

PIERCY RAVENSTONE: A STUDY IN NINETEENTH
CENTURY RADICAL ECONOMICS

by

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CHAPTER I

INTRODUCTION

This work is about the economic theories and ideas of Piercy Ravenstone, an obscure member of a small school of economic thought called the Ricardian socialists. Interest in this man and his work began in 1903 after E. R. A. Seligman published his "On Some Neglected British Economists" in which he called Ravenstone the earliest advocate of a surplus value theory.¹ Surplus value and exploitation are the two concepts which all the Ricardian socialists held in common. These ideas, however, had been put forth in 1805 by Charles Hall, one of the early agrarian reformers after the sort of Thomas Spence. Ravenstone was the first to put forth this doctrine after Ricardo's The Principles of Political Economy and Taxation which was published in 1817. Max Beer, in his History of British Socialism, describes Ravenstone as "one of the seminal minds of the period."² Mark Blaug, much like Seligman, describes Ravenstone as the first of the Ricardian socialists.³

Ravenstone's first and best work is a rather long pamphlet entitled A Few Doubts as to the Correctness of Some Opinions Generally Entertained on the Subjects of

Population and Political Economy, hereafter referred to as A Few Doubts. This book, published in 1821, is a repudiation of many classical economic ideas, especially the Malthusian population theory. In place of the Malthusian idea, Ravenstone inserts his own theory of why so many are miserable and why wages are so low. The reasons are woven into a theory of surplus value which is seen throughout the work.

The book attempts to answer six questions, all interconnected, which were much debated by economists of that time. First, what principle, if any, explains the quantity of increase in population? Secondly, how has it operated in different countries at different times? Thirdly, what may we anticipate population growth to be in the future? Fourthly, what principle regulates the growth of subsistence? Fifthly, how is subsistence affected by population increases and sixthly, how does the growth of rent, capital and taxes affect the condition of the people?⁴

In opposition to Malthus, Ravenstone plans to show that the population increase is not at all influenced by human institutions, that it is "pretty nearly equal at all times and in all countries. It is by no means so rapid as Mr. Malthus has supposed."⁵ The increase in food depends directly on the increase in population because each man has the natural means of producing for

himself. Capital and rent do not add to the wealth of the nation as they are "merely a new distribution of the property of society, beneficial to some solely because they are injurious to others."⁶

Thus, Ravenstone plans to "investigate some of the leading doctrines of the modern school."⁷ What were these doctrines as Ravenstone saw them? First, production is difficult or impossible without the aid of capital; those who labor owe everything to the idle class which holds capital. Secondly, the Malthusian population theory shows that the laborer is in a hopeless situation. Providence is the cause of misery. The poor are to be looked on only as a burden of society as all they consume is lost wealth to the nation. Thirdly, taxation should be placed on laborers rather than property so that the increase of the poorer classes will be checked. Fourthly, and more generally, the new economics "is a cold and dreary system which represents our fellow-creatures as so many rivals and enemies which makes us believe that their happiness is incompatible with our own."⁸

Ravenstone's second book, appearing in 1824, was entitled Thoughts on the Funding System and Its Effects. It is much shorter and more bitter than A Few Doubts. The topic it discusses is the national debt which had become extremely large during the Napoleonic War.

Thoughts begins with a caustic attack on political economists of that time. To Ravenstone, all political economists were members of the idle class. Political economy had "become the study of all those who felt themselves unequal to other pursuits."⁹ For the political economists, "learned words sanctify the greatest absurdities."¹⁰

Why did Ravenstone despise the profession so much? "The doctrine of capital is indeed the most injurious to society. To teach that wealth and power of a nation depend on its capital, is to make industry¹¹ ancillary to riches, to make men subservient to property."¹²

Several characteristics are found throughout Ravenstone's works. First, and most importantly, he builds upon a form of the labor value theory. Secondly, capital is nothing but appropriated labor. The capitalist, himself, does nothing of a productive nature. These two traits are common to all radical writers of this time and find their way into Marx's writings. Thirdly, Ravenstone continually attacks the Malthusian population theory, his whole work pointing to its acceptance being unjustified.

The evidence is conclusive that Ricardo, Malthus and Mill were familiar with Ravenstone's work, but only Ricardo gave it much attention. Ricardo, writing to Mill on August 28, 1821, says that he has "looked with some

interest at a work on Polit. Econ. by Mr. Piercy Ravenstone which though full of greatest errors has some good things in it--he is a strenuous and able advocate for Reform."¹³ A second letter written by Ricardo was discovered by Jacob Viner, who calls Ravenstone the first of the Ricardian socialists and the only one to publish his views before Ricardo's death in 1823.¹⁴ In this letter, dated September 10, 1821, Ricardo asks Malthus,

Have you seen a work on Population and Polit. Econ. by Mr. Ravenstone? I have read it. I think it is full of errors and shows that the author has a very limited knowledge on the subject, yet I felt great interest in perusing it. The cause of the distress of the working class is well stated, but he appears not to be aware of the difficulty of providing a remedy.¹⁵

It would be indeed interesting to know what Malthus actually thought about the book as it was, for the most part, an attack on his work. Malthus did answer Ricardo's letter on September 13, but seems to have been a person who, if he could say nothing nice, said nothing at all. To Ricardo, he writes, "I have only had an opportunity of looking a little at Mr. Ravenstone's book. It is certainly as you say full of errors, but I believe he is a well meaning man, and I shall look at it again."¹⁶

You cannot realize what a courteous letter this was until you read what Ravenstone had said about Malthus in A Few Doubts.

The last reference of Ricardo's to the book came in another letter to James Mill, who seemed little interested in reading the work. In a letter dated September 9, 1821, Ricardo writes,

. . . in the book which I believe I mentioned to you before, 'Ravenstone on Population and Political Economy' the same view or nearly the same as Godwin's is taken--there may be something in that book worth attention--it is published by Andrews 167 New Bond Street.¹⁷

From these letters, it seems that Ricardo's reaction to Ravenstone's first book was favorable. Some of their recommendations agreed such as the abolition of the Corn Laws. As Dorfman has pointed out, Ricardo would not have liked Ravenstone's second book as it attacked the reduction of the national debt. Dorfman also states that they would have disagreed over the validity of Say's Law because Ravenstone denied it.¹⁸ This is not exactly true as I shall point out later.

Why write a thesis on Piercy Ravenstone? What effect, if any, has he had on the history of economic thought? Ravenstone's greatest contribution was probably the derivative effect he had on Karl Marx through Marx's drawing of ideas from the other early English socialists, especially Thomas Hodgskin, William Thompson and John Francis Bray. Ravenstone is spoken of only twice by Marx in Das Kapital. The important point from Ravenstone, seen by Marx, is that before capital can profitably be introduced, there must be a well developed

division of labor.¹⁹ This point was, of course, peculiar to classical economics as a whole, but this simple idea was a keystone in Ravenstone's system.

Ravenstone's effect on Hodgskin, however, should not be taken lightly. Halevy, in his Thomas Hodgskin, states that Hodgskin took Ravenstone's thesis of the illusions of capitalism and built on it to strengthen the laborers' case against the capitalist regime.²⁰ Hodgskin also espoused Ravenstone's ideas on property.²¹ Ravenstone has used Locke's distinction between the natural and artificial rights of property and used them to attack capitalism. He was sort of a middleman in that he combined Bentham's utilitarian ideals with the natural rights argument whereas Hodgskin built most of his analysis on only property grounds.²² Hodgskin's work was somewhat of a synthesis of Locke and Ravenstone.

Ravenstone, however, was more agrarian in emphasis than was Hodgskin. He, as Charles Hall had done before, inverted parts of the Physiocratic doctrine and used it to attack landlords. Factory workers, although members of the sterile class, were useful. But landlords stole rent from workers. Not only were they sterile, they were harmful.²³ Much of Ravenstone's analysis is drawn from the realm of natural law as had been the work of Quesnay and Mirabeau some seventy years before.

This, then, is an introduction to Piercy Ravenstone. Much of the above was drawn from the work of other writers. After the next chapter which gives a background of the times, the remainder of this thesis, to the best of my knowledge is original. No studies have been made on Piercy Ravenstone's entire system.

After the background chapter, which I feel is essential, I shall talk about his views on population, subsistence, property, rent, international trade, wages, value, taxes, national debt, capital, money, corn bills, Say's Law and government. As Ravenstone's identity is not known, I shall devote a chapter to Joseph Dorfman's theory that Ravenstone was really an Anglican clergyman, Edward Edwards, who wrote economic articles for The Quarterly Review between 1823 and 1830 and wrote for Blackwood's Edinburgh Magazine in 1830.²⁴ I think there is great doubt that these men were the same and will give reasons for my attitude in the chapter directly preceding a short conclusion. Ravenstone's views on distribution run throughout the work, so I shall not give this important topic a chapter of its own.

CHAPTER II

SOCIALISM, RICARDIAN SOCIALISM AND MARX

The present chapter is made up of somewhat short discussions on several important subtopics. There is first, a brief section on socialism, followed by a description of the period in which I am working. After this, I take a look at Ricardian socialism in general and show some of its connections with orthodox classical economics. Next is a short discussion on Marx's feelings toward the Ricardian socialists. The chapter ends with the major ideas of the better known members in the school.

Socialism, like economics, is not a word which lends itself to precise definition. Apologies to the reader for this trivia, but it is interesting to see how Webster defines it. Lexicographically, socialism is

the theory or system of the ownership and operation of the means of production and distribution by society or community rather than by private individuals, with all members of society or the community sharing in the work and the products.¹

Two points of interest should immediately be recognized as they will affect later discussion. First, Charles Hall, Piercy Ravenstone and Thomas Hodgskin

were not socialists under this definition. They were more like the "radical writers" whom I shall talk about in a moment. Secondly, capitalism is not a prerequisite for socialism. A feudal agrarian society could transform itself into a socialistic one.

It might be argued that "words had a different meaning back then." This, however, is not true of socialism. The word, itself, first appeared in the London Cooperative Magazine of November 1827, and that magazine explicitly stated that socialists were those who believed that property should not be owned individually, but in common.² Not only did this definition set the socialist against the capitalist, but it also set him against those such as Ravenstone and Hodgskin who were critics of capitalism by being very individualistic.

The fact that emerges from all this is that writers have been unclear in first, defining socialism and secondly, calling certain people socialists simply because they did not like the existing system of capitalism. A good example of this is by R. H. Tawney where he defines socialism as

. . . the effort, partly critical, partly constructive, at once aspiration, theory, prophecy, and programme, which had as its object to substitute for the direction of industry by the motive of personal profit and the method of unrestricted competition some principle of organization more compatible with social solidarity and economic freedom.³

Blaug clears the air somewhat by saying that socialism in Ricardo's day did not mean central planning as its connotation does now. It was mainly an attack on profit and competition through Owenism.⁴ But this does not describe Ravenstone either.

George Lichtheim sees the question more clearly than most. He brings out the point that anticapitalist movements are possible without the critics being socialists. They may, indeed, be conservatives rather than liberals, wanting a return to the day when there were only individual producers.⁵ This was the case of Ravenstone. But he differed from the other "radicals" because he saw the value of manufacturing whereas others would have all industry turned back to the soil.

Lichtheim then states that a factory class of workers must come about before there can be socialism.⁶ This seems to be false as there can be socialism in a fully agrarian society. To Lichtheim, all those who espoused the old rich versus poor conflict were simply "radicals" and not socialists. This, I believe depends on the remedy they suggested. If they wanted a return to the "old days" then they were radicals. But if they suggested cooperation, they were socialists, not scientific socialists, however, as at this time they espoused no great philosophic or materialistic view of history.

Then where does all this leave Ravenstone. He was not a "radical" because he did not wish to bring the

agrarian days back. He was not a socialist because he advocated neither cooperation or state planning. So really, he and Hodgskin fit neatly into no school. I will continue to place him with the Ricardian socialists in this work because of his similarities with them but will also point out differences along the way.

When new philosophies or ideologies spring up, usually they can be attributed to some event or events. This is the relativist approach. The major factor in the upshoot of Ricardian socialism was, without doubt, the Industrial Revolution. A new class was born, that of the factory worker, which hired itself to the owner of the productive tools. Machinery then came to replace men, and security was lost. The capitalist extracted as much work from the worker and paid him as little as possible. The tales of child labor and factory conditions are well-known, so there is no reason to go into these social problems here. But the roots go deeper than this. There were many events going on, some connected, some not connected with the Industrial Revolution, which led to thoughts concerning the plight of the workers.

According to Foxwell, the background of the socialist movement was in the American Revolution, the French Revolution, the Napoleonic War with its crushing taxation, irregular employment and famine, the repeal of the Apprenticeship Law which destroyed small artisans and

enclosures which took over small farms. The English socialist movement was built on Ricardo rather than Owen. Owen never raised claims of rights, but socialism is founded on these rights.⁷

Leaving philosophy aside, what was the economic impact of these events? The American Revolution approximately doubled England's national debt from 126,000,000 pounds to 240,000,000.⁸ By the end of the Napoleonic War, it had increased to 850,000,000 pounds. This was partially because England had footed the bill for the First, Second and Third Coalitions. Taxation, therefore, was extremely heavy. At the end of the war in 1815, direct taxation was stopped, but the indirect taxes, which were supposedly more harmful to the poor, remained at their previous high level. Rees, quoting from a Sidney Smith article in the Whigishly liberal Edinburgh Review, says that there were

. . . taxes upon every article which enters into the mouth, or covers the back, or is placed under the foot--taxes upon everything which it is pleasant to see, hear, feel, smell, or taste--taxes upon warmth, light, locomotion--taxes on everything on earth, and the waters under the sea--on everything that comes from abroad or is grown at home--taxes on raw material--taxes on every fresh value that is added to it the industry of man--taxes on the sauce which pampers a man's appetite, and the drug that restores him to health--on the ermine which decorates the judge, and the rope that hangs the criminal--on the poor man's salt, and the rich man's spice--on the brass nails of the coffin, and the ribands of the bride--at bed or board, couchant or levant, we must pay.⁹

What a sad state of affairs.

After the war, England found herself overstocked with goods and prices fell. Soldiers coming home aggravated an economy already with much unemployment. Trade declined steeply causing wages to fall. Depression hit the munitions, food and clothing industries first, but soon spread throughout the economy.

Famines, irregular employment and wide price fluctuations were aggravated and caused by the war and speculative trade. Population, which had approximately doubled between 1750 and 1830, caused the country to have growing pains. The Allowance System, passed in 1795, which subsidized low wages with parish funds may have helped some, but many felt it kept the poorer classes from being very industrious. Freedom to form unions had been suppressed by the Combination Acts in 1799, and the 1815 Corn Law kept subsistence at a relatively high price.

