive late protectionist consideration in regard to competition from abroad. In the latter regard, "A scare about foreign competition exploiting the failings of the British industry" spurred a series of letters published in *The Times* in late 1866 and early 1867. These gave voice to rising national anxiety "that whatever competitive advantage [England] still possessed was being eroded...." (Curthoys 2004, 67)

Ironically, "Ricardianism" offered sound justification for a noninterventionist stance, and in fact the maxim popularly associated with the Ricardian model can be characterized as "laissez faire," which in sum meant minimal government interference in the economy. Yet Ricardo was to develop this idea with respect to certain broad categories of historical privilege, the Corn Laws and Poor Laws in particular, and Ricardo's intent in this regard was not to advance the notion as a general directive. Ricardo was not to advance the notion even so generally as that other theorist so commonly associated with the notion of laissez faire, Adam Smith. Smith became known as a strong proponent of laissez faire in a general sense. He was, however, at least equally as concerned with showing that competition was preferable to the artificial erection or maintenance of monopoly and

privilege in commerce and trade. Smith found this to be of benefit to only one class in society, and to the detriment of others. It is true that on similar logical bases, economists since at least Adam Smith had generally cautioned governments toward such policies regardless of their ideological affiliation. In Cannan's view, even so, Smith was less a proponent of a specific class as much of a "nationalist" interest in his attempts to advance this idea:

The Wealth of Nations, which was the accepted authority when...Ricardo began to write, was, in the main, a scientific and not a practical treatise...instead of the cold philosopher, we find a patriotic citizen possessed of an ardent, not to say passionate, hatred of the sordid motives on which the mercantile system was based...[and thus] he was evidently determined to do what in him lay to bring about a partial, if not an entire, 'restoration' of freedom of trade.... He was an ex-professor of moral philosophy. He was a Scotch-man who had studied at Oxford. It would indeed have been surprising if such a man had...understood his task simply with the desire of adding to the bounds of knowledge.... (Cannan 1924, 103)

In Cannan's opinion Smith clearly was intent on defending free trade as a practical and important application of the notion of laissez faire, and in no sense was he doing so on the basis of narrow class interest. His work was rather nationalist in its orientation, and was thus indeed similar to Jevons' interest in penning The Coal Question. Moreover, as with Smith and Ricardo both, Jevons' work is indisputably consistent with a perspective not inimical to the free function of capital. In fact the writings of all three (Smith, Ricardo and Jevons) are characterized by an ideology consistent with a system of capitalist enterprise, and not in opposition to it. Such a system depends upon, not coincidentally, the free exchange of labor, an exchange guided only by an unmediated scramble among workers for economic rewards. Intervention, by unions or the government, is harmful to the benefits of competition accruing to capitalist employers.

Even so intervention was to be forced upon the governing classes. From the perspective of the ruling classes, however, the key necessity would be to delimit, philosophically and practically, the boundaries within which intervention was to be contained. There must be some limit drawn as to the extent to which legislation would support the interests of workers as against the whole of the governing elite (or an interest identified more subtly with the social whole), and their desire for a free market. Jevons was to achieve this in the context of a small number of pointed writings on policy.

In his Theory of Political Economy Jevons was to provide a firm theoretical basis for his stance in regard to policy, even so, he clearly warns the reader that he intended but to provide requisite scaffolding for a more general theory. It was not to be regarded as a policy treatise, or as constituting a generalized theoretical basis for any variety of policy. Even so it was in this latter regard that Jevonian theory could also, on the other hand, become an important ideological tool utilized quite knowingly by the ruling classes as a means of elucidating the benefits of capitalist employment, and a capitalist market and system of production and distribution generally. It could thus be used as a justification for various elements of policy.

Existing practices and structures would find fair reflection in Jevons, and it is thus unsurprising that his marginal utility model was over time to become the orthodox means of interpreting this system of economic interaction. This is even less surprising given the dissonance that had arisen between certain important Ricardian postulates and empirical reality. But of perhaps equal importance would be the fact Jevons was to provide a model consistent with the proposition that limited intervention alone is the key to prosperity within a system of market interaction, one that would, excepting for only

limited departures from this rule, produce optimal outcomes unaided by intervention.

In this context, it must be noted that the doctrine of laissez faire had long been put forward as a partisan defense of particular economic interests, and in such contexts it had acquired a range of more subtle emphases. In conjunction with the ideas of Bentham for instance, it was easily assumed that perfect freedom in all areas of economic activity could be expected to yield “the greatest happiness for the greatest number.” And in fact, this was one of the most important associations attaching itself to laissez faire economic prescriptions.

9.1 Laissez Faire and the Protection of Peoples

Ricardo had similarly found that prosperity was reducible to a small number of almost incontrovertible policy directives. Moreover his assertions in this direction were cloaked, much as would be Jevons’, in the stuff of science: Ricardo’s deductively well-formed model had the appearance of unassailable “reason,” however, perhaps even more so than did Jevons’. Despite this, the Ricardian model eventually fell into disrepute for its starkly political and highly controversial nature, for the way it was contradicted by material reality, and for its growing inapplicability to current policy concerns given the antiquated social epistemology it supposed.

By midcentury, all such problems were to coalesce into discontent with orthodox economic theory. Ricardo was, in essence, proven to have “unclean hands” in the fashioning of his model, while indeed Jevons would be luckier in this regard. Perhaps given the highly theoretical, relatively abstract manner in which he presented his propositions, and the appeal to inspired introspection as a means of validating his

economic propositions, Jevons was to escape such censure. Nevertheless, of perhaps even greater importance, so far as Jevons was concerned, was the underlying theory of value through which his ideas came to be presented. This did not seem to have overt class or political connotations, and was as such somewhat shielded from a whole variety of criticisms leveled so aptly at Ricardo.

Reaction against Ricardo did, herein, not center on a retreat from the notion of *laissez faire*. This would remain a central feature of orthodox policy recommendations. It would remain the logical outcome of Jevons' utilitarian, exchanged-based theory, even while the overall methodological justification of a *laissez faire* stance was to be quite different in the context of Jevons' marginal utility model. Disenchantment with Ricardian ideas had arisen out of social and political circumstances, and developments that increasingly brought the axiomatic underpinnings of Ricardo's labor theory of value into question. As the empirical truth of such assertions was called into question, their ultimate political basis as a means of establishing a politically-motivated argument became increasingly evident. Again, in this respect Jevons was to be much luckier.

As for the ultimate decline of classical theory, the status of both *laissez faire* and the labor theory of value were not unconnected with this. For Ricardo's policy prescription of *laissez faire* would prove dangerous, if only for its favoring of capitalist as above traditional landed and commercial wealth, and employers above the employed. Similarly, interpreted positively, Ricardo's labor theory of value indicated that laborers received as wages their "worth" as it had been incorporated in the product of their efforts, meaning the social average value of the labor embodied in that product. Conceptually, however, this notion bore hints of ideology, and indeed a desire to manipulate facts to the political

advantage of the capitalist class. Controversy would thus come to surround Ricardian theory, for its open association with manufacturers as against both workers and landowners. As Stigler notes (Stigler 1965, 342), for instance, “Ricardo eliminated rent from costs of production, which was not in keeping with popular views.” Ultimately discontent with the model would arise among academics, as well, for its starkly political nature. As notions of science and professionalism took hold, this would increasingly be the case. Neither, as such, would political inclusions be “in keeping with popular views.”

Thus while the notion of *laissez faire* became the watchword of a generation committed to the wisdom of Ricardo, the idea itself over time became suspect owing to the Ricardian school’s highly political use of it, especially in the former context of supporting the interests of the manufacturing class. As such Ricardian ideas were to be restated by others attempting to ameliorate their more uncomfortable endpoints, and were to remain influential far into the century. Cole explains that:

in the decade from 1820 to 1830 those who were in revolt against Capitalism naturally sought an economic doctrine with which to combat the orthodox political economy of the dominant classes. They seized up [the Ricardian Labor] theory of value and made it into a weapon against Capitalism. In their hands, the labour which is the source of all value became the productive labour of the wage-worker, and upon this theory was raised his claim to the appropriation of the product, and a repudiation of the claim of the capitalist to interest or profit. (Cole 1952, 56)

In addition to this element of “bad press,” much of the model’s usefulness had been surpassed with the repeal of the Corn Laws by midcentury (Kanth 1986). This was achieved through an appeal for *laissez faire* in regard to international trade. For on this count:

Of course, for the capitalists there was far more at stake in the Free Trade agitation than the mere repeal of the Corn Laws. They wanted fully as much the free importation of the raw materials of industry, the unfettered

carriage of goods overseas, the final removal of all restrictions on the course and organisation of trade. The repeal of the Navigation Acts in 1849 and 1854, the sweeping away of import duties in 1853 and 1860, the free development of capitalist organisation under the Companies Acts of 1855 and 1862, followed as logical sequels to the repeal of the Corn Laws in 1846. But it suited employers of labour best to wage their war first and foremost as a campaign against the Corn Laws; for on that issue alone could working-class support be ensured, and a great popular movement be built up. The repeal of the Corn Laws was the sign, as Friedrich List might have pointed out, of the capitalist coming-of-age; and among the gifts made to Capitalism on that auspicious occasion was the surrendered sword of the working-class movement. (Cole 1952, 142-143)

Another important motive in the refurbishing the Ricardian model was to receive across the century was the pressure economic circumstances themselves brought to bear on Ricardian theory and its associated policy recommendations. Over time it became evident that industrial legislation was necessary in some respects yet, as noted, Ricardian theory had not been fashioned to explicitly address this idea. Recognition of the fact was to grow in tandem with the prevalence of capitalist production in urban areas. For such activity was associated with the development of a set of social relations destructive of the traditional basis of support for the lower classes, and in these circumstances it was increasingly evident that laborers were at the mercy of employers in a way incompatible with peace and stability in the country at large.

Recognition of this particular exigency began to erupt as political contention over the issue of regulatory oversight of industry, of industrial communities and living conditions, and in a related manner working-class health, the sanitary conditions of working class communities. These issues were debated across the spectrum of viewpoints. "Market freedom," in the end, was not in the larger public interest even if it was in the interests of industry. For, simply put, it was not conducive to stability. As such markets would be subject to restraint by way of safeguarding the public interest, but in this case "the

public” could again be interpreted as the governing classes anxious to maintain stability and forestall a situation similar to that occurring in France within recent memory.

