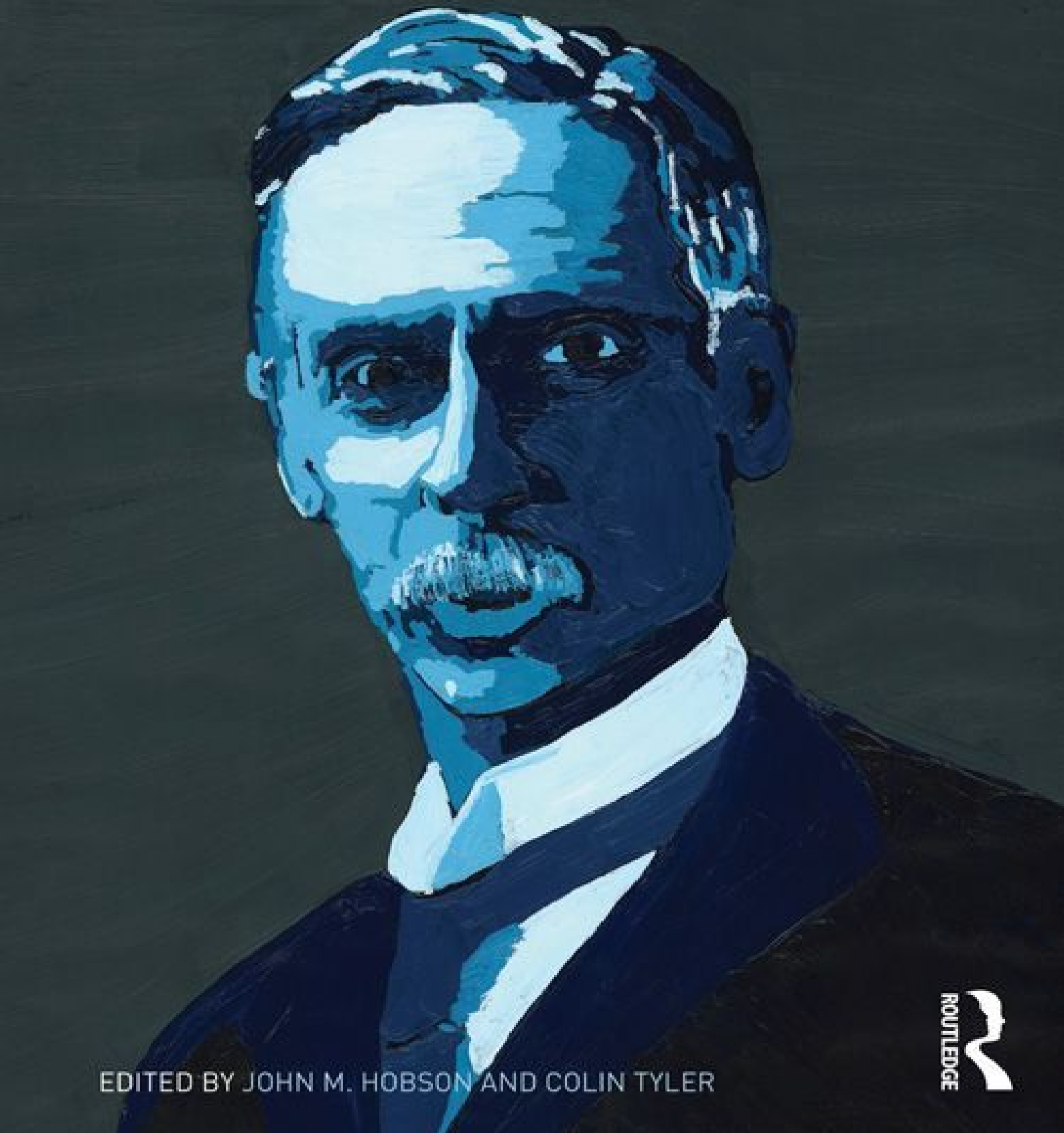
ROUTLEDGE/WARWICK STUDIES IN GLOBALISATION

SELECTED WRITINGS OF JOHN A. HOBSON, 1932–1938

THE STRUGGLE FOR THE INTERNATIONAL MIND



EDITED BY JOHN M. HOBSON AND COLIN TYLER

ROUTLEDGE

Selected Writings of John A. Hobson 1932–1938

The struggle for the international mind

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and Colin Tyler

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Contents

Selected Writings of John A. Hobson 1932–1938

John A. Hobson is widely recognised as one of the most important British New Liberal analysts and critics of politics and political economy of the twentieth century. The *Selected Writings of John A. Hobson* showcases an exciting and previously unpublished collection of Hobson's writings and lectures from 1932–1938 that Hobson presented at the South Place Ethical Society in the last decade of his life.

The lectures and the introduction produce a fresh reading of Hobson's thinking and theorisation of International Relations, thereby revealing a much more complex thinker than has conventionally been understood. Edited by Colin Tyler, a framing introduction written by the author's great grandson, John M. Hobson, situates these lectures in the context of his life-work on International Relations between 1897 and 1940.

Selected Writings of John A. Hobson 1932–1938 is an essential read for all Hobson scholars and students, and scholars of globalization, international relations and political economy.

John M. Hobson is Professor of Politics and International Relations at the University of Sheffield.

Colin Tyler is Reader in Politics and Joint Director of the Centre for Idealism and the New Liberalism Department of Politics and International Studies, University of Hull.

Preface and Acknowledgements

This book comprises a number of previously unpublished lectures that John A. Hobson delivered to the South Place Ethical Society in London between 1932 and 1938, together with two associated published pieces in 1938 whose typescripts survive alongside the unpublished lectures. Hobson is widely recognized as one of the most important British New Liberal political theorists and political economists of the twentieth century. He is widely known for inspiring Vladimir Lenin's theory of imperialism as well as John Maynard Keynes' 'General Theory'.[1] Hobson's most famous book, *Imperialism: A Study* (1902) is still a standard text for courses on imperialism.

The writings presented in this volume contain, to our knowledge, some of the very few lectures and essays written by Hobson that remain unpublished. There are three core reasons for making them available to a wider audience. First, interest in Hobson's ideas has escalated in the last twenty years, especially within International Relations (IR) and politics, political economy and the history of ideas more generally. Second, many of the issues that confronted Hobson and which he sought to tackle in his writings remain pressing today. The focus on (US) imperialism and war, the problems confronting the United Nations, the unequal distribution of economic resources between the first and third worlds, and the need to forge a fairer and more peaceful international order are uncannily similar to the issues that Hobson wrote about in his day. Indeed, but for the substitution of the League of Nations for the United Nations, and the British Empire for US imperialism, the issues remain the same. Third, it is generally believed that in the 1930s J.A. Hobson's writings reverted back to the economically reductionist, radical critique of capitalist imperialism that he had supposedly espoused in 1902 and for which he became immediately famous. But these lectures and essays reveal a sustained attack on economic reductionism, where Hobson emphasises ethicalmoral, ideational and international institutional forces that can promote peace and put an end to a division of the world between the haves and the have-nots. Indeed these works enable us to recast the traditional reading of Hobson, to reveal a much more complex thinker than has conventionally been understood.

John M. Hobson wrote the introduction and made the final decision regarding which typescripts to include. Colin Tyler organised the initial transcription and annotation of the texts by Christopher Bearman, who also provided the opening references in each piece to the South Place Ethical Society's *Monthly Record*. Colin Tyler also oversaw the initial checking of the transcripts by Pip Tyler, as well as writing the opening textual note. He also established the texts, finalising the transcriptions and completing the annotation. The editors bear separate responsibility for their respective individual contributions. The editors are jointly responsible for identifying the relevant copyright holders. In this regard, we are pleased to thank the controller of the copyright on J.A. Hobson's papers, Mr Timothy John Hobson, for his kind permission to publish these typescripts and to the University of Hull for their permission to consult the original typescripts included here. We are pleased to thank also the editors of *Political Quarterly*, Andrew Gamble and Tony Wright, for their permission to include 'Thoughts on Our Present Discontents'. We are very grateful to the Department of Politics and International Studies, University of Hull, for the generous funding that it gave in support of this project. We also thank Garrett W. Brown for the specially painted portrait which graces the cover of this book, and to Christopher Martin, Peter Nicholson and Daniel W. Stowell for their assistance in regard to the annotation. We are grateful to the anonymous readers of this volume for their very helpful comments. And we are very pleased to thank Routledge and the series editor Len Seabrooke for publishing this material.

Finally, Colin wishes to express his deep gratitude and love to Pip and Lucy as always, for their encouragement and patience while he was editing these lectures. He dedicates his work on this volume to them. And John wishes to thank his parents, Tim and Nora, as well as his daughter Gabriella, to whom for

his part he would like to dedicate this book.

John M. Hobson
University of Sheffield
Colin Tyler
University of Hull
June 2010

1 V.I. Lenin, *Imperialism, the Highest Stage of Capitalism*, London: Martin Lawrence, 1973 [1917], esp. p. 1; J.M. Keynes, *The General Theory of Employment, Money and Interest*, London: Macmillan, 1936, esp. p. 365 and pp. 364–71.

Note Regarding The Texts

Colin Tyler

John Atkinson Hobson (1858–1940) wrote the pieces included in this volume between 1932 and 1938. In addition to the global economic collapse of the Great Depression and the growing military instability that prefigured the Second World War, another, less widely shared spectre haunted Hobson's writings in the 1930s. This was his long-standing fear of the dehumanisation of civilised society, and especially capitalism's creeping materialisation and mechanisation of personal consciousness, family life and civil society. Hobson's reaction – especially his desire to effect the 'humanising of economic thinking' – was sustained and nurtured by his association with the South Place Ethical Society (SPES). However, his project flew in the face of the intellectual mainstream, where, to Hobson's mind, reason came second to the prejudices and interests of the academically powerful. Long before 1932, Hobson's trajectory made him a 'heretic' to most orthodox university-based economists, something that, in the politics of the time, had denied him an academic career.

Yet, Hobson was not merely a heretic to the powerful academics, and he had come to the SPES as a result of his growing disillusionment with another organisation within the Ethical Movement: the London Ethical Society (LES). The LES represented the practical continuation of the activist citizenship advocated by J.H. Muirhead and Bernard Bosanquet, both of whom were British idealist philosophers.[1] After about five years of sustained involvement with the LES, Hobson gradually distanced himself from the LES dismayed by what he saw as its harsh 'moral individualism': the LES was 'committed so strongly to the stress on individual character, as the basis of social progress, as to make it the enemy of that political-economic democracy which I was coming to regard as the chief instrument of social progress and justice.'[2] (This issue divided the British idealists themselves, with some of their number, such as D.G. Ritchie being far more inclined to support state action rather than relying as heavily as Bosanquet and Muirhead on pre-existing personal virtue.)

From 1897 onwards, Hobson found more congenial homes with more collectivist associations in the Rainbow Circle and the SPES.[3] He became an 'official lecturer' at the latter in 1899, giving monthly lectures until 1935 and 'figuring as a sort of middle-man between J.M. Robertson and Herbert Burrows, a committed Socialist'.[4] Other regulars at the SPES at this time included Cecil Delisle Burns, Norman Angell and Edward Carpenter, all of whom were left-liberals and socialists of various types and with concerns that included social justice, international peace and sexual liberation.[5] Hobson's role as an official lecturer to the SPES had a significant impact on his intellectual development, as he made clear in his autobiography:

> My close connection with this liberal platform, lasting continuously for thirty-six years, was of great help to me in clarifying my thought and enlarging my range of interests in matters of social conduct. Addressing audiences consisting for the most part of men and women of the business and professional classes, with a scattering of educated clerks and manual workers, I found myself driven to put ethical significance into a variety of current topics and events, many of which belonged to the fields of politics and economics. But I had first to make up my own mind, before communicating the result to others. Though such a fragmentary process had its defects, it served on the whole to bring together what at first sight seemed widely sundered pieces of thought and valuation, and so to give an increasing measure of cohesion to the deeper process of intellectual order needed to carry out the humanization of economic thinking which I had taken as my primary intellectual task.[6]

Throughout the SPES lectures and essays included in this volume, one is reminded of the radicalism tha

drove Hobson during one of the world's most precarious and important periods. It is a radicalism that is examined in much greater depth in John M. Hobson's introduction to this volume.

The typescripts of J.A. Hobson's SPES lectures together with various other papers came into the possession of his son Harold, when J.A. Hobson died in July 1940. In the 1970s, Harold's widow lent them to an interested doctoral student at the University of Hull. Before returning the typescripts and papers, sadly the student died and the material was deposited at the University of Hull without the Hobson family's knowledge. I 'rediscovered' them after coming to Hull in 2000, and contacted John M. Hobson with a view to producing the present edition.

This volume includes nine of the surviving twelve lectures, 'The Magic of Words' (26 February 1933), 'Men and Women' (6 May 1934) and a third short, partial, untitled and undated lecture being omitted on grounds of relevance and space. I have established each text from the original neat typescripts, which reside in the Hull History Centre (DHN/24), together with other printed material from Hobson's library (DCC/5/146-49, 334; DHN/19, 23, 27, 28 DX/215/16). I have annotated the lectures lightly, including biographical and (a few) explanatory notes as well as notes detailing Hobson's handwritten changes to the typescript where those changes seem to be more than merely stylistic or typographical corrections. Hobson's few other handwritten changes have been incorporated silently, as have editorial upper-case roman numerals to number each subsection of 'The Sense of Responsibility'. Hobson's original typescripts include a small number of notes, which I indicate here with 'Hobson's note' in square brackets immediately after Hobson's original text. Notes that do not include any square bracketed text are purely editorial. I have used the following editorial abbreviations throughout.

[ ]	Editorial insertion
[...?]	Indecipherable word
MS orig.	Original typescript wording that was deleted and then superseded by J.A. Hobson's handwritten amendment
MS del.	Word deleted by J.A. Hobson
MS reads	Mistyped word in typescript which the editor has corrected in the main text
MA alt.	Hobson's (not deleted) alternative rendering of a word or phrase

Hobson's original spellings and punctuation are retained in this edition, except in a few cases, where minor typographical errors have been corrected. Hobson's original renderings are recorded in the editorial notes.

1 John Atkinson Hobson, *Confessions of an Economic Heretic*, London: George Allen and Unwin, 1938, p. 56. See further Michael Freeden, *The New Liberalism: An ideology of social reform*, second edition, Oxford: Clarendon, 1986, Sandra M. den Otter, *British Idealism and Social Explanation: A study in late Victorian thought*, Oxford: Clarendon, 1996, and, on idealism more generally, Colin Tyler, *Idealist Political Philosophy: Pluralism and conflict in the absolute idealist tradition*, London: Continuum, 2006.

2 Hobson, *Confessions*, p. 56.

3 Michael Freeden, *The New Liberalism*, [1976], pp. 256–57.

4 Hobson, *Confessions*, p. 56; G. Spiller, *Ethical Movement in Great Britain: A documentary history*, London: Farleigh, 1934, p. 35.

5 Sheila Rowbotham, *Edward Carpenter: A life of liberty and love*, London: Verso, 2008, p. 381.

6 Hobson, *Confessions*, pp. 57–58.

Part I

Introduction John A. Hobson, The International Man

A report from earth

*John M. Hobson**

Every hundred years the celestial messenger whose business it is to study conditions upon Earth makes his Report to the Recording Angel.[1] This volume contains fragments of the Millennial Report recently rendered. It presents a series of largely unpublished lectures that were given by John Atkinson Hobson to the South Place Ethical Society in London during the 1930s. It sets out some of the grave economic political and moral situations of the last century which remain relevant today. It also includes an introduction in the shape of dialogues between the Messenger and the Recorder, dwelling in particular upon the ideas and circumstances that informed the many facets of Hobson's work on domestic and, above all, international society.

* I would like to thank Duncan Bell, Michael Freeden, Roger Kanet, Myron Kok, David Long, Jeanne Morefield, Herman Schwartz, Leona Seabrooke, and Colin Tyler for their advice and constructive comments on this chapter though, of course, the usual rider applies.

1 J.A. Hobson, *The Recording Angel: A Report from Earth*, London: George Allen & Unwin, 1932. Note that this present Report is presented in the same style as Hobson's 1932 book. Note too that all subsequent references are to the writings of John A. Hobson unless otherwise stated.

1 First Session. Introducing John A. Hobson, The International Man

The Recording Angel is seated in his Office at his desk with a file of papers, a copy of Imperialism: A Study, and the last Report before him. His clerk ushers in a messenger from Earth who, after exchanging greetings with his Chief, takes his seat with folded wings.

RECORDING ANGEL. It is well you acquainted me with your arrival yesterday, for it has given me time to refresh my memory regarding the past Record (dated 1932) of the little planet with which your Millennial Report deals. Nevertheless, I had already thoroughly reacquainted myself with John Atkinson Hobson's *Imperialism: A Study*.[2]

MESSENGER. I take it that you are referring to the 1932 book, *The Recording Angel*: A Report from Earth, which was mysteriously sent to J.A.'s home in North London, and who saw to it that it was published immediately?

R.A. That's correct. His All Highest was particularly impressed by that Report, given that He had be extremely worried about the grave condition that confronted the world at that time, following the (War and the Bad Peace. And he found it far more satisfactory than the much shorter one th commissioned in the eighteenth century.

M. Are you referring to 'The World As It is', Your Honour, where He asked Babouc to report on wh the Persians were worth saving in the light of their militaristic and lascivious tendencies?

R.A. Yes, indeed.

M. I am, of course, aware of this Report because it was leaked back to Earth and was then publish Voltaire.[3] And if I recall it correctly, Babouc's evaluation concurred with the 1932 Report's concl that mankind was made up of good and bad elements. But Babouc's judgement that overall life 'tolerable' clearly differed to that found in the 1932 Report. Indeed the latter concluded that unde wrong conditions the world was *not* tolerable but that under the right conditions the good (outweigh the bad, thus making the world more than 'just tolerable'.