Following Smart, we can look at the economic situation following the war.¹⁰ In 1815 and 1816, the harvests were terrible. They were good in 1817, but wages in manufacturing fell below subsistence because of an excise tax on luxuries which decreased their demand. The next year was good, but 1819 was a disaster in both agriculture and manufacturing. There was slow revival in 1820. The next ten years are summarized below.

Notes on the Cyclical Movement¹¹

	<u>Industry</u>	<u>Agriculture</u>
1821	Slow revival	Deep gloom
1822	Confirmed revival	Settled gloom
1823	Prosperity	Revival
1824	Flourishing beyond example	No distress
1825	Climax of prosperity	Prosperity
1826	Commercial crisis and collapse	No complaints
1827	Revival	No complaints
1828	Steady progression	Bad harvest
1829	Sudden relapse	Bad harvest
1830	Depression and quick recovery	Poor harvest; settled gloom

The effect of the Ricardian socialists both in economic thought and socialist history has probably been somewhat underestimated. Foxwell says,

The work of this little English School was of first rate significance in the history of socialism. That the revolutionary reaction against capitalism is equally English in its inspiration is not generally known. All the fundamental ideas of modern revolutionary socialism and especially of the Marxian socialism, can be definitely traced to English sources.¹²

The only connection which is standard in all of the Ricardian socialist work is the use of a labor theory of value and exploitation. Technically, it is not the Ricardian labor theory, but that stemming from Locke and Petty.¹³ The simple principle of all the writers

was that labor should get the whole of its produce. But they espoused this maxim for different reasons. The more utopian such as William Thompson, John Gray and John Francis Bray backed this claim on the utilitarian grounds that it would give the greatest happiness to the greatest number. Ravenstone and Hodgskin were much less utilitarian than the others and based the right to the whole produce of labor on natural versus artificial rights of property grounds.

For all writers, labor was the sole creator of value. They say clearly that the laborer was producing surplus value which was being appropriated from him by others. The idea of surplus value and exploitation probably dates back to Charles Hall in 1805, far before Marx and twelve years before the major work of David Ricardo.¹⁴

By making labor the whole source of value, the landlord and capitalist immediately became members of an idle class whose interests were opposed to those of the worker. Hence the idea of class struggle. And it was only natural that this movement against the capitalist have its origin in England where capital was appearing most rapidly.

Under capitalism, it was complained, the wage would never be raised above the subsistence level. If wages were raised, profits fell.¹⁵ This, of course, is just the iron law of wages combined with the wages-fund doctrine. As is usual in classical analysis, aggregate

demand is left out. Higher wages could stimulate consumption leading to an increase in the wage. But the wages-fund doctrine presented a powerful tool in discouraging the combination of workers for the purpose of obtaining a higher wage.¹⁶

What really is the connection between orthodox classical economics and Ricardian socialism? The socialists thought that the orthodox emphasized production over distribution to a great extent. The pessimism of the iron law of wages, population increases and diminishing returns which kept the laborer in a perpetual state of misery upset them. So they accepted some classical ideas and used them to put forth revolutionary conclusions.¹⁷ They accepted a labor theory of value, a distinction between fixed and circulating capital, and the difference between productive and unproductive workers. All their works, to a greater or lesser degree, are tied in with natural law as were the more orthodox works.¹⁸ However, diminishing returns are not mentioned by them and the Ricardo-West-Malthus rent theory is explicitly denied.¹⁹

I have stated that technically, these socialists did not accept the Ricardian labor value theory or if they did, they gave it a slight twist. Why is this? In looking at this theory, when it was formulated by Locke, for instance, there was no industrial class of workers.²⁰

It is probably true that none of the English orthodox economists thought that only propertyless labor was the source of all value.²¹ However, with the growth of capitalism, the socialists interpreted the theory differently and looked to the orthodox to substantiate their views.

Much of this confusion stems from the fact that classicals did not see both the owning and managing function of the capitalist and landlord. In other words, who is and who is not a worker? From reaching Smith, it would seem that not only the common laborer is productive, but also the capitalist and even livestock.²² Thus, under the socialist view, the cow should receive part of the product.

Ricardo is also somewhat fuzzy. He seems to say that the capitalist is owner and investor, but not organizer.²³ This was an uplift to the socialists because if this were true, the capitalist did not work, but took part of the product. Ricardo does not explicitly say that the capitalist is unproductive but he does not say he is productive either. The socialists, of course, jumped at the former view. There is, however, one point where Ricardo and Ravenstone explicitly disagree. Ricardo says the retail dealer or merchant adds labor to the product and is, therefore, productive.²⁴ Ravenstone says that this person is useless to society and is just another who steals from the worker.

The fact remains that through reading the classical literature, one gets the idea that the orthodox theory meant that the property owner or capitalist is productive as he adds value to the product. If this is true, the socialists did not hold the Ricardian labor theory of value.

Ricardo's idea of capital being stored up labor was also a boost for the socialists. If this be true, then labor is the only factor of production, for the socialists believed that because land produced nothing until labor was added, it was not a factor of production. Take this and the "early and rude state of society" where all received their product, and exploitation falls out. Why should any increase in produce go to the capitalist just because he holds stored up labor? In fact, what right does the capitalist have to even own stored up labor?²⁵ These were the types of questions the socialists asked. It was probably to answer the former question that the abstinence theory of profit appeared in the 1830's. But it should be remembered that for Ricardo, unearned income was primarily rent, not profit. In fact, Ricardo was more impressed with the conflict of interest between the capitalist and landlord than he was with that between the capitalist and laborer.

In drawing the iron law of wages from Ricardo, the socialists again misinterpreted him. Most of the socialists, excluding Ravenstone said that the wage could not

and would not ever be above the subsistence level. But Ricardo explicitly states that the market wage may be above the natural wage for some time. "Notwithstanding the tendency of wages to conform to their natural rate, their market rate may, in an improving society, for an indefinite period be constantly above it."²⁶

The cause of the decline of Ricardian economics has been much debated. Meek ascribes the cause partially to the Ricardian socialists. They pointed out the pessimism of classical economics and the fact of limited progress under capitalism. People did not want to accept a doctrine that espoused continual misery of the working class and so tended to look for economic answers elsewhere.²⁷

Karl Marx has been mentioned several times in passing and it seems obvious that there are strong connections between him and the English socialists. So instead of doing a comparison between ideas, I have thought it better to tell what Marx thought of their work and to show where they are specifically mentioned by him. What did Marx think of them? In general, Marx felt that they were too utopian, but that some of their underlying ideas had value. He saw that they were mainly divided along two lines of thought--those who wanted to go back to the old ways and those who wanted peaceful voluntary association.²⁸ Speaking of them, he said,

To this section belong economists, philanthropists, humanitarians improvers of the working class,

organizers of charity, members of the society for the prevention of cruelty to animals, temperance fanatics, hole and corner reformers of every imaginable kind.²⁹

But he sees worth to their writings.

But these Socialist and Communist writings contain also a critical element. They attack every principle of existing society. Hence, they are full of the most valuable materials for the enlightenment of the working class.³⁰

Schumpeter feels that the Ricardian socialists do not deserve to be called the forerunners of Marx because he took so little from them.³¹ This, I suppose, depends on one's idea of how much one group must contribute to the ideas of another before the former may be called forerunners. As anyone who is even little familiar with Marx's work should realize, much of the Ricardian socialist doctrine finds its way into the writings of Marx.

Marx mentions the earlier socialists mainly in his The Poverty of Philosophy and Das Capital. Engels, in the preface of The Poverty of Philosophy, gives much credit to the Ricardian socialists for using the labor value concept and dividing the total product into three parts to arrive at socialist conclusions.³² Marx, himself, adds that those who laud Proudhon should read Thompson, Hodgskin and Bray to see their ideas.³³ In fact, he believes that these men were more original and correct than was Proudhon.³⁴

Marx seems to be happier over the ideas of Hodgskin than over those of the others. This might be because Hodgskin disliked the ideas of Owen as did Marx. He takes from Hodgskin several ideas including the view that as the population increases, production is able to increase at a compound rate of the population increase times the division of labor.³⁵ Ravenstone had this same idea, explained in a somewhat cruder fashion, and this is one of the factors which led to his exploitation concept. It is very possible that Hodgskin had taken it from Ravenstone.

From Hodgskin, Marx also sees that after the division of labor has been introduced, the product is the common product of all laborers, and it is hard to say who the product belongs to.³⁶

Marx quotes Hodgskin extensively over the fact that wealth goes to the capitalist first, and he pays taxes, wages and rents.³⁷ This is an important point as Ravenstone says that wealth first goes to the landlord and is then distributed. I will say more about this later.

The Ricardian socialists were quite wrong, Marx says, to think that the capitalist deserves any wage.³⁸ It will be remembered that William Thompson felt that they should receive a wage equal to that of their best employees.

Ravenstone is mentioned twice. The first time was mentioned in my introduction.³⁹ Marx also draws from

Ravenstone the idea that if labor produced only what it needed, there would be no property.⁴⁰

Marx quoted from William Thompson only in a general manner concerning the evils of the capitalist. John Bray's views are praised, but his proposal of join-stock companies is attacked as is the "labor bank" idea of Gray. Bray, Marx feels, has outdone Proudhon in his ideas of the past, present and future.⁴¹ But his proposal is merely a reflection of the world as it is now and, therefore, should not be instituted.⁴² Gray's proposal is simply "blatant nonsense."⁴³

Having dealt with the Ricardian socialists as a whole and having seen Marx's ideas on several of them, it may be well to look at the more well-known members individually, showing both their similarities and differences. To do this, I have chosen five men. The first, Charles Hall, was more of an agrarian reformer, and he wrote some twenty years before the others, but he is usually placed in the school. The others are William Thompson, John Gray, John Francis Bray and Thomas Hodgskin.

Hall, who wrote in 1805, is placed with the Ricardian socialists because he saw the concept of class struggle and felt that labor was not receiving as much of the product as it should.⁴⁴ He is really a conservative social critic, sharing the view of the physiocrats

that agriculture is the only natural occupation. He believed the effect of civilization was to divide society into the rich and the poor.⁴⁵ For these reasons, he is very biased against manufacturing and commerce while lauding agriculture.⁴⁶ He was probably the first to attempt a statistical study showing that labor was being robbed. His conclusion was that while eight-tenths of the population were laborers, this group received only one-eighth of the total product.⁴⁷

The working population, according to Hall, becomes more miserable through time for two reasons. First, those already rich are becoming richer, causing those poor to sink to a more wretched position. Secondly, more of the workers are continually joining the miserable class.⁴⁸ These ideas were later used by Marx.

Hall, like Marx, felt that wars were directly caused by capitalism. To increase wealth, the capitalist had to find new lands to exploit.

What should be done to remedy this sad state of affairs? Hall would lead us back to precapitalist days. Primogeniture should be abolished. In fact, all land should be nationalized and then distributed equally among small farmers.⁴⁹ Capitalism should be abolished or reduced by heavily taxing factories. The only individuals to be taxed would be the rich.⁵⁰

The other four writers that I shall deal with are very similar to one another in that their writings show some degree of utilitarianism. All wrote between 1825 and 1839 and showed some signs of being theoretical.

Probably the best known of the early English socialists was William Thompson, who in his works presented a unification of Bentham, Owen and Ricardo.⁵¹

Thompson, like all the others, saw the concept of exploitation but felt that the capitalist should be paid something by the laborer for the use of capital. This sum, however, should not be the whole profit. A deduction from the total profit should be made for capital depreciation, and then the capitalist should receive a wage equal to that of his best workers.⁵²

Poverty, he thought, was brought about because there is no stimulus to produce if a person's work is going to be taken from him. But he then turns around and seeing the socialist question of whether the industrious will produce if their produce is taken to follow the maxim of equality in distribution, says that equality is more important.⁵³

Thompson wavered for some time between recommending a primitive democratic society of small producers and a system of voluntary socialism. After realizing that if all received everything they produced, those unable to work would starve, he decided on Owenite cooperation.⁵⁴

He differs from Owen in that he favors a democratic process where all officials, even those traditionally appointed, would be elected, whereas Owen had little faith in popular self-government.⁵⁵

Society, according to Thompson, should be based on three laws. Labor should be free and voluntary. It should receive what it produces, and all exchanges should be free and voluntary. Capitalism violates these maxims and so cooperation should be put in its place.⁵⁶

Thompson bases his exploitation idea on utilitarianism. Capitalism does not provide the greatest happiness to the greatest number.

John Gray, in his earlier years, was also an Owenite, but he emphasized somewhat different points than did Thompson. He accepts the doctrine of exploitation and the fact that property is stored up labor. Labor, to Gray, are those working in the field, factory and mine.⁵⁷

Gray, more than the others, attacks competition.⁵⁸ Competition is bad because it limits production. Ideally, production should be limited by the satiation of the people. Because of competition, there is an iron law of wages, profits and rent. Evidently, Gray feels competition exploits, in a peculiar sense, not only the worker, but the capitalist and landlord as

well. He sees a group much like the Marxian industrial reserve army which keeps wages low. At any rate, competition is unnatural and should be abolished.

What is natural? This leads Gray into exchange. A contract is just or exchange is just only if equal quantities of labor are exchanged. Equal exchange does not prevail under capitalism.⁵⁹ Barter, then, is the natural state of society.

Gray believes that another basic cause of the poverty of society is lack of purchasing power.⁶⁰ This is a denial of Say's Law and really allows Gray to be called one of the earlier underconsumptionists. This, along with his praise for barter, turns Gray into a currency reformer.

Gray's best known proposal was his labor bank, which I shall talk about in a minute. His other proposals included free trade, repudiation of the national debt and a reduction in taxation.⁶¹

Gray's labor bank was to be the basis of an Owenite establishment. A national bank would be set up and would issue money in the form of labor notes. The bank would also ascertain the labor time spent in the production of all goods. This would constitute their price. Producers would bring their goods to a central warehouse and would receive labor notes of an equal value. The notes would buy products of equal labor

time. Exchange would be equitable. Labor, rather than money, would measure value.⁶² This idea was not original with Gray as it belonged to Proudhon in France also. Gray was mainly interested in the abolition of private exchange without doing away with production.

John Francis Bray's ideas and proposals were very much like those of Gray. The central problem of society, he thought, could be traced back to some people taking over property to the exclusion of others.⁶³

Capitalism, being founded on unequal exchange, must be replaced with a system of equal exchange.⁶⁴ This could only be done under Owenite cooperation. The transition, however, must be a slow one. Cooperatives in the past have failed because human nature could not change fast enough from its now selfish ways.⁶⁵

Reform legislation should go to the root of the problem instead of to effects. Such laws as the Factory Acts do no good because they leave the distinction between rich and poor.⁶⁶

What does Bray recommend? First, joint stock companies would be set up by people pooling their savings and with the help of nationally owned banks.⁶⁷ These companies would purchase land and capital equipment for production. The companies would issue labor notes rather than money. The class of laborers would be the only class, and they would be paid in proportion

to their labor time. Common warehouses would distribute goods. Prices would all be at wholesale.⁶⁸

Much of Bray's life was spent in the United States. It is interesting to note that he might have been nominated for the Presidency in 1880 by the Greenback Labour Party had not the socialists left the convention.⁶⁹

Thomas Hodgskin is of interest to us for two reasons. First, of all the Ricardian socialists, he was the best as an economist. Secondly, his ideas were closer to Ravenstone's than any of the others were.