9.2 Intervention and Union Recognition

With the growth of industry and the throwing off of Mercantilist-era restrictions on external trade, the notion of market freedom would be of greatest use to employers. Employers had little to lose and much to gain in the implementation of laissez faire policies. For by such means workers were singularly disadvantaged, being practically at the mercy of both employers and the market generally. They were also intrinsically bereft of a store of resources to allow resistance to wage and other demands. In the event of improper treatment of a worker by an employer, the worker might look for employment elsewhere, or he might resort to public assistance. Neither choice was particularly preferable, as conditions were equally intolerable among all employers, and relief mandated by the Poor Laws was deliberately designed to be the least desirable alternative available. In sum, employers aggressively attempted to make certain that workers were kept at a disadvantage through the widest possible application of laissez faire.

By way of example, a law of contract was utilized by employers as a means of tying workers to unreasonable employment agreements. Moreover, this rendered the worker liable to imprisonment for a breach of a contract with the employer. Nevertheless, employers were not likewise bound by such rules excepting that they may be liable for a fine if they were similarly found to have breached a contract. Yet given the unsympathetic nature of public relief, even such conditions as these contracts were

largely preferable to “the dole.” The balance of power in such matters was thus weighted against workers, and employers were the primary beneficiaries of “free” enterprise.

Overall, then, the notion of laissez faire worked to disadvantage the worker. In its early phases in particular, the capitalist system offered workers little in the way of material or other protections, and any that were gained were obtained at great cost. Departures from this standard were discouraged, and understandably employers opposed industrial regulation and more generally interference in the workplace by any party for the purpose of regulating industry.

The working class, on the other hand, looked favorably upon intervention exerted by the state in their interest. Yet as early as the 1840s, a gentle social regard for the laboring class was at an end following a decade or more of economic difficulties, plus Chartist activities. Equanimity on the part of the newly empowered middleclass now began to harden without compassion as it was confronted by growing discontent among the lower orders stemming from worsening material circumstances. In this regard, workers found the going difficult as administrative resolve to “keep the peace” was indeed strengthened thereby. Yet in the end the common person was to find assistance in the failing aristocracy. For in bitter irony, to some extent the imperiled fortunes of each of the poor and the aristocracy, given the growth of industry, brought subject and ruler together on some occasions, and in this manner a “vertical alliance” between aristocratic landowners and workers came into being. This would force employers into a number of capitulatory gestures. It might be noted, however, that this was also the outcome of Tory efforts at utilizing to its own advantage reformist desires on the part of the laboring class. Largely for this reason, nevertheless, institutional developments favoring laborers would

accelerate through the thirties and forties. This was to establish the basis of a series of larger changes occurring as time went on. Such changes were calculated as much as conciliatory.

It was also true that comprehensive measures would generally meet with the negative force of the state, given the interests whereby it was constituted and given the admittance of the business class to the electorate. The fates of the Grand National Consolidated Trades Union (GNCTU) and its Chartist progenitor are each widely cited as evidence in this regard. Given the breadth of membership they encompassed, these organizations expressed revolutionary sentiments frightening to some members of the ruling class in what historian Christopher Hill has called this "the age of revolution." Even so neither was particularly successful in achieving its aims, perhaps because of the looming menace of the sheer numbers of workers they brought together. Yet their fate, like that of collectivism as a whole, would lead one to believe that these and similar organizations posed no real challenge to the apparatus of the state when this was combined with material circumstances ever conducive to greater conciliation and cooperation on the part of the working class.

On the other hand, however, agitation for reform on the part of the GNCTU, the Chartists and other working-class associations like these increased the likelihood that employers would be forced, by parliamentary action, to abandon more cruelly exploitative practices (Thomson [1950] 1981, 52-54). Indeed over time employers did find it necessary to accept some forms of outside intervention such as legally mandated supervision of working conditions. Mainstream opinion often depicts this as the outcome of a willingness on the part of employers to accede to the demands of workers.

Alternatively, it is believed to have occurred by virtue of a reduction of economic tensions that ultimately allowed such flexibility.

Trade Union activity serves to belie this image. This nevertheless offers an example of working class capitulation. Regarding political action on the part of workers, the British parliament would not have been likely to support collective efforts to influence matters of employment and commercial intercourse; this was its stance historically. However beyond the Napoleonic Wars there was little continued confidence in the accepted doctrine that trade unions were an unlawful restraint of trade. In pragmatic terms, the realization was to grow that the demands of the bulk of the population could not be forever stymied. In other words, workers could not forever be denied the right to collective action in some form or another. As Jevons notes, "A brief consideration of the history of the Combination Laws will show how hopeless is the attempt to prevent trade confederacies by direct prohibition." (Jevons [1882] 2002, 109) In this regard, it would be true that institutionally sanctioned activity (more conservative by its very nature) was less destructive socially than would be more radical alternatives.

Radical activities, especially when collective, could not exist without either public restraint or oversight. As the more viable alternative to forcible repression, provisions arose to accommodate the simple fact that workers would require organized outlets for their discontent. This would allow market activity to exist unimpeded, as discontent was constructively channeled. Radicalism would find its socially sanctioned home, in other words, in the realm of accepted political institutions. With the repeal of the Combination Laws prohibiting workers joining together for any action against their employers, 1824 saw the first step in this direction (Checkland 1983, 75). According to one set of authors:

The Combination Act of 1799, never easy to enforce, was repealed in 1824, and employers and employees alike were freed to organize as they pleased. The change sparked an epidemic of strikes and lockouts, which precipitated a new statute in 1825 that continued to permit combinations for the sole purpose of consulting upon and determining the rate of wages and prices. Such combinations were illegal if they involved violence, intimidation, molestation, or obstruction. Penalties were imposed on employees who used force against their employers or who coerced fellow workers to join a trade union. Under the law of 1825, such a union was not illegal, provided that it was voluntary and un-coercive, but its power to strike, picket, and to safeguard its funds was left in legal limbo. Most Members of Parliament wanted to establish what became a concept sacred to most Victorians, freedom of contract. By this process, an employee, without outside interference, might contract with his employer on any mutually acceptable terms. Neither the state nor the union but the law of supply and demand would determine the rate of wages. (Wilcox and Arnstein 2001, 317).

The House of Commons, in taking action to repeal the Laws of Combination, did not likely anticipate the effects it would have. The market was assumed to dominate entities that were to interfere with its functioning; thus it was thought that unions were less powerful than market forces. The passing away of these inflammatory historical strictures on labor was achieved; nevertheless, only due to the ongoing struggle for advantage occurring between opposed segments of the elite:

In 1824, [Francis] Place and others were able to push through Parliament a Bill repealing the Combination Laws, working so quickly that employers were hardly aware of what was being done. The next year the latter were able to get the repeal modified by an Act which, though it let the formal existence of Unions legal, made illegal almost every kind of activity they were likely to undertake. (Morton 1979, 426)

Between 1822 and 1824 Place collected eight volumes of statistics in support of this action. He believed that repeal would lead to the disappearance of trade unions, but was shocked to discover that one of the consequences was rapid growth in the trade union movement. But as Jevons was to note that “There soon followed that troublesome time

when trades unions were rampant and the Reform Bill immanent.” (Jevons [1882] 2002, 56) Until the defeat of the Chartist movement in 1848, trade unionism would moreover remain “revolutionary” in nature, engaging in violent opposition to capitalist employment. Any radical aspirations associated with the Chartist cause were fated to end in disillusionment (Cole 1952, 92-120), however, as unions and laborers generally were forced by material and political conditions both to accept an institutionalized as opposed to a revolutionary outlet for their discontent.

Nevertheless struggle was not to end with the death of Chartism. For some time beyond 1848, trade unionists, albeit largely unsuccessful, continued to pursue radical aims. With time, they were to pocket hopes of large-scale social revolution, turning greater attention to battling the more noxious oppressions inflicted upon them (Cole 1952, 169-196). In this respect it was, however, imperative that a legal recognition of unions was secured, and of course this meant that the state must be brought to offer statutory protection as regards the right of workers to combine together to affect wages and conditions of employment, as had been achieved with the repeal of the Combination Laws. Moreover, however, legal protection and recognition must be accorded their collective bodies.

Ultimately, this was to be the route by which such activity was brought under control of the state. This was an unforeseen consequence, however, of an altogether different motive: “The Trade Union movement...found itself engaged in a struggle for the legal right to exist and carry on its work....” (Cole 1950, 37) The state found the appropriate means in the legalization of worker combination, albeit with conditions attached ensuring that limits to this freedom would be clearly specified. Organizations representative of the

working class interest thus found recognition at the level of the state. Such entities allowed workers to bargain with employers without the immediate necessity of painful strikes. Moreover, given that strikes were painful to both sides, incentive existed on both sides to find a means of facilitating such activities. Thus even while unions may seem to have been accorded gentler treatment after the fall of Chartism, in reality these tended to meet with self-interested acquiescence in the forties and fifties, when economic difficulties brought tensions to a head and so increased the value of stability overall. Thus in practice what might be termed “capitulatory” gestures at the level of the state was not a consequence of employer weakness or capitulation. Indeed, employers had no material incentive to relinquish the upper hand in wage or related negotiations. Thus, in the words of G.D.H. Cole:

Revolt had failed. Vainly had the workers kicked against the pricks of the new order, which was all the time steadily and swiftly growing in power. Again and again they had tried to organize a separate movement of their own, founded on their own collective strength, and to enforce their will upon the country. (Cole 1952, 139; 141)

Cole goes on to note that “The early working class movements failed...because they were too weak and because the rising force of Capitalism was too strong.” Yet in profound irony, the market was to function best only with an accommodation of collective action. From an administrative standpoint, moreover, repeal had been achieved by way of a minor and highly practical concession. This was undertaken by the guardians of the interests of the state, without consultation of business interests already residing in parliament.

For in sum, difficult economic circumstances through the thirties, forties and fifties made both economic and political tensions acute, coming as they did on the heels of a

longer-term depression in wages. In these circumstances, the ruling strata in general saw that it was in their best interests to placate workers. By the end of the 1860s, as such, employment reforms began to appear that would affect many different industries. This political accommodation of the working class was however to occur in tandem, not uncoincidentally, with the growth of nonmilitant demands by the working class for political rights. The activities of the “London Working Men’s Association” present just such an example. In 1867 it was, for instance, to issue a proclamation stating that its object was “to procure the political enfranchisement of the workers and promote the social and general interests of the industrial classes.” (Cole 1950, 39)

Following the passage of the 1867 Parliamentary Reform Act giving a limited section of the working class a right to vote in parliamentary elections, factory legislation was systematically extended from textile industries outward. Yet it is not surprising that this movement toward addressing industrial mistreatment of workers should begin in this area (Cole 1952, 425), as textile manufacturing was one of the oldest forms of capitalist employment.¹ Even so, given the rising prosperity affecting landowning nobility and other owners of commercial and financial capital during the same period, workers as a whole gained little in relative terms. A trend toward ameliorative economic policy from the 1820s down to 1848 or shortly thereafter is nevertheless clearly established alongside a more general commitment to a relatively free market.