R.A. Indeed. Both Reports were leaked back to Earth and sent to leading intellectuals of the day in the that they would publish them for the benefit of Humankind. This was deemed necessary so that might help alleviate the dangerous situation confronting the Earth at their respective times. This m was preferred to the more direct strategy of Divine interventionism. But the 1932 report was pref because He found that it offered numerous prescriptions for solving the world's problems that hu themselves might adopt.

M. But at the risk of sounding overly *curious* and thereby offending Your Honour,[4] may I ask why th Highest is so concerned about the situation on Earth? I ask this because if the present Millennial R is to be leaked back to Earth, some humans will unfortunately question why He is so concerned, that many feel He is oblivious to their sufferings. I am also bound to ask why His All Highest nee learn from humans such as Hobson since surely He is 'all-knowing'. And given this, He would sure aware of everything about him? Finally, if I may be so bold, Your Honour, I am particularly puzzle all this given that He can intervene at any time in order to correct the wrongs of Mankind.

R.A. I can answer these questions simultaneously. As you probably know from reading the 1932 Repo far distant times the All Highest set the Earth aside as an experimental station on which to try out interesting speculations about reason and self-determination.[5] One of the higher primates was inj with an extra powerful strain of curiosity and social feeling, and was then set 'free' to see what sort life he would make of it. His All Highest is especially concerned that it should work successfully remains reluctant to abandon His experiment. Clearly then, the experiment would be pointless wer to intervene whenever He felt it necessary. Thus His All Highest prefers to maintain His Holy R 'Earthly *laissez-faire*', reserving Divine intervention only for exceptional moments. He, there watches from a distance and, accordingly, does not pry into all the detailed goings-on of each indivi

M. I see. And I am of course well acquainted with the background of the Experiment. As the last R reminds us, the All Highest was bitterly disappointed with the early results, especially with the disas Eden Experiment. As I recall, His famous 'Water-Cure' proved only temporary,[6] but His fa 'linguistic divide and rule strategy' was much more successful: 'the All Highest seems easily to outwitted them [the humans] by the simple device of confusing their tongues. This broke up conspiracy, and the experiment itself became a multitude of separate experiments in different pa Earth'.[7] I would suggest that this appears to have had some success right down to the sixteenth, the late-eighteenth century, given that the civilizations of the Earth had for the most part resid relative harmony and engaged in a relatively interdependent world.[8]

R.A. Quite so. But the All Highest has noted that things have gone awry again in recent times, ever sinc Western nations began their blasphemous imperial experiments and embraced an increasingly ata sense of nationalism. Not surprisingly, this has led Him to now regret His linguistic divide anc strategy. The All Highest was infuriated with this imperial turn. As he told me, 'Not only does this strong echoes of the disastrous Babel project which forced me to break my Holy Rule of E *laissez-faire*, but it has been done in *my* name. This was noted in the last Report,[9] and was clarified by Hobson in the second part of his 1902/1938 book with which I am most impressed'.[10] All Highest is deeply angered over the fact that one particularly 'precocious' state – the governme 'the new Western country across the Ocean' – has been carrying forward the arrogant imp experiment that was first deployed by its Anglo-Saxon forefather. Worse still, it has once again carried out in His name. And His All Highest categorically denies that He has had any communi with the now ex-leader of that country, let alone having been involved in issuing any instructions to war. As I told your predecessor in the 1932 Report, 'Once [the All Highest] had a Chosen P but when they went wrong he never took on any other'.[11] And as you know, nothing raises th Highest's ire more than 'Babel projects'! So for this reason the All Highest wants to know Hobson's career and thinking developed and has specifically asked for any unpublished materials presented in order to see if there are any solutions to the current predicament.

M. Well, His All Highest might be pleased to learn that I have brought with me the series of la unpublished lectures that were given at the South Place Ethical Society in the 1930s. These a particular value, I believe, because they simultaneously provide a profound diagnosis of the wo problems in the 1930s as well as for those that confront the world today.

R.A. This is indeed good news. But I would like to begin by learning why you have chosen this particula for your Report, not least because as I understand it, Hobson's radical critique of imperialism wa that focussed mainly on domestic political economy. For that reason I would have anticipated some along the lines of 'John A. Hobson: Social Reformer'.

M. Well Sir, it is somewhat ironic that you say this because in 1898 J.A. published a book called *Ruskin: Social Reformer*. As he explained in the Preface, there he set out to impute or grant 'a and conscious design in Mr. Ruskin's work'.[12] However, I do not believe that such a strategy shou applied to the writings of J.A. For on our journey we will find that discovering an 'essential Hobs one based on a logically-pure continuous *single-thread* – is probably akin to the search for the Grail. But in another book, *Richard Cobden, The International Man*, J.A. develops a relati method, which I feel is more appropriate for understanding Hobson's own works. This is the fi four reasons why I have chosen this title, and for this reason, Your Honour, I beg for the L patience here. To paraphrase J.A.:

> The process of 'settlement' to which the reputation of a great public man is subjected after he has passed away is almost inevitably attended by grave misrepresentations. The commonest form of that misrepresentation consists in dramatizing some single episode, or aspect, of his career [the underconsumption-imperialist 'heresy'] and assigning it to him as his sole and exclusive property. The career of [John A. Hobson] lent itself with peculiar facility to this popular falsification.[13]

And as he explains in the first line of the Preface:

> The close attachment of the name of Richard Cobden to the overthrow of the protective system and the establishment of Free Trade in our fiscal arrangements has tended to obscure the wider policy of international relations which this great achievement was designed to serve.

Likewise, my prime objective in this Report is to reveal the point that the close attachment of the name

of John A. Hobson to the overthrow of the imperial system solely through domestic welfare redistribution, has tended to obscure the wider policy and conception of international relations and imperialism which J.A.'s writings were ultimately designed to serve. As the South Place lectures reveal, J.A. was very much an 'international man'. Indeed he embraced and worked for progress towards a new international humanistic ethic that would be imbued in a new 'international man', and which in turn would furnish peace among nations. Indeed in one notable Obituary it was said of J.A.: 'He, to borrow the name whichhe gave to his book on Cobden's correspondence, was an "international man" '. The obituary then proceeded to outline the many international causes that he fought for throughout his life.[14]

R.A. But I'm bound to ask why he published a book on Cobden, for my reading of *Imperialism* suggest Hobson was a New Liberal who had moved beyond Cobden? Are you saying, therefore, that he d see domestic reform as vital?

M. Your Honour must pardon me. I failed to make myself understood. Domestic reform that could c the economic tap-root of imperialism was a consistent part of his argument throughout his life work shall explain in more detail later. But I particularly wish to bring to the attention of His All Hig series of international, *non-economic* factors that Hobson also emphasised. For one reason or an these have been conventionally ignored or forgotten. This in turn leads on to the second rationa my chosen title, for there were occasions when Hobson deployed Cobdenite reasoning.

R.A. Well, permit me to reserve judgment on this in the light of what you present in the Report, since deeply surprised that Hobson's thinking at times linked up with Cobden's. But what are the rationales for your chosen title?

M. The third rationale lies in the point that in his book on Cobden, J.A. presented a series of Cob letters that had previously been unpublished. Likewise the current Report presents a series of n unpublished lectures that J.A. gave in the 1930s, which were delivered in the last decade of his Fourth, and finally, all of the lectures are based on, or touch upon, international themes. So for all reasons I felt that this was an apt title to capture his pioneering life-work.

R.A. Before closing this session it would help if you could give me a brief outline of what you propo discuss.

M. Of course, Your Honour. In the next session I shall discuss J.A.'s theory of imperialism and intr you to his first two theories of imperialism. In the third session I introduce his third theo imperialism which is grounded in political and discursive factors. Such an analysis unfolds throu critique of the so-called economically reductionist 'Hobson/Lenin theory of imperialism'. In the f session I build on the previous discussions to reveal the centrality of the progressive international in his theory of peace and international government, while the final session discusses his South Ethical Society lectures in the context of the 'struggle for the international mind'.

R.A. All of which I look forward to. Well, you have made good your introduction. But is this convenient time for a pause? Suppose that we resume our sitting after lunch.

2 *Imperialism: A Study*, London: George Allen & Unwin, 1968 [1938].
3 'The World As It Is', in Voltaire, *Micromégas and Other Short Stories*, London: Penguin, 2002, pp. 36–51.
4 Here the Messenger is alluding to that human attribute which, when taken to an extreme, led to the undermining of the Eden Experiment *Recording Angel*, pp. 9–10.
5 *Recording Angel*, p. 9.
6 The famous 'Water-Cure', of course, refers to the biblical story of Noah's Ark.
7 *Recording Angel*, p. 11.
8 J.M. Hobson, *The Eastern Origins of Western Civilisation*, Cambridge: Cambridge University Press, 2004.
9 *Recording Angel*, pp. 21, 82–103.
0 See *Imperialism*, esp. Pt. 2, Ch. 3, which deals with moral sentiments.
1 *Recording Angel*, p. 21.
2 *John Ruskin: Social Reformer*, London: James Nisbet, 1898, vi. Hobson chose this strategy because he felt that Ruskin's work had bee generally viewed as fragmentary and lacking in coherence.
3 Paraphrasing from *Richard Cobden: The International Man*, London: Ernest Benn, 1968 [1919], p. 15.
4 F.W. Hirst, 'Death of J.A. Hobson: Economist and Humanist', *Manchester Guardian*, 2 April 1940.
5 Note that two of these pieces have been published, namely 'Thoughts on Our Present Discontents' and 'The Sense of Responsibility' – fu publication details are presented in the Fifth Session. Notable here is that like Hobson's book on Cobden, so the present volume als presents an introduction written by a John Hobson (though on this occasion he turns out to be the great grandson of J.A.).

2 Second Session. Reimagining Imperialism

A Cobdenite 'Versus' A Radical Hobson?

RECORDING ANGEL (addressing MESSENGER). I would now like us to consider Hobson's writte works and I think it would be best to begin with his analysis of imperialism for which he is justifiably famous and about which His All Highest is keen to learn much more.

MESSENGER. This is all to the good, Your Honour, for it is also one of several important themes of the 1930s lectures.[1] If I may be so bold, can I respectfully ask Your Honour to convey your understanding of J.A.'s theory of imperialism, for this will help contextualize my discussion?

R.A. Of course. As I understand it, Hobson took as his point of departure a critique of classical l political economy. He argued against classical liberalism on the grounds that the economy is governed by a self-regulating set of laws of supply and demand because the economy's effe functioning is constantly distorted by privileged elites such as landowners and, most especially, fir capitalists. So what was missing in classical liberalism was the theory of the *unproductive surplus* the *maldistribution of income*. These phenomena derive from *unearned income*, which in turn de from those areas in which there is a natural or legal monopoly. Unearned income derives from areas as land which enjoys rental and value increases that come about not through the hard work savings of landowners but through the level of general prosperity generated by the whole communit

M. Indeed, Sir. For distribution does not naturally occur as in classical liberalism where the op allocation of resources is achieved through the market, but is distorted by the 'forced gains' superior bargaining power of the elites compared with the masses.[2] In the process, as income ac disproportionately to the wealthy, the majority of the population suffer reduced purchasing capacity leads to the problem of decreasing *aggregate* or overall demand. And in turn, underconsumption directly on to economic depression.[3]

R.A. It is, of course, at this point when his analysis of imperialism comes into play. For this over-savi elites can be invested in one of two places: either domestically or abroad. But with underconsumpti home, capitalists and landowners seek to invest their money abroad in order to obtain a better re Accordingly, under-consumption was described as the 'tap-root' of imperialism. So Hobson was a foreign investment since this was the origin of imperialism. Surely this much is well-known given this was the famous proposition that underpins his theory of imperialism?

M. Unfortunately, Your Honour, though it is indeed well-known, it is nonetheless highly problematic J.A., foreign investment is not harmful *per se* but could, albeit *under the right conditions*, pro prosperity and peace in the world. But when these conditions are not present, imperial econ interests push for protection from their respective national governments, which leads on to imperi and war.

R.A. Notable too, as I understand it, is that imperialism is self-reinforcing, because imperial elites are al secure further advantages that exacerbate underconsumption at home. Thus imperialism leads to military expenditures that benefit the economic elites but simultaneously crowd out we expenditures, thereby cutting off one of the vital means to redistribute income. As I understand it, i mainly in this context that Hobson presented his critique of tariff protectionism. For tariffs are a form of regressive (indirect) taxation which fiscally penalizes the poorer classes.[4] And once a regressive taxes further cut off the means to redistribute income to the working classes, the exacerbating the problem of domestic underconsumption. So imperialism could be undermined thr a set of interventionist policies undertaken by a social-democratic state in order to enhance dom aggregate demand. And thus if all investment could be absorbed domestically, there would be no for investment abroad, and the tap-root of imperialism would be cut.[5]

M. And to complete this conventional reading, J.A. argues that by shifting the tax base away regressive indirect taxes towards the progressive taxation of unearned income, especially through in taxation, land taxes and death duties, the maldistribution of income could be corrected.[6] Note too this fiscal policy was aimed at the elites in general, not just finance capital. Indeed J.A. was espe

hostile to the Lords who were singled out for consistent attack.[7]

R.A. Presumably this is why he cited favourably John Stuart Mill's famous dictum that colon constituted 'a vast system of outdoor relief for the upper classes'.[8]

M. Indeed, Sir. But at the risk of doubly offending you, Your Honour, I believe that you have adm played the 'Adversary's advocate' here. For while there is much in what you have said, neverth you have presented the essence of the conventional interpretation. In the discipline of Interna Relations (which I shall refer to as IR) this is commonly understood as a 'second image theo international conflict – the term coined by the IR theorist, Kenneth Waltz. This refers to those th that locate the origins of international conflict at the domestic level. This contrasts with 'third i theories, which locate the origins of international relations at the international rather than the dom level.[9] I mention this only because – as I shall explain later, and with the greatest respect, Sir – I b that Hobson's theory can *not* adequately be understood through the conventional reading of him 'second image' theorist.[10]

I feel sure that J.A. would have been extremely gratified to learn, had he lived long enough, that a range of important academics have in the last three decades paid exceptionally detailed attention to his writings. Henceforth I shall refer to these specialists on J.A. as 'the experts'.[11] Naturally, as one might expect of such experts, we confront a divergence of views and interpretations, though this is to be celebrated. There are two central themes that guide my report. First, I shall attempt to show that there is not simply one Hobsonian theory of imperialism but three and possibly four. This is not widely known and so I feel it vital to bring this to the attention of the All Highest. And second, I shall attempt to show how his theories of imperialism form only a part of his wider writings on IR; a claim that is also not widely appreciated.

But to focus on imperialism here, it is helpful to begin with the claims made by one of the key experts on J.A.'s theory. Peter Cain claims that Hobson in fact had not one but *two* theories of imperialism that contradicted each other.[12] Incidentally, Cain also draws attention to the point that in his earliest writings on the subject in the early 1890s, J.A. was largely pro-imperialist in the Liberal sense,[13] and that according to Cain the radical turn emerged in the important 1898 article, 'Free Trade and Foreign Policy'.[14] But putting that aside, according to Cain, a radical theory of imperialism/ international investment is presented in the well-known book *Imperialism: A Study* that was first published in 1902, though this is contradicted by the Cobdenite argument presented in a lesser-known 1911 book, *An Economic Interpretation of Investment*.[15] Cain in effect claims that J.A.'s writings between 1902 and 1914 display a schizophrenic nature. So while his writings on domestic economic problems maintained a radical line,[16] his discussions of international investment and imperialism took on a less heretical and more orthodox classical liberal Cobdenite perspective. And to drive home his point Cain argues that the Cobdenite ideas found in the 1911 book were ultimately 'more representative of his [overall] thinking … than those found in *Imperialism*'.[17]

R.A. This is intriguing, though presumably such an argument undermines Hobson's overall theory?

M. I prefer to view it as something which reveals Hobson's multi-dimensional thinking, and in this s Cain has provided an invaluable service for a fresh understanding of Hobson beyond the conven one-dimensional reading. I think it fair to say that between 1902–1914 Hobson's approach to IF Janus-faced, looking forwards to a radical critique of imperialism and capitalism and backwards more conventional Cobdenite rationale for capitalist internationalism. Thus for me the issue is n much a Cobdenite *versus* a radical Hobson but one of a Cobdenite *and* a radical Hobson – at least i 1902–1914 stage of his writing career. But permit me to begin this journey into the multi-faceted of J.A. by reviewing his 1911 book in order to appraise Cain's argument more closely.

R.A. Of course. Please proceed.

M. While I view Cain's discussion of the *Economic Interpretation* as prescient,[18] it is possible to that, if anything, he understates his case. The first five chapters of the book make a robust Cobd case for the positive effects of international investment. A typical example of this sentiment asserts

> The economic function of investment is to send concrete capital tapping every corner of the earth to find out where it can find natural resources and labour for profitable exploitation. In proportion as this function is skilfully fulfilled the wealth of the world is increased…[19]

Critically, he differentiates 'productive' from 'unproductive' foreign investment.[20] Consistent with his 1902 statement he argues that foreign investment is unproductive under conditions of extreme domestic inequality. He is also consistent in arguing that investment in bonds for governmental military spending is unproductive.[21] But he notes that one clear exception to this lies in those instances in which military spending enhances economic wealth.

R.A. *Enhances* economic growth? Surely this contradicts much of the argument of *Imperialism*?

M. Perhaps, Your Honour.[22] He then sees an example of this in those instances when governments se defend the country's trading interests 'or [engage] in an offensive war to acquire new markets, develop the natural resources of a backward country'.[23]

R.A. I am bound to say that this seems breathtakingly surprising in the light of his 1902 position!