As has been mentioned, Hodgskin diverged from the others by drawing heavily on the natural rights idea of Locke and Ravenstone. The ills of society could not be cured under socialism or capitalism but would be eliminated if society were made up of free and independent producers.

Hodgskin believed very strongly that labor was the only factor of production. It was surely impossible for land to create any new wealth. He distinguishes between fixed and circulating capital just as the orthodox had done. But then he says that there is really no such thing as circulating capital. The capitalist does not "store up" anything with which he pays labor. This is a denial of the wages-fund doctrine. Workers, in actuality, depend on other laborers who produce their needs. Instead of the worker depending on the owners'

store of circulating capital, he depends on this "coexisting labor," a fundamental fact of social life. Fixed capital is stored up embodied labor and is worthless unless it is used by the laborer. Therefore, it derives its utility not from past labor as the orthodox thought but from the present labor which uses it.

Perfect competition in the market should prevail because then distribution would be free and equal. On this subject, Hodgskin disagrees vehemently with John Gray who was opposed to the competitive mechanism.

Hodgskin accepts the iron law of wages in its strictest sense. It matters not how high rents and taxes are, the worker must be paid subsistence. Therefore, reforms aimed at decreasing these do little good. They aim at the effect rather than the cause. Exploitation of any kind must be done away with completely.

The struggle between capitalist and laborer will continue until the laborer receives his whole product, until the natural right of property is substituted for the artificial. In his earlier works, he believed that the workers would put an end to the dominance of the artificial right. Later, he thought the middle class would do it. But it certainly would not be done by the lawmakers.

Hodgskin had few policy proposals. He was very individualistic which led some to call him an anarchist. He believed very much in pure competition, the price system and free trade. He was not against private property as long as it was based on the industry of the people. This is the major point on which he is in agreement with Ravenstone.

Hodgskin was more advanced than the others of his time because he saw three important points which they overlooked. First, he realized, as Marx was to later, that where there is a well defined division of labor or specialization, it is extremely hard to say whose product is whose. Gray probably implicitly recognized this when he formulated his ideas on labor notes. If you cannot give the laborer his physical product, give him "money" in proportion to his labor time.

Secondly, Hodgskin realized that he who laborers with his head is just as much a laborer as he who does manual work. The other socialists did not see this, and if the orthodox did, they did not espouse it explicitly.

Hodgskin also made it clear that the capitalist performed two functions. Not only was he an owner, but he was a director and organizer. In the latter respect, his interests were somewhat like those of the workers.⁷⁰

As is true of the members of any school, the Ricardian socialists differed in ideology among themselves. Bray resembled the modern socialists in wanting a type of nationalization of the productive means. Hodgskin was completely individualistic. Thompson and Gray were more of the Owen utopian type. Hall was simply an agrarian reformer. As a group, they agreed on one basic fact. The laborer was being robbed.

Hopefully, this extended chapter will give the reader some idea of the background in which I am working. I have found that by keeping it in mind, Ravenstone's work becomes much more intelligible.

CHAPTER III

POPULATION AND SUBSISTENCE

The whole of A Few Doubts, although seeming like a diverse discourse on many subjects, fits together like a large jig-saw puzzle. I hope that this will be clear by the end of my paper. Approximately one-third of the work is concerned with the demolition of the Malthusian population theory. Why should so much of the work be aimed at this classical maxim?

The Malthusian theory, according to Ravenstone, implies that the cause of misery is Providence. There is a tendency for men to procreate more of the race than can be fed. Population tends to increase at a geometric rate.

Ravenstone denies this theory. Misery is brought about by human institutions. This is how rent, taxes and profit enter the analysis. He shows that it is physically impossible for population to increase at a geometric pace and that if the worker received his whole product, he would not live in misery. "To consider misery and vice as mere arrangements of the Divinity to prevent the inconvenience of too great

population of the world, is to adopt predestination in its very worst form."¹

The first chapter of A Few Doubts deals with the general impossibility of population increasing at a geometric rate. The goal is to show that population, except in abnormal circumstances increases in a regular manner at all places in all times. Ravenstone admits that there are unusual circumstances, such as a war when the ratio of births to population falls because the soldiers killed are at their prime and famines where the ratio rises because those unable to reproduce, the extremely young and extremely old, are hit hardest by death. But these are exceptions to the rule, exceptions on which, according to Ravenstone, the Malthusian system is built.² In usual circumstances, births bear a constant proportion to total population. Ravenstone does not see that Malthus would probably accept the above proposition. But Malthus would qualify the proposition by saying that it would not be true if it were not for the checks such as misery and vice.

Ravenstone builds his case on arithmetic calculations. A nation must be divided into a productive and an unproductive class; those who can reproduce and those who cannot. The latter may be forgotten. The number of marriages must be calculated as well as the number of children each produces. Ravenstone assumes that all of

the lower class marry but that a very small proportion of the higher class does not.³ However, the proportion remaining single is too small to bias the results.

These are rather shaky assumptions as is his next one in which he assumes that nineteen of every twenty girls marry. This fact is based on "every country where any statistical tables are kept."⁴ The records of a parish in Switzerland then furnish him with the fact that one marriage in twenty is childless.

He assumes and is "completely borne out by all the tables of population" that eleven of twenty females born live to the age of marriage, and ten become both wives and mothers.⁵ Thus, and very conveniently, one half of all women bear children. Therefore, to keep population in a static state, each marriage must produce four children.

Now, to find how much population increases, it is necessary to find out the average number of children per marriage. The average age of marriage is twenty-one. The average woman stops producing at forty-five, so the average period of production is twenty-four years. But this is the maximum possible, and some women stop before this time. It is also possible that one of the partners will die before the production period is over. These facts lead Ravenstone to the conclusion that the productive period should be reduced to eleven years.⁶

From the records of Scotland, it is found that the average length of time between children is a little greater than two years. This means that the average fruitful marriage produces somewhat around five and one-fourth children. If this be true, each generation will increase population by twenty-one sixteenths.⁷

But how long is a generation? If the mother marries at twenty-one and has five children, the average distance between mother and children will be twenty-seven years, and that constitutes a generation. Given this and the fact that population increases twenty-one sixteenths each generation, it must take seventy-five years to double the population.⁸ And this is a minimum. Thus, Malthus' claim that the United States doubled her population within twenty-five years needs to be studied more closely.

It is obvious that some of Ravenstone's assumptions and calculations are open to question. But this is also true of Malthus' work. He bases his claims on no proof whatsoever.

Population, Ravenstone realizes, has been gradually increasing in a regular process from ancient times. What effect does an increasing population have on civilization? "A numerous population can only exist where the subdivision of labour, by improving cultivation, has increased the power of production in each individual,

and has thus introduced civilization by creating a class of persons who, living on the labours of others, are at liberty to employ their leisure in improving the comforts and accommodations of life."⁹ This seems like a chapter right out of Charles Hall, who said that the effect of civilization was to divide society into rich and poor. It is basic to Ravenstone's analysis because it is the process by which the idle class comes about.

Ravenstone then analyzes population increases in Switzerland, France, Hanover, Prussia, Russia, Sweden, Norway and Denmark, finding that in all these countries, the population usually doubles in approximately one hundred or one hundred and ten years.¹⁰ He also finds that population does not grow fastest where there are great wastelands and subsistence is abundant as Malthus had prophesized. "Providence produces uniformity."¹¹

England is then studied and the results are the same. As a rebuff to Malthus, he says, "The ratio of our increase, the proportion of our mortality appear to be amongst the most unalterable laws of nature; they are not influenced, they cannot be, by any human institution."¹² And again, "Everywhere we find the annual marriages bearing nearly the same proportion to the whole number of people: everywhere we see the marriages renovating the world by almost exactly the same number of births; everywhere we perceive the numbers of the people . . . increasing in equal proportions."¹³

If I may digress for a minute, I think Ravenstone misses the real meaning of the Malthusian theory. First, and many other people have this misconception, Malthus did not say that population increases at a geometric rate. Population would grow at this rate if there were no misery and vice. But, according to Malthus, these things exist. Secondly, Ravenstone, by saying that it is impossible for population to double in less than seventy-five years has not proven the geometric idea to be wrong. For if population doubles in seventy-five years, it will double in another seventy-five and so on. Thus, it turns into a geometric increase. The reason Ravenstone was interested in the seventy-five years was the fact that Malthus had said that the population of the United States had doubled in twenty-five.¹⁴ And "it is on the growth of the Anglo-Americans that he (Malthus) has built his whole system."¹⁵

Coming back to Ravenstone's discussion, he does not dispute that the population of the United States may have doubled in twenty-five years. But he does deny that the large rate of increase is caused by Americans procreating. There is one difference that sets America apart from the other European countries. "The nations of Europe are continually sending forth emigrants; the United States are continually receiving them."¹⁶ Immigration is the reason why America's population has

increased so rampantly. "The one country (America) has long been the refuge of all those whom misery or bad government have sent from Europe."¹⁷ Malthus overlooks this fact in his work. But what one country gains, another must lose. Ravenstone here falls into error. It is all right for him to subtract out immigration when figuring population increases. But if he subtracts them from one country, he must add them to the rate of increase from where they came. He has failed to do this in his earlier calculations, and it would seem that they would be biased downward.

With no specific data on immigration available to him, it is interesting to see how Ravenstone calculates those coming into the United States. Pick two censuses twenty years apart. "All the persons who are still living, will be found in the second, in the class of those who have passed their twentieth year. If the number of those in the second census, who have passed their twentieth year, exceed the whole number of the first census, it is equally certain they cannot be part of the native population. . . ." ¹⁸ This is a rough measure of immigration. To refine it, deaths of immigrants and natives must be taken into account as must births to immigrant families.

Ravenstone, after calculation, finds that if immigration is excluded, the population of the United States

would have doubled in one hundred and two years.¹⁹
 This is in the same range as his calculations for other countries.

The arithmetic ratio of food increase now comes under examination. Malthus, Ravenstone says, proved his arithmetic ratio theory only "by its very enunciation."²⁰ Why, then, was it accepted? Because it aided the rich in their encroachments upon the poor. The worker's lot could not be improved because Providence kept him in misery.

Since the geometrical ratio has been proven false, Ravenstone says that there is really no sense in studying the arithmetic. They stand or fall together. They "must descend together to the same tomb."²¹

But not only is subsistence theory connected with population, it is connected with rent and the division of society between the idle and the industrious. This makes it worth studying in some detail.

Suppose, Ravenstone says, we go back to the time of Noah. Given that time as the first link in the chain, the Malthusian theory would say that the earth could produce food for 1,328 people while without checks, the population would be 256 times ten to the fifteenth power. Something must be holding population back, but it is not the Malthusian misery and vice.

Food must increase in proportion to increase in population. But population has grown by more than by

an arithmetic rate. These people are still living, so evidently food grows faster than the Malthusian theory says it does. The theory, according to Ravenstone, is invalidated.²² Ravenstone here, as in many other places, interprets Malthus too literally.

He also interprets Malthus as saying that no matter what the population, no matter how hard people work, food would increase at the arithmetic rate. Hence, subsistence is in no way dependent in the amount of human industry the people exert.²³ This, again, is a somewhat too literal interpretation as Malthus must have taken an average amount of industry as a given variable in his work.

An implication from Malthus, if we interpret him as above, is that the fewer the people, the better off those people are. Indeed, Ravenstone draws this conclusion and points to the fact that the most sparsely populated countries are the poorest. This also, according to Ravenstone, points to the fallacy in Malthus' reasoning.

Ravenstone believes "subsistence is entirely dependent on human industry."²⁴ Idleness and property are synonomous. Their basis is population and industry. These two factors bring about the division of labor. This division "has multiplied every man's abilities by the abilities of his fellows,"²⁵ thus allowing more

subsistence than is necessary to be produced. This gives rise to the idle class who, seeing that they need not labor, become property holders. Thus, exploitation comes about. It is somewhat strange that Ravenstone does not specify why certain people to the exclusion of others become this privileged class. It is also odd that he gives us no idea why the laborers let this happen to begin with. It seems to be because that when the division of labor first comes about, there is little exploitation, and the worker has not yet been thrown into the miserable state he finds himself when specialization has progressed to a great extent.

From an idealistic standpoint, increases in population should lead to an increase in the comforts of life for all. When the division of labor has come about, given that all work, subsistence increases at a greater rate than population. Machinery can then be introduced which with a smaller population would have cost more labor than it saved. But in reality, misery only increases because what the worker produces is taken to subsist those doing no work.

So "numbers generate plenty."²⁶ This is Ravenstone's basic subsistence theory. "Everywhere we find the means of subsistence rising . . . from the earth to meet the wants of its newly created inhabitants."²⁷ Why is this? "An increase in numbers is immediately followed by an increase in cultivation."²⁸ And furthermore, "To

live in plenty, he has only to labor."²⁹ If misery is prevalent, man is to blame because the produce of the earth is always abundant when man works for it.

Then why is there misery? It is not the will of Providence as Malthus supposed, but human institutions that can be blamed. There is "something defective in our economy."³⁰ Bad governments cannot diminish the population, but they are a cause of the increased misery.³¹

Ravenstone marvels that Malthus can say that the population is accommodated to the crop. It is absurd to think that "when it (the crop) is abundant men and women suddenly rise up to devour it; when it is scanty they die down to the means of subsistence."³² In fact, "It might be said with more truth, that subsistence increases in a geometrical, whilst the labour employed . . . increases in an arithmetical ratio."³³ Ravenstone backs this statement with the facts that at the time of the Norman Conquest, three hundred thousand men raised food for two million people. Now five hundred thousand feed twelve million. "Twice the quantity of labour produces eight times the quantity of food."³⁴ The fallacy in this as an attack on Malthus should be obvious. Then, with obvious reference to Malthus, he says, "the passions of men do not allow them to act with so much regularity as to enable

us to reduce the affairs of the world to mere mathematical abstractions."³⁵

Malthus believed that procreation had no limits but that there were certain natural laws which checked it. Ravenstone agrees that there are checks but believes they are to be found in the imperfections of the social system.³⁶ He puts no more stock in the Malthusian checks than he does the geometric-arithmetic ratio theory. Speaking about the check of not having children because of not being able to support them, he says, "Men do not amuse themselves with calculating before hand the probable consequences of their conduct."³⁷ How can you argue with that? He also denies that war and famine are checks and calls them "unavoidable accidents of nature."³⁸ Natural or not, it seems as if they are still checks. Ravenstone, however, goes into the subject no further.