Unions would prove important in all such contexts. They would also become an increasingly important means of securing the franchise. Even so, the working class was

¹ Cole notes in addition that a downward trend in wages had particularly been in evidence in the textile industry. In such a situation, oversight would garner less discontent among employers.

successfully excluded from the franchise in 1832, and again during the Chartist campaigns. Nevertheless beyond this point trades unions would become important actors in gaining all categories of rights for the working class, most notably the franchise (Cole 1950, 27). In 1865, a conference of Trades Unions placed on the union agenda the notion of official support to the founding of a “National Reform League” designed to secure “Manhood Suffrage,” meaning “One Man One Vote.” (Cole 1950, 26-27) The possibility of accepting “Household Suffrage” as a second best was considered. However, in the end the League remained committed to the principle espoused by Chartists and accordingly made “One Man One Vote” its motto.

Parliament was, in any event, for a good many decades forward yet able to preside over the masses with no participatory concessions. Even so, other advantages were offered in exchange. Thereby, even given their relative exclusion from the political process, the working class gained was able to obtain something at the industrial level through trade union legislation and limited industrial regulation. However, this was so more by virtue of the threat workers, and especially collective, politically active bodies of these, posed to the stability of the process of employment and, indeed, greater society. This was the inherent threat of combination recognized long ago, and which had for so long held it from any variety of institutional legitimization.

Once the legitimacy of the principle of “union” was admitted, the problem for caretakers of the state became the setting of appropriate limits on workers’ collective activities even while allowing such action in principle. Even while the notion of *laissez faire* was in general inconsistent with the idea of such regulation, it was clearly necessary that the state admit to the overall legitimacy of union action if only to aid in the control of

such activities. This tension between the political possibilities inherent in worker combination and the economic need for laissez faire at a general level would in fact prove an important reason for change to occur as time went on. In essence, practical matters forced a juxtaposition of two antithetical ideas: that of unrestricted laissez faire, versus that of the state's responsibility to oversee both the conditions of labor and its activities, i.e., the necessity of intervention in selected contexts. This conflict went on to shape much of what was to occur between approximately 1830 through at least the early 1880s. And in fact, we find in Jevons' applied work ample evidence of the powerful nature of the imperatives attached to this simple recognition.

The emergence of a more inclusive political machinery and effective class-based political groupings succeeded in reducing the role of the state in the economy to the "smallest compass it was ever to have," in the words of Hill. The twenty-five years following the death of Chartism in 1848 would see Economic "Liberalism" (i.e., Classical Political Liberalism), as a philosophical, political and social movement, at its peak. This strengthening of the liberal ideas, however, was subject to two important counter tendencies. These were the necessary extension of the public provision of welfare of various sorts (financial, health, educational, safety etc.), plus the shaping of concessions to labor in terms of its right to organize against its employers.

Even Liberals would seek to keep both types of reform as minimal as possible, and yet both Whig and Tory governments alike would be forced into extensive involvement in public affairs such as these. As such, the middle part of the century was studded with the achievement of minimal provisions of a variety of items absolutely necessary in a market-based society, such as urban sanitation and the provision of education.

Nevertheless, the employer was to remain liable for nothing beyond a contracted-for payment of wages for time spent in paid employment.

The limitations inherent in capitalist employment brought with them, in essence, the strict political necessity of public provision of basic health care, education, and welfare payment or other support when employment could not be found. Measures such as these could seem incongruous with respect to the general creed of classical political liberalism, which aimed at throwing off or “liberating” society from the bonds of political restriction of private activities where these were in conflict with private interests. Classical political liberalism was, in truth, part of a larger rationalist critique of traditional institutions, and in general reflected a distrust of state power. Moreover intervention aimed at providing for even such basic needs did constitute intervention. As such, without an understanding of the means by which concessions were ultimately gained, such gestures would appear “ill-fitting” as regards the larger theoretical posturing seen in this era. Yet such advancement of working-class interests hardly seems anomalous when placed alongside the array of motivational factors calling them forth and influencing their shape.

Jevons was a strong proponent of such measures, and in fact his policy pronouncements fashioned along these lines are most likely to have enhanced the currency of his ideas during the period in which they were posed. This is not to say they were consciously advanced as such, even while Jevons did show evidence of some concern in this direction. At any rate, to later students of Jevons attempting to reconstruct the conditions of the acceptance of his theory, these issues would be less important than the Utilitarian basis of his ideas in combination with his methodological reliance on Marginalist techniques in substantiating his economic propositions.

Mark Blaug, for instance, holds that levels of labor unrest were not "sufficient" to create any sort of crisis in economic theory that might have led to interest in marginalism or any other alternative to classical Ricardian theory. He has found (Blaug 1987, 387) that, as such, labor unrest cannot assist in explaining the ultimate acceptance of the marginalist model. Yet clearly Jevons' applied work does show an affinity with the character of reforms taking place across the period in which his ideas were being formed, as does the early popularity of his ideas outside of academia. More importantly, however, the structure of Jevons' Theory of Political Economy as a whole, and the issues it addresses, each are fully commensurate with the primary material, and associated ideological and political struggles, taking place throughout this period of such momentous change.

CHAPTER 10

REFORM, LEGISLATION AND JEVONS: THE CHALLENGE OF MARGINALISM

It may be said that practical matters of economic policy were, across the whole of the nineteenth century, to be of special concern in two important areas. These were as regards the public provision of welfare, on the one hand, and the management of labor and collective activities of the working class more generally on the other. Both were more general aspects of the question of, to borrow a phrase from Jevons, “the state in relation to Labor.” This was indeed a timely issue. Yet Checkland notes that:

there was an important difference between the two. Welfare proceeded on many diverse fronts, each with its particular circumstances, whereas the concessions made to labour had to be governed by general rules, applicable to all. It is true that the judiciary...played its part by the interpretation of trade union statutes through case law, handing down verdicts in the particular cases presented to the courts. But these verdicts then became of general application; they gave meaning to the law where statute was ambiguous or silent. In this way the state presided over the contest over wages by setting its rules.

In a sense this was the most difficult of all problems for governments. For it raised the great issue of what posture the state should adopt, at one remove, toward the distribution of the national product, in particular the wages' share against profits and rents.... (Checkland, 1983, 127)

One outcome, Checkland notes, was that the concessions ultimately granted the laboring class were won only at great cost, for the price attached to the granting of these categories of concessions was intrinsically quite high. Even so:

the state found itself confronted with a series of challenges.... At each stage there would be a legislative struggle...employers, on their side, were not of course defenseless...but the trend was against them: the enormous advantage enjoyed by them over their workers...[was] subject to long term erosion...the story is thus of a fight - a long and real one.... (Checkland, 1983, 127)

Jevons, mild in sentiment and bold in theory, was to enter this struggle on the side of employers, upholding the wage contract so characteristic of capitalist production, and standing in support of the felicific stance of the French school of Say and Bastiat. Jevons, like Say and Bastiat, saw the system of economic interaction as it existed as being largely harmonious in its outcomes, and functioning for the best of all concerned. Nevertheless he, as the British public generally, would ultimately be forced by the brute nature of the material condition of the working class and their unscrupulous treatment at the hands of employers and society in general, to admit that the need for intervention in the market was, in certain circumstances, both necessary and desirable, if for no other reason than the maintenance of stability. This was the overall thrust of his 1882 State in Relation to Labour, a policy treatise aimed at confronting practical elements of the “problem” of the working class. It was to include such pieces as “Amusements of the People” wherein Jevons was to point out, in Victorian fashion, that public unruliness, drunkenness and other noncriminal yet socially unacceptable behavior on the part of the working class could be dealt with through the public provision of suitable diversions. For Francis Place a similar function was to be served by education¹. For Jevons, this would be found in parks, and community libraries. Left unspoken was the obvious prerequisite

¹Francis Place (1771-1854) played an active role in promoting public schooling as he believed it provided the best opportunity of "promoting the happiness of the rising generation." (Wallas 1898, 97) He hoped such measures might eradicate drunkenness, lax morals, bad manners and over population.

understanding that it would be in the interests of the larger community to take on such costs. The idea would be similar to a midnight basketball program targeting low-income inner-city youth. The benefits would, in other words, accrue to the general public in the form of a reduction in socially unacceptable activities.

Jevons was not alone in his recognition of a limited need for intervention into “private” matters of business conduct, and business contract. During the period he was writing, public sentiment was to take a number of turns corresponding to the political strength of important segments of the populace, and to the political battles waged between and among them. A.V. Dicey, chronicling the development of “opinion” in England across the nineteenth century (Dicey [1915] 1962), found it possible to identify three periods of time distinguishable in their ideological character, with each brought into being by the same forces urging both parliamentary reform efforts and economic theory forward. These broad movements of opinion substantiate, as such, the history and chronology of material, intellectual and institutional advance offered to this point.

Using Dicey’s categorization as a framework of analysis, we find that after the turn of the century and prior to the parliamentary reforms of 1832, public opinion was permeated by an attitude that may be described as “Legislative Quietism” or “Old Toryism.” A second period may in parallel fashion be termed “Benthamist” or, alternatively “Individualist,” and was in contrast shot through with the attitudes characteristic of a Whig political platform. A last and highly reactionary phase was to occur by the 1870s. This last period may be characterized as “Collectivist.” A rough dating of the three timeperiods corresponding to the aforementioned headings would place Quietism as existing between 1800 and 1830, Benthamism as occurring between 1832 and 1867 or

1870, and Collectivism as closing out the century and being seen from 1865 to roughly 1900. In the context of the last two periods, some overlap occurred which is, in itself, quite significant.

10.1 "Legislative Quietism" 1800-1830

This period, characterized by what may be termed "Quietism," was marked by an absence of legislative reform. It was a period of relative quiescence with respect to demands for positive reform, something especially so given the progress of the Napoleonic Wars in the earlier half of the period. It was to end, however, as the movement ultimately resulting in the parliamentary reforms of 1832 was to peak. Up to this point political and legislative change reflected, according to Dicey, "confidence and pride in the English constitution." Indeed this was soundly advanced by the ruling class of traditional "noble parliamentarians." On the other hand, the reforms that did take place bespoke the reactionary mood of the Tory comptrollers of parliament in the face of strong Jacobin or worker-led sentiments on the part of the underclasses. What laws were passed during this period of legislative quietism focused on the suppression of sedition, Jacobism and similarly revolutionary movements, agitation and reform, in summary.