M. And if you will forgive me for mentioning it, at one point – in a manner that is highly reminisce Monty Python's 'sacrilegious' film, *The Life of Brian* – J.A. in effect rhetorically asks: wha international finance ever done for us and the colonies? And his reply:

> The equipment of some large potentially productive area in Canada, Argentina, or China, with adequate railroads [via international investment], is probably the greatest service which British capital is capable of rendering, not merely to the country thus opened up, but to the world at large, and indirectly and in a particular degree to the industrial interests of Great Britain herself.[24]

R.A. No, please do not overly worry. His All Highest particularly enjoyed this film, though I take your about Hobson's argument.

M. But like the classic sketch in that film, he then goes on to cite numerous other things that 'interna capital has done for the colonies'. Moreover, chapter 6, 'Foreign Investments and Home Employr reads as though it was written by a hostile Cobdenite critic of Hobson's radical 1902 argument. chapter sets up three theses and then proceeds to dismember them one by one. Thus he summarize critique of international investment accordingly:

1. It reduces employment and retards industrial development at home. industrial development at homeindustrial development at homeindustrial development at home
2. It introduces an increasing quantity of imports which need no exports to pay for them.
3. It equips foreign competition to compete with us in our own or neutral markets.

R.A. Perhaps the only thing that was missing from this list was a citation to *Imperialism: A Study*!

M. You're surely correct. Sir. J.A. then critiques this uncannily familiar thesis through a rang arguments, which culminate in the proposition that were capital used at home its net effect 'v intensify the malady [which] would involve an enlargement of the depression as soon as an attemp made to operate the new manufacturing power'.[25]

R.A. Goodness! But perhaps this was a one-off sentence?

M. No, Your Honour. For as he goes on to say:

> Put more simply, this argument means that foreign investments do not injuriously compete with home investments robbing the latter of capital which it could put to advantageous use in employing British labour, but that they represent a use found abroad for a surplus quantity of British saving, which otherwise would either not exist at all or would represent a wasteful oversupply of home capital…. Foreign investments, then, form in the first instance a safety-valve against excessive gluts of capital at home. They find a profitable use for capital which otherwise could not economically fructify at all.[26]

R.A. This seems extraordinary, and surely testifies to Cain's intellectual schizophrenic charge! Was th example of Hobson's wry sense of humour realized in book-form?

M. Well if it was, Sir, it was certainly well sustained. For in the next chapter 'Political and Social Influ of Capital', he goes on to argue that international investors are naturally cosmopolitan. Neverthele alluded to earlier, all this is qualified by a substantial 7-page discussion of how international finar also promote harmful imperialism.[27]

R.A. Have we, therefore, after a long circuitous route, returned squarely to the 1902 thesis?

M. No, Sir, for in closing this discussion he claims that imperialism is not a disease of *unrefo* capitalism as we were told in 1902, but was a transitory stage in world politics:

The new and growing tendencies of a genuinely international finance must continually tend to diminish [the dangers of imperialism] and to substitute pacific motives. Though Cobden was too optimistic in attributing to the growth of foreign trade so early and so complete an efficacy as peacemaker, he was correct in his judgment of the tendency.[28]

R.A. So it seems that the *Economic Interpretation* does indeed contradict, if not invert, Hobson's ra theory of imperialism, replacing it with an 'apologetic Cobdenism'.

M. I suspect that this is not paradoxically a contradiction, as I shall explain in a moment. But surpri few of the experts concur with this reading. In responding to the early version of Cain's argu advocated in 1978,[29] David Long treats it, in effect, as an unwanted exorcizing of J.A.'s 'here status, claiming that there is no inconsistency in Hobson's position. In 1902 Hobson's concern wa the problem of international investment *per se*. Only under conditions of domestic underconsum was foreign investment linked to imperialism.[30] Long also points out that this book contained a ser pieces that were originally published in the business journal, *The Financial Review of Reviews* published by the journal as a book). This is significant because writing for a business audience pro led Hobson to downplay (though not omit) his radical theory of imperialism. Peter Clarke argue Hobson was more consistent than Cain suggests, even if there were some problems.[31] And C suggests that Hobson was more consistent over time but less consistent at any one point, th unfortunately he does not flesh this assertion out. John Allett argues that the analysis of the *Econ Interpretation* was a 'short-lived exception' to his general theory of imperialism and internat investment. As he put it, 'the events leading up to the First World War seemed to Hobson to conf this analysis, and thereafter he was much more wary about the chances of "peaceful imperialisn Michael Schneider discusses the different positions in Hobson's analysis but implicitly describes more as an evolution of his thought as it responded and adapted to world events.[33] Jules Towns claims that after 1914 Hobson turned resolutely against the pacific view of international fi associated with Cobdenism.[34] And, last but not least, G.D.H. Cole simply asserts that as an econ Hobson 'maintained throughout an essentially consistent attitude', which he equated with the theo the maldistribution of resources and the problem of under-consumption.[35]

It is also noteworthy that while Cain views Hobson's 1904 book, *International Trade*, as a typical example of this Cobdenism in operation,[36] nevertheless J.A. devoted a chapter to vigorously defending his 1902 argument concerning the maldistribution of income and under-consumption.[37] It is also true that in a 1906 article, as Cain concedes, Hobson argued that Cobden had failed to appreciate the role of domestic class differences as the origin of imperialism and war,[38] as we shall see in more detail later on. Finally, it is noteworthy that J.A. made no mention of the 1911 book in his autobiography, nor was it ever reprinted, as Cain again notes.[39]

R.A. But as you were speaking another line occurred to me. I wonder if the 1902 radical position was as Cobdenite as Cain assumes? If so this might point to the possibility that there was no sudden 'Cob turn' after 1902 and that the radical new liberal and Cobdenite thrusts sat side-by-side between and 1911.

M. This is indeed a poignant question, Sir. The case for contradiction rests on the claim that the argument is based on the assumption that *unmitigated* international economic intercourse is har that international investment inevitably leads to imperialism; and that 'semi-autarky' is the best p prescription. Accordingly the argument rests on the central claim that nations in effect need to focu enhancing domestic aggregate demand, which will render obsolete the need for foreign investmen international trade. This, of course, is the direct antithesis of Cobdenism. The essence of the issue upon the famous anti-Cobdenite claim expressed in 1902:

There is no necessity to open up new foreign markets; the home markets are capable of indefinite expansion. Whatever is produced in England can be consumed in England, provided that the 'income' or power to demand commodities is properly distributed.[40]

The question, though, is whether this clearly anti-Cobdenite statement is the sum total of Hobson's perspective on international economic intercourse as outlined in the first part of *Imperialism*. Clearly in the first half of Chapter 2, J.A. reiterates this thesis several times.[41] But in Chapter 5, Hobson argues that international economic intercourse is not a problem *per se* but only becomes so when it is accompanied by military aggression to secure foreign markets. And in the first instance this is problematic because in the case of the dependent colonial trading system, the meagre gains from such trade were not sufficient to offset the heavy military costs upon which they were secured.

> In total contravention of our theory that trade rests upon a basis of mutual gain to the nations that engage in it, we undertook enormous expenses with the object of 'forcing' new markets, and the markets we forced were small, precarious, and unprofitable. The only certain and palpable result of the [military] expenditure was to keep us continually embroiled with the very nations that were our best customers [i.e., the European economies], and with whom, in spite of everything, our trade made the most satisfactory advance.[42]

The problem of increased hostility of European countries towards Britain occurred because of the latter's aggressive imperialism which, in promoting increased British military spending, had in turn resulted in arms-racing within Europe. Accordingly, he argued, this served only to jeopardize further Britain's trade with continental Europe. Critical here is the point that Hobson produced a set of trade data,[43] which revealed that:

> the greatest increase of our foreign trade was with that group of industrial nations whom we regard as our industrial enemies, and whose political enmity we were in danger of arousing by our policy of expansion [i.e., the major European economies]…. It cannot be contended that Great Britain's expenditure on armaments need have increased had she adopted firmly and consistently the full practice of Cobdenism, a purely defensive attitude regarding her existing Empire and a total abstinence from acquisition of new territory.[44]

International trade with Europe was beneficial and should be pursued because it was economically more productive on the one hand and did not require exorbitant military costs on the other. Harvey Mitchell's summary of this point is instructive: 'no more eloquent statement of Cobdenism was possible at the threshold of an era of autarchy'.[45]

The spirit of this argument is taken further by Norman Etherington, who points out that one of Hobson's central claims – that trade does not follow the flag – reaffirmed the faith of Cobdenism.[46] This is further reinforced by J.A.'s claim that if Britain had not *forced* these new precarious colonial markets, the amount of trade that was lost could have been picked up through pacific economic intercourse with Europe at no military cost. And, moreover, had Britain abstained from gaining colonial markets and had they fallen into other countries' hands instead, this too would have indirectly enhanced British trade.[47]

R.A. So presumably this suggests a Cobdenite rationale for international trade even within Hobson's book? And it appears that he enters not into a general critique of international trade but a particular criticism: that international trade was only harmful when it was conducted with back colonies wherein the fiscal-military costs outweighed their meagre trading benefits? This is sur reaffirmation of Cobdenism.

M. It would seem so. And here it is worth quoting Norman Etherington's conclusion of Hobson's o 1902 argument: 'There was nothing in this account of Britain's foreign and colonial polic *Imperialism*] that Cobden could not have written had he lived longer…. Hobson's closing argume Part 1 of the book were much more in the Cobdenite tradition'.[48]

R.A. But surely the pivotal chapter, 'The Economic Taproot of Imperialism', is anti-Cobdenite?

M. Well, Your Honour, the question is: did Hobson argue there that imperialism could be solved sl Britain cut herself off from international economic intercourse and engage in domestic reform various points he argues that domestic redistribution is superior not to international economic interc *per se*, but to the process of *fighting* for foreign, colonial markets or foreign areas of investme what he called 'pushful imperialism'.[49] So he claims that 'where the distribution of incomes is such

enable all classes of the nation to convert their felt wants into an effective demand for commoc there can be no over-production, no under-employment of capital and labour, and no necessity to for foreign markets'.[50]

R.A. So where does this all leave us with respect to the 'contradiction allegation'?

M. There are again various ways of answering this. First, defending against this claim requires t Hobson's thinking and arguments as a single, coherent package. But I believe that focussing on onl line of them serves to distort our understanding of Hobson.

R.A. So if I read you correctly, you are effectively asking why we should focus only on the statement radical domestic reform at the expense of recognizing the wider liberal internationalist context in v his 1902 discussion of foreign trade and investment was made?

M. Exactly so, Your Honour. Thus taken in this broader context one might conclude that at least *son* what he said in *Imperialism* was consistent with his later, more explicitly Cobdenite analysis in even if much of this has been subsequently obscured by the headlining claim of solving don underconsumption in his 1902 book. But it is not my place to dictate to His All Highest, mere report on various possible interpretations.

R.A. If this is the case, then presumably it means that even Cain – the major advocate of the Cob interpretation – was to a certain extent looking in the wrong place? Thus rather than focussing on the Cobdenite Hobson in the *Economic Interpretation*, we might be better off by recognizing the Cobdenite strand in *Imperialism*.

M. Well, Sir, I have pointed to this as a possible interpretation for the period covering 1902–1914. would not wish to suggest that his writings between 1902 and 1911 could be monolithically paint Cobdenite. Indeed I would urge caution here. Certainly it seems hard to deny that at least some s mind-shift occurs between *Imperialism* and the *Economic Interpretation*, to which Cain most draws our attention. It would seem reasonable to claim that even if the differences between *Imperia* and the *Economic Interpretation* have been exaggerated, nevertheless there was clearly more thar Hobson – a radical New Liberal*and* a Cobdenite classical liberal. But I would countenanc possibility that the pro- and anti-Cobdenite Hobsons stood, to a certain extent, albeit awkwardly, by-side.[51] This paradoxical claim is one way of resolving the contradiction charge. But 'at the end Earthly day' perhaps one does not need to provide a final answer to the 'contradiction allegation this would be to assume that there is a 'complete' or an 'essential Hobson' waiting to be reveal prefer to accept that Hobson's thinking was far more complex and multi-faceted and, there irreducible to an essentialized position. And my second reason for urging caution here, as I shall later, concerns the point that there was much more to Hobson's thinking on IR than even this dimensional framework implies.

R.A. Presumably it reveals a much more interesting figure than were we to assume that he held one s position throughout his life into which his many ideas could be squeezed?

M. That would be one implication, Your Honour.

R.A. I look forward to the ensuing discussion. But for the moment, this all raises the question as to why was some sort of shift – even if it was only one of emphasis – between 1902 and 1911, and ev there were perhaps some continuities between the two?

M. Here it is noteworthy that Hobson's public persona was multi-dimensional and polymorp crystallizing in various forms throughout his life, including the roles of: writer, journalist, lect political activist, and left-liberal propagandist.[52] While there is no doubt that his work overla between academic and popular political causes, it would seem that his role as a political propaga was perhaps the most important for him. And it is this that gives us our strongest clue for understa the shifts in his thinking over time.

As Cain notes, the year 1903 saw Joe Chamberlain famously resign from the Conservative Party i order to pursue his project for Imperial preference/federation over the ensuing years. Hobson's main reference to Chamberlain in the *Confessions* is suggestive: 'when Joseph Chamberlain set out to convert the Empire into a close preserve by his policy of tariffs and preferences… [and] began to influence the mind and language of English politicians, the larger significance of our Imperialism became manifest'.[53] Hobson then saw as his chief political concern the need to rebut Chamberlain's program: something that clearly intensified during his stay in Canada in 1905. But this is where, according to Cain, he got himself into trouble. Central to the Chamberlainite program was a policy of co-opting the working class through imperial protectionism and federation. Imperialism was sold on a protectionist platform. Tariffs would

finance welfare reforms for the working classes and, concomitantly, it was claimed that free trade would harm their interests by undermining the British economy.

R.A. So presumably this means that in order to fight imperialism and imperial preference, Hobson fe need to play up the importance of free trade and the benefits of international commerce and finan the home economy?[54]

M. Precisely so, Your Honour. And though the issue of protectionism split the Conservative Party in almost immediately thereafter its leader, Arthur James Balfour, came to espouse the Chamberl tariff reform program. Moreover, the Liberal government and the Conservative Opposition came to head in the late-Edwardian period, with the latter embracing the cause of imperial protectionisn regressive indirect taxation to finance welfare reform, while the Liberals stood for free trade progressive income taxation to fund welfare reform.[55] And so the potential paradox emerged: prom the Liberal cause of welfare reform in order to overcome the problem of domestic under-consum pushed Hobson into a Cobdenite position of advocating strong international economic intercours could best be achieved through free trade.[56] So it might be argued that this political situation forme immediate background for Hobson's shifting emphasis from what might have been a 'latent Cobde in 1902 to an 'explicit Cobdenism' in 1911.

R.A. This all sounds plausible. But one thing has been bothering me throughout this discussion. For bound to ask whether this shifting emphasis, or even changes of opinion – depending on one's reading – was a bad thing?

M. Hobson would no doubt reply that only academics who reside in an ivory tower have the luxu maintaining a rigid line throughout their lives.

R.A. Though in fairness presumably not all academics are of this ilk?

M. That is so, Your Honour. But I don't see this shifting emphasis or perspective as a bad thing thoug certainly challenging, if not perplexing, at times. Hobson's reply to your question is answered notable passage in the *Confessions*, where he argues that: thinking is in itself a brief fragme process, and the piecing together of these fragments into a system of thought, a science, philosophy, is seldom (never in the sphere of human conduct) the purely objective, disintere reasonable process it professes to be. A completely consistent history, or still more a philosoph invalidated…. The philosophic demand for absolute values… lose much of their authority and me when confronted with the actual concrete experiences of life.[57]

R.A. And presumably, if I understand you correctly, if this makes for a 'messy' rather than a 'neat' Hol this can be celebrated according to his own ethos: that Academic Economics, separated from the world by an ivory boundary, is often arid and held-back by conservative thinking. Accordingly, leads to a not-infrequent 'dogmatism', if not a one-dimensional thinking that clearly, as you re could not be said of Hobson?

M. Indeed, Your Honour.

R.A. Thank you. Well if you don't mind, we'll bring this session to a close and resume following After Prayers.

1 Most especially, 'The Causes of War'; 'Is International Economic Government Possible?'; 'Thoughts on Our Present Discontents'; a 'The Sense of Responsibility'. Dates of these pieces are provided in Session Five below.

2 Detailed discussions of all this are found in *The Economics of Distribution*, London: Macmillan, 1900, pp. 295–361; *The Crisis of Liberalism*, London: King & Son, 1909, pp. 162–75.

3 *The Problem of the Unemployed*, London: Methuen, 1896, pp. 88–93, 98–111.

4 *Imperialism*, Pt. 1, Ch. 7. This idea was developed in much more detail in J.M. Hobson, *The Wealth of States*, Cambridge: Cambridge University Press, 1997.

5 *Imperialism*, pp. 85–89.

6 See *Imperialism*, Pt. 1, Ch. 7; *Problem of the Unemployed*, 88–92, 98–111. The fullest discussion of this is found in, *Taxation in the New State*, London: Methuen, 1919, esp. Pt. 1.

7 See especially, *Crisis of Liberalism*, Chs. 1–2.

8 *Imperialism*, p. 51.

9 K.N. Waltz, *Man, the State and War*, New York: Columbia University Press, 1959.

0 For example, K.N. Waltz, *Theory of International Politics*, New York: McGraw Hill, 1979, Ch. 2; J.M. Gabriel, *Worldviews and Theories of International Relations*, London: Macmillan, 1994, pp. 59–65.

