

On the Study of Economics

At no other period in history has an interest been taken by the producing class to acquaint itself with the forces and laws that operate in human society equal to that evinced at the present time.

Whatever else may have resulted from the recent great war, affecting the social position of the world's workers, we can find some consolation in the intellectual development that has followed in its wake. From all industrial centres the world over, comes the gratifying news of a growing educational movement absorbing the energies of thousands of our class who are desirous of acquiring a knowledge of the world they live in especially in regard to the manner in which they obtain their bread and butter.

In Canada, the socialist movement has been particularly fortunate in the past in having Marxian students who possessed the necessary qualifications for an explanation of history and economics, and those who have graduated from this school can always be depended upon to give a proper account of themselves wherever they happen to be located. In other countries, where the soil has not been cultivated with the same assiduous care, the results of this new "renaissance" may not be so pleasing. Especially is this true of cases where labor unions and other bodies have enlisted the support of university professors to teach their classes and obviously instil the ideas prevalent in these seats of learning instead of the scientific conclusions of the socialist economists. Nevertheless, even in such instances, the desire to know, is a healthy sign of the times and must eventually terminate in disaster for the mouthpieces of capitalist interests.

Political economy is not by any means an ancient science. In those early days when thinkers labored in the laboratory and cell to compile and disseminate information on physics, astrology, and alchemy, none of them made any attempt to develop a knowledge of Political Economy. In Grecian and Roman societies little attention was paid to analyzing the methods of producing and distributing wealth. In his peregrinations into the realms of thought, nature, and society, Aristotle made some observations on the manner in which nations, communities, and individuals secure those things necessary to their existence, maintenance, and improvement. But the condition of society at the time in which he lived prevented anything of importance being discovered in this field. Grecian society was a chattel slave society. The existence of rich and poor, of owners and producers, was regarded as a stable condition which had never changed. In this state a concept of value was impossible. Such a concept involved a realization of the labor embodied in commodities and, further, the reduction of all energy used in production to common human labor in the abstract. Then, the narrow confines of the ancient world market; the absence of exchange to any great extent due to a lack of incentive; and the fact that capital, with the retinue inseparable from it, had not yet made an appearance left the study of wealth production and distribution an impossible one to develop.

During that period in the history of Western Europe known as the Middle Ages, little advancement was made in this science. Agriculture was at this time the only important branch of industry and, even here, the old three-field system which prevailed for centuries was not conducive to stimulating the invention of labor-saving machinery; of better methods of tilling the soil; or scientific processes of production. While the economic field remained in this condition nothing startling could be expected in the science that concerned itself with observing the facts regarding the manner in which mankind secures its livelihood, and drawing such conclusions from these facts as the evidence warranted. In many ways the modern industrial state is easier to understand than that of the Middle Ages, although in its nature it is infinitely more intricate than the feudal form. This access to a knowledge of its mechanism is due to the fact that an abundance of material is available to enable us to study it.

In Medieval England the economic conditions had attained a fairly high degree of complexity. The old manorial reports convey the information that

many classes and social groups performed economic functions even in the rural districts. There was always the Lord of the Manor with his personal officials and retainers. The villeins, cottars, and bondsmen, bound to their superior through ties of dependence, mutual rights, and obligations; the Roman Church, possessing large tracts of land, and really functioning in many ways as a state within a state; the gold merchants and, later on, their successors, the craft guilds whose functions were primarily economic and who enjoyed many privileges of a political character. These classes and groups constituted a little world of their own which, even to this day, has never been satisfactorily explained. No one has yet clearly portrayed the functions of the merchant guilds regardless of the exhaustive researches of Dr. Gross and others. Only guesses are made as to their importance and the reasons for their final collapse. The extent to which the Catholic church owned land and controlled political activity are still problems that await a definite solution. Just what proportion of the industrial population belonged to the craft guilds, and how complete was the control of these guilds over their members during the different periods of feudalism, still lies in the domain of doubt. We know in a general way, due to the efforts of modern students, that many laws, rules and regulations accompanied the development of medieval society, but just how static or elastic these were in practice is still a moot question. Taking it all in all the mechanism of that period is a complicated one which has not been adequately analyzed as yet. Without knowing a great deal more of the history and social gearing of that age, our study of the productive processes of feudalism could not bring us to the stage of a science. Only fragments of knowledge were obtained, and the compilation of statistics so vital to the ruling class of today was carried on to a very limited extent.