The period might, however, equally be termed one of "Old Toryism," in which context it is useful to recall the historical origins of the term. By most accounts, the word "Tory" was applied toward the end of the seventeenth century to supporters of the future King James II. It denoted strong royalist sentiments along with support for the Church of England, and was both "Conformist," and highly respectful of traditional authority. During the same timeperiod and in a related manner, "Whig" was taken to refer to

Protestant opponents of the English Crown. Over time Whigs were associated with Non-Conformism, Mercantile, Industrial and Reformist interests.

Toryism was understandably highly conservative. The ideological identification of the group with conservatism was an outcome of the fact that it was associated with the traditional ruling class. In fact this political party was, in terms of its public affiliation, the political stronghold of the traditional ruling class. It was formed out of the governing elite who had long been in control of the political apparatus of the state. Of course through the period that such an ideology was to reign, parliament itself was to remain, as in times of old, in the hands of Tory landowners. In general terms, these were aristocrat members of the House of Lords who had long ago been accorded the right to substantial privilege alongside the monarch in ruling the nation.

By 1830, however, such privilege would have come under challenge. This assault on perhaps the most important category of traditional privilege was unsettling to those deeming themselves to have achieved this elite position as a matter of providence, birth, or substantial military service to the crown. As the historical companion to the monarch in affairs of state, moreover, they would feel the assault on their right of political control rather keenly. This would be especially so given the situation that had developed in France. Herein, the aristocracy was subject to physical attack as well as destruction of property and, finally, subtraction of all such privilege or even death. The level of anxiety experienced in this regard is evidenced by the quality of the measures passed during this period, many of which were Draconian in form and content both.

So far as the working class was concerned, their situation became worse as the period advanced, and the repression of discontent was sponsored by Whig and Tory alike. For

as the scope of industry and industrial wealth advanced, so also did the power of the capitalist middle class. As such the position of the old nobility became increasingly precarious, resulting in even more concerted efforts at restricting reformist aspirations. Thus workers could, on either front, expect little material assistance from the powerful.

Nevertheless, an early answer would be found in the alliance traditionally existing between upper and lower classes. This was indeed the source of the legislative “quietism” evidenced with regard to actions affecting the working class during preceding years. As this tactical association served to advance the interests of both nobility and the “under-classes” at once, moreover, this would ironically become a primary means by which reform ultimately was to be brought into being. In general, though, in exchange for allegiance to both Whig and Tory parties alike, the working class would be granted incentives by way of the reform of existing legislation.

Much of the reform that did occur, at any rate, was to benefit manufacturers. The Reform Act of 1832 stands out in this regard, as does the associated action altering the administration of towns and boroughs. The latter achievement came about with the passing of the Municipal Reform Act of 1835. In this regard, Morton has observed that:

The years after 1832 were spent by the Whig bourgeoisie...consolidating their positions at the expense of both the landowners and of the workers whom they had been forced to accept as allies during their struggle for the Reform Bill. Their first task was to extend the victory of 1832 into the sphere of local government. (Morton 1979, 394)

To wit, the Municipal Reform Act of 1835 was aimed at reorganizing the underlying basis of political representation in line with the Parliamentary Reform Act of 1832. It was “implementing” act. It was to institute borough councils elected by a narrow body that:

included all householders who had occupied the property for three years and had paid the poor rate. This was normally narrower than the parliamentary electorate created by the Reform Bill of 1832...but it was wide enough to let into the municipal electorate most of the wealthier merchants and industrialists of the large towns. (Thomson [1950] 1981, 73)

Therefore, among all events of the era, the Reform Act of 1832 stands out for its disproportionate importance in relation to its ultimate enfranchisement of the middle class. Truly, this was to signal the start of a new era.

10.2 Benthamist Individualism and Legislative Enactment, 1832-1870

A movement toward policies more consistent with Benthamist Individualism was associated with the establishment of the institutionalized right of franchise for the (primarily industrial) middle class, as this provided a solid electoral basis for Whig domination of the lower house. The individualist ethic at the core of Benthamist thinking could thus be utilized in the service of the capitalist class, as it sought to strip away protections and restraints on commerce, trade, and productive activity. 1832 thus marks, with respect to the character of “opinion” and legislation, a movement toward the favoring of individualist legislation. Herein, indeed we find the term “Benthamism” being advanced fairly synonymously with Individualism, in that the former idea of “the greatest happiness for the greatest number” was to be found in the of one's own self-interest. Given that individualism is a corollary of attitudes consistent with effective functioning of the market (i.e., maximization) as well, it is not surprising that a move in this direction should have accompanied the achievement of institutionalized power by the budding class of industrial elite.

The period lasting 1830 to 1841 was indeed a period of Whig domination of

Parliament, and it was during this period that the reforms of 1832 were passed. The Liberal party was to originate within this time as well, and in fact it was to grow out of the Whig party. Liberals, like Whigs, were backed by men of industry and associated individuals, and in fact most of this period would see Whig/Liberal domination of the offices of government. As would thus be expected, legislation across the period was largely governed by a body of thought connected with the ideas of Jeremy Bentham, the founding father of English Utilitarianism. Bentham put into use the slogan “the greatest good for the greatest number,” and certainly this is an apt summarization of the underlying aim of this body of thought. In economic terms, Benthamism was clearly associated with the idea of “laissez faire,” so much so that when laissez faire was put forward as a policy imperative it was somewhat of a catch-phrase for Benthamist maxims. In parallel fashion, Whig/Liberal political programs were to focus on individual social and religious liberty, free trade, and the principle of laissez faire. At a historical level, in truth, the Benthamist movement had rather consistently been aimed at legal reform brushing aside restraints on either individual choice or energy. The belief existed that this was naturally the best way to maximize the happiness of all concerned. In addition, consistently with its rationalist origins, this philosophy was adverse to the survival of historical social anomalies placing restraints on individualist freedoms.

Such an individualist philosophy was to the benefit of the rising middle class, initially the "nouveaux riche" of the commercial, and later the manufacturing, class. It would eventually be taken up by manufacturers and industrial capitalist entrepreneurs, wherein collectivist aims harkening back to feudal values would actively be put aside in favor of the companion lures of gain, profit and pecuniary interest. Not coincidentally, activities

oriented in this direction, just as commerce generally, demand freedom of contract. Free will of this sort is almost necessarily opposed to older notions of fealty, loyalty and restricted rights of association and activity among individuals and groups.

The better part of legislation enacted during this period may thus be described as mindful of individualist freedoms. It was also antagonistic to traditional collective values more protective to the working class. As such, reforms taking place during this period were often explicitly structured around these aims. These efforts would, moreover, be companion to a larger effort to garner political power for the Whig middle class, which was assumed to be that class most likely to identify its interests with the interests of the many. In this regard, to the Whig mind the best protection for the liberties of the country was the existence of a powerful elite who were not dependent on the favor of the monarch, as were Tory aristocrats. In fact the interests of the "nation" lay in wealth and property. In a related manner, as such, a tendency toward the extension and legal protection of individual liberty was also in evidence. Additionally, however, humanitarian action, or charity given by individual choice rather than as a function of the apparatus of the state as in the manner of the Poor Laws, was to be given a heightened priority. This was a conscious effort to distance the state from the older means of provision for the poor.

Practical realities of the day brought notions of both the liberty and equality to the fore. However, so far as they were to influence political change they were mainly construed on a class-wise rather than an individual basis. This was particularly so in the earlier part of the century. As the notion of equality was advanced, as such, in character it was constrained by practical realities necessitating a choice between the liberties of

broad groups as a means of achieving “greatest happiness.” Therein, the rights of the common man, with these rights being the least protected at a parliamentary or any other level, were not deemed to be of high social value when juxtaposed against the interests of the business community, that great “engine of prosperity.” Workers would be the last members of British society to achieve the franchise as well as any other effective means of institutionalized political ability, for instance, and their political fortunes would be reflective of this fact. In addition, the middle class of manufacturers and industrialists newly empowered as a result of the 1832 Reform Act would utilize their position to achieve only such reform as was consistent with either purely commercial interests, or with the conjoint aim of quieting discontent. In this period, in consequence, actions of a democratic nature were not favored, and workers were to have no part in the governance of the nation for roughly another three decades beyond this initial point of transition.

The principal character of legislative enactments occurring during this period was one which sought a curtailment of the power of the landed gentry, and to the associated transference of some portion of effective political or institutionalized authority into the hands of the middle classes. These could, however, only be considered “democratic” to the extent that they were identified with a widening of the franchise. Thus the movement of legislation in such a direction was not democratic in its intent.

“Democracy” as a broad political ideal was not achieved by means of the electoral reforms taking place in 1832, just as it was not the intent of similar legislation previous to this. Income strictures placed upon possible enfranchisement across all the centuries in which parliament existed demonstrate this adequately. The Reforms of 1832 limited the electorate to those renting or otherwise having a possession of a home commanding at

least ten £ per year rental value. In the words of David Thomson:

The essence of the movements for parliamentary reform in the first generation of the nineteenth century was the claim of new forms of wealth – manufacturing and commercial – to assert their place alongside landed property as the basis of social prestige and political power. (Thomson, 1978, 57)

The restriction of voting rights by way of “Property” supports Thomson’s description. Given this, writers have commonly acknowledged that little scope exists for holding that the 1832 Parliamentary Reform Act was either coincident with or occasioned by the aims of more broad-based democracy. Indeed the antidemocratic nature of this action can in fact be seen equally in the debates which took place in Parliament on the eve of its passing. Lord Brougham, Lord Chancellor from 1830 to 1834 in Lord Grey’s Whig government, spoke scathingly of “the mob.” In addition, he was to openly identify “the people” with the middle classes:

If there is a mob, there is the people also. I speak now of the middle classes - of those hundreds of thousands of respectable persons - the most numerous, and by far the most wealthy order in the community; for if all your lordships’ castles, manors...all your broad acres, were...sold...the price would fly up and kick the beam when counterpoised by the vast and solid riches of those middle classes, who are also the genuine depositories of sober, rational, intelligent, and honest English feeling. (Dicey [1915] 1962, 185-186)

Brougham went on to clarify matters more fully, moreover, by saying that “By people, I repeat, I mean the middle classes, the wealth and intelligence of the country, the glory of the British name.” Thus in keeping with such sentiments, when a Whig speaker such as Sir Charles Fox, leader of parliamentary opposition to the younger Pitt, spoke of liberty, in sum, he did not mean either democracy, or equal political rights for all classes in society. He spoke instead of a restriction of the power of the crown over parliament, meaning “liberty” from unwarranted control by the crown. Parliament was not either

representative of or accountable to the people as a whole, as it remained dominated by the elite: the aristocracy and gentry, and the richer middle class.