1 The principal experts of note are: John Allett, Duncan Bell, H.N. Brailsford, Peter Cain, Peter Clarke, Norman Etherington, Micha Freeden, Alon Kadish, David Long, Lars Magnusson, James Meadowcroft, Harvey Mitchell, Gregory Nowell, Raymond Plant, Berna Porter, Michael Schneider, Leonard Seabrooke, Jules Townshend, and Andrew Vincent.

2 P.J. Cain, *Hobson and Imperialism: Radicalism, New Liberalism, and Finance 1887–1938*, Oxford: Oxford University Press, 2002 esp. pp. 14, 165–99. Note that this book develops an argument that was first outlined in 1978; see n. 29 below.

3 Cain, *Hobson and Imperialism*, pp. 53–63.
4 'Free Trade and Foreign Policy', *Contemporary Review* 1898, 74(2): 167–80. Interestingly, Bernard Porter qualifies this claim noting that

> [i]n August 1897 an article appeared in the *Progressive Review* [to which Hobson contributed articles] entitled "Ethics of Empire". It was signed simply as 'Nemo'; but in view of the fact that the ideas expressed in it and the methods of reasoning employed are identical to Hobson's, it can with some confidence be regarded as his first [critique of imperialism]
>
> (B. Porter, *Critics of Empire*, London: Macmillan, 1968, p. 177)

Moreover, it is possible that the death of J.A.'s politically liberal father, William, in 1897, freed him up to challenge the central tenets of liberalism and present a radical critique of imperialism. But how much emphasis can be accorded to this remains uncertain. Against this possible interpretation lies the point that his first book, *The Physiology of Industry*, published in 1889, was a clear challenge to (classical) Liberal political economy.

5 Cain, *Hobson and Imperialism*, Ch. 6.
6 *The Industrial System*, London: Longmans, 1909; *The Science of Wealth*, London: Williams and Norgate, 1911; *Work and Wealth*, New York: Macmillan, 1914.
7 Cain, *Hobson and Imperialism*, pp. 5–6, also p. 219; cf. B. Porter, 'Hobson and Internationalism', in M. Freeden (ed.), *Reappraising J.A. Hobson*, London: Unwin Hyman, 1990, pp. 167–80.
8 Cain, *Hobson and Imperialism*, pp. 188–95.
9 *An Economic Interpretation of Investment*, London: The Financial Review of Reviews, 1911, pp. 19–20.
0 *Economic Interpretation*, Ch. 2.
1 *Economic Interpretation*, pp. 21–3.
2 But for an alternative Post-Keynesian take on this point see G.P. Nowell, 'Imperialism and the Era of Falling Prices', *Journal of Post Keynesian Economics*, 2002–3, 25(2): 309–29.
3 *Economic Interpretation*, p. 21.
4 *Economic Interpretation*, pp. 70–1.
5 *Economic Interpretation*, p. 88.
6 *Economic Interpretation*, p. 89.
7 *Economic Interpretation*, pp. 106–112.
8 *Economic Interpretation*, p. 112.
9 P.J. Cain, 'J.A. Hobson, Cobdenism and the Radical Theory of Economic Imperialism, 1898–1914', *Economic History Review*, 1978, 31(4): 565–84.
0 D. Long, *Towards a New Liberal Internationalism*, Cambridge: Cambridge University Press, 1996, pp. 112–15.
1 For this debate between Clarke and Cain see: P.F. Clarke, 'Hobson, Free Trade and Imperialism', *Economic History Review*, 1981, 34(2): 308–312; P.J. Cain, 'Hobson's Developing Theory of Imperialism', *Economic History Review*, 1981, 34(2): 313–316.
2 J. Allett, *New Liberalism: The Political Economy of J.A. Hobson*, Toronto: University of Toronto Press, 1981, n. 28, p. 139; though we shall see that Hobson's third theory of imperialism was highly optimistic.
3 M. Schneider, *J.A. Hobson*, London: Macmillan, 1996, pp. 89–104.
4 J. Townshend, *J.A. Hobson*, Manchester: Manchester University Press, 1990, p. 113.
5 G.D.H. Cole, 'John A. Hobson, 1858–1940', *Economic Journal*, 1940, 50(198/199): 358.
6 Cain, *Hobson and Imperialism*, p. 181.
7 *International Trade: An Application of Economic Theory*, London: Methuen, 1904, Ch. 11.
8 'The Ethics of Internationalism', *International Journal of Ethics*, 1906, 17(1): 16–28; Cain, *Hobson and Imperialism*, p. 186.
9 Cain, *Hobson and Imperialism*, p. 167.
0 *Imperialism*, p. 88.
1 *Imperialism*, esp. pp. 29, 30.
2 *Imperialism*, pp. 65–6.
3 *Imperialism*, p. 33.
4 *Imperialism*, pp. 35, 64.
5 H. Mitchell, 'Hobson Revisited', *Journal of the History of Ideas*, 1965, 26(3): 410.
6 N. Etherington, *Theories of Imperialism*, London: Croom Helm, 1984, p. 65.
7 *Imperialism*, pp. 66–7.
8 Etherington, *Theories of Imperialism*, pp. 65, 69; see also Townshend, *J.A. Hobson*, p. 112.
9 *Imperialism*, p. 86.
0 *Imperialism*, p. 87, my emphasis.
1 See also the discussion in Townshend, *J.A. Hobson*, esp. p. 112.
2 For biographical details of his life see: *Confessions of an Economic Heretic*, London: George Allen & Unwin, 1938; also A.J.F. Lee, 'The Social and Economic Thought of J.A. Hobson', unpublished PhD thesis, University of London, 1970; Townshend, *J.A. Hobson*, Chs. 1 and 6; Allett, *New Liberalism*, Ch. 1; Schneider, *J.A. Hobson*, pp. 1–20.
3 *Confessions*, pp. 59–60.
4 'Can Protection Cure Unemployment?', *National Review*, 1909, 53: 1015–1024.
5 J.M. Hobson, *Wealth of States*, pp. 133–8; also A. Sykes, *Tariff Reform in British Politics, 1903–1913*, Oxford: Clarendon Press, 1979 pp. 129–44; B.K. Murray, *The People's Budget, 1909–1910*, Oxford: Clarendon Press, 1980.
6 Cain, *Hobson and Imperialism*, pp. 166–7. Important here is that Hobson not unreasonably viewed Lloyd George's budget as a vindication of his new liberalism: 'The Significance of the Budget', *English Review*, 1909, 2: 794–805.
7 *Confessions*, p. 86; also pp. 85–91.

3 Third Session. Beyond Economic Reductionism I

The Political and Discursive Tap-Roots of Imperialism

RECORDING ANGEL (addressing MESSENGER). If I have understood you correctly, you do not believ in an 'essential Hobson' but prefer to hold to a two-dimensional reading – a radical critique of imperialism albeit with Cobdenite elements in 1902 and a Cobdenite apology for international capitalist investment, albeit with certain radical elements, in 1911.

MESSENGER. Thus far that is correct, Your Honour. While I feel that introducing this two-dimensional approach to, or dual theory of, imperialism is a necessary corrective to the conventional one-dimensional reading, nevertheless it too is limited. For this obscures a third dimension to his thinking concerning his 'politics of imperialism' within which his third theory of imperialism is embedded. Discussing this leads me to refute the charge of economic reductionism/determinism that is often levelled at J.A.[1]

R.A. I anticipate that this will necessarily go beyond the earlier discussion. For the two dimensio Hobson's theory of imperialism and international economic relations presented thus far both presup an economically reductionist analysis: specifically the economics of benign international cap intercourse and the economics of domestic welfare reform.

M. That's correct, Sir. It is particularly useful to consider the charge of economic reductionism, in because critiquing it forms a major strand of many, if not all, of his 1930s lectures. Permit me to f this discussion by critiquing the economically reductionist concept of the 'Hobson/Lenin theo imperialism', for I believe that this popular idiom is highly misleading.

R.A. Well, you are full of surprises, for in my – admittedly rudimentary – understanding of Lenin's theo imperialism, I had assumed that it was very closely linked to that of Hobson's.

M. In that case, Sir, might I respectfully ask you to outline your understanding of the link between and Hobson?

R.A. Of course, though please feel free to interrupt if necessary. To begin with, both theorists began analyses with the crisis of capitalism that emerged in Europe in the 1870s, though they differed o origins of the crisis. Hobson focussed on the maldistribution of resources and over-saving, wh Lenin adopted Marx's argument concerning the tendency for the rate of profit to fall in the face o rising organic composition of capital. Thus by squeezing out labour through the introduction of la saving technology, the rate of profit was undermined because labour is the source of all profit…

M. Your Honour will excuse my interruption for I need to qualify your summary of Lenin here. scholars have assumed that what you say about Lenin here is correct. But it is noteworthy that pamphlet Lenin never explained what he meant by economic crisis nor did he explicitly refer to M analysis that you mentioned a moment ago. The key sentence reads as follows: 'The necessit exporting capital arises from the fact that in a few countries capitalism has become "over-ripe' (owing to the backward stage of agriculture and the impoverished state of the masses) capital ca find a field for "profitable" investment'.[2]

R.A. But surely this conforms to Marx's rising organic composition of capital thesis?[3]

M. This is how it has been usually interpreted. But notably, Anthony Brewer argues that the referen the backward stage of agriculture and the impoverished state of the masses 'are not factors that le a fall in the rate of profit at all. The backward stage of agriculture should *reduce* the or composition of capital and thus raise the rate of profit'.[4] I mention this here because as Brewer go to point out:

> If the reference to the poverty of the masses and the backward stage of agriculture is to mean anything (and Lenin repeats it: it is not a passing reference), it must surely represent an underconsumptionist analysis…. This is the argument put forward by Hobson, and Lenin thought very highly of Hobson and

drew on his analysis extensively.[5]

I apologize for this detour, Your Honour, but it serves to highlight Lenin's debt to Hobson in a way that is not widely appreciated (beyond the usual acknowledgment that Lenin paid to Hobson in the preface to his 1917 pamphlet on imperialism).[6]

R.A. Very well. But it suggests that my belief in a Hobson/Lenin thesis appears to be standing up… pe better than I had anticipated?

M. Thus far, Your Honour. I would beg you to continue.

R.A. Critical to Lenin's argument was the claim that the era of free competitive capitalism had come end by about 1880. Thereafter we witness a new monopoly phase, as Hobson also argued. Imper ensues as the emergent 'monopoly combines' export capital to the Third World where the rate of p is higher. Ultimately, Lenin followed Hobson in referring to 'parasitism' wherein imperialism principally the selfish concern of finance capital: 'the Marxist Hilferding… takes a step back compared with the non-Marxist Hobson… [in not recognizing]… parasitism, which is characteris imperialism'.[7] And in turn, as for Hobson, imperialism leads on to war as states come to the aid of respective capitalist elites as they seek exclusive monopoly markets.

M. To this permit me to add one further point of similarity between Hobson and classical Marxism t not usually recognized. An important part of Leon Trotsky's theory was the notion that world soc revolution might in fact begin in the Third World. Interestingly, while Hobson saw no prospec revolution in Britain, nevertheless the situation was very different in the colonies. As he put it 'bleeding of dependencies… irritates and eventually rouses to rebellion the more vigorous and tractable of the subject races [wherein] a force of gathering discontent is roused which turns agains governing Power'.[8] This idea, of course, had clear echoes of Leon Trotsky's theory, even if Tr seemed unaware of Hobson's work. Moreover, as John Allett notes, 'Hobson [who] spoke of eler within the "lower classes" [in the First World] being "bribed into acquiescence" with monies taken imperialist exploits… had its impact on Lenin, who had his own reasons for looking elsewhere Europe for the "spark" that would ignite a world-wide proletarian revolution'.[9]

R.A. So there *is* a strong link between Hobson and classical Marxism and, more specifically, a Hobson/ if not a Hobson/Trotsky theory of imperialism?

M. With respect, Your Honour, despite these various similarities there are at least five vital differences undermine this view, several of which are not widely recognized. If it's acceptable to Your Honc should like to devote the rest of this session to discussing these.

R.A. Of course. Proceed.

M. Thank you Sir. First, J.A. did not see imperialism as the 'highest stage of capitalism', nor did he as an inevitable product of capitalism. Instead his first theory of imperialism (the domestic ra critique) saw it as the result of the 'forced bargains' of elites, which could be redressed thr progressive state interventionism in order to raise the standard of living of the masses, the eradicating under-consumption and cutting off the economic tap-root of imperialism and war. contrasted with Lenin's famous claim, which was no doubt pointed at Hobson: '[I]f capitalism co raise the standard of living of the masses… there could be no talk of a superabundance of capital… if capitalism did these things, it would not be capitalism'.[10]

R.A. Understood. But this is surely widely known?

M. Indeed Sir. But a second difference lay in my belief that J.A. granted a certain autonomy to the insofar as it could go against the interests of the dominant class by raising progressive taxation welfare spending in order to reform capitalism. Indeed this claim was fundamental to his v intellectual project, as we shall see throughout this Report.

R.A. But could it not be argued that this at least conforms to the neo-Marxist theory of the 're autonomy' of the state? That is, the state goes against the short-term interests of the capitalist clas least by initiating welfare reforms in order to shore up the long-term maintenance of capitalism.[11]

M. With respect, Sir, I think not, for various reasons. For one, J.A. envisaged that the state effectively resolve class struggles and reconcile the interests of the capitalists and workers. No ' Marxist' could ever accept this claim. Indeed Lenin was only too aware of this problem and consis sought to distance himself from this so-called 'bourgeois' or 'social revisionist' concept:

> The state is the product and the manifestation of the *irreconcilability* of class antagonisms. The state arises when, where, and to the extent that the class antagonism *cannot* be objectively reconciled. And conversely, the existence of the state proves that class antagonisms *are* irreconcilable.[12]

Furthermore, and most importantly, most neo-Marxists believe that the state cannot prevent imperialist war, which is deemed to be a structural symptom of capitalism. But it was fundamental to J.A.'s whole theory of IR that states can indeed prevent the occurrence of war, even in the absence of 'ultra-imperialism' (or what J.A. called 'inter-imperialism'). Finally, as I shall discuss in more detail later, on various occasions Hobson invests political actors with an autonomy to shape foreign policy. At various points in *Democracy After the War* Hobson claimed that the imperialist engine was not always governed by financial interests, and that sometimes territorial and political aggrandizement were primary.[13] Moreover, as we shall see later, these were not isolated statements since Hobson came to believe that sometimes the 'lust for power' took precedence over pure economic rationality, which is as true of capitalists in their relations with labour as much as it is for states in relation to other states.[14] These claims differentiate Hobson not just from Lenin but from all subsequent neo-Marxist theories of the state and international relations.

R.A. But are you saying, therefore, that the state is autonomous for Hobson?

M. It is certainly the case that he accorded the state less autonomy in the domestic realm tha neorealists.[15] Nevertheless, it could be claimed that Hobson granted the state more autonomy i international arena than do neorealists, given that the state can reform the international order by bu the 'collective action problem' and thereby overcoming the so-called constraining structural log international anarchy.[16] And it is certainly the case that he granted the state more autonomy i domestic and international arenas than did the classical and modern Marxists.

R.A. Yes, I appreciate that point, but surely for Hobson the state is ultimately beholden to the interests c people and simultaneously to global humanity at the international level? And in that case, as in mc public choice theory, the state is not autonomous of the people.

M. It has sometimes been claimed that the state for Hobson performed the same function as that pro by neo-liberal public choice theorists. That is, the state can genuinely go against the rent-se interests of the dominant classes but only insofar as this meets the needs of the people in general for public choice theorists the state must wield a 'negative autonomy' insofar as it must conform t laws of the market and withdraw from the economy.[17] In strong contrast, Hobson's approach more wide-ranging and, critically, he argues that the state must *positively intervene* in the economy redistribute income from the rich to the poor. Moreover, international governmental intervention is a vital force for peace and justice in the world (as I shall explain later as well as in the next ses Your Honour).

R.A. Yes, but whatever the differences are between Hobson's and Marxism's theories of the state, they not prevented most commentators from speaking of a Hobson/Lenin theory of imperialism.

M. That's true, Sir. But there are three further points of difference that the All Highest needs to cor before coming to final judgment. The third major difference between J.A. and the classical M perspective is found in the point that while Lenin believed that imperialism could haster development of the Third World, as was consistent with the famous argument of Marx and E outlined in *The Communist Manifesto*,[18] nevertheless in contrast to Marx and Engels he believec ultimately capitalist imperialism was inherently exploitative and regressive.

R.A. Presumably like Hobson?

M. Well, it is here that J.A.'s *third* theory of imperialism – that of 'sane imperialism' – becomes rele As he explained in *Imperialism*, 'insane' imperialism refers to the process whereby private cap interests are given free rein to exploit the colonies. By contrast, 'sane' imperialism envisage empathic approach which leads to the promotion of the economic development of the colonies as as global humanity. This can only be achieved, however, when colonialism is supervised by restraining hand of international government.[19] In order to understand this third theory of (imperialism I should like to begin by outlining J.A.'s critique of scientific racism, which constitute ideology of insane imperialism. This simultaneously provides the backdrop to my subsequent discu of Hobson's analysis of ideology.

R.A. Of course. Proceed.

M. J.A. consistently referred to the scientific racist argument about *social efficiency* as 'the undi gospel of [insane] imperialism'.[20] As he put it, '[t]his genuine and confident conviction about "s efficiency" must be taken as the chief moral support of imperialism'.[21]

R.A. Social efficiency?

M. Ah yes, your Honour. This refers to the argument that where native populations fail to develop lands productively, so the Western nations have the right to take them over and develop them.

R.A. Thank you. Please continue.

