

**THE ECONOMIC INTERPRETATION
OF HISTORY (LECTURES
DELIVERED IN WORCESTER
COLLEGE HALL, OXFORD, 1887-
8). VOLUME I**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649217533

The economic interpretation of history (Lectures delivered in Worcester College Hall, Oxford, 1887-8). Volume I by James E. Thorold Rogers

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Cover @ 2017

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JAMES E. THOROLD ROGERS

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LONDON T. FISHER UNWIN.

THE ECONOMIC INTERPRETATION OF HISTORY

*(LECTURES DELIVERED IN
WORCESTER COLLEGE HALL, OXFORD, 1887-8)*

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VOLUME I

FIFTH EDITION

London

T. FISHER UNWIN

PATERNOSTER SQUARE

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PREFACE.

THE lectures contained in this volume were delivered in the hall of the author's College (Worcester, Oxford) in his capacity as lecturer in Political Economy to that Society. They were open to all members of the university, and were very numerous attended. I mention this, because, being printed as they were read, the fact may explain or excuse the various local allusions which they contain, and the occasional repetitions of statement which will be found in them. The business of a lecturer is to teach as best he can.

I should be the last person to deny that there are economical generalities which are as universal in their application as they are true. Such, for example, are those which affirm that the individual has an inalienable right to lay out his money, or the produce of his labour to the best advantage, and that any interference with that right is an abuse of power, for which no valid excuse whatever has been, or can be, alleged. In other words, there is no answer to the claim of free exchange. Of course I am well aware that an answer has been attempted, and that civil government constantly invades the right. The invasion is brigandage under the forms of law. Other illustrations can be given, as that the police of society must always regulate the trade in instruments of credit, that certain services are part of the function of government, that the satisfaction of contracts, under an equitable interpretation, must be guaranteed, that the only honest rule in taxation is equality of sacrifice, with what such a rule implies or involves, and so on. It is very likely that in practice government violates these economical principles, and gives more or less plausible reasons for

its misconduct. And as wrongs done by government have an enduring effect, it is difficult, if not impossible, to interpret any problem in political economy, without taking into account those historical circumstances of which the present problem is frequently the result, and occasionally to examine the present political situation. In brief, any theory of political economy which does not take facts into account is pretty sure to land the student in practical fallacies of the grossest, and in the hands of ignorant, but influential people, of the most mischievous kind. I could quote these fallacies by the dozen. Some have been over and over again refuted ; others still possess vitality. Some are slowly losing their hold, especially in practical politics, which is becoming every day more economical. Many of these errors die hard, especially when they assume the form of a vested interest ; sometimes they are maintained as part of the continuity of policy ; sometimes they are defended by bold and baseless assertions. In time, they become the subjects of parliamentary compromise, at last they are swept away and repudiated. Any student of the economical laws which can be found in the historical statute book, will constantly find that the wisdom of one generation is the folly of another.

Many years ago I began to suspect that much of the political economy which was currently in authority was a collection of logomachies, which had but little relation to the facts of social life. Accident, and some rare local opportunities, led me to study these facts in the social life of our forefathers, facts of which the existence was entirely unsuspected. I began to collect materials, chiefly in the form of prices, and at first of the necessaries of life. But I soon widened my research, and included in my inquiry everything which would inform me as to the social condition of Englishmen, six centuries ago and onwards. Gradually, I came to see how Englishmen lived through these ages, and to learn, what, perhaps, I can never tell fully, the continuous history of social life in this country, up to nearly recent times, or at least till that time in which the modern conditions of our experience had been almost stereotyped. By this study, I began to discover that much which popular economists believe to be natural is highly artificial ; that what they call laws are too often hasty, inconsiderate, and inaccurate inductions ; and that much which they consider to be

demonstrably irrefutable is demonstrably false. I have often had to conclude that the best-intentioned thinkers and writers have been supremely mischievous, and that in attempting to frame a system, they have wrecked all system. It must, I think, be admitted that political economy is in a bad way : its authority is repudiated, its conclusions are assailed, its arguments are compared to the dissertations held in Milton's Limbo, its practical suggestions are conceived to be not much better than those of the philosophers in Laputa, and one of its authorities, as I myself heard, was contemptuously advised to betake himself to Saturn. Now all this is very sad. The books which seemed to be wise are often compared to those curious volumes of which the converts at Ephesus made a holocaust. And the criticism is just.

The distrust in ordinary political economy has been loudly expressed by working men. And, to speak truth, one need not wonder at it. The labour question has been discussed by many economists with a haughty loftiness which is very irritating. The economist, it is true, informs them, that all wealth is the product of labour, that wealth is labour stored in desirable objects, that capital is the result of saved labour, and is being extended and multiplied by the energies of labour. Then he turns round, and rates these workmen for their improvidence, their recklessness, their incontinence in foolishly increasing their numbers, and hints that we should be all the better off if they left us in their thousands, while there are many thousands of well-off people whose absence from us would be a vast gain. I have never read in any of the numerous works which political economists have written, any attempt to trace the historical causes of this painful spectacle, or to discover whether or no persistent wrong doing has not been the dominant cause of English pauperism. The attempts which workmen have made to better their condition have been traduced, or ignored, or made the subject of warnings as to the effects which they will induce on the wage fund, this wage fund, after all, being a phantasm, a logomachy. In the United States the case is worse. A writer will publish a book on wages, and deliberately ignore the effect of the American tariff on the real wages of workers. If he knows anything at all of what he is writing about, and is not merely writing for office, he should be aware that no fertile customs revenue can come from anything

but the expenditure of the poor, and should not need that Mr. Washbourne, the late Minister of the Union at Paris, should tell him, that smuggling is an all-devouring passion with the wealthy American, and the corruption of revenue officers the constant machinery for the practice.

Two things have discredited political economy—the one is its traditional disregard for facts ; the other, its strangling itself with definitions. The economist has borrowed his terms from common life. Now, unless the words one uses are strictly limited in meaning, as those are which express geometrical forms, or chemical compounds, no word, and for the matter of that no definition of the word, ordinarily covers what the man who uses the word intends by it. He gives, may be, a definition of the thing or thought, and succeeding writers who inherit his word begin to expand or vary it, not taking counsel with the facts, but only with their own experiences or impressions. Now word-splitting and definition-extending is a most agreeable occupation. It does not require knowledge. It is sufficient to be acute. Persons can spin out their definitions from their inner consciousness by the dozen, aye, and catch the unwary in the web. But, above all things, the economist claims to be practical. He is engaged, as he tells you, in the analysis of social man, from a particular point of view. This view is especially the function of government and the state. If his conclusions are taken rightly, they are, or should be, the basis of Parliamentary and Administrative action. But it is appalling to think of what the consequences would have been, if some so-called economical verities had been translated into law. It is grievous enough to note what the consequences have been, when some of these rash inferences have been accepted as guides in statesmanship. I have attempted to illustrate what I mean in these lectures.

The lawyer gives an arbitrary meaning to words or phrases, and will not suffer these meanings to be traversed. Unless he did so, the practice of law would be an impossible chaos. It does not signify to him that a conveyance to a man and his heirs was meant to give two estates. He insists that in his language it only gives one, in the first place, probably, for Biblical reasons. The same fact applies to the meaning which it assigns to words implying certain commercial instruments. Mr. Justice