Power was eventually to change hands in consonance with the growing influence of business interests, and dawning sympathy for the political views of this important segment of society; it would continue to expand in the interest of political stability over time. This was to occur in the interest, in other words, of social harmony. In 1832, power would be usurped in an institutionally sanctioned manner, as such, by those who already held this in a de facto manner by virtue of their material effectiveness. Indeed for many decades thereafter, as would be expected, few concessions to the rights of labor would be granted subsequent to the victory of the middle class in 1832. What capitulations were eventually wrested from government, moreover, would not be generously framed; these would be accomplished inconsonance with the priorities specified.

Thus trade unionism and collectivist activities on the part of labor generally received particularly harsh treatment. This, however, was only not so at points when dealing with such activities more strongly would have appeared to infringe too greatly upon individual liberties. In this respect 1834 presents a case in point. In this year, Robert Owen was to found the Grand National Consolidated Trades Union (GNCTU), bringing together workers of many different industrial specializations. Equally, the aforementioned reform of the Poor Laws was passed. Nevertheless, six Dorsetshire workers attempting to form a union were prosecuted and convicted under a 1797 act forbidding the taking of illegal oaths of combination. As they were sentenced to seven years in the penal colonies of Australia, the punishment of these six "Tolpuddle Martyrs" reflected the determination of

the governing classes to use available weapons in the suppression of unionism, and conjoint action by laborers generally. This measure was justified by the assertion that unions were a curtailment of workmen's rights to choose their employment and the conditions of it (Cole 1950, 17-18; 1952, 86). In sum, the absolute right of contract and thus the workings of the market would be given preference over protection of the laborer's right to resist an employer's demands.

The working class, through this period, had but limited ability to either resist or rebel. As a group, laborers would be denied the right to participate in government by voting in parliamentary and borough elections prior to 1867. This was so even while prior to the 1832 reforms, the working class had lobbied strongly for an extension of the franchise. They would join with the Whigs in seeking such reforms, and would be active in their passing. Nevertheless laborers were, in sum, to be sorely disappointed in their aspirations for, unlike the rising capitalist class, they lacked the economic power to achieve their political aims. What capacity to affect change that they did have would reside in their ability to interrupt the process of capitalist production on a large scale, through the consolidated action of unions as in the case of the GNCTU.

Even so, the experience of the working class in the decades following the 1832 reforms was to demonstrate the political might of the capitalist middle class. After 1832 "Benthamite Liberalism" became the ideology of this important segment of the governing class, and its liberal creed was used to advance the ends of employers as against the employed. Benthamism was of greatest appeal to the prospering middle class, and in fact "Economic Liberalism" itself represented the interests of this class singularly well. Regarding the birth of liberalism in England, Sabine has said:

More influential than any other theoretical consideration...were no doubt the changes in the outlook of the commercial and industrial middle class as its position of influence became more assured. This class everywhere formed the spearhead of liberal political reform in the nineteenth century, and the trend of industrial and commercial development made the expansion of its political power a forgone conclusion. Correspondingly, the influence of the landed gentry was relatively declining.... It is thus a gross exaggeration to say...that the ideals of constitutional government and personal liberty represented nothing but the interests of the middle class. It is a fact, however, that in the beginning this class was the main spokesman for these ideals and it is also a fact that the social position of this class made it progressively less revolutionary in its outlook and methods. (Sabine 1960, 670-671)

At an ideological level, the rising class of manufacturers and industrialists believed the systematic removal of impediments to individual freedom would allow individual energies and abilities for private initiative to flow forth. Sabine, in this regard, has noted the clear manner in which this particular political perspective was related to the real relational circumstances of this industrial and commercial middle class, and how directly its political influence was occasioned by its economic ability. The outcome was a drive for institutional reform in line with the interests of this class:

It was also true that as time went on that liberal political reform passed more and more out of the region of ideology and into that of institutional reconstruction. The modernizing of administration, the improvement of legal procedure, the reorganization of the courts, the creation of sanitary codes and factory inspection – all characteristic of liberal reforms – were effected not by revolutionary enthusiasm, but by hard matter-of-fact researching and careful legislation. (Sabine 1960, 671)

The search for a prescription for what ailed the nation, meaning that state that was in fact the bread and butter of the middle classes, was to yield the philosophy of laissez faire. In this regard, the liberal, individualist principles associated with the political philosophy of Whig liberalism were used consistently to defend the proposition. Liberalism, individualism and laissez faire indeed constituted the middle class “creed,” albeit in the

softest sense of the word. According to historian David Thomson:

Broadly, the substance of Liberalism in home policy was still laissez-faire in economic life, involving low taxation, the piecemeal improvement of social conditions without radical overhaul, and the encouragement of private charity and voluntary association as the best remedies for surviving evils. (Thomson [1950] 1981, 125)

At a general level, a most important component of such liberalism was its tendency to restrain state action in the workplace on the behalf of labor, the enemy of the middle class. For, while Liberals in control of parliament were forced to accede to guarantees of the health, safety and fair treatment of the working class, government was not generally inclined to move concomitantly to restrict the conduct of employers in a substantive fashion. Liberal views were evidently not to be preferred by the underclasses, which favored official intervention on their own behalf.

The traditional ruling class, and Tory comptrollers of the state in particular, were however not attracted to the liberal creed. The traditional upper classes, the nobility and the "gentry," were both heirs to and guardians of traditional, feudal values wherein they had been accorded the God given duty of protecting their "underlings." Their claim to social position drew legitimacy from this fact, and it was to constitute the ideological cement that had held them in this place of privilege for so long. For traditionally, the upper classes were not just "Lords," they were the Lords of the people, and as such, the idea of noblesse oblige was ideologically very much a part of their thought and public face. The "Tory" or Conservative political party favored by this group was as such also highly conservative in its attitudes, being convinced of the need to preserve the social order as it was. The protections offered by conservatives to the lower classes were not merely practical in character: they were ideological as well. Tory ideology would thus

favor not Benthamite Liberalism, and not Individualism, certainly, nor laissez faire.

Rather, Tory opinion was firmly in the camp of beneficent state intervention on behalf of the common man (i.e., the "commoners" of old).

Liberalism was opposed to this stance. A case in point would again be as regards the Poor Laws, outlining the provision of aid to destitute individuals and families. The older laws were to originate in the Elizabethan period. They were updated twice in the early part of the nineteenth century (in 1834 and 1847) in an attempt at providing a guaranteed standard of existence in the face of entrenched poverty among certain segments of the population, and perhaps most of the working class as a whole. In addition, parish provision for the able-bodied poor had existed since 1597. Nevertheless the first and most comprehensive written stipulation was the Poor Law of 1601 enacted during the reign of Elizabeth I, which would be revised in the context of the Gilbert Act of 1782, the George Rose Act of 1793, and the Speenhamland Declaration of the Magistracy of Berkshire of 1795. The last, "Speenhamland Declaration of the Magistracy of Berkshire," sanctioned the provision of "out-door" relief and affirmed the right of the poor to a socially guaranteed subsistence without recourse to traditional workhouse-type prisons (Mantoux 1961, 435). The New Poor Law of 1834 enacted by the Whig-controlled government coming into power after 1832, even so, was similar to earlier enactments in that it provided again for the curtailment of "outdoor" relief: "Bastilles," or debtors' prisons, would replace out-door relief.

The New Poor Law of 1834 also ensured the application of the principle of "less-eligibility," whereby the condition of the best-off inmates would be significantly inferior to that of the worst-paid employed workers. Moreover, in stipulating that outdoor relief

should be discontinued for the able-bodied poor and their families, except with regard to medical relief and the apprenticeship of children (Thomson [1950] 1981, 18; 78-79), the act worsened the material position of the poor even while it was aimed primarily at the able-bodied. As Checkland notes:

The poor law after 1834 has been taken by some scholars as exemplifying in a classic manner the basic class-relations in England, and the way in which they affected public policy.... [The Act of 1834] did indeed have a class aspect, namely that labourers as a group, when they could not support themselves and their families, were to be subsidized only to the minimal degree consistent with their survival, thus placing them under a discipline by a state in which they had no part. (Checkland 1983, 127)

Liberal reform, as in this case, was thus often deficient in significant regards; it was essentially designed to meet the needs of the Liberal or Whig interest. Moreover, not least among the failings of such enactments would be as regards the economic provision for the poor. For in essence liberal beliefs were as opposed to ameliorative reform as they were committed to absolute freedom of contract. This exposed the disadvantaged to exploitation of many varieties, with material advancement being the victim of differentials in power, wealth and history.

10.3 Collectivism, 1865-1900

In contrast, Tory “Collectivism” would, in contradistinction to both Benthamism and even old Toryism, hold that it was the state’s vested responsibility to provide for those whom “Providence” had not. This was so by virtue of the state's sovereign responsibility for looking after the whole body, or “corpus,” of the nation. As a result of the 1867 reforms, both Labour and the traditionally Tory nobility would coexist in the houses of Parliament along with the predominantly Whig “middle class.” The Tory elite, given

their electoral dependence upon a newly-enfranchised mass of skilled laborers not inclined to favor Whig policy, would understandably evince a new regard for collectivist engagement of the state apparatus for the betterment of the working people. As such 1867 marks the beginning of the period associated with the political philosophy of collectivism.

For a period, even so, collectivist sentiments would coexist along with the philosophy of Benthamist Individualism. However, public sentiment as well as official opinion was over time increasingly to turn toward a cautious collectivist regard for ameliorative legislation. Stretching from around 1865 until the turn of the century, as such, legislation and reform generally were nevertheless characterized by a new appreciation of collectivist aims, something seen in both social and political action. Nevertheless activity on both fronts would be tempered by the practical realities of maintaining the structure of political and economic power as it was, against substantive encroachment from below. Moreover, greater notions of conciliation and cooperation growing within the laboring class assisted in bringing forth the change in public attitudes.

Collectivist sentiment was, though, more clearly a response to the might with which the system of industrial capitalism made itself known in the lives of the people. The economic system, once fully marketized and “capitalist” in its functioning, was a system that by its very nature swept aside traditional supports, traditional society, and the traditionally paternalist ruling elite. In the end the systemic character of social interaction would, along with the class system that was its necessary corollary, destroy traditional social “providence.” This would be replaced by the social imperative of a pervasive system of markets controlled by a capitalist-minded elite whose power rested upon the

complete subsuming of all society within the bounds of this market. To this end, social provision of “welfare” outside of the market and thus outside the necessity of employment was understood as undermining the incentive to work.

Thus the reformist sentiments existing in this period, given its overall context, did not proceed far along the lines of substantive ameliorative reform. For what may be termed the “New Toryism” of this period constituted a romanticist reaction to the ceding of institutionalized political ability to a class whose interests would in a cumulative fashion overwhelm the weak and powerless. This would nevertheless occur unavoidably, by virtue of the control of the material processes connected with production, employment and accumulation.