Nothing less than a revolution in the mode of producing and distributing wealth was required before these scattered fragments, gathered during the Middle Ages, could be properly arranged and constructed into a science. This revolution was made possible by the great geographical discoveries of the 15th and 16th centuries, which made imperative an extension of commerce beyond the confines of the then known world, and gave a new incentive for the introduction of labor saving machinery that could keep this world market supplied with the commodities required. This great change necessitated a more thorough study of industry and commerce. As mercantilism grew into manufacture, and this in turn made way for modern industry, the scientific enquiry made rapid and resolute advance.

The establishment of a school which concerned itself with the intricacies of wealth production, bringing some kind of order out of the chaos and confusion that reigned can be first seen in the Physiocrats. As the title implies, they accepted the theory that nature leads the members of society to understand and follow their own interests and that all individuals possess the same natural rights. The social union they regard as being a contract between persons to further the interests of the group even if such action involved the limitation of natural freedom on the part of some individuals. The knowledge that human history was a series of bitter, relentless struggles between classes with conflicting interests, and that as each faction succeeded in assuming the dominant position its wishes were inflicted on the rest of society through the instrumentality of its institutions, was not yet possible at this stage of social development. But they did see in the machinery of the state a power which was detrimental to the major portion of society, i.e., to the third estate, which was striving for political recognition and condemned any action on the part of the state authority which overstepped the boundary of what they considered a necessary interference to fulfil the terms of the "contrat sociale."

The lack of industrial growth is emphasized in the partiality of the physiocratic school for nature and agriculture. Feudalism was a class system in which the interests of landed proprietors were paramount and, naturally, any reforms contemplated by the discontented elements of the population were direct-

ed to a readjustment of land ownership. The economic analysis of the Physiocrats proclaimed that the excess of the mass of agricultural products over their cost of production constituted the annual addition to the wealth of the community and permitted its expansion in a progressive and civilized direction. The positions of manufacturer and merchant were fairly well defined and, while their usefulness to society was granted, it was claimed that their income was derived solely from the surplus products of the workers in the fields and mines. Commerce, too, they pointed out, contributed nothing new to the mass of wealth already accumulated, being merely a handling on a larger scale of the products already in existence. As with the other economists of the classical school they considered that the production of surplus value was the means of identifying the productive laborer, but insisted that surplus value could only be derived from agriculture and, therefore, made its appearance only in the form of rent. This school no doubt exerted some influence in France and other countries, and in some respects its conclusions were much nearer being correct than those of Smith and others who succeeded them.

A rapidly developing industrial system supplied the requisite material for further observations on the economic field. Of course, Political Economy was at this time essentially a bourgeois science. With the growth of manufacture, and the means of transportation, and the consequent decay of the power previously possessed by the landed proprietors, the bourgeoisie manifested themselves as the revolutionary class and any analysis which they would attempt of the social system of the time could only be expected to be stamped with their own class interests. They had to establish a premise from which to move and, not understanding the historic character of the field they studied, this premise was accepted as a fact which required no further elucidation. They made no attempt to prove their supposition that the new system was a natural one, and that private property in the means of production was quite in conformity with, and a symbol of, human liberty. Like Plato, Socrates, etc., they could not get behind the class system that surrounded them and obtain a proper perspective of social development. One thing that can be said to the credit of the classical economists is that they tried to make an impartial study of wealth production, which was easily possible as long as the class struggle was as yet undeveloped. The conflict lay between the two factions of the ruling class, the landed aristocracy, who did not die a sudden and violent death, but for many years, especially in England, continued to occupy an important position in the affairs of state, and the rising class of merchants and manufacturers who were rapidly assuming control of economic power, but whose lack of intellectual attainments prohibited an entrance to the realm of politics.

In such a condition as this, the chief aim of the bourgeois economists was to belittle the importance of the opposing class, and justify their own pretensions to the dominant position. The aristocracy had become an incubus on the body politic and must be swept aside, and who was to take their place but the new industrial faction? Industry was still in a crude state, that of the partnership or joint stock company, and as the members of the new class actively participated in managing and superintending all the details of commodity production they could obviously lay claim to being a very necessary factor on the industrial field.

With the complete triumph of the bourgeoisie in France and England, the class struggle was narrowed down to a contest between the two separate and distinct classes of owners and producers. There were no subsidiary factions to obscure the issue and, naturally, the conflict of interests between master and worker became ever more apparent and vital. The unbiased attitude of the scientist must now be discarded, and no matter who the economists were who supplied the rulers with the definitions and classifications of things pertaining to production and exchange, it requires no strain on the thinking apparatus to see that they are all apologists for and supporters of the present form of class society. Their object is not to explain to the working class how their labor power applied to natural resources and machinery of production makes possible all the wealth in society today, and that when these workers come to realize the importance of their position

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