M. J.A. argued that this social efficiency discourse invoked a phoney legitimacy that served to obscu point that 'insane' imperialism is a vehicle for the repression of the colonized (as well as the wo classes within the Mother country). Speaking of the civilizing mission Hobson put it pith *Imperialism*: 'The Pax Britannica, always an impudent falsehood, has become a grotesque mons hypocrisy'.[22] In Part 2 of the book, he goes through each of the moral arguments that support i imperialism and falsifies them one by one. For example, he argues that while the civilizing missior supposed to have delivered democracy to the colonies, only one in thirty-four colonials reside democratic state. Nor were the British even 'educating' the colonials towards democracy, for the r on the ground was that imperialism promoted autocracy, not just abroad but also at home.[23] And he castigates the defence that British imperialists offered when they claimed that democracy is dif to transplant into the colonies because the majority of the subjects are like children and must be tr slowly. But there is a further double standard here, Hobson argues, in that the British co administrators did not even believe that the Natives were capable of learning the arts and wa civilization.[24] And far from delivering peace, imperialism promotes increased militarism betwee great powers, which both drives the push to war and leads to increased regressive taxes at h thereby exacerbating the maldistribution of income.[25] Here he challenges the Eugenicist, Karl Pea who claimed that war through race struggle is unavoidable because of the ineluctable laws of na selection and the survival of the fittest.[26]

All in all, then, Hobson is highly critical of the social Darwinian and Eugenicist discourse of insane imperialism that is founded on the exploitation and the conquering of socially inefficient races and their replacement, if not their extermination, by the socially efficient white races. And the conclusion is that nationallybased insane imperialism is unacceptable because it rests on a fundamental double standard: we have sought to impose repressive methods of government 'which are antithetical to the methods of government which we most value for ourselves'.[27]

R.A. This sounds almost reminiscent of the postcolonial critique of imperialism.

M. Actually, Hobson's approach here was paradoxically schizophrenic, embracing various postco ideas but simultaneously resting on what I call a paternalist Eurocentric institutionalism.[28] But fo moment permit me to consolidate Hobson's critique of scientific racist imperialism.

R.A. Of course.

M. In the first instance, Hobson insists that while the advanced nations must educate the backward r nevertheless it must be achieved by a certain empathy. This requires understanding their cult languages and their environment. And he insists that the Eastern peoples should be approached car and should be legitimately persuaded of friendly motives while simultaneously discouraging any pr imperial attempts to exploit their economies. Elsewhere he insists that due regard must be paid t welfare of the Natives 'who should be gainers, not losers' and that 'the direct gains of develop should pass on equal terms to all the world and not to the Capitalist exploiters of a single nati Notable too is his relativist claim that 'there may be many paths to civilization', rather than a s Western path that Third World countries must follow, and that one civilization could not be better another: it is only that they differ.[30] This was important, for he objected to the wholesale transplant and imposition of Western institutions in the East. In particular, he was critical of those Ame imperialists who in effect sought to 'carry "canned" civilization to the heathen'.[31] In this rega hailed the example of the British colony of Basutoland on the grounds that the British governed very minimally and allowed the native institutions considerable autonomy.

R.A. This cultural relativist argument is very interesting. Was this an original Hobson contribution?

M. No, Sir. The Hobson expert, Bernard Porter, points out that this cultural relativist sensibility wa that others had developed earlier, most notably Richard Congreve and Frederic Harrison. Interest

M. William Knight and Mary Kingsley had also made this argument at the South Place Ethical So which Hobson attended regularly. Even so, it was Gustave Le Bon's *Psychology of Peoples* that Ho cited in this respect.[32]

R.A. But given this critique, then surely Hobson would logically have rejected imperialism outright?

M. It is here where his third theory – that of 'sane' imperialism – comes to the fore alongside his pater Eurocentric institutionalism.

R.A. Paternalist Eurocentric institutionalism?

M. Your Honour should understand that there are various forms of what Edward Said monolithically Orientalism. Scientific racism locates differences between East and West predominantly along ge lines,[33] whereas Eurocentric institutionalism differentiates them according to cultural and institu factors – e.g., democracy versus state of nature/authoritarianism, rational science versus my religions, individualism versus collectivism, and so on. Hobson's paternalism leads him to argue because the East is incapable of spontaneously developing into capitalism, so the West must engage *genuine* civilizing mission in order to deliver the means that could enable Eastern progress.

R.A. Understood. Please proceed to Hobson's third theory of imperialism, then.

M. Of course, Sir. The key chapter, 'Imperialism and the lower races', is found in Part 2 of *Imperia* Here he asserts

> [f]irst, that all interference on the part of civilized white nations with 'lower races' is not prima facie illegitimate. Second, that such interference cannot safely be left to private enterprise of individual whites. If these principles be admitted, it follows that civilized Governments *may* undertake the political and economic control of lower races – in a word, that the characteristic form of modern Imperialism is not under all conditions illegitimate.[34]

Moreover, he argues that 'there is nothing unworthy, quite the contrary, in the notion that nations' which have become more advanced should communicate their ways to the 'backward' nations 'so as to aid them in developing alike the material resources of their land and the human resources of their people'.[35] The crucial move that Hobson makes here is in arguing that *national* imperialism is not illegitimate *per se* – it is so only when it takes an exploitative (insane) format. And here he subscribes to a social efficiency argument, though one shorn of its harsh scientific racist hue. For he critiques those people who argue that the native peoples should be left alone to develop the resources of their lands because, he argues, they will *not* oblige. Adopting the language of paternalist Eurocentric institutionalism, he reasons:

> [a]ssuming that the arts of 'progress', or some of them, are communicable, a fact which is hardly disputable, there can be no inherent natural right in a people to refuse that measure of compulsory education which shall raise it from childhood to manhood in the order of nationalities. The analogy furnished by the education of a child is prima facie a sound one.[36]

Such a metaphor was directly applied to the 'races of Africa [whom] it has been possible to regard as savages or children, "backward" in their progress along the same general road of civilization in which Anglo-Saxondom represents the vanguard, and requiring the help of the more forward races'.[37] And while the Asiatic races of India and China could not be likened to children owing to their higher levels of civilization, nevertheless in terms of civilizational attributes, he states that '[i]f Western civilization is richer in these essentials, it seems reasonable to suppose that the West can benefit the East by imparting them, and that her governments may be justified as a means of doing so'.[38]

R.A. But this sounds just like the 'social efficiency' argument he supposedly rejected. For was thi precisely the basis of his critique of scientific racist imperial theory?

M. Yes, Your Honour, but in Hobson's preferred formulation, it was – at least for the most part – sho the harsh excesses of the social Darwinism and Eugenics that were deployed by scientific racists embraces a strong element of paternalist-humanitarianism.[39] Intervention in the East is inevitable conditions of an emergent *global interdependence*. For as he puts it, it is now impossible for ever most remote lands to escape the intrusion of "civilized" nations… The contact with white races c be avoided'.[40] In the context of global interdependence the West must not 'abandon the backward to [the] perils of [insane] private exploitation' for this would constitute a 'barbarous dereliction

public duty on behalf of humanity and the civilisation of the world'.[41]

R.A. Does this mean that his critique of imperialism extended only to its insane predatory form?

M. For the most part yes, Your Honour. But he was no less concerned about the governing institutio the Eastern countries. Failure to intervene to protect the backward countries opens grave dangers future, from the ambitions of native or imported rulers, who, playing upon the religious fanaticism c combative instincts of great hordes of semi-savages may impose upon them so effective a mi discipline as to give terrible significance to some black or yellow 'peril'.[42]

R.A. Does this in turn mean that Hobson advocated a kind of humanitarian conception of imperialism actually delivered on its promises rather than serving as a veil behind which the predatory exploitative national imperialist interests hid, as in the racist discourse of the 'civilizing mission'?

M. Precisely so, Your Honour. And here his approach to 'sane' imperialism becomes clearly different from the harsher social Darwinian/Eugenicist conception of 'insane' imperialism. Thus Hobson di reject the social efficiency argument *per se* – he did so only when it was tied to the racistim conception which implied the harsh treatment, if not the extermination and conquering, of r peoples. Ultimately the institutional backwardness of the 'lower races' *required* that Western na genuinely enable them to develop progressively through (sane) capitalist imperialism on the one l while simultaneously protecting the natives from the predatory practices of private interests assoc with insane imperialism as well as from the repressive actions of the Eastern states on the other Hobson, the challenge that confronts human civilization in the context of global interdepenc comprises not 'imperialism versus anti-imperial internationalism' but rather 'sane versus ir imperialism'.

R.A. But I'm bound to say that this all sounds like yet another version of the civilizing mission that coul up covering or legitimizing the exploitative activities of predatory imperialist interests.

M. No, Sir, because the essence of sane imperialism lay in the supervision of national states b independent and impartial international government. This should be established so as to ensure tha colonies were developed while promoting global humanity and protecting the Native peoples exploitation.

R.A. And this in turn sounds highly reminiscent of what would later be called the Mandate System c League of Nations.

M. Indeed, Your Honour.

R.A. But did not the Mandate System fail in achieving such 'noble' objectives?

M. This was precisely the point that J.A. made in his 1921 book, *Problems of a New World*, in whic was highly critical of this system on the grounds that it ended up by promoting insane imperialis failing to prevent the exploitation of the colonies by individual national empires.[43]

R.A. Either way, though, presumably this third theory necessarily renders him a liberal imperialist?

M. That's correct Your Honour.

R.A. And I wonder whether this third theory of imperialism, sane imperialism, reinforces the Cobc theory that you outlined in the last session?

M. Yes and no Your Honour: 'yes', because developing the economies of the Third World thr international capitalist investment was a vital task that Western capitalists needed to perform. And because the difference is that in his theory of sane imperialism, Hobson rejected international *lai faire* and placed the crux of his argument on the interventionist role of international governi Nevertheless, I am glad that you asked this question Your Honour because there is a further w which Hobson's and Cobden's theories overlapped that has not been recognized in the literature. far the assumption has been that Cobden advocated a theory that proposes an anticolonialist free tr system. But in the 2-volume set of Cobden's political writings, he also developed a pater Eurocentric framework that led him to positively embrace colonialism.[44]

R.A. But we have been assuming upto this point that Cobden's approach to international investmen trade constituted the antithesis of Hobson's radical critique of empire, even if you produced all ma of significant qualifications to this binary divide in the last session!

M. Indeed Your Honour. But it turns out that Cobden himself had two theories of imperialism; one was critical and one that was supportive. To cut a long story short, Cobden argued that Britain sl not intervene on behalf of the Ottoman Empire should Russia decide to attack and colonize it.

R.A. But was this not a symptom of Cobden's anti-interventionist liberalism?

M. No Sir because it turns out that for Cobden, Russia should be supported in a possible colonial take

M. of the Ottoman Empire because it is a Christian Western power that could civilize Turkey,[45] the be of which would accrue to all European countries including Britain.[46] Moreover, Cobden shared pre the same paternalist Eurocentric metanarrative as Hobson.[47]

R.A. But perhaps this was some kind of symptom of his non-interventionism on the grounds that B herself should not become involved in imperialism; that he was prepared to countenance the ta imperialism for European countries other than Britain?

M. But Cobden also argued that Britain *must* colonize and civilize Ireland to counter the Irish Peri England faced via the contaminating influence of savage Irish immigration.[48]

R.A. So where does this leave us vis-à-vis the linkages between Hobson's and Cobden's international th on imperialism?

M. This is a challenging but clearly important question, Your Honour. I argued in the Second Sessio there were two Hobsons in the 1902–1911 period: a 'radical Hobson' who argued against imperi albeit with Cobdenite elements, and a 'Cobdenite Hobson' albeit with radical elements who argue peaceful international commerce should be extended across the globe. But in this Session I hav brought out Hobson's third theory of imperialism, that of sane imperialism (which was also contain his 1902 book). This theory issues directly from Hobson's paternalist Eurocentrism, much as Cob second theory of imperialism issued from the same metanarrative. But the difference was, as ment a moment ago, that Hobson's theory of sane imperialism required international governm intervention, which stood in contrast to Cobden's *laissez-faire* imperialist posture (which in Hob mind would have been a recipe for insane imperialism). Ultimately what is of interest here is assuming a radical disjuncture between a Cobdenite theory of pacific capitalist expansion and a ra Hobsonian anti-imperialism, as was argued in the Second Session, is a false binary precisely be both thinkers endorsed imperialism under certain conditions.

R.A. Understood. But have we not strayed off the subject of the Hobson/Lenin thesis? For I am interes learning where this leaves us with respect to the differences between Hobson's and Lenin's theori imperialism?

M. Lenin could never have countenanced Hobson's theory of sane imperialism where an allegedly imp international government would reform capitalist imperialism along progressive lines, not least be for Lenin the task of government, national or international, is to protect the exploitative interests o bourgeoisie against the proletariat. And, of course, Lenin would have viewed Hobson's propos merely a recipe for the international exploitation of the Third World through 'ultra-imperialism' o one hand, and that capitalist imperialism is in any case inherently exploitative and imperialist o other.

R.A. Well, I think I have finally absorbed the complexities of Hobson's thinking on imperialism… just ab

M. That's just as well, Your Honour, because in the next Session I shall discuss very briefly Hob fourth and final theory of imperialism.

R.A. Well, in that case I'll need a break from the discussion of imperialism. Perhaps you could now di the fourth distinction between Hobson and Lenin.

M. Of course Your Honour. Here I return once more to the charge of economic reductionis considering Hobson's approach to ideology, where he awarded it a certain degree of ontol autonomy. Here I shall reveal it by relating it to the charge of a *finance-conspiracy theory*, mu which flows on from my discussion of J.A.'s critique of scientific racism. Now while I would vie charge of economic reductionism as reasonable in the case of Lenin…

R.A. Presumably, if I understand his brand of Marxism correctly, he would have celebrated such a charg

M. Very probably, Your Honour. But J.A. did not. Ironically, testimony to his unease with such a cha found in his 1930s lectures as well as in his 1938 autobiography where he speaks candidly, i overly-modestly, of his 1902 book:

> [B]y enlisting my combative instincts in defence of my heretical views of capitalism as the source of unjust distribution, over-saving, and an economic impulsion to adventurous imperialism, it led me for a time to an excessive and too simple advocacy of the economic determination of history.[49]

But many, though not all, of the experts have come to his defence here.[50] For example, John Allett refers to an argument that is made in *Imperialism*:

> In view of the part which the non-economic factors of patriotism, adventure, military enterprise,

political ambition, and philanthropy play in imperial expansion, it may appear that to impute to financiers so much power is to take a too narrowly economic view of history. And it is true that the motor-power of imperialism is not chiefly financial: finance is rather the governor of the imperial engine, directing the energy and determining its work: it does not constitute the fuel of the engine, nor does it directly generate the power…. An ambitious statesman, a frontier soldier, an overzealous missionary, a pushing trader, may suggest or even initiate a step of imperial expansion, may assist in educating public opinion to the urgent need of some fresh advance, but the final determination rests with the financial power.[51]

This certainly suggests that there was more going on than a simple economistic conspiracy of finance capital.

R.A. Yes, but the choice of language in the final sentence is revealing. For I am bound to say that this sc reminiscent of the neo-Marxist concept of the 'relative autonomy' of ideology and the notion o 'determination by the economic in the last instance',[52] thereby returning us to some sort of M economism.

M. It is especially noteworthy and no less surprising – at least to those who adhere to the conven economistic reading of Hobson – that the first part of *Imperialism*, which deals with the 'economi imperialism', comprises a mere 30 per cent of the book while the second part, 'the politi imperialism', comprises 70 per cent. Hobson's chief purpose in the second part of the book is to r the role of ideological and ethical forces upon which imperialism rests. Nevertheless, this should surprise us [if we recognize that] for Hobson, political and moral factors were inseparable economic ones',[53] as we shall see in more detail later on. Critically, he maintains that it is vita imperialism be successfully sold to the masses. For if the mission was presented as congruent only the selfish profit-motive of finance capital, the masses would not have been persuaded and imperi would have been stymied. And here he singled out once more the importance of the racist discour empire that linked the ideology of the White Man's Burden with the racist argument about ' efficiency'.

R.A. It seems as though we now find ourselves on the borderline between a materialist and a non-mate 'discursive' analysis.

M. Yes, indeed. Interestingly, Peter Cain for one notes at this juncture of Hobson's analysis that

Finance, though well represented [in the list of imperialist interests in Britain], was given no special priority. It is also possible to see [his argument] as an exercise in primitive Gramscianism… with established and parvenu propertied interests coalescing into a new 'historic bloc' and coming together to exercise a 'hegemony' which rested as much upon cultural foundations as upon crude economic imperatives or overt political coercion.[54]

R.A. But again I feel bound to ask whether this was not merely a return to the 'relative autonom ideology found in neo-Gramscianism, and hence the 'determination by the economic in the instance'?

M. Well, Cain goes on to note that when Hobson discussed the way in which ideology attained autonor the construction of imperialism, it 'can sound as if he were making a contribution to modern disc analysis or to post-colonial studies'.[55] As we have already seen, there were links between Hobson' Said's analysis, though this is not to obscure Hobson's Eurocentric institutionalist discourse v would certainly place him outside of postcolonialism.

R.A. But are you saying that he developed a full discursive analysis?

M. Insofar as he argued that finance capital is an important determining factor, I would reply i negative. But the construction of the scientific racist discourse of empire certainly went beyon notion of a finance conspiracy, wherein J.A. accorded a strong role to the power of ideology discourse. An economic-conspiracy theory of imperialism would claim that the racist argument merely a *post-hoc* capitalist justification of imperialism. But Hobson's approach is clearly sophisticated than this.