This concludes Ravenstone's direct attack on the population theory--population, subsistence and checks. But this is only the beginning. Given that population is increasing, that the division of labor has come about, that production has increased proportionately more than population, why is the great majority in such miserable shape? If it is due to human institutions as Ravenstone believes, rather than due to God, it can be remedied. "If the interests of the many have

been sacrificed to the interests of the few, the many have only to assert their rights and the injustice cannot long endure."³⁹ This sounds as if it could have come directly out of the Manifesto of the Communist Party. It was written, however, some nineteen years before. I now turn to a detailed explanation of why and in what forms exploitation occurs. It is well to remember that the remainder of Ravenstone's theory and Malthusian doctrine are intimately connected.

CHAPTER IV

PROPERTY AND RENT

The analysis of property is crucial in the work of any critic of capitalism. It usually forms the foundation of theories which are built to show the evils of this form of production. Ravenstone is no exception to this rule. "Property is the groundwork of all the artificial distinctions of society."¹

But what is this thing called property? It is, of course, private property, but of a peculiar sort. It has been said before, that for Ravenstone, property and idleness are synonymous. Consider a nation where all produce only for themselves. Oddly, this is not a system of property. For property to exist, the division of labor must have progressed to the extent that some are able to become members of the idle class. These idle property holders bring about the property system.

In fact, where all produce for themselves, according to Ravenstone, there is no society. No common interest unites the people. At the other extreme, a communist society is an artificial property society. (Do not confuse this with the artificial right of property which I speak of later.) Communism, to

Ravenstone, is legalized tyranny. "It never has existed, and never will exist but amongst a small number of crazy fanatics."² This, of course, sets Ravenstone apart from some of his contemporaries who argued for Owenist establishments.

The best system is that which gives the laborer the produce of his work, but in which all work together in a united effort through the division of labor. "He who has killed the bear appears clearly entitled to his skin."³

The above analysis sets Ravenstone apart from the earlier writers who advocated a simple return to the "good old days." Ravenstone is in favor of the division of labor. He sees its usefulness unlike the agrarian reformers. Given specialization, the laborer should, however, receive his work.

Where then is the problem? This leads to analysis of the rights of property. It is not true that "he who first tills a field should acquire any continued property in that land" unless he continues to work it.⁴

When a man ceases to work the land, it should be returned to Nature and given to someone who will work it. In other words, the idle should not own land. Then why do they? Because of the artificial right of property which is upheld by the government. The artificial right is that right "which grows up in the

progress of society, by which a man is enabled to appropriate to himself the ownership of lands which he does not occupy, and on which he has never exercised any industry."⁵ This artificial right enables the property holder to steal the labor of others and live by doing no work.

Property should be based on natural rights. The person who works the land, he who produces value, should be given title to it. The natural right of property is based on industry.⁶

This artificial right inverts society from its natural course. Property should be looked on as secondary to industry. Property owes its creation to society whereas industry owes its creation to God. When the rights of property harm society and decrease industry, property has usurped rights which do not belong to it.

The artificial right of the landowner leads to other artificial rights such as that of the manufacturer stealing profits. And as society progresses, "the claims of the idle become stronger."⁷ The laborer is not free, his condition becomes worse. His wage "will be restricted to what will procure him the necessaries of life. . . ."⁸ The iron law of wages is espoused and contradicted throughout Ravenstone's work.

The lawmakers, who are idle, sanction this exploitation, and the dominance of the artificial right will continue as long as property confers wealth. This inequality of income has led to the downfall of many countries. Ravenstone hints that England may be next. He is very close to Marx in thinking that property is the cause of revolution.

Governments have, Ravenstone thinks, measured wealth by their number of idle men. This, in reality, measures only poverty. But rent, capital and taxes are not evil per se. They are, however, when they are pushed to excess as they have been in England. By creating idle men, they decrease production. Their good is that they allow the idle man's hobbies, the arts and sciences, to flourish. But these should never be allowed to overshadow industry in importance.

This, then, leads Ravenstone to the answer of why, contrary to his population theory, an increase in population leads to misery. "Population has appeared to exceed the means of subsistence, because too small a portion of the society has been employed in production. The earnings of the labourer are insufficient for the maintenance of the labourer, because the claims of property are previously to be satisfied; and these claims absorb nearly the whole."¹⁰ Never before Marx has the theory of exploitation been stated in such clear terms.

Rent, of course, is the return on property. It is defined by Ravenstone to be that part of the worker's earnings which go to the support of the idle landlord.¹¹ Ravenstone is somewhat more advanced than his contemporaries in seeing that the landlord can have two functions, those of internal management and simple ownership. In the role of the former, the landlord would be a worker. However, Ravenstone believes that the extent of the division of labor has made it so the landlord does no managing. This is how he can put him in the idle class.¹²

Ravenstone's definition of rent is, of course, the "layman's" definition rather than the strict Ricardian surplus idea. Ricardian rent would be Ravenstone's rent minus all costs, including a "normal" return to the landlord, except wages. Ravenstone, in fact, rejects the Ricardian rent theory. The first land cultivated is not necessarily the best. The soil used depends not on its fertility but on its convenience to the farmer. In other words, that closest will be cultivated. But even if this is true, Ricardian rent would spring up. Ravenstone does not see this. Suppose the worst land is brought under cultivation first. Then when better grade land was used, "pure rent" would be paid on it just as if it had been cultivated first.

Rent in kind precedes money rent. It has been shown that increases in population and technology bring

about rent. Some people are able to live on the work of others. But for money rent to come about, the division of labor must be extended until there is a money market for the sale of produce.¹⁴

Just as Thompson who followed him, Ravenstone sees that not all payments to the idle are unjustified. When better systems of cultivation are found, the landlord should share in the advance. However, wages should share in proportion to rent. If rent is given relatively more, more men become idle and production falls.¹⁵

This is indeed a strange turn of events and cannot easily be explained. For someone who seems so opposed to the artificial rights of property to say that an idle should share in anything is very odd. A partial explanation may be the fact that Ravenstone believes that inequality in property may have a good characteristic. If everyone received the fruits of their labor and were able to produce more than subsistence, then there would be no force to make them work very hard. As long as rents draw work from the people, they are legitimate. Only when they are in excess, when they overwork the laborer, are they bad. The natural rights of the worker can be tampered with if society benefits.¹⁶

This is an absurd argument. What matters it if workers are somewhat idle or if a proportion of the

population is completely idle? Ravenstone implies that there is some social welfare function, but says not, even normatively, what characteristic of society is to be maximized. If total industry is to be maximized, as Ravenstone implies elsewhere, there is question whether this would be done through all working some or some working hard with others completely idle.

The rise of rents gives rise to the tradesmen, also idle, who come about only because more is produced than is consumed. The rise of this class is important and will be dealt with in a subsequent chapter.

Ravenstone draws much the same distinction between productive and unproductive labor as Adam Smith had before. Domestic servants and "mechanics" (such as a house painter; in other words, those performing services) add no wealth to the nation and are unproductive. Their class also arises from increases in rent. Concerning the unproductive workers, Ravenstone states clearly the concept of opportunity cost. ". . . The annual produce of the land is diminished by all that this man's industry might have produced."¹⁸

In general, then, rent is not bad until it is taken in excess. It will be shown that this is true of capital and taxes, also. When, however, rent is too great, too few workers form the base which supports the great weight of the idle. The inverted pyramid must collapse.¹⁹

CHAPTER V

INTERNATIONAL TRADE AND WAGES

This chapter is somewhat of a digression from the mainstream of Ravenstone's thought. It probably, however, contains more of what the reader recognizes as "economics" than any other. Ravenstone combines wages and international trade into a theory which, even if incorrect, shows as much aptitude toward theorizing as any author of his time. Although at some points very confusing, I think it merits examination. Intermingled with the discussion of foreign trade is a partial theory of value which shows some foresight.

The basic principle of trade, foreign or domestic, is the exchange of equal labor quantity and skill. But to Ravenstone, this is not a normative statement but is a positive fact. If trade were not under these conditions, two things might happen. Either the country giving up the most labor would decrease the amount of labor being put into the traded article or they would trade with another country from which they received an equivalent amount of labor.¹ Countries will trade those articles in which they have a peculiar advantage.²

Whether Ravenstone is talking about absolute or comparative advantage is not clear from the context.

Suppose the cost of subsistence in one country is higher than that in another. This can in no way affect the price of goods traded. For no one would pay a higher price for an imported good than it can be had for at home just because the cost of living is higher in another country. The value of labor in one product must be exchanged for an equal value in another. This means, according to Ravenstone, that the price of goods with an equal amount of labor embodied will be the same in all countries as an equal amount of labor will go into making them.

Labor must be measured in some units common to all countries. The unit is money. This leads to a short digression on money and value.

Ravenstone, in recognizing distinctly value in use and value in exchange, seems to come close to a subjective theory of value. Articles with little use value, such as a pearl, derive exchange value from man's "imaginary wants" or vanity. Articles with use value derive their exchange value from the "physical wants of man."³ Yet commerce can set up an exchange ratio between these two completely different types of articles. "Both have a relation to money which will indirectly determine their value to each other."⁴ And money is a common value

between countries. It is always equal to the amount of labor used to mine it.⁵ This assumes, of course, that the conditions of mining are the same in every country.

But to continue, Ravenstone assumes that if the price of goods are the same in all countries, the wage must be the same also because the wage is the only cost of production. But if the wage is the same and the price is the same, then the total surplus of rent, profit and taxes is also the same. This, however, Ravenstone says explicitly many other places in his work is not true.

But assuming the analysis is accepted, then "the cheapest country regulates the price of labour in the dearest."⁶ Why this is so is not immediately clear although it follows directly from above. Assume the general price level in France is lower than that of England. Also, assume that they are to trade goods with an equal amount of labor embodied within. England will want more for her good than will France. But France will not pay that much for it because it can be had for less at home. Therefore, England must lower the price in the foreign market until it is equal to France's domestic price. But this means that the wage must be the same in both countries.

Then it must be true that commerce tends to establish an equal value of labor throughout the world for

those producing goods for export. But what if the wage of those producing for home consumption is greater than the wage of those producing goods for foreign trade? Then, according to Ravenstone, the competitive mechanism works. Laborers shift jobs until the wage in producing for home consumption falls to meet the lower wage of those producing for export. Thus, foreign trade regulates the wage in home trade.⁷ A uniform wage prevails around the world.

The average wage cannot rise more in one country than it does in another. But then Ravenstone turns around and contradicts his above analysis in two ways.

Wages, he says, will be higher in those countries with the least industry. Given an amount of work, if it is done by nine men, they will receive one-tenth more than if it were done by ten. This is also a contradiction of his own population theory. Recall he said before that the more industry there is, the better off a country is. Of course, he then might not have been comparing two places with the same amount of work to be done. In the present analysis, however, the wage funds might be equal, but the wages certainly are not.

It is true, he says, that workers in countries which depend heavily on trade have lower wages than others, because trade is subject to great fluctuations. We saw in an earlier chapter that the English economy

had been subject to great fluctuation because of war and after war trade. This is one reason that Ravenstone is not an advocate of foreign trade. Another will be seen at the end of the next chapter.

Foreign trade also means that agricultural wages are low. Through the competitive mechanism, they will equal the wage in manufacturing. As all wages tend toward the same level, agricultural wages are regulated by the countries with which the home country trades.⁸

But, Ravenstone remarks, we see that wages differ from country to country by a greater amount than can be explained by trade or population. How can this be? Ravenstone's answer is still built on a labor theory of value.

Suppose the French trade wine worth ten day's labor to England for hardware which also embodies ten day's labor, assuming the trade to be made at Bordeaux. The trade is then unequal because the English, besides the labor in the hardware, give the labor of transportation. Ravenstone then introduces a "common staple,"⁹ an imaginary center of commerce for the whole world.¹⁰ "The value of each article is regulated by what it would produce in the common staple, the great center of commerce. Each party deducts from this price what it would cost to convey his production to this great staple. By this means, the two values are rendered

commensurate."¹¹ Thus, the distance from the staple regulates the nominal wage of different countries. The further from the staple a country is, the lower will be its nominal wage. "If the value of one man's labour in the market be ten shillings and it cost five shillings to bring it to market, its value at the place of production will only be five shillings."¹² If another can bring it for two, its value at home will be eight. No one will pay more for a product just because it takes one man more effort to bring it to market than it takes another.

Although Ravenstone does not do it, this idea could be easily represented by a set of concentric circles as are sometimes used to explain Ricardian rent. Assuming that the technology of transportation was everywhere equal and that all lands have the same geographic characteristics, the staple would be placed in the center. As we move further and further from the center, the nominal wage falls.

This explains, then, the differences in nominal wages. But Ravenstone believes that real wages will tend toward equality in all countries. If the product is cheap and vice versa, then subsistence will be cheap or dear.¹³ Thus, as we move out from the center of the circles, the price level is falling, keeping the real wage constant. It will be true, however, Ravenstone

says, that the real wage will be somewhat higher where corn is grown cheapest.¹⁴ In other words, the purchase of corn is a great item in the workers' budgets. This is an argument Ravenstone uses against the Corn Law. Here, unlike in Thoughts, Ravenstone is not terribly upset with it. "Its effects must be entirely temporary."¹⁵

Nominal wages and subsistence are higher in England than elsewhere, Ravenstone believes, because England is nearer the great center of commerce than most other countries.¹⁶ Of course, he does not say where this great center is, but it is clear that he would place it between England and France because of their importance in world commerce.

There can be no doubt that when Ricardo said that Ravenstone's work was full of errors, this was one section that he had in mind. But looking at it not for its correctness even in Ravenstone's time, but for the method of thought behind it, it is a good piece of economic theory for this period.

CHAPTER VI

TAXES, THE NATIONAL DEBT AND THE INTEREST RATE

In discussing taxes, we return to the mainstream of Ravenstone's work. The three main mechanisms which exploit the worker are rent, taxes and profit or capital. Ravenstone's main ideas on taxes will be given in this chapter and these will be carried over into the next chapter which deals with the national debt.

Taxes, like rents, are good under certain circumstances, and their evils are similar to rents. What does it matter to labor whether they pay surplus to the government or to their landlords? In the case of taxes, however, at least there is some chance that the money will be put to use for their good.

When taxes, a small part of society's surplus, are used for public works of splendor and encourage patriotism, they are good. As with everything else, it is only when they are in excess that they are bad.

Ravenstone sees the necessity of government and thinks it right that officials have the "leisure time"

to perform their duties. Therefore, it is only right that they live off the earnings of others. But the range of government activities should be limited in scope. "To restrain, not to direct, is the true function of a government."¹ The government should protect men from injury which might be caused by other men seeking their own selfish self-interests. And the government "never goes out of its province without doing mischief."² Totalitarianism is a definite evil. Men have little incentive to labor beyond their subsistence when they know the government will take all. There will be few idle men as surplus value will be small. The total amount of industry would be great, but produce would be small due to lack of incentive.³ In other words, men would be underemployed.