By 1871, one of the first economists of the neoclassical school, young William Stanley Jevons of Owens College in Manchester, England, would gain publication of his Theory of Political Economy. The work would be introduced to a nation wherein pointed legislation had brought into being salient improvements in the lives of most segments of the working class. Nevertheless this was to occur only as was strictly necessary and as was consistent with the joint concerns of all segments of the prospering classes with, firstly, the aim of stability, and secondly with the political need in existence for both political parties for the political support of the working class. Working class concerns would thus be addressed in an “as necessary” fashion, without a wider or more committed setting aside of the notion of laissez faire as it was advanced both by Jevons, and his predecessors in the mainstream tradition of economics.

Reforms which did occur would be related to the social and economic character of the system of capitalist production, and in fact theory would be adopted in a post hoc fashion

giving recognition to the necessity of such action. Yet the action itself would essentially be connected to the efforts on the part of opposing, well defined social groups to retain what privileges they had garnered through time, or to expand their particular prerogatives accordingly to material ability. Indeed, the concern Jevons espoused regarding the problems posed by the working class fit well with the ideological mood of the era, as such. This was, moreover, consistent with the limited extent of this variety of considerations. Indeed in Jevons' focus on the relation of wages to profit and thus capital, he can be said to have built his analysis around one of the most defining and politically important issues of the day. This would be so even while his motivation was academic, and in the category of a personal intellectual response to the inadequacies of the "mazy and preposterous thinking" of David Ricardo.

Yet Jevons was no critic of the classical presupposition of the ultimate harmonious nature of economic intercourse as a whole. Quite the opposite was true, in fact. Jevons' incipient "reformism" was rather based on the notion that, in the end, problems of this character did not result from the power differential among social and/or productive classes. These were, for Jevons, rather the result of isolated incidents wherein the market was unable to properly restrain or "channel" the exercise of private interests. His prescriptions were accordingly conservative in essence, and fairly uncritical of the system of capitalist employment itself.

An alternative, more critical view might have led to much more collectivist conclusions than the ones Jevons felt were justified, and certainly he was not ideologically inclined in this direction. Jevons did not condemn the motives of the commercial and manufacturing and similar classes. Indeed, he believed that "all classes

of society are trade unionists at heart, and differ chiefly in the boldness, ability and secrecy with which they push their respective interests.” Jevons was thus convinced that, while selective interventions were necessary to put aright some of the more egregious problems associated with atypical instances wherein the market in some sense "malfunctions," overall it was not wise to impose more far-reaching solutions.

Parliament was similarly inclined to pass legislation favorable to working class interests in the limited senses already defined. Importantly, however, the middle class did retain the political ability to either veto or effect changes in items of legislation as necessary. The working class, even with the vote, would remain relatively disadvantaged in this regard by virtue of a material vulnerability affecting neither of the other two classes, in addition to their relative degree of disenfranchisement. Thus while measures broadly supportive of a working-class interest were initiated beyond the conclusion of the 1867 reforms, these remained consistent with the unimpeded function of the market system. Moreover, these did not tend to be motivated by a more humanistic intent to ameliorate the harshness of the market, nor of industrial employment as a whole.

By way of example, we might look at the quality of educational reforms taking place in this period. With the passing of the Education Act in 1870, for instance, a critical point of transition (Cole 1950, 8) was reached. Until this point, education had been accomplished primarily through the assistance of church-sponsored societies. Only a small number of public schools were in existence. Purely economic factors precluded most lower class children from attending school, including the fact that many schools required fees that, even when minimal, served to exclude many from participation. It was also common for children to work in support of their families, further limiting their

ability to engage in even minimal education.

The Forster Act grew out of a perception (Stephens 1998), that Britain must remain competitive in the world by being at the forefront of manufacture and improvement. Nevertheless, there were objections to the concept of universal education. Some were hostile to the idea of mass education. They feared that it would be all too educational, perhaps spurring revolt against powers that be by a thinking citizenry. On the other side, opinions also existed that the education of children by a central authority might lead to indoctrination. Religious leaders were often loath, moreover, to give education over to secular authorities. These received state funding to provide education for the poor, significantly, and did not wish to lose this right.

The 1870 Education Act altered many of these facts by requiring the creation of local school boards charged with the establishment of public schools. These would supplement church-based system of schools, and thereby it was hoped that by 1880 mandatory attendance of all children between the ages of five and ten could be instituted.

Even while not all of the goals of the legislation were met, such actions clearly signaled an important ideological shift. Yet even such reform as this was tainted by the self-serving aims of a middle class who understood it to be necessary for all children, even those of the working class, to gain a minimal education. These individuals were consequently more valuable in economic terms, thereby having a broader range of skills. They also were less prone to see it necessary to survive on either public assistance or crime.

Thus even so early as 1868, it tended to be the case that unions would be organized along less militant lines (Cole 1952, 174) than had heretofore been the case. In time, as

such, these newly-peaceable organizations came to be called "New Model Unions." The name was indeed taken from the 1851 Amalgamated Society of Engineers, a body that had remained committed to principles of positive rather than radical means of reform. When formed similarly, a union was to restrict itself to aims which were practicable, meaning it was not to crusade against capitalist employment, for instance. The union was additionally to commit itself to sound principles of leadership and organization. Similarly to the Amalgamated Society of Engineers, these "New Model Unions" encompassed characters of both trade and friendly societies. Unions were organizations through which workers could express discontent and act to affect wages and working conditions. Friendly societies, in contrast, were engaged in the extension of various sorts of social and otherwise nonwage related benefits to workmen, such as unemployment compensation and emergency or health assistance. New Model Unions combined both features.

Importantly, even while they were intended to dampen some of the more damaging aspects of capitalist employment by providing unemployment compensation, health insurance and similar benefits, these "New Model Unions" tended to accept the structure of capitalist society and to work within it. In essence they were attempting not the reform of society or of the capitalist process of employment and ownership; their aim was rather to ameliorate the effects of such from within. To the extent that they attempted to influence the conditions of employment, they did so through more gentle and socially acceptable types of pressure. Moreover, even while such unions continued to work hard to achieve their aims, their objectives were more carefully sought, as were the methods they utilized in effecting reform. The state, for its part, commissioned a substantial

review of evidence regarding unions 1867,² partly in response to the problems at Sheffield.

Called the “Royal Commission on Trade Unions,” this would ultimately decide in favor of the decriminalization of collective activity. Evidence of the government’s view of this matter remains in a confidential memorandum on trade unions prepared by the Home Office Counsel, Henry Thring. He noted (Curthoys 2004, 74-83) that it was hopeless to expect “the extinction or repression of trade unions,” in which case he felt that their extra-legal status tended to contribute to their objectionable characteristics (Curthoys 2004, 74-83). Equally, Home Office Counsel Sir Godfrey Lushington hoped (Curthoys 2004, 137) that “by giving unions a recognized legal standing, contests between employers and workers would be reduced to simple industrial disputes...and would cease to be class feuds.”

Hereby, legislative and judicial policy began to lean toward the prescription of appropriate limits on collective activity and organizations, and toward the integration of these into the larger framework of civil society. Mostly as a result, after 1867 a number of issues were clarified, both legislatively and judicially, with regard to the role unions could rightfully play both in respect to their own members, and with respect to the state or public more generally. For instance, in 1867, in the case of *Hornby v. Close*, the courts had ruled that trade unions’ members were not legally protected from actions undertaken by their willingly appointed overseers, even when these actions were

²The “Erle Commission,” or Royal Commission on Labor Unions receive the duty of studying this matter, in which context Sir William Erle, Chairman of the Royal Commission, began work on his Memorandum on the Law Relating to Trade Unions. This encompassed a reconsideration of judicial and legislative attitudes toward unions 1832-1867.

themselves illegal. Whereas it had long been a common practice among unions to protect their funds via the Friendly Societies Act of 1855 which served to safeguard such funds from default by local officials, the effect of Hornby and Close was to delete such protection (Cole, 1950, 33-35), although the feeling was (Curthoys 2004, 69) that Common Law remedies could still be pursued.³ Nevertheless this anomaly was to be addressed through legislative action which gave unions themselves statutory identity with defined rights, as well as specified limitations, the most important of which was that they would act within the law so far as “obstruction” and “molestation” were concerned. In fact, prior to 1867 unions had resisted official recognition fearing this, although official scrutiny of their finances, they realized, could also lead to their forced closure in the event of insolvency.

Equity, as legislative authorities clearly realized, brought a certain degree of circumspection to union activities. On the other side of the matter, the advantages of institutional recognition of union activity were eventually evidently to outweigh its costs, judging from the trends visible in union activity prior to legalization. As resistance failed, as such, an important impediment to union activity was removed. Moreover, in a parallel fashion individual workmen were also to receive greater protection. For instance, in 1867 the Master and Servant Laws would be revised to admit greater equality under the law. However in this context the means of its achievement was actually as important as the act itself. For while since Tudor times it had been true that an employer who broke

³This was the opinion expressed in the Commonwealth, published by the London Trades Council February 02, 1867. Curthoys offers additional evidence including the opinion of Sir Robert Lush, a member of the Court responsible for the issuance of the Hornby v. Close decision.

a contract of employment was subject merely to civil action, whereas in similar circumstances an employee was liable to criminal prosecution and penalties, this important inequity was now revisited. In 1867 the Master and Servant Act was finally altered to allow either party to institute legal action against the other. Each was placed on equal terms in a civil action, and neither was subject to criminal prosecution.

This necessary revision in labor law led, moreover, to yet another development along similar lines. For the national inquiry into trade unions that had begun in 1867 would lead, by 1871 under Gladstone, to the passing of both the Trade Union Act and the Criminal Law Amendment Act. The former removed remaining dangers of prosecution of unions on grounds of their being an unlawful restraint of trade. It also confirmed the right of unions to register as “Friendly Societies,” thereby solidifying their legal identity, and reversing the earlier assumption made in the context of *Hornby v. Close* that union members were not specifically protected from illegal activities against them on the part of their own servants. Thus by 1871 unions had come to be recognized (Cole (1950, 73-74) as legitimate and fully legal bodies, having the statutory protection appropriate to such. Individual workers, moreover, were now entitled to a variety of protections facilitating union membership, and making union participation a much less risky proposition overall.