Imperialist interests… do not deliberately and consciously work up these [noble] motives in order to

incite British public. They simply and instinctively attach to themselves any strong, genuine elevated feeling which is of service, fan it and feed it until it assumes fervour, and utilize it for their own ends…. The psychical problem which confronts us in the advocates of the mission of imperialism is certainly no case of hypocrisy, or of deliberate conscious simulation of false motives.[56]

R.A. This presumably differentiates him from the standard Marxist argument that racism is consci created *after the event* specifically to camouflage the underlying and selfish capitalist interests, pe best represented in the argument of Eric Williams in *Capitalism and Slavery*?[57]

M. Quite so, Your Honour. Moreover, J.A. frequently speaks of an 'unconscious inconsistenc opposed to a conscious 'naked hypocrisy', where the latter is congruent with a pure conspiracy th And he insists that the idea of militaristic imperialism or jingoism lands on fertile ground only wl nation feels itself to be above self-criticism and is open to self-deception. As he noted in *Imperia* 'The gravest peril of imperialism lies in the state of mind of a nation which has become so habituat this deception and which has rendered itself incapable of self-criticism'.[58] But it is especially here v his less famous though arguably far more passionate companion volume, *The Psychology of Jing* is particularly relevant.[59] There he insisted that everyone, not just the propagators of imperialism, h strong capacity for self-deception, which in turn is very much a function of 'vainglory'.[60]

When we charge the Boers with the very illegalities and outrages of which we ourselves are guilty, Europe flings in our face the not unnatural taunt of 'hypocrisy', and the virtuous scorn which we exhibit in condemning the taunt affords convincing proof to our critics. For all that, 'hypocrisy' implies judgment and calculation, and these are just the qualities which are eminently lacking; 'hypocrisy' ignores the true humour of the psychology of Jingoism.[61]

The general thrust of the book is that the jingoist is not someone who manipulates other people for his own narrow ends but is one who has succumbed to self-deception. This is true even for the most educated of jingoists,[62] as we shall see in more detail in a later session.

R.A. Reading from the previous 1932 Report where I enquired as to whether the charge of hypocrisy c levelled against the imperialist, your predecessor replied by saying that he 'is quite sincere in his professions… He needs what his vulgar language calls a "spiritual boost" to impel him to those arc tasks which are for the benefit of other people'.[63]

M. Indeed, Your Honour. Moreover in *Problems of a New World* J.A. directly confronts the 'v Marxist argument, which views ideology as but the conscious manipulative expression of the dom class elites. 'To impute a clearly conscious purpose to these plays of instinctive group-selfishness to the primitive passions which crave expression, not only betokens a slipshod psychology but dangerous tactical mistake from the [liberal] idealist standpoint'.[64] He goes on to say that even groups who help promote imperial and militarist ideology are not crude manipulators but are thems prey to self-deception. He refutes that such 'interestocracies' are hypocritical:

For hypocrisy it is not. It is selfishness transfigured by a process of protective coloration in which the hidden spring is so habitually kept out of mind, that the owner forgets or belittles its existence…. For unless you can bring home the charge to a man's conscience, you can achieve nothing in his reformation, and to bring a charge which is felt to be false and is actually false strengthens the self-defence which the accused makes at the bar of his own conscience… The cardinal error is a failure to perceive and to present the delicate interplay of motives which forms the staple of the great moral drama.[65]

Moreover, he argues that the foremost exponents of imperialism are precisely those 'who have no business axe to grind and who are convinced that the unselfish idealism which inspires them is the dominant directive motive in the imperialist policy'.[66] This was especially true of the Western Church.[67] It is also notable that on numerous occasions, J.A. stressed the point that empire was never the result of a conscious policy but was built up, as the famous historian, Sir John Seeley once remarked, in a '"fit o absence of mind". Its general purpose can only be found in terms of drift or tendency'.[68] This again refutes the charge that his theory was based on a pure finance-capital conspiracy. But the critical point that seals

his commitment to a certain autonomy of ideology follows accordingly:

> Nor can the cynic be permitted to argue that the finer ideals are merely tools. They are neither illusions nor passive instruments [of dominant elites]. *They have a reality and some influence of their own*, capable sometimes of modifying or deflecting the play of the interestocracies that normally dictate the policies.[69]

R.A. This sounds highly reminiscent of Max Weber's 'switchmen metaphor', wherein ideas can switc tracks along which material interests travel.[70]

M. Indeed, Your Honour. And in further contrast to the classical Marxists, who view imp sentimentalism as a 'conscious cunning of the [bourgeois] enemy', he replies: 'There is no such conscious cunning in the latter [even though] this humanitarian alloy of idealistic motives does ser give cover to the determination of selfish motives'.[71] The ideology of imperialism and war is fed whole host of actors – not just capitalists. These comprise a range of institutions, including the m churches, higher education and even public hotels and theatres. The solution to the re-educatio humanity would begin with *reforms* to these institutions at the national level,[72] as I shall explain i final Session. As J.A. put it: '[t]o liberate, to cleanse and to improve these organs of opinion, so make them fit channels for the returning tide of reason, is the foremost task of all who are prepar give themselves to the rescue of humanity from the material and moral wreckage of the war'.[73] C this analysis takes us beyond the economic reductionism of a conspiracy theory of finance-capital. of course, it qualifies the view that solving underconsumption was the sole policy for defe imperialism and war.

R.A. Yes but apropos your earlier comments, surely Hobson is invoking the Gramscian argument tha ideology of capitalist imperialism is sold to the masses through the institutions of civil society – or Louis Althusser called 'ideological state apparatuses'?[74]

M. There is certainly some truth in what you say here and that perhaps Hobson would have condon supported the Gramscian idea of a counterhegemonic bloc.

R.A. Does this mean that Hobson overlapped considerably with Marxist theory, thereby suggesting at some sort of qualification to your critique of the Hobson/Lenin thesis?

M. I would like to reply to this, Sir, by turning very briefly to a fifth and final difference between Ho and Lenin (and all Marxists for that matter). This concerns Hobson's critique of the Marxist id class struggle. J.A. was highly critical of classical Marxism not just for its so-called econ determinism but also for its emphasis on the class war. This point was ably summarized by his fr H.N. Brailsford, who said of Hobson in his Hobhouse memorial lecture in 1948 (reported i *Manchester Guardian* a decade later):

> Hobson, a rationalist and a humanist to the core, was repelled not merely by the lack of scientific objectivity in the proletarian economics of the Marxists, but even more by their reliance on force. When he himself adopted a Socialist programme which called for a fundamental change in the structure of society, he rejected the class war as a right or possible way of reaching it.[75]

R.A. Understood. But again, I notice your mention of the critique of classical Marxism. And so I woul to reiterate my question as to whether there were not significant overlaps with neo-Marxist Gramscian approaches.

M. Well, while I believe that the differences between Hobson and the classical Marxists are significa does seem fair to say that there were many overlaps with various neo-Marxist and Gramscian acco Nevertheless, there are also substantial differences not least in Hobson's advocacy of an interna government that could mediate or mitigate class struggles within the West as well as between stat the international system; something that I would like to discuss in the morning session tomorrow.

R.A. Of course. For I feel that you have more than made good your critique of the so-called Hobson/ theory of imperialism! The trumpet has sounded for Evening Praise, and it might get us into trou we stayed away.

1 See, for example, R. Koebner, 'The Concept of Economic Imperialism', *Economic History Review*, 1949, 2(1): 1–29; Waltz, *Theory*, Ch. 2.
2 V.I. Lenin, *Imperialism, the Highest Stage of Capitalism*, London: Martin Lawrence, 1973 [1917], pp. 73–4.
3 See, for example, R. Gilpin, *The Political Economy of International Relations*, Princeton: Princeton University Press, 1987, pp. 38–9.

4 A. Brewer, *Marxist Theories of Imperialism*, London: Routledge & Kegan Paul, 1980, p. 111, my emphasis.
5 Brewer, *Marxist Theories of Imperialism*, p. 112.
6 Lenin, *Imperialism*, p. 1.
7 Lenin, *Imperialism*, p. 119.
8 *Imperialism*, p. 194.
9 Allett, *New Liberalism*, p. 139.
0 Lenin, *Imperialism*, p. 73.
1 See N. Poulantzas, *Political Power and Social Classes*, London: New Left Books, 1973, pp. 255–321; L. Althusser, *For Marx*, London: Allen Lane, 1969; C. Offe, *Contradictions of the Welfare State*, Cambridge, Mass.: MIT Press, 1984. For a summary see J.M. Hobson, *The State and International Relations*, Cambridge: Cambridge University Press, 2000, pp. 125–7.
2 V.I. Lenin, *The State and Revolution*, New York: International Publishers, 1933 [1917], p. 8, his emphases.
3 *Democracy After the War*, London: George Allen & Unwin, 1917, pp. 84–5, 89, 95; and see Schneider, *J.A. Hobson*, pp. 102–4; L. Magnusson, 'Hobson and Imperialism: An Appraisal', in J. Pheby (ed.) *J.A. Hobson After Fifty Years: Freethinker of the Socia Sciences*, London: St Martin's Press, 1994, p. 157.
4 Though, of course, he never subscribed to the neorealist analysis of international politics.
5 See Waltz, *Theory*; R. Gilpin, *War and Change in World Politics*, Cambridge: Cambridge University Press, 1981.
6 J.M. Hobson, *State and International Relations*, pp. 74–81, 19–30.
7 See for example J.M. Buchanan, *The Limits of Liberty*, Chicago: University of Chicago Press, 1975; R.B. Ekelund and R.D. Tollison, *Mercantilism as a Rent-Seeking Society*, College Station, Texas: Texas A&M Press, 1981; and for an overview see A. Vincent, *Theories of the State*, Oxford: Blackwell, 1987, Ch. 6.
8 K. Marx and F. Engels, *The Communist Manifesto*, Harmondsworth: Penguin, 1977 [1848], p. 84, 102. See also K. Marx, 'Chines Affairs' and 'The Future Results of British Rule', in S. Avineri (ed.), *Karl Marx on Colonialism and Modernization*, New York: Anchor, 1969.
9 *Imperialism*, Pt. 2, esp. Ch. 4.
0 *Imperialism*, p. 159.
1 *Imperialism*, p. 155; also, 'The Scientific Basis of Imperialism', *Political Science Quarterly*, 1902, 17(3): 460–89.
2 *Imperialism*, p. 126.
3 *Imperialism*, pp. 114–19.
4 *Imperialism*, pp. 118–19.
5 *Imperialism*, pp. 126–39.
6 *Imperialism*, pp. 154ff; see K. Pearson, *National Life from the Standpoint of Science*, London: Adam & Charles Black, 1905.
7 *Imperialism*, p. 117.
8 Others too have noted Hobson's Eurocentrism: see Townshend, *J.A. Hobson*, esp. pp. 107–10, 114–15; and D. Long, 'Paternalism and the Internationalization of Imperialism: J.A. Hobson on the International Government of the "Lower Races"', in D. Long and B.C. Schm (eds.), *Imperialism and Internationalism in the Discipline of International Relations*, Albany, NY: SUNY Press, 2005, pp. 71–91; also J.M. Hobson, *The Myth of International Relations: A Morphology of Eurocentrism in International Theory*, 1760–2010.
9 *Recording Angel*, p. 78.
0 *Imperialism*, pp. 245, 275; *The Social Problem: Life and Work*, London: James Nisbet, 1902, p. 276.
1 *Imperialism*, p. 245.
2 Porter, *Critics of Empire*, pp. 181–3.
3 Nevertheless, it is also important to understand that many scientific racists drew on Lamarckianism, which combined cultural behaviour and racial genetic properties – see G.W. Stocking, *Race, Culture and Evolution*, Chicago: University of Chicago Press, 1982.
4 *Imperialism*, p. 232.
5 *Imperialism*, pp. 228–9.
6 *Imperialism*, p. 229.
7 *Imperialism*, p. 285.
8 *Imperialism*, p. 286.
9 The extreme irony here, as Norman Etherington correctly points out, is that in *Imperialism*, Pt. 2, Ch. 2, Hobson supported some (though not all) of Karl Pearson's social efficiency racist arguments; specifically in relation to his prescriptions concerning the problem of over-population, which should be attended to by an international government: Etherington, *Theories*, pp. 71–6. David Long suggests, however, that 'such a drastic view of the role and function of international government was not one that Hobson maintained throughout his career' 'Paternalism and the Internationalization of Imperialism', p. 83. Nevertheless, we can find this claim reiterated as late as 1932 in Hobson's *Recording Angel*, Third Session, pp. 59–81. And, as Long himself concedes, the offending passages were not exorcized from the 1938 reprint of *Imperialism*.
0 *Imperialism*, p. 230.
1 *Imperialism*, p. 231.
2 *Imperialism*, p. 231.
3 *Problems of a New World*, London: George Allen & Unwin, 1921, Pt. 2, Ch. 2. For a further discussion see Allett, *New Liberalism*, pp. 164–75; Long, *Towards a New Liberal Internationalism*, pp. 156–159; Townshend, *J.A. Hobson*, Ch. 5.
4 R. Cobden, *Political Writings*, 2 vols, London: William Ridgway, 1868. For a full discussion of this see M. Hall and J.M. Hobson, 'Liber International Theory: Eurocentric but not always Imperialist?', *International Theory*, 2(2) (2010): 210–45; J.M. Hobson, *Myth*, Ch. 2.
5 R. Cobden, 'Russia, Turkey, and England', in *Political Writings*, I, 1836/1868, pp. 161–214. See also R. Cobden, 'What Next – An Next?', in *Political Writings*, II, 1856/1868, pp. 111–208.
6 R. Cobden, 'England, Ireland, and America', in *Political Writings*, I, 1835/1868, pp. 33–7.
7 J.M. Hobson, *Myth*, Ch. 2.
8 Cobden, 'England, Ireland, and America', pp. 48–96.
9 *Confessions*, p. 63.
0 See especially, Magnusson, 'Hobson and Imperialism', pp. 143–62; Long, *Towards a New Liberal Internationalism*, pp. 86–90; Allett, *New Liberalism*, pp. 157–64; Mitchell, 'Hobson Revisited', pp. 397–416. Their conclusion contrasts with Townshend's, in asserting that

despite various concessions 'Hobson held fast to the primacy of economics': Townshend, *J.A. Hobson*, p. 111.

1 *Imperialism*, p. 59, cited at greater length in Allett, *New Liberalism*, p. 157.

2 See Althusser, *For Marx*; Poulantzas, *Political Power*.

3 Magnusson, 'Hobson and Imperialism', p. 156.

4 Cain, *Hobson and Imperialism*, p. 117.

5 Cain, *Hobson and Imperialism*, p. 120.

6 *Imperialism*, pp. 197, 206. Note that a range of similar statements can be found in some of the 1930s lectures, most notably: 'Is World Government Possible?' and 'The Causes of War' (as we shall see in Session Five below).

7 E. Williams, *Capitalism and Slavery*, London: Andre Deutsch, 1944, Ch. 1.

8 *Imperialism*, p. 211.

9 Interestingly, Peter Cain speaks for many when he describes *Imperialism* as Hobson's 'most impassioned and readable contribution': Cain, *Hobson and Imperialism*, p. 5. But the companion volume to *Imperialism: A Study* – namely *The Psychology of Jingoism*, London: Grant Richards, 1901 – is in my opinion, by far the most impassioned book that he ever wrote. And though, of course, such judgments are inevitably highly subjective, I view his 1932 book, *The Recording Angel*, as by far the most readable and certainly the wittiest piece of writing to emerge in his extensive panoply of books. Indeed this was the main book that displayed that wry sense of humour for which he was well-known among his friends. A further example of his humour is found in his spoof of a Malthusian analysis of the overproduction of books in his, *A Modern Outlook*. My thanks to David Long for this latter reference (private correspondence).

10 *Psychology*, Pt. 1, Ch. 4.

11 *Psychology*, p. 70.

12 *Psychology*, Ch. 7.

13 *Recording Angel*, p. 22.

14 *Problems*, p. 124.

15 *Problems*, pp. 125–6.

16 *Problems*, p. 126.

17 *Recording Angel*, pp. 98–103; *Psychology*, Pt. 1, Ch. 3, Pt. 2, Ch. 2.

18 *Problems*, p. 13; *Recording Angel*, p. 110. Drawing from Sir John Seeley, *The Expansion of England: Two Courses of Lectures*, London: Macmillan, 1920 [1883], Lecture 1, p. 10.

19 *Problems*, p. 127.

20 Max Weber, *From Max Weber*, eds. H.H. Gerth and C. Wright Mills, London: Routledge and Kegan Paul, p. 280.

21 *Problems*, p. 127.

22 *Psychology*; *Recording Angel*, fifth session.

23 *Problems*, p. 273.

24 L. Althusser, *Lenin and Philosophy and Other Essays*, New York: Monthly Review Press, 1970.

25 H.N. Brailsford in the Hobhouse Memorial lecture of 1948, cited in 'J.A. Hobson', *Manchester Guardian*, 5 July 1958.

4 Fourth Session. Beyond Economic Reductionism II

Constructing The International Mind

RECORDING ANGEL Before we get underway this morning, I would like to begin by seeing if I have correctly understood your discussion from yesterday.

MESSENGER. Of course Your Honour.

R.A. As I understand it, thus far you have suggested that there are five key differences between Hobso Lenin. First, Hobson did not view imperialism as a structural property of capitalism but could eith reformed out of existence or could be reformed along progressive lines; second, Hobson awarde state much higher levels of autonomy both in the domestic and international realms; third, Ho believed that the right kind of imperialism – sane imperialism – could be a genuinely progressive for good in the world and that this could only be secured through the supervisory role of internat government; fourth, Hobson awarded ideology and discourse significant amounts of autonomy v simultaneously dispenses with the idea of a finance-capitalist conspiracy theory of imperialism; finally, Hobson rejected the idea that class struggle is the motor of history.