The basic principle for Ravenstone is that the only legitimate object for taxation is property, because a tax of this sort has no effect on the industrious. This idea, of course, has a broad heritage and is especially prevalent in the Physiocratic literature where an impot unique on land rents was advocated.⁴

Ravenstone, however, also advocated duties on luxury goods as these were mainly purchased by the idle.⁵ This is somewhat of a contradiction of his above espousal of government hands-off. It resembles the policy of some of the later merchantilists who

called themselves free traders because they advocated no protection--except for their concerns.

It should be obvious that Ravenstone really favors any tax not borne by the laborer. The above types of taxes perform a redistribution of income. They set up a new idle class (the government) at the expense of the old idle class (the landlords), but do not harm the worker.

But unfortunately, Ravenstone's ideas on taxes were not to be found in effect when he wrote. It was by the myriad of indirect taxes that industry was hurt. I pointed out in an earlier chapter the extent of these taxes. Property taxes, according to Ravenstone, can never be in excess, but taxes on consumption can be and are. The lawmakers, who are idle, realize that by passing property taxes they would be taxing themselves and this they would not do.⁶

Ravenstone sees clearly the concept of tax shifting as he says the indirect taxes fall on laborers because they are shifted through higher prices. "It will be readily admitted by all, that the tax on malt, on beer, on tea, on sugar, on the various objects of excise, though in the first instance, paid by the dealers, really form a charge on consumers; they pay the duty in the increased price which is demanded by the dealer."⁷ The fact that these taxes can be shifted plus the fact

that nine-tenths of the population are laborers mean that the taxes fall most heavily on the laboring class, that class created and ordained by God. He should have added that the articles taxed are those which make up the largest part of the laborers' expenditures because although nine-tenths of the population are laborers, the expenditures of the idle could easily be greater than those of the workers.

Ravenstone then counters the Ricardian theory of the wage rising with price increases. This could not be true, he says, because if it were, the landlord would never see to it that consumption taxes were legislated. Consumption taxes would tax the landlord twice. He would first pay increased wages and then still pay the higher price for commodities which he bought. He would be better off favoring a single property tax. Therefore, the Ricardian idea is wrong or the landlord is stupid. Ravenstone assumes the former.⁸

The landlord must assume two things. First, the consumption tax will be felt more by labor than by himself and secondly, that a consumption tax will not lead to an increase in wages. But if this is true, then before the tax is passed, the worker must be receiving more than enough for subsistence. This is a good example of the fact that Ravenstone denies the strict

iron law of wages. Subsistence forms the basis for the wage, but the worker is paid a little more than this. He admits that a subsistence wage is paid to some in the economy but says that the wage varies throughout. This, of course, is a denial of his theoretical conclusions in the last chapter.

The property tax does not reduce production because the situation of the laborer is not altered. But the consumption tax affects the laborer not only directly but indirectly by increasing the landlord's relative share. It allows capital to be accumulated and, as will be made clear in a later chapter, this reduces industry, causing a redistribution of wealth away from industry.⁹

To digress for a moment, it is interesting to note that Ravenstone explicitly recognizes the difference between skilled and unskilled labor when applying the labor theory of value, much as Marx was to later. "He who can do the labour of twelve hours in eight is equally entitled to be paid the value of twelve hours work. . . ." ¹⁰

Ravenstone also realizes that it is the way tax money is spent rather than the absolute levels of taxes which partially determines injury to the taxpayer. For no matter how much taxes are, the wealth of the country will remain the same as taxes are simply a redistribution.¹¹

An advantage of the property tax is that it decreases the idle man's ability to hire other unproductive persons.¹² Ravenstone thinks it absurd to maintain that the spending of the rich on luxuries is what supports the poor.¹³ This type of spending only increases other idle classes. This is an important point and one where Ravenstone and the orthodox classicals are in basic agreement. It is this view that leads to the often heard charge that the classicals left the concept of Keynesian aggregate demand completely out of their works and did not see its effects on an economy. Smith, himself, had refused Mandeville's private vice-public benefit doctrine as espoused in Fable of the Bees. But Smith and Ravenstone denied this doctrine for different reasons. Smith praised saving simply because saving was investment and this increased the wealth of nations. Ravenstone would have said that even if saving were investment, it would be evil because capital accumulation, another evil, would be brought about. In fact, I will show in the next chapter that according to Ravenstone, there is no saving in an economy. Ravenstone opposes luxury spending simply because it creates and supports another idle class, that of the capitalist.

Ravenstone also opposed consumption taxes because they destroyed domestic industry.¹⁴ Why this is so, he

does not make clear, and I must confess that I have not figured out the answer. The domestic system was good, according to Ravenstone, because there was no capital accumulation.

Consumption taxes also promote foreign trade. If some good is heavily taxed at home, there will be incentive to import a substitute. Since the transaction is handled through a merchant who is unproductive, the operation promotes the idle class.¹⁵

So in general, the result of the consumption tax is the same as that of rents. The quantity of labor, as well as labor's skill has increased. Produce has been increased by the greater number of laborers times their increases skill. But the laborer is not allowed to share in this increased wealth.

In talking about the national debt, I switch emphasis from A Few Doubts to Ravenstone's Thoughts on the Funding System and Its Effects, which was written in 1824. This is a relative short (eighty pages) work by Ravenstone and its title describes its contents well. Its explicit topic is the national debt, but the themes of surplus value and exploitation are found throughout its pages. It also gives Ravenstone's ideas on the concept of saving, and these, I believe, are somewhat unique. There are digressions on the subject of capital which I shall delete here and save for my chapter on capital.

It will be obvious that Ravenstone's major ideas did not change between the writing of the two books. If, however, his ideas were somewhat radical in 1821, they were more so by 1824. Thoughts, as I mentioned in my introduction, is much more caustic in its criticisms. It is also interesting that much of the flowery rhetoric and references to the Deity which appeared in A Few Doubts is gone in Thoughts.

It is somewhat paradoxical that Ravenstone's general principle of the national debt is found in A Few Doubts rather than the second book which specifically dealt with the subject. "The debt of the whole society differs, in its nature, in nothing from the debts of its individual members."¹⁶

Ravenstone begins by asking a question. Is it better to borrow money for a war or should money be saved up during peace? In reality, Ravenstone is against both ways as he is an advocate of "pay as you go."

This leads him into what he thinks a funding system means. Advocates of the funding system, he says, claim that people can consume what does not yet exist; that people can burden the future generation in supplying needs for the present one. This is Ravenstone's whole idea of a national debt: how can you consume what does not yet exist?

The funding system seriously affects peoples' lives, says Ravenstone, and is therefore, a worthwhile subject to study. Ravenstone says he will show that it is impossible for a nation either to save or "anticipate its revenues."¹⁷ Everything produced must be consumed when it is produced and everything must be produced before it is consumed.

He begins with his first point, that production will not be greater than consumption. If all worked, as we saw in A Few Doubts, necessary goods would be produced in abundance. Therefore, some workers become idle. And as society progresses, more and more people are able to join the idle class. "Property grows from the improvement of the means of production; its sole business is the encouragement of idleness."¹⁸ But this, we have already seen.

It must be realized that there are two types of industry. First, there is the industry of the worker, and this is a "good." But there is also the "industry of consumption" which is a "bad."¹⁹ One of Ravenstone's accusations at the political economists is that they measure wealth by this industry of consumption.

When society has progressed to the point where one man can produce more than enough for himself, no one thinks about accumulating. Rather, the surplus goes to let some live in idleness. This, of course, is the

creation of property.

The growth of property and the increase in productivity lead to capital. However, an increasing supply of capital does not mean that wealth is increasing as the political economists would have people believe. If artificial regulations increase productivity, therefore capital, therefore idlers too fast, there will be too few producers which will cause the standard of living to fall. The industry of consumption will increase the purchase of luxuries. Property and the industry of consumption show a direct relationship, but property and industry are inversely related. The idle having more than enough for subsistence leads to them having artificial wants.²⁰ The idler has to "hire others to help in consuming his superfluities."²¹ This is important for it brings about the class of manufacturers. These people provide no necessities. They only satisfy artificial wants.

So we have taken Ravenstone's progress of society theory one step further. In primitive society, everyone produces all he needs and no more. As technology increases and one man produces more than he needs, an idle class and property come into being. If production is still greater than consumption, artificial wants of the landholder are satisfied by the origin of manufacturers and merchants on whom the landholder spends his excess. There is no saving. "To hoard is the wisdom of a jackdaw."²²

Accumulation of money by the state is out of the question, also. Ravenstone criticizes it on the same grounds that some of the anti-mercantilists did, by invoking the quantity theory of money. "Increase, however, the precious metals beyond what the state of society demands, and they become of no more value than stones."²³

Ravenstone's argument that consumption and production must be equal brings about absurd conclusions when lent to foreign trade. "That part of a nation's revenue which is derived from foreigners must, in some way or another, be spent on foreigners."²⁴ This revenue is usually spent on luxuries, but take the case of Florence, who had sumptuary laws against luxuries. Florence, Ravenstone said, "had to dabble in war."²⁵ They had to hire foreign troops to fight so that there would be no accumulation.

Given that Ravenstone's analysis is accepted, accumulation will not take place in normal circumstances. Accumulation will take place only when the government runs a budget surplus. This would not be bad per se as accumulation now done by the idle class (notice the contradiction with above analysis) would be done by the government. The worker would not be hurt. This, however, assumes that the "new" taxes to give the government its surplus will fall only on the idle class.

But the rich are in charge of the government and certainly would not tax themselves. So to finance the government, they create a funding system or national debt and throw the burden on future generations. The funding system has a transfer effect. "For every rich man it pulls down it raises up a new one."²⁶ But the whole idea, according to Ravenstone is so complex that the rich not in government do not see this, and they are the ones "pulled down."

But ignorance alone was not the only cause of the funding system. This system shifts the burden of payment from property to industry through taxes on products that the workers buy. We have seen that, according to Ravenstone, this tax will not cause a nominal wage increase. With the tax upon him, the laborer must work longer hours to meet living expenses. He can do this without creating excess supply because more people are joining the idle class.²⁷

But the amount that labor can increase its work is limited and that limit has been reached. The wage is as low as possible for subsistence because of laws which have given corn an artificially high price. The laborers can be taxed on further, so now taxes must be put on property. The idle really start looking at the system for its vices when they see that they are going to be hurt. They begin to see that "what is taken

for national purposes is so much subtracted from individual income."²⁸

The national debt, he believes, did no good nor was it even needed during the war. The actual expenses of the war were paid out of regular taxes. The amount which made up the debt went only to give hyperprofits to government contractors. Great windfall gains came to unethical speculators. This failure of the debt is attributed to what may be called Ravenstone's first principle of public finance. "This (the funding system), which would be really to anticipate future income is impossible."²⁹

The funding system, Ravenstone believes, is simply not needed. Money should just be taken from the rich and given to the state when it needs it. Wars really create no expenses out of the ordinary as far as society is concerned, for men would have to be fed and clothed anyway. "Soldiers consume no more than they would have consumed in any other condition."³⁰ As more people enter the armed services, the state can take more as less are left to be fed as civilians. And history, according to Ravenstone, bears this out. Other countries fought equally as well as England and used no funding system.

It should be realized that there is a crude theory at work here. As the worker is taxed, he must work

harder to live. His work can support more people. Men are thus free to become "unproductive" soldiers, and the higher taxes support these people. No funding system is needed.

In showing the uselessness of the funding system, Ravenstone says that 114 million pounds were actually used by the state during the war and 300 million went for idle purposes or was wasted. It comes down to the fact, he says, that "we are now burthened with a perpetual payment of twenty millions a year to avoid an annual payment of six millions during the war. The present generation will pay what they have borrowed more than twice over, and will leave the debt unimpaired to posterity."³¹ Ravenstone does not say where his figure of six million comes from, but there can be no doubt that he divided the total war expense (114 million according to his calculations) by the length of the war (nineteen years).

So one fault of the funding system is that it leads to waste and extravagance by the government directly by letting contractors gain tremendous profits. Another waste, an indirect one, is the extravagance in procuring and distributing the revenue. Here we see shades of the Smithian idea of economy in collection. Smith, of course, also thought the government to be the greatest of spend-thrifts.

The funding system, Ravenstone says, also led to a depreciation in currency value.³² It would have been interesting if he had explained this further. He might have come up with a clear theory of why government spending can be inflationary leading to the idea of aggregate demand.

Another evil of the funding system was that the consumption tax went to pay it.³³ But the greatest fault of the system was that it led people to believe that wealth was increasing when it was not. The system, Ravenstone says, leads to the increased wealth of some at the expense of others. The overall effect on wealth was neutral.

But like every other "bad," the funding system has some good qualities, which however, were not recognized when it was put into effect.³⁴ In fact, it might be true that the goods outweigh the bads. How can it be good? "It checks violence and eradicates the ruder vices; it gives power to the law and security to the state, by breaking down the great masses of property, which when too large . . . often engage their owners in schemes of rash and turbulent ambition; it destroys the perpetuity of property."³⁵ Its greatest good, then, is taking from the rich their property, and giving the industrious hope that they may one day enjoy greater comforts of life. Like all other things,

it is "mischievous in its excess."³⁶ In moderation, it is a necessary evil "where the law of primogeniture is established and entails are permitted."³⁷

Surprisingly, and against Ricardian thought, Ravenstone is very much opposed to paying off or wiping the debt clean. Its redemption, he feels will not reduce the wealth of those who gained by its creation. "To destroy it could only enter the head of a cold-blooded and wrong headed political economist."³⁸ The debt supports widows and orphans and from a humanitarian standpoint should not be cancelled or paid.

But if the national debt can be good and bad, the sinking fund is an unqualified evil. If money is accumulated, supply must outstrip demand. This is true because production and consumption must be equal. If income is taken out of the circular flow, goods will have been produced which are not purchased. This, Ravenstone says, is borne out by history. After the war, when the government ran a surplus, there was overabundance and famine at the same time. "The only year in which this country ever saw any considerable reduction of the national debt was a year of unexampled and unaccountable distress."³⁹

Since production and consumption must be equal, a sinking fund decreases production. It, therefore, destroys both present and future enjoyments.⁴⁰

Production will not be as great in the future as it would have been had there not been a sinking fund.

If taxes which fill the sinking fund were abolished, production could be increased enough that there would be no need of consumption taxes which pay for the fund;⁴¹ or at least those taxes could be reduced.