The Gladstone government, even while facilitating the passage of these items of legislation of assistance to unions and workers, nevertheless remained opposed to activities hinting of intimidation on the part of unions. Under existing laws, picketing was deemed illegal: picketers were liable for prosecution by reason of “intimidation, molestation and obstruction” just as under the Combination Acts of old. However given this respecification of the government’s attitude toward unions, collective activity would

no longer be deemed illegal, even while strict limits were to be placed on such efforts. Accordingly, included in the aforementioned Criminal Law Amendment Act of 1871 was a provision making it illegal for unions to lobby members or nonmembers by any threatening means, including picketing or similar pressure tactics. This effectively removed unions' most significant means of mass persuasion and direct action against employers, and in fact this inclusion was quite meaningful in the case of unskilled trades given that their low wages allowed for limited funds and a vulnerable membership. Nevertheless, it was to occur in the context of a more general facilitation and decriminalization of union activities, as is evident.

Thus while through this period collectivist sentiments did allow labor to take a number of important strides forward, gains were limited in the extent to which they ultimately were to advance the interests of the common man. For in effect, collectivist sentiments that were present in this period within the realm of government would be dampened by a similar variety of liberal activism to that which had existed in the previous period. For between 1832 and 1867, in essence, two poles of power would coexist in Parliament corresponding to Whig and Tory parties. Initially, Whigs would retain an upper hand. However, beyond 1867 the balance would shift in favor of Tories. Even so, across the whole of the period a similar distribution of power would remain. Thus often a chosen course of action would, as equally as had prior been the case, reflect a political usage of the franchise rights of the working class through a manipulation of the working class vote. Both parties would continue to proffer, in opportunistic terms as such, only limited degrees of assistance to the working class as a means of gaining advantage or loyalty.

Nevertheless even while both liberals and conservatives behaved similarly with regard

to their recognition of the ultimate need to “manage” labor they were often in disagreement as to how this would be achieved. This tended to allow, on balance, limited movement toward a lessening of the repression earlier applied to collective activity. Thus we find that the whole of the period may best be characterized by the trend hereby in evidence, toward amelioration of many of the evils that had historically beset the working class. One thing both political groups were to agree on in this context, nevertheless, was the idea that a union may not exercise coercion in attempting to sway employees to assist in achieving collective concerns. Whig Liberals insisted on the prohibition of “coercion” as constituted an attempt to restrain trade. This opinion was indeed shared by a number of noted political economists such as McCulloch, Mill and Senior. In a similar context, it is instructive to recall that working class combination had historically been deemed to be coercive with regard to the actions of individual workmen. Indeed this had resulted in sanctions being placed upon union activities early on.

Jevons’ views would reflect established opinion in this regard. As concerned the relationship between Labor and Employer in a case where excess profits exist, he was to say that:

Competition will proceed until the point is reached at which only the market rate of interest is obtained for the capital invested. At the same time, wages will have been so raised that the workmen reap the whole excess of the produce...competition to obtain proper workmen will strongly tend to secure to the latter all of their legitimate share in the ultimate produce. (Jevons [1871] 1970, 257-258)

The implication is that interference in the process of employment and the market generally would in most circumstances be unwarranted, a perspective is clearly in line with the general character of both Whig liberalism and conservative Toryism. Indeed, comments that Jevons was to make to the opposite effect were levied on the basis of

humanitarian regard for the rights of laborers and the poor, something again not adverse in character to aristocratic paternalism. Neither Jevons' opinions nor aristocratic paternalism were premised on feelings of sympathy, affinity or commonality with the underclasses. Jevons was at pains to point out that his recommendations on this count stemmed from a practical recognition that while the economic system left free to function is very good at providing the best possible outcome in most cases, in certain constrained instances it does fail. In Jevons' view, however, only in these instances should intervention be countenanced. As such, laissez faire was nevertheless to be recommended as a general rule of thumb.

In this Jevons would demonstrate a belief reflective of what we know to be true of the whole of liberalism, in fact. He communicates an uncritical regard for the underlying basis of economic intercourse, and a failure to recognize the material and political power or lack thereof that this may historically confer upon participants in the process of production and exchange. Consistently with classical political liberalism, he was thus to demonstrate an ultimate faith in the ability of the market to shape activities in a socially beneficial fashion. Yet at the same time, Jevons was to display a collectivist regard for the responsibility of society as a whole toward its least fortunate members. Jevons, as equally as collectivism as a whole, never was to go so far as to suggest an ameliorative redistribution of resources or other similar far reaching reform, or to consider critically the coercive power that the institution of private property confers upon individuals and groups.

At the level of public policy, as well, these observations regarding Jevons hold true. The public outcome of this coexistence of liberalism along with an element of

collectivism as it affected the nation's governing classes would be that, for example, while unions were ultimately granted the right to exist they would not be allowed the right to coerce, and of course the latter term was subject to interpretation by both courts and employers. It is particularly, notable in this regard, that Jevons was to characterize all classes as "trade unionists at heart."

Jevons was, as such, to explicitly present laborers as being little different from employers, excepting for his observations to the effect that unions tend to exhibit less socially acceptable means of achieving their aims. This view is consistent with the general assessment of union activities by the governing classes so far as the record of legislation can be taken as evidence of such.

In terms of working class reaction to the above, the narrow scope of such reforms was to invoke a reactionary retreat to socialist values among a segment of more radically-minded Britons in the eighties and beyond. In addition to the differential treatment before the law accorded employers, moreover, it is of little surprise that the 1880s would witness a rebirth of both socialist and collectivist ideas, the former not occurring in England alone. In part this was connected the work of a few notable reformers and social theorists: 1867 saw the publication, for instance, of the first volume of Karl Marx's Capital. Nevertheless the trend would in no way be reducible to this one event, especially as the work was not immediately translated widely from the original German. There was also, however, the 1864 formation by Marx and Engels of the International Workingmen's Association, as well as similar efforts on the part of others. The early 1880s would also see the birth of the Socialist Democratic Federation, whose influence within England is not noted to have been strong, nevertheless. Stress would, at another

remove, similarly be caused when, in the 1870s and 1880s, the issue of Irish "Home Rule" was to split parliament roughly along class lines. This was to cause (Cole 1950, 79) the resignation of Joseph Chamberlain and fellow Radical Charles Dilke from the Gladstone cabinet in 1885.

The question of the Irish was to worsen strained relations between workmen and their masters, on the one hand. This would, on the other, take place amid periodic depressions dotting this entire last quarter of the nineteenth century. Prolonged crisis would bring increasing unemployment. This would affect both agricultural and unskilled workers most seriously:

The years between 1850 and the middle 'seventies were, taken as a whole, a period of extraordinary and progressive prosperity. To the 'Hungry Forties' succeeded the sleek and prosperous 'fifties. The 'sixties, chequered by the terrible cotton famine of 1862-3 and the severe financial crisis of 1867, were yet a time of still more rapid advance.... There were few who anticipated the severe depression which, breaking upon the country in the middle 'seventies, lasted, with only a brief intermission, for something like a decade. (Cole 1952, 147)

These years served to challenge conservative attitudes. They corresponded to a diminution of collectivist sentiments heretofore existing in parliament, and served so to further exacerbate reactionary sentiments.

Nevertheless, as much as anything, the retreat from collectivism indeed bespoke the unity of interests that had grown up among the governing classes with regard to labor. At no point, in sum, would stability be brought into question through the threat of mass action induced by difficult economic circumstances or anything else. That the governing classes were committed to this view is evidenced by the fact that collectivist sentiment weakened in tandem with poor economic fortunes in combination with a re-growth of Socialist sentiment on the part of the working class. Beyond the 1884 elections, difficult

economic circumstances were an important tutor to policy, as they served to highlight existing antagonisms. Nevertheless, new lines had been drawn to indicate the ostensible limits of civil activity. This would include peaceable collective action, as well as the exercise of the vote.

In summary, it can be seen that the progress of labor throughout this century offers many insights into the overall nature of the relations between classes and also of the institutional change that took place across the whole of this period. The degree of existing conflict could be seen most strikingly in the numerous engagements taking place on the battlegrounds of ideology and political institutions both. Reiterating an earlier point, in the words of Cole:

The same forces were at work, both in the successive extensions of the franchise and in the struggles of the workers to secure means of political expression. These forces were basically economic; they arose out of the changing class-structure in which successive phases of economic organization worked themselves out. (Cole 1950, 7-8)

10.4 Jevonian Marginalism and the “Blending” Efforts of Later Theorists

Given all, it is evident that the last four decades of the nineteenth century are replete with evidence of the vast material transition that was underway. Great conflict existed between opposed classes. This indeed was fountain spewing forth the whole variety of the institutional accommodations that came into being in this period. At an intellectual level, one visible effect was the struggle between the alternative viewpoints of Individualism and Collectivism. Each may be understood as derivative of the interests of groups they were associated with at a political level, as these developed as a means of rationalizing economic and social principles associated with the political perspectives espoused or held by these groups. In the political arena, this conflict was fought in the

name of Whigs and Tories, Liberals and Conservatives. In the economic one, it was the daily contest of capital against labor, and indeed capital against anything serving to obstruct its aims, including both nobility and its traditional ally and charge, the laboring class.

Economic theory would become the handmaiden of particular participants in this great clash. However of much greater importance, so far as the development of theory was concerned, would be the process or material change bringing both conflict and the associated transition in theory to birth. For beneath each category of change would be one overarching process of material transformation from which all other events and processes were to erupt. Given the ongoing fact of material change, "opinion" just as formalized theory and just as institutions, would undergo a profound transition culminating as the century drew to a close.

In this regard, the trend in legislation is significant. In summary, the concerted drive for legislative reform undertaken by Benthamite Liberals through the middle part of the century not only drew negative reactions from many elements of society, it would have concrete implications so far as institutional structuring of the state was concerned. As institutional change was to advance, this would bring political institutions increasingly in line with material intercourse. More significantly, however, it would allow for the incorporation of the working class into the official political machinery of British society. In this, the equation between labor and capital, and of "the state in relation to labor, by extension, would be forever altered

As time went on, in sum, liberalism was ultimately to fail the test of positive fruits in that it did not garner a greater degree of harmony, and did not serve to quell conflict in

any noticeable fashion.⁴ This eventually led to popular, legislative, philosophical and intellectual revolt against its maxims, even if its insights were to remain highly influential over time. Even so liberalism did serve its appointed purpose in dismantling and forestalling elements of protection of a traditional landed and otherwise propertied elite. At the same time, on the other hand, Collectivist Tories would stand in staunch opposition to Whig policy on many grounds. The Benthamite Liberal agenda of the Whig party, they held, even while championing the rights and worth of the individual, worked to deprive the working class, and especially the very poor, of much-needed relief. By such means, Whig policy tended to breed longer-term problems of unrest and never-felicitous acts of combination. This fostered a great amount of legislative dissonance as the decades advanced.