M. That captures my arguments perfectly, Your Honour.

R.A. Good. And if I recall correctly from the end of the last session, you stated that you wished to di Hobson's theory of international government this morning.

M. Indeed, Your Honour. Here I turn to revealing perhaps the most important dimension in Hob approach to IR. J.A.'s theory of international government – or what he called 'constru internationalism' – rested on a number of inter-related themes. First, it required an institu autonomy from national states. Second, it involved his organic framework that was founded on e ideas and values, which in turn was congruent with his thrust on the autonomous potentiality of ide that I discussed yesterday. And third, international government can only work properly onc 'construction of the international mind' has been achieved;[1] something which involves the superse of a regressive nationalism by a progressive international morality. These three themes, I believe central to his 1930s lectures, and in this way we draw ever closer to our discussion of them. Permi therefore, to take each of these themes in turn.

R.A. Very good. But I have been wondering for a while now whether in Hobson's thinking an 'interna government' is a kind of world state?

M. No, Your Honour. By this he had in mind what we call nowadays 'global governance' which refe international regimes and institutions. And it was here wherein his ideas dovetailed with a 'third in approach to IR.[2]

R.A. By that I assume you are referring to those theories of IR that focus on international causal var that go to constitute the relations between states?

M. Indeed, Sir. I signal this in order to problematize the standard characterization of Hobson's theory second image approach. Nevertheless, as we shall see, his analysis in effect combined a second third image approach into a seamless whole. But to introduce this fourth dimension of his thinki IR, it helps to contextualize the ensuing discussion in the light of Peter Cain's important argumer we know, Cain argues that a major shift in Hobson's thinking occurred around 1903 which separa radical Hobson from a later Cobdenite Hobson. Moreover, he suggests that the Cobdenite H dominated down to about 1930, before the world economic recession ushered in the return o radical Hobson (of 1902).[3] Here I want to argue that a major shift in emphasis comes about after where he focuses on the role of international government in a more sustained way. Nevertheless, were clear signs of his 'constructive internationalism' in *Imperialism*, as I noted in my discussi Hobson's conception of 'sane imperialism'.[4] To be clear, therefore, I am arguing that 1914 marke some kind of 'epistemological break' but rather a shift in emphasis. And his accompanying Ruski inspired emphasis on the importance, if not autonomy, of ideology and ethics as applied to IR present not least in *The Psychology of Jingoism* (1901) and Part 2 of *Imperialism*, as we also yesterday. Moreover, Hobson's change in emphasis after 1914 was the result not of any int

transformation in his thought processes but was a function of his response to real world events, no the First World War and later on what he called the 'Bad Peace'.[5]

R.A. I wonder, though, if this change in emphasis might also be symptomatic of the 'inconsistent' intelle temperament that some experts have ascribed to him?

M. This is, of course, an extremely challenging question, Your Honour. I am inclined to concur with Clarke's conclusion that J.A.'s thought was consistent over time but less consistent at any one poi was noted yesterday). Certainly the juxtaposition of a radical anti-imperialist *and* a Cobdenite po that occurred between 1902 and 1911 is awkward, though as was explained in the Second Se there were some Cobdenite consistencies in his writings in this period that are gen unacknowledged. And after 1914 I believe that he works within a consistent organic ethical frame that elicits a consistent New Liberal position, even if this draws out elements that were present b 1911. In this respect we can iron out Peter Cain's charge concerning Hobson's schizophrenic theor posture, which refers to a fundamental *asymmetry* between J.A.'s perspectives on domestic po economy and international economic relations. Cain claims that Hobson invokes a radical analysis domestic realm, wherein problems of over-saving and the maldistribution of resources can be solv state *interventionism*, while his Cobdenite approach to IR is one that is based on internationa domestic *laissez-faire*. But Hobson's 'constructive internationalism' solves this asymmetry becau places emphasis on domestic *and* international state interventionism – or international institu interventionism. Put differently, Hobson's approach to IR now consistently presented a New L theory of domestic- and international-political economy, which took him beyond a *pure* Cobd approach.

R.A. Very well. But did Hobson explicitly critique Cobden or is this merely your interpretation?

M. In *Towards International Government* Hobson asserts that:

> Cobden was not mistaken in regarding free trade as a great peacemaker. But he could not foresee two counteracting influences due to mal-distribution of economic and political power among the respective classes in the industrial nations [underconsumption and the pushful policy of finance capital in the colonies]…. [It] has been the absence of any legitimate [international] political organism through which the economic internationalism might operate that has been the cause of its comparative impotence. For, until this political structure has been formed upon a firm basis of international relations and representation, the economic spirit of internationalism can exercise no regular or authoritative voice even in those questions of peace and war which are so vital to it.[6]

Or as he put it much later in the *Confessions*, 'So long as internationalism has no super-sovereignty [i.e., international governmental authority] over nationalism and no power to enforce the international will, the equality of opportunity needed for a secure peace is unattainable'.[7] And as he concluded his argument in his 1919 book on Cobden, 'modern internationalists are no longer mere non-interventionists'.[8]

R.A. Are you saying, therefore, that free trade, albeit secured by international institutions, is his pref means to secure peace in the world? If so, is this not some kind of return to the spirit of Cobden?

M. To an extent but not entirely, Your Honour. For international government was important not jus overcoming insane imperialism but for solving the problem of war. *Laissez-faire* (à la Cobden) insufficient. 'The mere abstinence from [international] political intervention on the part of civ States would plunge every unappropriated country into sheer anarchy'.[9] And in *Democracy Afte War* he asserted that '[i]t is important to recognise that a fundamental assumption of Cobdenism, a the liberalism to which it appertained, that war and militarism were doomed to disappear wit advance of industry and commerce, is definitely false'.[10] Nor for that matter was the so-called equilibrating balance of power (*à la* realism) sufficient.

> 'Splendid isolation' is no longer practicable in the modern world of international relations. Group alliances in pursuit of the Balance of Power are seen to be nothing else than an idle feint…. The only possible alternative is the creation of such a confederation of Powers as shall afford to each the best available security against the aggression of another within the concert and the best defence of all against aggression from outside.[11]

Finally, a further departure from Cobden was evident in his occasional claim, advocated in the second half of his career, that protectionism could be economically beneficial. This in itself certainly qualifies the 'Cobdenite charge' but paradoxically, in so doing, opens up a potential new contradiction that has not yet been considered. For his argument was that under certain conditions – that is, when unemployment existed under conditions of economic depression – tariff protectionism could provide a useful remedy.[12]

R.A. This is a startling claim! For as you pointed out earlier, surely what motivated the earlier sh emphasis between 1902 and 1911 was precisely the need to *counter* the Chamberlainite prefe scheme on the grounds that free trade – as opposed to protectionism – would solve don unemployment. So it seems that he had undertaken a complete U-turn to end up in the Chamber camp.

M. Well, I would not go quite so far as that, Your Honour, even though it was clearly a perplexing pos For he argued that protectionism was a short-term, exceptional remedy to solving unemployment conditions of depression and that free trade was the preferred long-term policy.[13] But there was an sense in which there was something of a potentially, albeit temporarily, shared overlap bet Chamberlain and Hobson – specifically in their embrace of imperial federation; something to whic Hobson expert, Duncan Bell, has recently drawn attention.[14]

R.A. Is this where Hobson's fourth theory of imperialism emerges?

M. Exactly so Sir. This is laid out in the second part of *Imperialism*.[15] In theory, he argues,

> confining our attention to British imperial federation, we may easily agree that a voluntary [imperial] federation of free British States, working peacefully for the common safety and prosperity is in itself eminently desirable, and might indeed form a step towards a wider federation of civilized States in the future.[16]

But while he embraced the *theory* of an imperial Anglo-Saxon unity, nevertheless he concluded that in *practice* it was unlikely to succeed. This was largely because the colonies would not in all likelihood sign up to the project. And in any case, as Bell notes, by the late Edwardian period Hobson explicitly rejected this particular imperial vision.[17]

R.A. So really it might be concluded that ultimately he dismissed the Chamberlainite model, thereby rest his Trinitarian vision of imperialism?

M. Or possibly three-and-a-half theories, Your Honour, given that he at least entertained a fourth th But the interesting point to emerge from this is that his earlier advocacy of British imperial fede would seem to contradict his commitment to a sane imperialism based on the role of internat government given that a British imperial federation would have existed independently of an interna government. This is worth noting though I do not want to push it too far as he ultimately rej federation.

R.A. And presumably, if nothing else, it reveals the complexities in his thinking on imperialism, suggesting that it was not always consistent. Well, then, with all this out of the way I would like y now discuss Hobson's theory of international government.

M. Of course, Your Honour. His theory of 'constructive internationalism' – or what David Long aptly the 'new liberal internationalism' – was outlined in a number of works, which in addition to already cited include: *A League of Nations* (1915), and *Democracy and a Changing Civilis* (1934),[18] though it was also touched upon in other books.[19] International government would play fundamental institutional roles in solving the problems of war and imperialism – it would:

1. enhance the domestic autonomy of the state in order to go against the selfish interests of social elites;
2. bring about universal free trade;
3. bring about universal peace;
4. prevent the exploitation of the colonies by private Western imperial interests.

Here I shall focus mainly on the first three roles. And because the first role derives from the second and third, it makes sense to begin with these latter functions.

As David Long explains, J.A. envisaged various roles for international economic authority that pre-empted the neoliberal institutional theory proposed in IR by Robert Keohane in 1984.[20] First, it would maintain and monitor states' adherence to the rules of free trade, dealing with matters such as freedom of access to trade routes and equal opportunities for investors. And, as noted earlier, it would ensure equality of treatment in the colonies and under-developed countries, thereby seeking to limit their exploitation by the advanced countries.[21] Second, it would instil certainty and stability in the world economy and would disseminate information to states, thereby enhancing trust and reducing the temptation of states to defect from cooperation. Individual states alone could not bring about international free trade because of the problem of *global under-consumption*.

Because all advanced states were undergoing under-consumption (global under-consumption), imperialist rivalry between nations ensued. Even if the British state unilaterally reformed its own imperialism out of existence, other less democratic states (especially Germany and Russia) would maintain imperialism, and so war would continue. To solve this international problem of global underconsumption required not just domestic reform (as most non-specialist commentators on Hobson conclude) but above all international reform, as David Long has so ably revealed.[22] This second role was complemented by the third: the ability to mitigate international anarchy – that is, to solve the 'collective action problem' that exists within an anarchic multi-state system.

R.A. By this I assume you are referring to the point that in the absence of world government, states – as Hobbes' individuals in a domestic state of nature – find it hard or even impossible to cooperate prefer to defect from cooperation and 'go it alone'.

M. That is correct, Your Honour. In *Towards International Government* Hobson rejected colle disarmament, because if one state defects from such an arrangement, the problem of war v remain.[23] He in effect prescribed 'collective security', stipulating a league or confederation of states as wide a membership as possible. If each member pledged to join together to repel or det aggressive power, peace could be achieved. Moreover, moral sanction is not sufficient; the Powers be prepared to submit to an international arbitration Court or Commission any conflicts or griev they might have. In particular, they must be prepared to accept the will and decisions o Commission.[24] And in any instances in which one state refuses to abide by a particular ruling, all states must be prepared to enforce international law.[25] The second and third roles enable the first. by binding themselves to international free trade and peace agreements, states strengthen their han enhance their domestic autonomy or capacity) to implement reforms against social elite interests least to block domestic rent-seeking pressures for protectionism, regressive indirect taxation, militarism.

R.A. And so I take it that Hobson's proposals for international government were very much tied in wi radical theory of imperialism, insofar as it could enable states to enhance domestic aggregate dema the face of domestic underconsumption, thereby cutting off the economic tap-root of i imperialism.

M. Yes Your Honour, though the proposals also form the rational kernel of his third theory of imperi – that of 'sane imperialism'. As J.A. put it:

> For the attainment of the 'open door' [through international government] would not only stop the pressure which competing groups have hitherto placed upon the respective Foreign Offices: it would directly promote the substitution of international for purely national groups and syndicates, giving free play to the genuinely co-operative tendency of modern finance. If powerful trading and financial groups within each country were no longer goading, bribing, or cajoling their respective governments to threaten and outwit one another in obtaining economic privileges for their respective nationals, the chief modern cause of war would disappear.[26]

R.A. Stop a minute. For surely Hobson's description of finance capital having a 'genuinely co-ope tendency' is a return to Cobdenism, is it not?

As was noted in the Second Session, what the quotation points to is a different conclusion: that t h e *right* conditions finance capital can play a benign role. And these conditions ensue governments at the domestic and international levels prevent finance capital from adopting a pred

M. disposition, as in sane imperialism. The crux of the issue, I feel, boils down to the proposition th Hobson, finance capital and international investment are fundamentally *double-edged* or Janus-f looking backwards towards regressive exploitation and forwards to progressive harmony. Thus at they can be a force for good and at others a force for bad. And in the light of my extensive discu of Cain's thesis, it is ironic that Hobson also made this claim in the *Economic Interpretati Investment*.[27]

R.A. But can we now come to a final conclusion concerning Hobson's intellectual relationship to Cobd the post-1914 era? For I recall that Peter Cain has argued that the post-1914 era, or more precise 1903–c.1930 era of Hobson's writings, was founded on a Cobdenite logic. You seemed to accept tl a certain extent for the period between 1902–1911. But are you now saying that this close relatio all but disappeared after 1914?

M. Not entirely, Your Honour. First, as I have already explained, J.A. believed in free trade, thoug could only be secured through international government. Second, and perhaps most importantly irony is that there was a strong Cobdenite rationale in Hobson's third theory of (sane) imperialism in this conception, Western capital would play a crucial role in promoting development throughou world, even if it could only be guaranteed by international governmental intervention and supervisio

R.A. Perhaps, then, this is why Hobson appeared to oscillate between a radical critique and a Cobd apologia for finance capital and international investment throughout his writing career?

M. Very possibly, Sir. But either way, I feel that to reify one of these characterizations obscures the l picture of Hobson's complex vision.

R.A. And presumably there is now a neat symmetry in the argument, since imperialism can only be refo through positive state intervention at both the domestic and international levels?

M. Indeed, Sir. And this simultaneously refutes the economistic charge frequently levelled at Hobson. is clear that international institutions are not epiphenomenal to capitalism. Rather 'genuine' institu are able to mitigate capitalist exploitation and retrack capitalism along harmonious and peaceful Moreover, this is reinforced by Hobson's organic framework, which emphasizes moral and e forces that underpin his analysis of international institutions. In this regard he went well beyond the microeconomic rationalism espoused by the prominent neo-liberal institutionalist theorist, R Keohane.

R.A. As I understand it, Keohane's theory rested on a rational choice approach which purposefully ig moral factors.[28]

M. Indeed, Your Honour. For Keohane, states learn to cooperate and build international regimes because this enhances their long-term utility gains. By contrast Hobson had a much wider frame where nations are more important than states and global humanity takes precedence over nation classes. And in strong contrast to the materialist and rational choice methodology of Keohane, Hc emphasized the need to promote an organic and humane conception of interests before internat institutions could function effectively.[29] As he stated at the outset of *Towards Internati Government*:

> Clearly it is not German militarism alone, but militarism in general that must be broken. The real question is how to change the *inner attitude* of nations, their *beliefs and feelings towards one another*, so as to make each nation and its rulers recognize that it is no longer either desirable or feasible to seek peculiar advantages for itself by bringing force to bear upon another nation.[30]

It was this moral project of constructing the international mind that was a major vehicle for the promotion of peace and the betterment of global humanity. In this sense J.A. was clearly one of the foremost and original 'liberal institutionalists' in IR, emphasizing moral and collective forces that were consciously omitted from Keohane's rational choice *neo*-liberal institutionalism. But in order to contextualize this I need to briefly set out his organic framework.

Though I would prefer not to impose a central 'rational kernel' to J.A.'s thinking from which an 'essential Hobson' springs, I suggest that one of the founding metaphors that guides his overall thinking is the 'organic' conception of society and international society. This was an idea that he derived from the works of John Ruskin and Leonard Trelawny Hobhouse, as J.A. acknowledged in the*Confessions*.[31] Interestingly, with Morris Ginsberg, Hobson wrote a book on Hobhouse (as he had done on John Ruskin though in a single-author volume), and in J.A.'s own personal copy that I hold at home he had highlighted

those passages in pencil markings that had obviously impressed him. This is instructive because these segments clearly inspired the discussion of Hobson's own organic constructive internationalism.[32]

R.A. Again, is this your own view or do the experts also back it up?

M. Michael Freeden, in discussing Hobson's organic approach, asserts that his 'total perspective on h life… came close to constituting a coherent general system, despite a number of inconsistenci Bernard Porter goes even further, arguing that Hobson's approach was based on the primacy of r values over impersonal economic ones.[34] Likewise, Leonard Seabrooke claims that 'Hobson viewe economy as a moral space. His work is underpinned by his interest in the moral grounds for ecor social action'.[35] Andrew Vincent and Raymond Plant summarize Hobson's New Liberalism on the that 'the economic order had to be made subject to a moral critique, based on the premise tha political and economic life of men were shot through with ethical concerns'.[36] Last, but not Michael Schneider, Jules Townshend, David Long and John Allett each emphasize this aspect approach, with the latter three giving over two substantial chapters to a discussion of this in authoritative books on Hobson.[37] It is also significant to note that throughout his writings he consist deployed a range of concepts that were germane to his organic framework. These includ discussions of the *parasitism* of the economic elites, the *diagnosis* of the economic *malady* of u consumption, the *diseased* economic system, *vital* energy, and last, but not least, his distin between *wealth* and *illth*, or *welfare* and *illfare*.