Ravenstone's theory of interest, if we dignify it by that title, is extremely simple. The interest rate depends on the "will of speculators."⁴² The government can, therefore, regulate the rate by either scaring these people or by making prospects look good. But unlike the merchantilists, Ravenstone feels that the rate should never be made low. "To reduce their interest, as it must always be done against their will, is not less a robbery on the widow and orphan than to cancel their claim; it differs but in measure."⁴³

CHAPTER VII

CAPITAL

Ravenstone, no doubt, accepted the classical idea of what capital was. A person's stock, according to Adam Smith, could be divided into immediate consumption goods and capital. Capital was broken down into fixed and circulating. Fixed capital consisted of machines, buildings, land improvements and education while circulating capital was money, provisions, and raw materials.¹ Ravenstone's work seems to deal mostly with circulating capital, and he implies that profit is also a type of capital.

Capital, to Ravenstone, is a very mysterious substance, being the child of rent and taxes.² It is the accumulation of production which is at the same time the parent and child of produce. Evidently, it was not odd at that time to have three parents. Capital is robbery from the industrious. "Capital, being only a transfer of the earnings of the industrious to the idle, must necessarily be most abundant where labour is least paid."³

But really, he says, it is consumption, not capital which generates trade and production. If goods produced

were not consumed, capital would be of no value.

"Their trade is not dependent on their capital, but the amount of capital is dependent on the extent of their trade."⁴

Then of what value is capital? To the orthodox economists, capital aided in improving society's wealth. But Ravenstone argues that this is against the logic of common sense. Trade, the means by which capital is generated, adds nothing to the wealth of a nation as equal values are always exchanged. The trader or merchant is an unproductive laborer. The richest country is not that which has the greatest export surplus, but that which adapts its trade toward those products which the country can best produce.⁵ The trader, foreign or domestic, must gain at someone else's expense. Of course, that person is the consumer. In the exchange transaction, the value of the product does not change. The profit is a reduction of the consumer's wealth, and therefore, exchange is a simple redistribution of income. The merchant sells the consumer his skill, but it is an unnecessary and unproductive skill.

Ravenstone now leads up to a conclusion on which point Marx took a quite opposite view. Given that the laborers produce surplus value, the total product is first divided into two parts. One goes to the laborer for his subsistence while the other goes to the idle

landlord. This latter part is again divided into two parts. The first goes for the subsistence of the idle, and the second the idler spends on unproductive laborers, those who satisfy artificial wants. Of course, the fact that the idle have more than enough for subsistence is what gives rise to manufacturers, tradesmen and those performing services. According to Ravenstone, the customers of the tradesmen are almost exclusively the unproductive class. "The tradesman bears the same relation to the unproductive labourer that the landlord bears to the cultivator."⁶ This is one of the few times in Ravenstone's work where he calls the idle class "laborers," even if he qualifies it with "unproductive." Usually the unproductive laborer is exclusively that person who performs a service.

It should now be recalled that in the Marxian system, profit was the direct exploitive device while rent was a secondary tool of exploitation. In other words, all surplus value went to the capitalist who distributed this wealth to the landlord in the form of rent. But with Ravenstone, quite the opposite happens. The surplus value went to the landlord, who paid taxes and then, through his artificial wants, provided profit to the merchant. Thus, profit was the child of rent and taxes. "Capital profits at the expense of rent."⁷ Profit and rent, in the long run, bear a direct functional relationship to

each other. But in the short run, they are opposed. Also, Ravenstone would not have accepted the wages-fund doctrine as rent and profit vary inversely with wages.

Why did Marx hold the opposite view from Ravenstone concerning the initial receiver of surplus value? The answer, I believe, is obvious when the question is looked at from a relativist standpoint. Ravenstone wrote A Few Doubts in 1821, and explicitly says in the book's preface that he is in retirement. Thus, his mind was probably very much oriented toward an agricultural society, although the Industrial Revolution had been going on for some sixty or seventy years. It would seem only natural that he would think of the landlord as the first to get the surplus. Marx, writing around forty years later, saw a completely industrialized society. Hence, the idea that the capitalist was the first to receive the surplus value.

As is true of every other bad we have talked about, the merchant and capitalist are only evil in excess. These men are the ones who increase the comforts of life, and that is what society should be all about.⁸ It is natural that in the progress of society, capital should grow. But it should grow, Ravenstone thinks, at a regular, gradual rate rather than increase with leaps and bounds. Here is ample evidence that he sees the effects of the Industrial Revolution.

Ravenstone attributes the too rapid growth of capital to consumption taxes. These taxes allow the merchant to mark up his product by more than the amount of the tax. "The profit of a dealer is always in proportion to the price of the article. If a barrel of beer, without the duty, cost 20 shillings, the brewers profit will be in proportion of 20 shillings; if with the duty, it cost 50, his profit will be in proportion to 50."⁹

Ravenstone then differentiates between the usefulness of a factory worker and that of a product distributor. Although the factory worker lives off the work of the cultivator, he does add value to the product and in this sense is productive.¹⁰ The value of a good changes none, however, when it is bought and sold. The merchant, therefore, is completely unproductive.

Ravenstone speaks of several types of capital and their relationship to industry. The merchants' goods would have existed without them. They, therefore, give no incentive to industry. Buildings and machines would be of no use without industry and so would have no value. The accumulation of profits is simply the transferring of property from one class to another. They, therefore, are no incentive to production.

This, then, is Ravenstone's analysis of capital. His treatment of it is probably the poorest of any

subject he discusses, yet it is in line with the ideas of the other Ricardian socialists. Of these men, only the work of Thomas Hodgskin on capital stands much higher than that of Ravenstone.

CHAPTER VIII

MONEY AND UNDERCONSUMPTION

Ravenstone's analysis of money is quite interesting because of the way that he weaves it into his ideas of surplus value and exploitation. The monetary system is just one more tool which allows the worker to be robbed.

I have found Ravenstone's ideas on money enlightening, if somewhat crude. Although the concept of velocity goes back much further than Ravenstone, he states it as clearly as possible. He is more advanced than the general classical school because he does not look at money as a "veil" and he sees that it has other functions besides that of being a means of exchange. Liberally interpreted, he sees that money can serve as a store of value and recognizes its speculative demand.

Ravenstone disagrees with his contemporary political economists that the only function of money is the circulation of commodities. Money is a type of property. "It has the same value which belongs to every article of luxury or comfort."¹

He then proves that money must serve other functions. Velocity is explicitly recognized. "To find the amount

of money requisite to measure these different exchanges, it would be necessary to know how long each piece of money remains in the hands of the same person."²

After some calculation, Ravenstone finds total consumption to be about 120 million pounds. The money supply is about sixty million. Velocity, he calculates to be ten. Money must, therefore, serve some function other than as a means of exchange. But this is not all. To this money supply must be added commercial paper, bills payable and notes payable, all which circulate. Then "if the mere circulation of goods be the object of this enormous mass of paper, the machinery must be allowed to be out of all proportion to the work to be done."³

It will now be shown that while this great amount of money may be advantageous to certain individuals, it is harmful to the masses.

Specie and paper money, to Ravenstone, are two completely separate animals which have different functions. Paper money must be divided into two types. Commercial paper, which serves the purpose of business speculation creates banking paper. Banking paper is issued when an equal amount of commercial paper is held by the banks. Commercial paper is based upon "imaginary exchanges," the purchases which are made with a view to sell again."⁴ This introduces credit, an undeniable evil because the issuer of commercial paper is planning to

reap a profit. Credit gives impetus to these imaginary exchanges.

The very issuance of commercial paper means that the merchant is speculating. He is betting that he can sell goods in the future at a high enough price to pay off the paper and keep for himself a profit. "But the trade of speculation is an unnatural trade."⁵ Rents allow speculation to come about because they breed profit. Where there is profit, there are a great number of useless transactions.

Speculation is the reason that there is so much paper in the economy. Total present consumption and the money supply have no direct relationship when credit has been issued.⁶

It is speculation which introduces to society the unproductive bankers who, by rediscounting commercial paper, share in the merchant's profit and thus steal from industry. Banking does nothing except increase speculation. No one is stupid enough to borrow money at interest unless they expect to make a profit on it.⁷ The profession does not deserve the praise lavished upon it by Adam Smith.

It is interesting that Ravenstone should speak of a speculative demand. Explicitly, he means a speculative demand for commodities, that demand for commodities which is brought about by the selling of commercial paper by

the merchant.⁸ Looked at implicitly, this is a crude theory of the speculative demand for money. The receipts from the commercial paper are money used to speculate on commodities. The merchant, in fact, has two demands for money. One is for consumption, for the maintenance of himself and his family. The second is for speculation, the purchase of goods he feels that he can sell for a profit.

Coins, Ravenstone feels, are the real measure of value whereas paper is simply a means of speculation. Coins are always worth the labor used to procure them. Because this amount of labor is equal from country, the coins have a stable value. This is not true of paper money because the value of labor going in it is always less than its face value.⁹ He who has a coin has real wealth whereas the person who holds a pound note has only the debt of another.¹⁰

"It is not the quantity of paper that drives specie out of a country, but the uses to which it is applied."¹¹ This is a direct refutation of Adam Smith who felt that if there were more money in circulation than was needed for exchange, the surplus could be sent abroad to find profitable employment. Coins would have to be sent as foreigners would not accept paper money.¹² What Ravenstone is saying is that if there were no speculation, the money supply would not be so abundant that coins

would have to seek employment in foreign lands.

In summary, it can be said that paper money is an evil because it breeds speculation. Speculation is an evil because it produces a profit. And profit is bad, of course, because it is unearned income which is generated from an exchange which produces no new wealth.

There is some question, I believe, whether Ravenstone believed that "gluts" or overproduction were a fact of economic life. In other words, was Piercy Ravenstone an underconsumptionist?

The answer to this is a qualified "no." As Dorfman has pointed out, however, Ravenstone does recognize one condition under which overproduction is possible, and that is when a sinking fund has been set up by the government or when the government runs a surplus.¹³

For example, Ravenstone says

Shortly after the last peace the government endeavored to raise the public revenue beyond the expenses of the state, and all the consequences here pointed out immediately ensued. The distress which has been ascribed to a transition from a state of war to that of peace was the effect of this blunder in finance. The people seemed to be starving in the midst of plenty. One half of the nation was groaning under the load of superabundance, whilst the other half was suffering all the misery of famine.¹⁴

To see the full meaning of this statement, we must go far back in Ravenstone's work and look at several of

his theories. It has been shown that production and consumption must be equal. "As production supplies the means of consumption, consumption must always be equal to production. Whatever is produced constitutes a revenue to somebody. The demand for goods for consumption must always be equal to the goods produced."¹⁵

This is almost exactly what J. B. Say had to say on the subject.¹⁶ Production generates the income which leads to demand.

Savings are zero as has been explained before. Imports will also equal exports as, under Ravenstone's system, equal values are always exchanged and the "invisible" items of foreign trade are evidently not recognized by him.

The implication, then, is that the only way supply and demand could not be equal is through some perverse action by the government. And this, indeed, is what Ravenstone thought. But "the underconsumptionist position is that aggregate demand in the private sector of a closed economy is always insufficient. . . ."¹⁷ This does not describe Ravenstone. It will only be insufficient when the public sector runs a surplus.

Why is this true? Given that under normal circumstances production and consumption are equal, suppose a sinking fund is set up. Income is taken from individuals, and they no longer have the means of clearing the market.

For a short time, and only for a short time, production will exceed consumption. Production then falls, thus the evil of the sinking fund. If we assume instantaneous adjustment, which Ravenstone did not, Say's Law holds explicitly.

Ravenstone, thus recognized implicitly the government's roll in demand. For if there were taxes, production would still equal consumption as long as the budget were balanced.

But Ravenstone does not stop here. Not only can consumption not be less than production, it cannot be greater either. This was his basis of attack on the national debt and on credit. He does not seem to see, concerning the national debt that it is created by people loaning the government money--income which would be spent if it stayed with its owners.

So I think it wrong to consider Ravenstone an underconsumptionist in the same vein of John Gray. He thought overproduction possible in only one circumstance--when the government ran a surplus.

CHAPTER IX

THE CORN BILL, POLITICAL ECONOMY AND GOVERNMENT

A much debated piece of legislation during this time was the Corn Bill which was passed in 1815. The ideas of Ricardo on this subject are well known, and Ravenstone's general view of the bill was the same.

Ravenstone, in A Few Doubts, was somewhat opposed to the law, but was not extremely critical of it. We have seen that he thought its effects to be temporary. In Thoughts, however, he is a strong critic of the measure.

I do not plan to give much space to Ravenstone's ideas on the subject as they are built almost entirely on his ideas of international trade which were discussed in detail earlier.

In A Few Doubts, Ravenstone states that in normal times, the Corn Bill will have no effect on the price of corn in England.¹ The real reason, he says, that corn is higher in England than elsewhere is the tax which is placed on it.

Why will outlawing the importation of corn have no effect on its price? It has been shown that between

two trading countries, the price of an article must be the same in both countries. This being so, "the corn in the home market will not exchange for more than its value in other commodities, and the price of those commodities will be regulated by the price of the same goods in other countries."² Ravenstone's analysis is very confusing, but I think it boils down to this. Suppose the exchange ratio of cloth to corn in England is one to ten. Suppose also that the price of cloth in France is in ninety. Assume now that England exports cloth to France. No matter what the domestic price of cloth was in England, she can get no more than ninety for it from France as France controls the price. Through the trade theory, this means that the domestic price in England can be no more than ninety. Therefore, the English will not pay more than nine for corn because of the exchange ratio (which is also a labor ratio). Thus, for the price of corn in England to rise, the price of cloth would have to rise. Importation has no effect on price.

The real effect of the law is to reduce the number of men employed in buying corn from foreigners. And as these people are merchants, there is no evil.³

But in a famine, the law definitely does raise the price of corn. Corn is not let in until scarcity has turned to famine. And the price of all other goods

follows the price of corn. The law does benefit the landowner by keeping the price high for a long period of time. But he should remember that there will be little demand for his corn if all the workers starve. And if the workers starve, industry and therefore rents will fall. The poor rates he pays will also increase.⁴

The high price encourages emmigration, but the problem is that the workers are the ones who leave. The idle are left secure and stay to rob as much as possible.

In Thoughts, however, there are no times that the law is good. The whole purpose, he says, is to keep rents high.⁷ Ravenstone's idea here is parallel to that of Ricardo. Rents are high because corn is high, not vice versa. The abolition of the Corn Bill would do away with this problem. The law, Ravenstone says, by keeping corn high, keeps the real wage low and rents high.

The Corn Bill, then, is a measure whose benefactors are only the idle class. Rents are able to be kept high, and supposedly the merchant selling corn is able to make more profit. But as long as those who benefit are the persons who run the government machinery, nothing will be done to correct the evil.

Now, I take a small amount of space to give some of Ravenstone's views on the connection between several

of the economic concepts we have talked about and government.

Ravenstone has pointed out how the increase of the idle class leads to the unhappiness of the majority. But not only does it decrease their happiness, it decreases their freedom. "Liberty is incompatible with scanty means of subsistence."⁸ Property leads to the general oppression of the people.

When there are no rent or taxes, a democracy is said to exist. "All power must reside in the people."⁹ Democracy is by far the best form of government because under it all men are truly free and receive the fruits of their labor.