This conflict between Individualism and Collectivism, Whig and Tory, would show itself just as clearly in the conflict that arose with the “Factory Movement.” The aims of this class of legislation included the regulation of working conditions. In this regard, liberal interests would understandably remain staunchly opposed to attempts to legislate workplace standards on the grounds that it infringed upon individual liberties, and most specifically on the rights of workers to choose their own employment and the conditions of it. Tory Collectivists, in contrast, would understand it to be the duty of the state to look out for its lesser members. Yet of greater worth to laborers than such differences were the simple changes wrought by time. For so far as victories won were concerned, material circumstance would remain the true midwife of political progress. In the words of one influential author:

⁴ Collectivism was also costly, undermining incentive as the driving force of the market.

This coming-of-age was, indeed, signaled by a change in the character of Capitalism itself. Capitalism had sown, or rather “saved” its wild oats; and it was, in the ‘forties, settling down to the administration of its inheritance...In the early days, even the very successful employer was at his wit’s end for money...Before the middle of the century, this situation was changing. The middle-class had grown very greatly; for both the trading and shop-keeping and the professional classes had been growing by leaps and bounds. The landowning classes, though they still held their noses, were condescending to invest their money in industry, and to share in the high profits which accrued...Under these new conditions, there was even less need to come quite so sharply down on any attempt by the workers to improve their position. (Cole 1952, 143)

In the midst of this conflict over intervention, at any rate, Benthamite Liberalism would suffer a setback of the greatest importance, the end result being the formation of an official code governing the treatment of labor. And while it would arise as the sum many individual factory acts and a composite of other legislation, the factory acts may nevertheless be regarded as one of the shining achievements of nineteenth century collectivism. They were to coalesce in the Factory and Workshop Act of 1878, a consolidating act which Jevons was to term (Jevons [1882] 2002, 52), “one of the brightest achievements in legislation in this or any other country.”

Yet it must be remembered that collectivist ideas represented a self-interested patrician regard for the responsibility of the state in relation to the lower classes as a justification for differentials in power, wealth and other varieties of privilege. As such collectivism must not be confused with socialist or more generally humanitarian ideals that would seek in a much more fundamental way to alleviate the misery of the poor. Upper-class collectivists would not be expected to seek the overthrow of the existing order for the benefit of the poor, in other words. They sought only to reform it in certain specific ways. In this respect, Tory collectivism was actually very similar to Whig liberalism, and in fact the two were not extremely opposed at a philosophical level. The

two were to disagree most significantly on the means to their philosophical ends, but in real terms neither ideology was revolutionary or radical in its intent. Still, for the workers affected by such changes, any degree of improvement was vastly important.

Jevons was of course highly individualist in his methodological and theoretical orientations. This is, in fact, a larger part of any claim to originality we could ascribe to him. Yet his policy prescriptions in regard to labor, and the regulation of it, may best be understood as consonant with the values of classical political liberalism, yet collectivist in its recognition of the need for certain basic categories of industrial regulation. The following lines, taken from an essay entitled “Amusements of the People” appearing in his 1883 Methods of Social Reform, illustrate this point:

If from ignorance or neglect, or, it may be, from sinister motives, we leave many of the more important cases of social mischief in operation, it is quite likely that our effort in other directions, however, meritorious in themselves, will be neutralised. What is needed among social reformers is a long pull, and a strong pull, and especially a pull all together. Each individual may choose his own strand of the rope, and exert his own force entirely upon that...but he must not suppose that he alone can do any appreciable part of the work.... If the citadel of poverty and ignorance and vice is to be taken at all, it must be besieged from every point on the compass - from below, from above, from within; and no kind of arm must be neglected which will tend to secure the ultimate victory of morality and culture. (Jevons [1883] 1965, 2)

Herein, the faith in the efficacy of the market in most circumstances is evident.

Nevertheless Jevons does advocate reformatory assistance, and ironically in this instance his collectivist sentiments are framed in individualist terms. Yet in fact, we have earlier seen that Jevons was not so concerned with the plight of the “Common Man,” as he was interested in providing some means of ameliorating the more negative failures of the market. To this end, he restates the matter once more a bit later in the essay in a slightly different way:

It is hardly too much to say that the right to dwell freely in a grimy street, to drink freely in the neighbouring public-house, and to walk freely between the high-walled parks and the jealously preserved estates of landowners, is all that the just and equal laws of England secure to the mass of the population. (Jevons [1883] 1965, 2)

As such we might infer that Jevons was, in fact, in favor of both ameliorative reform specifically, and state intervention where necessary generally. It should be noticed, however, that such comments do not concern the supposed abuses of the factory system or individual employers, but disparities in wealth as an outcome of the traditional privilege of the landed class. When at other points in his writings Jevons does address the matter of industrial employment, the overall thrust of such statements is that action by the state need only be undertaken when “the greatest good to the greatest number” has not occurred through the action of market incentives, i.e., in specific instances of market failure.

Sandra Peart, a well-known Jevons scholar in the current period, however, notes that Jevons is more likely to have believed that, in some situations, intervention was nevertheless preferable to inaction for the reason that the broad social benefit brought forth is likely to outweigh individual harm (Peart 1996). Indeed this is consistent with the sum total of all statements Jevons was to make explicitly in this regard. Thus at a microlevel, for instance, Jevons found it expedient for the state to intervene when the market provided insufficient incentive for an employer to adequately safeguard his employees (or equally the public). In such circumstances society must thus, Jevons believed, step in to prevent unnecessary and objectionable harm from occurring. To the largest extent, however, Jevons nevertheless felt that *laissez faire* was a good general principle, one that should be both sought after and preferred.

Even so, Jevons could equally see that society could not in all circumstances rely on either the market or individual good will to induce employers to maintain adequate standards. He believed that at times the individual would lack an incentive that the state itself must provide, and in this case Jevons was content to sacrifice to expedience the Utilitarian pursuit of self-interest on the basis of economic incentives. In fact, a basis for proceeding with industrial regulation is afforded by efforts to thwart oversight, in which context Jevons observes that, “Many such regulations, which appear at first sight needless or oppressive, were found by experience to be requisite to prevent evasion of the law, and to facilitate discovery of infractions....” Yet the maxim of market freedom was to be put aside only in limited instances. Jevons found *laissez faire* to be, in principle, a correct imperative so far as economic policy was concerned.

Given this apparent antinomy existing between Jevons’ abstract model and a number of his applied writings, nevertheless, Mark Blaug has asserted that Jevons was inconsistent in his application of the whole framework of his theory, and in fact fell back on classical ideas to a large and problematic extent. His orientation with regard to state intervention on behalf of labor and the poor has led some (Blaug 1987) to reason that this was indeed so. The Victorian social ideology Jevons himself subscribed to by virtue of his own social position, upbringing and education, is to a certain extent out of line with the market based, individualist methodology he is trying to base his theoretical constructions upon, and certainly we see such sentiments intrude on his comments. Yet such attitudes would evidently be consistent with the collectivist attitude growing up as the century proceeded. It should not be surprising, then, that we find collectivist contaminants peppering the edges of what are Jevons’ broadly liberal views.

Nevertheless the idea of laissez faire was in truth hardly applied in an unadulterated fashion even by a very capable proponent, David Ricardo. Consistently with its use in the context of the Ricardian model, in fact, the concept was wholly instrumental in its application and of exclusive benefit to the middle class; the notion of laissez faire had in the past always rather been applied selectively, in line with the interests of the class responsible for its propagation. Jevons is, in this respect, only different from Ricardo to the extent that his overall interest in the matter was academic rather than material in its intent, rather as in the case of Adam Smith. This was itself only so to the extent that Jevons' consideration of the matter was undertaken as a purely academic economist and one interested in making a public name for himself, rather than as a stockbroker and financier heartily and self-interestedly involved in political debates of the day.

Jevons did offer explicit policy pronouncements in one important regard. He was to deal at length with labor and employment issues on more than one occasion, whereas this was not such a pressing concern for Ricardo. Ricardo treated such issues as an appendage of his overall model, rather than writing about these separately or at length as did Jevons in certain areas of his applied work. In essence these were to be the necessary logical outcome of Jevons' model as it was presented in his 1871 Theory of Political Economy. Yet Jevons published not only Methods of Social Reform in 1883, which dealt with a range of social questions, but also his 1882 The State in Relation to Labour. In these, we see his concern for social engineering and the state's role in it, a late-Victorian attitude fashionable during the period he was writing. Even so, in neither did Jevons come to any critical assessment of the market system itself.

This was also not so with respect, similarly, to Jevons' treatment of secular trends in

prices and ultimately business cycles. His 1863 A Serious Fall in the Value of Gold, his 1875 Money and the Mechanism of Exchange, and his 1884 Investigations in Currency and Finance each find Jevons failing to identify an egregious fault in either the action of markets, or the producers and employers who constitute their driving force. In fact in an almost comical manner, his search for the origin of business cycles in the weather patterns induced by changes in energy emissions of the sun might stand as a case in point as to his uncritical attitude in relation to the capitalist market.

Certainly in Jevons' abstract model as well we find a most convinced proponent of the overall merits of the market. We might thus sum up by saying that in fact Jevons was not so dissimilar to other thinkers of the day in terms of his overall ideological approach. Nevertheless what did distinguish Jevons was his advancement of a model that could defend the competitive market and its associated distribution of wealth and prerogative with the utmost clarity and simplicity. This fact was highly useful in an era in which the most committed opponents of capitalism had been incorporated into the mainstream of capitalist society so effectively, given the ideological appeal of their admission to the electorate, as well as the public recognition granted unions facilitating political action as well as other efforts toward joint advancement. Both served to foster in laborers feelings of participatory acquiescence, and to erode committed, principled opposition to capitalist employment. Moreover, however, the success of Jevons' model over time would be an outcome of the fact that, as a result of the base material changes finding a point of conclusion in this era, situations very similar in their ideological underpinnings would come to exist equally at the levels of society, and the social and political institutions whereby social prerogatives ultimately receive public sanction.

Academic economists would, even so, be much less quick than would policy makers and others to accept the methodological premises attached to Jevons' abstract model as it was presented in his Theory of Political Economy and elsewhere. Given that the discipline had reached a degree of professionalism by the point that Jevons was to introduce his model, its preoccupations would be both self-driven and subject to the discipline of established practice. In Jevons' model would be found a much purer application of Benthamism to economic thought than had been the case in his applied writing, and one theorist accustomed to thinking in terms of the labor theory of value would have some difficulty accepting. Acceptance was yet some distance ahead. The greatest strides towards the eventual adoption of marginalism would be taken towards the close of the century, with the incorporation of marginalist ideas by Marshall, Edgeworth and Wicksteed into a framework not inconsistent with classical ideas.

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