An aristocracy is said to exist when there are rents, but no taxes. The governments of the past which claimed to be democratic, such as those in ancient Greece, were in reality, aristocracies.¹⁰ This is why they experienced turbulent periods. The Swiss have had uninterrupted peace because they had a truly democratic government.

If taxes exist without rents, then a despotism is said to exist.¹¹ But it must be remembered that despotism and tyranny are not synonymous. Tyranny can exist under any form of government. "Tyranny does not consist in any particular form of government: it depends not on the manner in which power is distributed, but on the manner in which it is exercised."¹²

It was also Ravenstone's contention that property is the main cause of crime. If property were equalized, there would be no crime. This is an extremely old argument and an answer for it can be recalled from the works of Aristotle. It will be remembered that he criticized Phaleas of Chalcedon for having the same idea. Aristotle felt, and probably rightly, that very few crimes were the result of pure need on the part of the criminal. "For it is not the possessions but the desires of mankind which must be equalized."¹³ The problem remains, however, when the desires are equalized at a high level, and the mass has not the means to achieve them.

The poor laws, Ravenstone thought, were most necessary. If they do not eliminate misery, at least they do not create it. There should always be some fund which comes to the relief of widows and orphans. This is in disagreement with Malthus, who thought that the poor laws should be abolished on two grounds. First, with a given amount of food, if you increase the demand for it, you increase the price and so the poor, in real terms, would be worse off than before. Secondly, giving them money would be an inducement for them to procreate, thus increasing an already too large population. Ravenstone's answer to this charge is obvious from his arguments on population theory.

CHAPTER X

RAVENSTONE AND EDWARDS

It is thought that the name Piercy Ravenstone was a pseudonym for another writer of that time.¹ However, his identity remains a secret. As I mentioned in my introduction, Joseph Dorfman has put forth the idea that he may have been an Anglican clergyman, Edward Edwards.

Through the work of Professor Frank Fetter, we know that an Edward Edwards did write economic articles in The Quarterly Review between 1823 and 1830.² These articles dealt mainly with agriculture, money and currency.

The Edwards correspondence, I feel, gives little hint that the two men are the same. There is a letter dated November 3, 1820 in which Edwards writes to William Gifford saying, "I am highly gratified to find that the M.S. I sent for your perusal meets your approbation; it is my first 'essay'. . . ." ³ A Few Doubts was finished May 28, 1821. This is, indeed, a coincidence, but it certainly proves nothing. Never in the correspondence is there even any mention of Thoughts. Also, in a later letter, dated April 26, 1830, Edwards says "that what goes under the name of

the Malthusian Theory (of population) is the most miserable sophism that ever imposed on human understanding. . . ."4 This, of course, agrees with Ravenstone and lends credence to the idea that the two men may have been the same.

The point on which I take issue is that the views expressed in The Quarterly Review articles and Ravenstone's ideas are essentially similar. I cannot say with confidence that the men were not one, but I can point out instances where their views differed. To some degree, these differing views can be reconciled. The Quarterly Review was essentially a Tory magazine. It certainly would not let radical views be aired through it. But be this as it may, it does not seem that Edwards would contradict his earlier espoused views just so his articles could be published. It also does not seem likely that his views would change so radically over such a short period of time. The only view of Ravenstone that is espoused consistently through all the articles is a general dislike of orthodox political economy and political economists. For example, in a very sarcastic manner, Edwards says, "Never having attended a Ricardo lecture, and consequently, never having received a ray of that light of which Mr. McCulloch is the reservoir, we shall excite no surprize by acknowledging that we had fallen into vulgar error."⁵

In all cases except one, Edwards rejects the Ricardian rent theory, but on different grounds than did Ravenstone. To understand some of his reasoning, it is necessary to go back to what was probably his first article, "Ecclesiastical Revenues." This work deals with showing that those who are upset about being forced to pay tithes to the Church of England because they are of other faiths are really not hurt at all. Consider first the land occupier. If he paid no tithes to the church, his rent would be increased by that much. Therefore, the burden of tithes falls on the landlord instead. He is the one from whom tithes take away. But when the landowner purchased the land, he paid less for it than he would have for an equal piece of tithe-free land. And the deduction in price is equal to the tithe. Thus, the landlord is not hurt by the tithe system.⁶

The political economists, Edwards says, claim that the price of an article is increased by the amount of the tithe. But this is not so. The tithe is taken into consideration, and the article is sold for the same price as an untithed article of the same kind. The political economists find the incidence of tithes using Ricardian rent theory. Consider four different pieces of land with productive capabilities of 100, 80, 60 and 40. On the fourth piece of land, says Edwards,

"it is contended, that tithes forming a tenth part of the cost of producing these 40 quarters, must add one-tenth to their exchangeable or money value in the market."⁷ But Edwards says it is impossible to have a piece of land which pays no rent. None are to be found in England or Scotland. But assume the land did not yield rent. Then that which would have gone for tithes now is taken for rent. "A bushel of wheat sells for the same price whether it has been tithed or not."⁸ The tithe merely decreases the landlord's portion.

In his article, "On Agriculture and Rent," Edwards uses a diagram of concentric circles to illustrate Ricardian rent and then attacks it. Speaking of the no rent land, he says, "We are gravely assured that the owners of these districts reclaim them from a state of waste, and reduce them to tillage, not for the sake of any advantage or profit which will accrue to themselves from this operation, but with a view of augmenting the revenues of their neighbors, who happen to be the proprietors of better land."⁹

The political economists, Edwards believed, had the effects backwards. "The cultivation of inferior soils is not the cause, but the consequence of the rent which has already accrued upon the land of a better quality."¹⁰ Suppose you take first the best quality land and assume

it produces a given amount. As population increases, the wage because of competition will fall. As the wage falls and rent increases, it becomes profitable to bring a second piece of land into cultivation. Thus, rent is the cause of further cultivation.

However, in "The Corn Laws," Edwards turns right around and accepts the Ricardian theory of rent.¹¹ This is the only instance of acceptance, however, that I can find.

What is rent? Very much like Ravenstone, Edwards says, "Every discovery, therefore, which augments the gross produce of land in a greater ratio than food consumed in cultivating it, or which reduces the quantity of food consumed in agriculture while the gross produce is not diminished, must add to the surplus which can be expended on manufactures. Money-rent is merely the measure of this surplus."¹² Edwards, like Ravenstone, also feels that manufactures and mechanics owe their existence to rent. But he contradicts this when in "The Corn Laws," on page 270, he says that manufacture swells rent rather than vice versa.

But in direct opposition to Ravenstone, Edwards sees nothing wrong with rent. "Rent injures no member of society."¹³ In fact, in a later article he says that the ratio of rent to total produce is much less now than in recent years. "The net produce or landlord's

share, bearing now a much smaller proportion than formerly to gross produce. . . ."14

In fact, Edwards is an extreme supporter of the landlord. He ridicules those who picture the landlord as an idle who takes the earnings of others to their injury. By "those," he must mean the Ricardian socialists. The expense the landowner incurs in preparing the land for cultivation must be looked at. Rent is a just return on the landlord's capital used for fixing up the land. "How malignant, then, how basely malignant is the conduct of those who systematically hold up the landowners of this country to public obloquy, as useless drones, fattening, from generation to generation, upon the industry of the people!"15 I cannot imagine Ravenstone saying this or anything close to it.

Edwards also gives a case of where a landlord required his rents to be paid in gold rather than in a depreciated currency. There was a great outcry against the landlord, but Edwards took his side arguing that the landlord deserved the true amount contracted for rather than what would be paid in the depreciated money.16

Edwards, in all his papers, says nothing about any form of exploitation. The closest he comes to this is saying that the worsened condition of the English peasant had been brought about by the consolidation

of many small farms under one landlord. The peasants were forced to hire themselves out, and their employment was at the mercy of supply and demand. The only way of keeping workers off the poor lists was to give him some property. "It (the laboring class) forms the base upon which all the institutions of the country rest for support."¹⁷ This last quotation sounds like Ravenstone.

On the subjects of manufacturing and machinery, the views of the men are somewhat similar. The manufacture does not create wealth. He modifies that of agriculture.¹⁸ But Edwards then turns and adds that both manufacturing and commerce do add to national wealth.¹⁹ Ravenstone might say this about manufacturing but never about commerce. About manufacturing and capital, Edwards says, "It is this saving of capital on the one hand and encouragement to industry on the other, which have mainly contributed to the advances . . . made in wealth and prosperity within the last hundred years."²⁰ This certainly sounds nothing like Ravenstone as does not the fact that Edwards believed that, in general, the increased use of machinery was not evil.²¹ Machinery is an advantage in any society.

But in "Conditions of the English Peasantry," he says that machinery has destroyed domestic industry, and this is bad. Whereas once upon a time all the

family worked, now all are dependent on the wages of the head of household.²² This has led to increased burdens on parishes through increased poor rates.²³ Ravenstone would certainly agree with this.

The subject of taxes provides a great difference between the two men. In talking about Irish absentee landlords, Edwards suggests placing a property tax on the lands of all absentee owners, but thinks resident landlords should be exempted from the tax.²⁴ And then, in talking about England's indirect taxation, he says, "the pressure falls equally upon all, in proportion to their incomes and expenditures. This mode of providing for the exigencies of the state is therefore in this country both just and efficient."²⁵ This is in total contradiction to Ravenstone's ideas on indirect taxes as espoused both in A Few Doubts and Thoughts.

If Edwards rejects the Malthusian population theory in his correspondence, he certainly does not in his articles. He explicitly rejects the Ravenstone theory when he says, "Irish estates have become encumbered with a dense population which the whole produce of the land, as it is now cultivated, is utterly inadequate to support: encouragements and facilities have been afforded to the occupiers of the soil to multiply far beyond the means of subsistence."²⁶ Under Ravenstone's theory, "encouragements and facilities," that is, human

institutions have no effect on human reproduction. In "Cultivation of Waste Lands," it again seems that he accepts the Malthusian theory, even if with skepticism. "But the whole of the modern theories on population tend to prove--if, indeed, they tend to prove anything--that an excess of labor does exist, for the employment of which there is no room on the old land; and that it is expedient, nay indispensable not only for the good of individuals but for the security of the state, that this population should be removed to new land."²⁷ So I do not believe the views expressed in these articles on population agree with those of Ravenstone. In fact, Edwards called Malthus "a truly pious, benevolent and right hearted gentleman."²⁸

We have seen Ravenstone's view on the natural and artificial rights of property. Consider the following quotation made by Edwards.

. . . the right to property in land, all the world over, is not a natural but a social right; it is not a right recognized by the laws of nature, but a right created by law for the benefit of the public. The supreme government of every country possesses the power of abridging even natural rights, if their unrestricted enjoyment should, under particular circumstances, be found injurious to society.²⁹

This sounds as if it could have come right out of Ravenstone. But notice that Edwards does not speak in a derogatory manner about the artificial rights of property. Just as he upholds the landlord, he believes

that the system of property as it then was, was all right. This was hardly Ravenstone's viewpoint.

It should be remembered that Ravenstone was very much in favor of the poor laws. Edwards calls them a nuisance and suggests that instead, employers be required to withhold a percentage of the workers' wages and deposit them in a savings bank until that time at which the worker badly needed money. In other words, he recommended a type of social security system. The poor laws, Edwards says, have been found "not only to have failed in its purpose of reducing the sufferings of the poor, but to have become oppressive in its actual operation, and still more alarming, in its obvious tendency, to the possessors of property."³⁰ This is exactly opposite to Ravenstone's ideas on the subject.

These, I believe, sum up the major points in The Quarterly Review articles which can be compared with important views of Ravenstone. There are both similarities and differences. Edwards uses the word "industry" to refer to a manufacturing establishment while Ravenstone reserves it only to mean work. Edwards often uses the word "burden" whereas Ravenstone always uses "burthen." These are small but significant differences. Another important difference is that Edwards, writing in 1828, feels that England had not yet reached her height of greatness. He says she is not on the decline.³¹

Ravenstone, most definitely, felt England was on the decline, perhaps ready to fall into revolution.

Thus, I believe there is reasonable doubt that Ravenstone was Edwards. I cannot prove my point just as Dorfman has not proved his. The question will remain moot until new evidence is discovered.

CHAPTER XI

CONCLUSION

The one point, I feel, which needs to be emphasized is that in any study of the origins of socialist economic thought, the early critics of capitalism, whether right or left-wing, cannot be deleted. This holds true of the French school especially Proudhon, as well as the early English school. All these men were read by and had an effect on Karl Marx. And Marxism, even without its Leninist interpretations is not dead today.

Piercy Ravenstone was certainly not as well known as the others of his school such as Thompson or Hodgskin, as there is little evidence that his books circulated widely. But he did have an effect on the writings of Marx both directly and indirectly. Hodgskin was extremely familiar with Ravenstone's work and drew heavily from him. And Marx was favorably impressed with the writings of Hodgskin.

Ravenstone and his work are a study in contradictions. The ideas put forth that he was a Tory democrat and a clergyman are probably true. Yet here is a man somewhat not in line with the Tory tradition. He attacked the

landed aristocracy and wished a tax put on their lands. He contradicts his own work in numerous places, for instance, both accepting and rejecting the iron law of wages in different parts of his book. Theoretically, the real wage should everywhere be equal, but Ravenstone realizes that it is not. All the evils of society he speaks of are all right if not carried to excess.

There is a valid question of whether Ravenstone can be called an economist or not. He certainly would not have liked to have been called one, nor did he consider himself to be one. And yet he, no doubt, was one of those whom we may call a political economist, a person who intermixed what we now call economics, sociology, philosophy and government. Anytime one talks or writes about a concept of exploitation, it is my feeling that he must have crossed the border into economics.

As I have pointed out, Ravenstone was not a socialist in the true sense of the word. Nor was he a "radical," using that term to denote one who favors restoration of the precapitalist, agrarian society. Ravenstone was an individualist but not to the extent of Hodgskin that he could be called an anarchist. He, like others then and now, was somewhat mixed up. Supposed evils of the economic system as it was or is stuck out like sore thumbs. Yet Ravenstone was not sure what kind of system should be put in its place.

His proposals for reform were somewhat modest.

His one concrete reform which is consistent throughout his work is the substitution of a property tax for the myriad of indirect taxes then prevalent. Manufacturing could stay as long as it was not emphasized over agriculture. The sinking fund should be done away with as it caused aggregate demand to be less than supply.

Ravenstone was probably a strong advocate of parliamentary reform and was a definite believer in some form of democracy. Democracy, it will be recalled, was the absence of rent and taxes. But as we have seen, neither rent nor taxes were an evil when not in excess.

In general, Ravenstone thought the government should be more interested in the welfare of the masses. But as long as the ruling class was made up of only the wealthy, the workers would be thought of only as troublesome tools.

As an economist, Ravenstone was inferior to Hodgskin, but probably no worse than the other better known members of his school. Even from the relativist standpoint, many of his ideas were erroneous. But this fact, of course, is true of almost any of the past writers in any field of study.

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⁸Ravenstone, A Few Doubts . . . , p. 17.

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¹⁵Viner, "An Unpublished Letter . . .," p. 118.

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- ⁵⁰Gray, pp. 267-271.
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- ⁵²Lichtheim, p. 132.
- ⁵³Beer, p. 220.
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- ⁵⁵Caute, p. 37.
- ⁵⁶Beer, pp. 224-225.
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- ⁶⁰Lichtheim, p. 131.
- ⁶¹Beer, p. 217.
- ⁶²See Roll, p. 267 and Beer, p. 218.
- ⁶³Gray, p. 283.
- ⁶⁴Lichtheim, p. 135.
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⁶Ravenstone, A Few Doubts . . . , p. 37.

⁷Ravenstone, A Few Doubts . . . , p. 38.

⁸Ravenstone, A Few Doubts . . . , p. 39.

⁹Ravenstone, A Few Doubts . . . , p. 64.

¹⁰Ravenstone, A Few Doubts . . . , p. 97.

¹¹Ravenstone, A Few Doubts . . . , p. 106.

¹²Ravenstone, A Few Doubts . . . , p. 45.

¹³Ravenstone, A Few Doubts . . . , p. 118.

¹⁴T. R. Malthus, First Essay on Population (New York, 1966), p. 20.

¹⁵Ravenstone, A Few Doubts. . . , p. 124.

¹⁶Ravenstone, A Few Doubts. . . , p. 125.

¹⁷Ravenstone, A Few Doubts. . . , p. 127.

¹⁸Ravenstone, A Few Doubts. . . , p. 129.

¹⁹Ravenstone, A Few Doubts. . . , p. 134.

²⁰Ravenstone, A Few Doubts. . . , p. 152.

- 21 Ravenstone, A Few Doubts, . . ., p. 155.
- 22 Ravenstone, A Few Doubts. . ., p. 167.
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- 30 Ravenstone, A Few Doubts. . ., p. 150.
- 31 Ravenstone, A Few Doubts. . ., p. 148.
- 32 Ravenstone, A Few Doubts. . ., p. 75.
- 33 Piercy Ravenstone, Thoughts on the Funding System and Its Effects (New York, 1966), p. 34.
- 34 Ravenstone, Thoughts . . ., p. 48.
- 35 Ravenstone, Thoughts . . ., p. 49.
- 36 Ravenstone, A Few Doubts . . ., p. 55.
- 37 Ravenstone, A Few Doubts . . ., p. 190.
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- 39 Ravenstone, A Few Doubts . . ., p. 195.

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- 1 Ravenstone, A Few Doubts . . ., p. 195.
- 2 Ravenstone, A Few Doubts . . ., p. 197.
- 3 Ravenstone, A Few Doubts . . ., p. 198.
- 4 Ravenstone, A Few Doubts . . ., p. 198.
- 5 Ravenstone, A Few Doubts . . ., p. 199.

⁶Here, as throughout his work, Ravenstone uses the term industry as meaning work, not factories or manufacturing in general.

- ⁷Ravenstone, A Few Doubts . . . , p. 201.
⁸Ravenstone, A Few Doubts . . . , p. 201.
⁹Ravenstone, A Few Doubts . . . , p. 206.
¹⁰Ravenstone, A Few Doubts . . . , p. 204.
¹¹Ravenstone, A Few Doubts . . . , p. 225.
¹²Ravenstone, A Few Doubts . . . , p. 213.
¹³Ravenstone, A Few Doubts . . . , p. 408.
¹⁴Ravenstone, A Few Doubts . . . , p. 219.
¹⁵Ravenstone, A Few Doubts . . . , p. 223.
¹⁶Ravenstone, A Few Doubts . . . , p. 229.
¹⁷Ravenstone, A Few Doubts . . . , p. 225.
¹⁸Ravenstone, A Few Doubts . . . , p. 225.
¹⁹Ravenstone, A Few Doubts . . . , p. 225.

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- ¹Ravenstone, A Few Doubts . . . , p. 267.
²Ravenstone, A Few Doubts . . . , p. 267.
³Ravenstone, A Few Doubts . . . , p. 267.
⁴Ravenstone, A Few Doubts . . . , p. 268.
⁵Ravenstone, A Few Doubts . . . , p. 268.
⁶Ravenstone, A Few Doubts . . . , p. 268.
⁷Ravenstone, A Few Doubts . . . , p. 271.
⁸Ravenstone, A Few Doubts . . . , p. 272.
⁹Define staple in the sense of the middle Dutch word stapel, meaning a mart or emporium.

- ¹⁰Ravenstone, A Few Doubts . . . , p. 274.
¹¹Ravenstone, A Few Doubts . . . , p. 274.
¹²Ravenstone, A Few Doubts . . . , p. 275.
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¹⁴Ravenstone, A Few Doubts . . . , p. 277.
¹⁵Ravenstone, A Few Doubts . . . , p. 277.
¹⁶Ravenstone, A Few Doubts . . . , p. 277.

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- ¹Ravenstone, A Few Doubts . . . , p. 3.
²Ravenstone, A Few Doubts . . . , p. 3.
³Ravenstone, A Few Doubts . . . , p. 244.
⁴Ronald L. Meek, The Economics of Physiocracy
 (Cambridge, Massachusetts, 1963), p. 25.
⁵Ravenstone, A Few Doubts . . . , p. 244.
⁶Ravenstone, A Few Doubts . . . , p. 248.
⁷Ravenstone, A Few Doubts . . . , p. 248.
⁸Ravenstone, A Few Doubts . . . , p. 251.
⁹Ravenstone, A Few Doubts . . . , p. 256.
¹⁰Ravenstone, A Few Doubts . . . , p. 261.
¹¹Ravenstone, A Few Doubts . . . , p. 278.
¹²Ravenstone, A Few Doubts . . . , p. 279.
¹³Ravenstone, A Few Doubts . . . , p. 280.
¹⁴Ravenstone, A Few Doubts . . . , p. 323. Domestic
 industry means the home factory system.
¹⁵Ravenstone, A Few Doubts . . . , p. 260.
¹⁶Ravenstone, A Few Doubts . . . , p. 349.
¹⁷Ravenstone, Thoughts . . . , p. 9.

¹⁸Ravenstone, Thoughts . . . , p. 11.

¹⁹The industry of consumption is really nothing more than the idle class spending their unearned income on items other than those needed for subsistence. Hereafter the industry of the laborer is referred to only as "industry."

²⁰Artificial wants can be thought of as the demand of the idle class for goods and services that are not the "necessaries" of life. See the above note.

²¹Ravenstone, Thoughts . . . , p. 14.

²²Ravenstone, Thoughts . . . , p. 15.

²³Ravenstone, Thoughts . . . , p. 16.

²⁴Ravenstone, Thoughts . . . , p. 19.

²⁵Ravenstone, Thoughts . . . , p. 19.

²⁶Ravenstone, Thoughts . . . , p. 21.

²⁷Ravenstone, Thoughts . . . , p. 21.

²⁸Ravenstone, Thoughts . . . , p. 25.

²⁹Ravenstone, Thoughts . . . , p. 27.

³⁰Ravenstone, Thoughts . . . , p. 28.

³¹Ravenstone, Thoughts . . . , p. 32.

³²Ravenstone, Thoughts . . . , p. 35.

³³Ravenstone, A Few Doubts . . . , p. 289.

³⁴Ravenstone, Thoughts . . . , p. 51.

³⁵Ravenstone, Thoughts . . . , p. 52.

³⁶Ravenstone, Thoughts . . . , p. 55.

³⁷Ravenstone, Thoughts . . . , p. 56.

³⁸Ravenstone, Thoughts . . . , p. 60.

³⁹Ravenstone, Thoughts . . . , p. 64.

⁴⁰Ravenstone, Thoughts . . . , p. 66.

- ⁴¹Ravenstone, Thoughts . . . , p. 68.
⁴²Ravenstone, Thoughts . . . , p. 65.
⁴³Ravenstone, Thoughts . . . , p. 65.

Chapter VII

¹See Adam Smith, An Inquiry into the Nature and Causes of the Wealth of Nations (London, 1804), pp. 218-222.

- ²Ravenstone, A Few Doubts . . . , p. 292.
³Ravenstone, A Few Doubts . . . , p. 207.
⁴Ravenstone, A Few Doubts . . . , p. 296.
⁵Ravenstone, A Few Doubts . . . , p. 309.
⁶Ravenstone, A Few Doubts . . . , p. 310.
⁷Ravenstone, A Few Doubts . . . , p. 322.
⁸Ravenstone, A Few Doubts . . . , p. 314.
⁹Ravenstone, A Few Doubts . . . , p. 318.
¹⁰Notice the connection with Physiocratic doctrine.
¹¹Ravenstone, A Few Doubts . . . , p. 346.

Chapter VIII

- ¹Ravenstone, A Few Doubts . . . , p. 369.
²Ravenstone, A Few Doubts . . . , p. 371.
³Ravenstone, A Few Doubts . . . , p. 376.
⁴Ravenstone, A Few Doubts . . . , p. 379.
⁵Ravenstone, A Few Doubts . . . , p. 380.
⁶Ravenstone, A Few Doubts . . . , p. 383.
⁷Ravenstone, A Few Doubts . . . , p. 399.
⁸Ravenstone, A Few Doubts . . . , p. 387.

- ⁹Ravenstone, A Few Doubts . . . , p. 390.
- ¹⁰Ravenstone, A Few Doubts . . . , p. 403.
- ¹¹Ravenstone, A Few Doubts . . . , p. 390.
- ¹²Smith, . . . the Wealth of Nations, p. 231.
- ¹³Dorfman, p. 16.
- ¹⁴Ravenstone, Thoughts . . . , p. 63.
- ¹⁵Ravenstone, A Few Doubts . . . , p. 385.
- ¹⁶J. B. Say, A Treatise on Political Economy (Philadelphia, 1827), pp. 75-84.
- ¹⁷Mark Blaug, Economic Theory in Retrospect, p. 165.

Chapter IX

- ¹Ravenstone, A Few Doubts . . . , p. 412.
- ²Ravenstone, A Few Doubts . . . , p. 411.
- ³Ravenstone, A Few Doubts . . . , p. 413.
- ⁴Ravenstone, Thoughts . . . , p. 71.
- ⁵Ravenstone, A Few Doubts . . . , p. 422.
- ⁶Ravenstone, A Few Doubts . . . , p. 425.
- ⁷Ravenstone, Thoughts . . . , p. 72.
- ⁸Ravenstone, A Few Doubts . . . , p. 432.
- ⁹Ravenstone, A Few Doubts . . . , p. 434.
- ¹⁰Ravenstone, A Few Doubts . . . , p. 444.
- ¹¹Ravenstone, A Few Doubts . . . , p. 435.
- ¹²Ravenstone, A Few Doubts . . . , p. 436.
- ¹³"Politics by Aristotle," Robert Maynard Hutchins, ed., Great Books of the Western World, IX (Chicago, 1952), p. 462.

Chapter X

¹See Beer, p. 251; Dorfman, p. 17; Kenneth Smith, The Malthusian Controversy (London, 1951), p. 142.

²Copies of the Edwards letters in the Murray files have been made available to me through the kindness of Professor Frank Fetter. John Murray was publisher of The Quarterly Review at this time. For information about the Edwards articles in The Quarterly Review, I direct the reader's attention to Frank Fetter, "Economic Articles in The Quarterly Review II," Journal of Political Economy, LXVI (April 1958), 164-170.

³Edwards to Gifford.

⁴Edwards to Lockhart.

⁵"Irish Absentees" (anon. rev.), The Quarterly Review, XXXIII (March 1826), 548.

⁶"Ecclesiastical Revenues" (anon. rev.), The Quarterly Review, XXIX (July 1823), 528.

⁷"Ecclesiastical Revenues," p. 529.

⁸"Ecclesiastical Revenues," p. 531.

⁹"On Agriculture and Rent" (anon. rev.), The Quarterly Review, XXXVI (October 1827), 406.

¹⁰"On Agriculture and Rent," p. 408.

¹¹"The Corn Laws" (anon. rev.), The Quarterly Review, XXXV (January 1827), 271.

¹²"On Agriculture and Rent," p. 421.

¹³"On Agriculture and Rent," p. 411.

¹⁴"The Bank of England" (anon. rev.), The Quarterly Review, XLIII (October 1830), 354.

¹⁵"On Agriculture and Rent," p. 412.

¹⁶"Currency" (anon. rev.), The Quarterly Review, XXXIX (April 1829), 458.

¹⁷"Conditions of the English Peasantry" (anon. rev.), The Quarterly Review, XLI (July 1829), 240-284.

¹⁸"On Agriculture and Rent," p. 423.

- 19 "On Agriculture and Rent," p. 437.
- 20 "The Bank of England," p. 349.
- 21 "Cultivation of Waste Land" (anon. rev.), The Quarterly Review, XXXVIII (October 1828), 410.
- 22 "Conditions of the English Peasantry," p. 258.
- 23 "On Agriculture and Rent," p. 419.
- 24 "Irish Absentees," p. 470.
- 25 "Irish Absentees," p. 472.
- 26 "Irish Absentees," p. 462.
- 27 "Cultivation of Waste Land," p. 415.
- 28 "Conditions of the English Peasantry," p. 284.
- 29 "Irish Absentees," p. 471.
- 30 "Substitution of Savings' Banks for Poor Laws" (anon. rev.), The Quarterly Review, XXXVI (October 1827), 485.
- 31 "Cultivation of Waste Land," p. 429.

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PIERCY RAVENSTONE: A STUDY IN NINETEENTH
CENTURY RADICAL ECONOMICS

John Jeffries Miles

Abstract

Between 1820 and 1840, there arose in England a small school of economic thought, intensely anti-capitalistic, known as the Ricardian socialists. Their basic idea was the laborers' right to their whole product. One somewhat obscure member of this group was Piercy Ravenstone who wrote A Few Doubts on the Subjects of Population and Political Economy in 1821 and Thoughts on the Funding System and Its Effects in 1824.

In this thesis, I have put forth Ravenstone's system in detail by thoroughly examining both of his works. His basic approach is to demolish the Malthusian population theory, putting in its place a theory which shows that exploitation through rent, taxes and profit is the cause of worker misery. Before examining Ravenstone's work, I have described the historical events which led to early socialist ideology and have given a general overview of Ricardian socialism and its connection with the more classical economics. Profiles of the

more well-known members of the school are given and thoughts of Karl Marx on the work of these men are briefly discussed.

The conclusion reached is that Ravenstone was not a true socialist but rather was somewhat right-wing. Although he shared many socialist criticisms of capitalist society, he espoused a society of individual workers in both manufacturing and agriculture rather than Owenist establishments or communism.