R.A. In that case, please proceed to outline Hobson's organic conception of society and international soc

M. Critically, in his humanist, Ruskinian-inspired perspective J.A. envisaged society as a whole as more than the sum of its individual parts. Not surprisingly, this argument was developed in contradistinction to the classical liberal theory of 'that son of Adam who modestly attached undistinctive name of Smith',[38] which proposed that so long as each individual follows his particular interest regardless of any higher collective moral good, the invisible hand of compe would ensure that society would benefit from the consequential optimization of resources. crucially, the optimal outcome 'was no part of his intention'.[39]

R.A. Yes, I recall his famous statement, that '[i]t is not from the benevolence of the butcher, the brew the baker, that we expect our dinner, but from their regard to their own interests'.[40]

M. Quite so, Your Honour. And what underpinned the successful operation of the domestic international economies was the possibility of specialization functioning within a division of labour. would operate in the workplace, as his famous pin factory example demonstrated,[41] and i international economy, as national economies would specialize in those areas of activity in which had a comparative or a natural advantage.[42] But what this obscures, J.A. argued, is the prior role operation in the production process. Such cooperation is 'different both in quantity and in cha from that which the unorganised activities of the individual participants could compass'.[43] Or as Allett notes, 'Co-operation was qualitatively different because its effect was organic: co-ope generated a "whole [that was] more productive than the mere sum of the productive values of the p '.[44]

In *The Social Problem* Hobson provided his own alternative analogy to that of Smith's pin factory:

> Brown, Smith, and Jones working together by agreement build a boat. Does the value of this boat when made, represent the value made by Brown, and that made by Smith, *and* that made by Jones? No such thing. Why, Brown, by himself, could not have lifted the log to make the keel. Or suppose he could have made a boat, could he, in a given time, have made a boat worth one-third as much as the joint product of all three during the same time? Obviously not. Supposing all three to be equally efficient workmen, it is evident that their joint product, in a given time, will be worth more than three times the product of Brown alone. Organized co-operation is a productive power. The associated or 'social' productivity of Brown, Smith and Jones is not the mere addition of their productivity as individuals, even supposing an individual could produce something of use to himself, he could not produce something of 'value' in an economic sense.[45]

Moreover, this co-operative principle applies to all forms of production.

> As I understand Smith's approach, man's faculty of reason was too small to enable him to reg

R.A. society on his own terms – better for each to concentrate on his own immediate interests and leav rest to the invisible hand of competition.[46]

M. Indeed Your Honour. By contrast, J.A. invested mankind with much 'wider' and 'deeper' lev reason. As David Long notes of Hobson's thinking here, 'the development of reason perr humanity, as a higher organism… to even drastically change the environment.[47] Here I move t argument concerning the construction of the international mind. Central to Hobson's thinking wa need to be free to pursue a multi-disciplinary perspective that would elevate his approach beyon narrow confines of a 'morally emasculated' view of mankind. Indeed:

> his aim was to bring a 'fuller realism' to scientific study, by emphasizing that '*so far as the selection, valuation and utilisation of "realities" go, Man is the maker of the Universe*'. Science was to be vitalized by an appreciation of the emergent powers of man to shape his own ends.[48]

Paradoxically, for all the emphasis on the individual found in classical liberalism, little role was accorded to an emancipatory human agency beyond a self-oriented instrumentalist rationality.

R.A. Interestingly, I recall your predecessor asserting in the 1932 Report:

> The idea that man is really a social being and that his reason can be applied so as to make his social cooperation effective for the common good is still regarded as the supreme economic heresy. So successful has the Adversary been in sowing the seeds of spiritual anarchy.[49]

M. A prescient quote, Your Honour. Hobson's organic humanism was based upon the need to inj strong degree of human agency based on reason, which would enable mankind to *remake the worl* the betterment of global humanity.

> While… we may still hold that certain important factors in the operation of the economic system… are for any immediate purposes to be regarded as fixed and operable by relatively fixed laws, an ever increasing part is played by the intellectual and moral powers of man subject to his changeful purposes, and acting upon 'nature' so as to alter the economic significance of many of those characters that are most fixed. Thus the barriers set against the social control of economic processes by human intelligence and will are continually being weakened.[50]

R.A. So man's agency to change his environment for the better lay in man's innately high levels of reaso

M. Yes and no, Your Honour. Here we come across what might be called the 'reason paradox' that l the heart of J.A.'s discussion of international relations that he developed after 1914. Reason can b as much as it can be promoted. It is, therefore, *double-edged* or Janus-faced. That is, when it is war and imperialism ensue and conversely when it is enhanced, peace emerges.[51] Irrationality fin clearest expression in atavistic nationalism or jingoism. This claim was articulated most passionat the lesser-known 1901 companion volume to *Imperialism – The Psychology of Jingoism*:

> Sheer self-assertion drives the mind of the savage or the child to multiply his enemies and exaggerate their size… Confront such a child or savage with plain fact or figure, and he will betray a most extraordinary cunning in avoiding it, so as to preserve an illusion which pampers that pride of personality which is the root of falsehood. So with a people… its loss of perspective, inability to test evidence, reversal of moral standards of value, make it a prey to the crudest dupery.[52]

This distortion, which is a function of 'vainglory', is accompanied by a *shortening* of vision. Accordingly, '[a] Jingo-ridden people looks neither before nor after, but lives in and for the present alone, like other brutes'.[53] And he concludes that:

> The Jingo spirit is a blind fury, which disables a nation from getting outside itself or recognizing the impartial spectator in another. Here is the quintessence of savagery, a complete absorption in the present details of a sanguinary struggle inhibiting the [rational] mental faculties of imagination and

forethought which are the only safeguards of a policy.[54]

Noteworthy here is his belief that the First World War had occurred largely as a result of the predominance of irrationality and of unreason over reason; or the dominance of irrational nationalism over rational internationalism. This came as a deep shock to liberal thinkers, and served to divide the New Liberals.[55] One of the salutary lessons that Hobson derived from the War was summarised in the *Confessions*: 'It may come to be recognized that amid all the material and moral havoc which the War brought about, it performed one extremely salutary though disconcerting lesson… Formerly we thought of civilized man as 80 per cent rational. We have now halved that percentage'.[56] But precisely because of this it was more vital than ever to create an international government as well as undertake various domestic reforms which, when combined, could restore reason to the role that was necessary to secure peace and global prosperity – that is, through the construction of the progressive international mind.

R.A. Yes, I recall your predecessor in the 1932 Report also referring to this as the 'world-mind'.[57]

M. Indeed, Your Honour. Furthermore, in *Towards International Government* he called for construction of a new 'international mind' that could break down the old barrier of selfish and parc nationalism that had come to predominate the mentality of the peoples of all advanced nations. A outset he insisted that our diplomats and statesmen needed to attain this new rational internatio mindset. Indeed so long as such people remain imbued with a sense of *irrational* national self-int 'all hope of ending or abating militarism and its inevitable sequel disappears'.[58] Thus restoring long reason and justice must become the moulding influence of a future popular-international mind.[59]

R.A. This is interesting, if not puzzling, because I am aware of Norman Angell's 1903 critique of Hob *Imperialism*, where he claims that J.A. reifies 'rational economic interest' and largely ignore presence of 'irrationality'.[60]

M. Yes, but as should be clear by now, Angell's mistake was to treat *Imperialism* in isolation companion volume, *The Psychology of Jingoism*, and more generally, to treat it in isolation o organic moral framework.

R.A. But if Hobson is saying that war and imperialism are ultimately the result of irrationality, is thi reminiscent of Joseph Schumpeter's work with which I am vaguely familiar?

M. Some commentators have indeed made such a link.[61] But, as is the case with the Hobson/Lenin the Hobson/Schumpeter thesis would be equally misplaced. The first and most obvious difference wa for Schumpeter, imperialism would die out under capitalism since it represents an atavistic, aristo hang-over from feudal times.[62] However, Hobson saw imperialism as a part of capitalism (though fundamental aspect) but that it was also strongly influenced by a range of *non-economic* forces have been at pains to reveal here. And this leads on to the second difference: that the ata nationalism of the popular mind – which was one of the root causes of imperialism and war – intensified rather than declined in the modern capitalist epoch.[63]

R.A. Is Hobson saying that nationalism is a bad thing?

M. Yes and no, Your Honour. For as with reason and finance capital/international investment, nation is Janus-faced or double-edged, being under certain circumstances a force for good while under oth force for bad. I have, of course, already discussed the negative aspect (on which more in the session). But in *Imperialism*, for example, he spoke of its progressive rational side, as when deployed by colonized peoples to achieve emancipation, or when it transcended the back provincialism of feudalism in Europe. What he called 'genuine nationalism' implies that a nation one with itself and enjoys internal cooperation and harmony. Moreover, 'a true strong internation in form or spirit would… imply the existence of powerful self-respecting nationalities which seek u on the basis of common national needs and interests…. [Genuine or progressive] nationalism is a highway to internationalism'.[64]

R.A. But how could such a genuine progressive nationalism be forged?

M. In addition to the promotion of reason, an important part of his prescription here lay in the ro democracy, which would *inter alia* bring the people to the fore in foreign policy making.

The peoples, if the conduct of foreign policy can be put more in their hands, will be more pacific, because in point of fact their interests are not opposed but identical whereas the opposition of the class interests, liable to control policy under our present secret autocratic rule, is a genuine

antagonism certain to breed dissensions between governments, and always playing into the hands of militarism.[65]

R.A. But could not democratization itself enhance irrational nationalism?

M. Yes, Your Honour, but national democratization can only be effective if it is accompanied by a towards the construction of the international mind. Moreover, national democratization is a nece but not sufficient factor for it must also be accompanied by *international* democratization. That international government must be set up in such a way that it cannot be dominated by a select nu of great powers (as had happened to the League). But as mentioned a moment ago, the most imp factor here is the need to construct a new popular mind that is based on genuine rather than international morality. False morality equates with a war-prone mind and is inherently a short irrational impulse – as in atavistic nationalism. This takes the form of a base instinct that immediate gratification and, therefore, displaces the role of reason that is based on a more long process of thinking and reflection.

The 'irrational' instincts get their work in quicker: the processes of reflection and self-realization involve delay, and this delay is often fatal. This is the inevitable risk of idealism when pitted against the 'realism' of the passions and desires which spring more directly from the life of instinct. The true moral struggle is not the direct conflict between the forces of the animal and of the rational self, but the preliminary struggle for the period of delay needed to secure the mobilization of the rational self. It is precisely this consideration that gives validity to the governing idea in the proposal of a League of Nations.[66]

R.A. So an important contribution of a democratized international government is to instil a period of which would permit reason to prevail in the international public mind?

M. Indeed, Your Honour. This will help undermine the autocracy of the modern state and enable

statesmen to perceive that the reasonable self of a nation can only be maintained by regular effective membership of a Society of Nations, and that such membership involves a submission of its private arbitrary judgment on international matters of conduct to the rational will of the whole society.… It is the real victory of reason and justice over force and the separate will-to-power.[67]

R.A. But surely none of this actually materialized as the classical realists, E.H. Carr and Hans Morge famously argued, thereby suggesting that Hobson's idealism was but utopian fantasy? Per therefore, the classical realists were correct to argue that the League failed because no amou international institutional autonomy could overcome the irreconcilability of states' and great po interests, thereby offering up an alternative argument to Hobson's.

M. But with all due deference, Your Honour, this point dovetails with J.A.'s assertion that the League undermined by its *undemocratic* nature, to wit: 'Versailles reverted to a group of victorious dwellers champing the bones of their slaughtered enemies and wrangling over the loot'.[68]

R.A. Well in that case was he not contradicting himself given that this was the exact-same realist argu proposed by E.H. Carr in his famous book, *The Twenty Years' Crisis*?[69]

M. I believe not, Your Honour. The conventional reading of the classical realist argument that subscribe to is that the League failed because its ideals could not be reconciled with the fundam role of self-oriented national interest. Hobson's argument was that while nationalism has i scuppered the effectiveness of international institutions, nevertheless nationalism can be remade progressive lines. It is exactly this that underpins the construction of the international mind. Accord there is nothing inevitable about 'selfish' national interest. J.A. argued that we need to move to a and more rational life by realizing 'the human personality as an organic whole, as distinct fro unordered life resulting from the control of conduct by the several [primitive] instincts and emotion addition:

This rational idealism implies the co-operation of one personality with others in membership of a society continually widening so as to comprise in closer contacts the entire body of contemporaneous mankind… so as to pay regard to the more distant welfare of humanity.[70]

The whole personality of mankind, or the 'popular mind', must rest on reason, justice and long-term collective thinking in order to overcome short-term, blind jingoistic impulses:

> nations do not live by bread alone. The intellectual and moral interdependence of nations is a prime factor in civilization… [T]he cowardly betrayal of reason and right… is the gravest of all the moral and intellectual damages of the war.[71]

Interestingly, this is a vital theme of his 1930s lectures.

R.A.	Well presumably now it remains to be ascertained how the struggle for the international mind developed. Presumably you will address this in our final session?
M.	Of course, Your Honour.
R.A.	Very good. And you have certainly made good your discussion of what you call Hobson's 'Re Paradox' and his organic constructive internationalism. This seems to be a convenient time for a p Let us resume after lunch.

1 The concept of the 'international mind' was coined by Nicholas Murray Butler who defined it as 'nothing else than that habit of thinking o foreign relations and business, and that habit of dealing with them, which regard the several nations of the civilized world as friendly and cooperating equals in aiding the progress of civilization, in developing commerce and industry, and in spreading enlightenment and culture throughout the world' – N.M. Butler, *The International Mind*, New York: Charles Scribner's Sons, 1912, p. 102. Noteworthy too is tha Butler saw the international mind as an international executive organ that would evolve into a world political organization. Even so, the idea of the international mind can be found earlier in the works of Francis Lieber. For a particularly insightful discussion of the different meanings accorded to the idea of the international mind see J. Morefield, *Covenants Without Swords*, Princeton: Princeton University Press, 2005 pp. 124–34.

2 See also Long, *Towards a New Liberal Internationalism*, e.g., pp. 119–20.

3 Cain, *Hobson and Imperialism*, p. 204.

4 *Imperialism*, pp. 191–3, 232–9.

5 Townshend, *J.A. Hobson*, p. 113.

6 *Towards International Government*, London: George Allen & Unwin, 1915, pp. 137, 196.

7 *Confessions*, p. 111.

8 *Cobden*, p. 406.

9 'The Open Door', in C.R. Buxton (ed.) *Towards a Lasting Settlement*, London: George Allen & Unwin, 1915, p. 104.

0 *Democracy After the War*, p. 27. Note that this links in with various pre–1914 arguments; e.g., 'The Inner Meaning of Protectionism' *Contemporary Review*, 1903, 84: 372.

1 *Towards International Government*, p. 23.

2 See *Property and Improperty*, London: Victor Gollancz, 1937, pp. 124–31; *The Economics of Unemployment*, London: Allen & Unwin 1922, pp. 155–6.

3 *The Conditions of Industrial Peace*, London: Allen & Unwin, 1927, pp. 108–9. See also the excellent discussion in Long, *Towards a New Liberal Internationalism*, Ch. 7.

4 D. Bell, *The Idea of Greater Britain*, Princeton: Princeton University Press, 2007, pp. 58–60.

5 *Imperialism*, pp. 328–55.

6 *Imperialism*, p. 332.

7 *Crisis of Liberalism*, p. 238; Bell, *Idea of Greater Britain*, p. 60.

8 *A League of Nations*, London: Union of Democratic Control, 1915; *Democracy and a Changing Civilisation*, London: Bodley Head 1934.

9 For example *Economics of Unemployment*, Ch. 9.

0 Long, *Towards a New Liberal Internationalism*, esp. pp. 133–4, and pp. 134ff; R.O. Keohane, *After Hegemony*, Princeton: Princeton University Press, 1984.

1 See *The New Protectionism*, Ch. 9.

2 Long, *Towards a New Liberal Internationalism*, pp. 98–101.

3 *Towards International Government*, pp. 19–23.

4 *Towards International Government*, Ch. 2.

5 For a fuller discussion see Long, *Towards a New Liberal Internationalism*, pp. 148ff.

6 *Towards International Government*, p. 142.

7 *Economic Interpretation*, Ch. 2.

8 Keohane, *After Hegemony*.

9 See also the discussion in Long, *Towards a New Liberal Internationalism*, pp. 193–4.

0 *Towards International Government*, pp. 14–15, my emphases.

1 *Confessions*, pp. 42, 75–9. Undoubtedly, Ruskin's famous book, *Unto This Last*, constituted an extremely important influence on Hobson (though J.A. claimed in 1888 that *Sesame and Lilies* was the best of Ruskin's books). Interestingly, Hobson wrote the introduction to the re-publication of *Unto This Last* in 1903, having written one of the most authoritative books on Ruskin only 5 years earlier (a copy of it is prominently displayed in John Ruskin's home, which overlooks the famous Coniston Water in The Lake District).

2 J.A. Hobson and M. Ginsberg, *L.T. Hobhouse: His Life and Work*, London: George Allen & Unwin, 1931. Note that the discussion o Hobhouse's work was undertaken by Ginsberg.

3 M. Freeden, *The New Liberalism*, Oxford: Clarendon Press, 1978, p. 100.
4 Porter, *Critics of Empire*, p. 172.
5 L. Seabrooke, 'John A. Hobson as an Economic Sociologist', *Economic Sociology*, 2005, 7(1): 26.
6 Andrew Vincent and Raymond Plant, *Philosophy, Politics and Citizenship*, Oxford: Blackwell, 1984, p. 49; also, pp. 53, 54, 61, 65.
7 Allett, *New Liberalism*, Chs. 2–3; Long, *Towards a New Liberal Internationalism*, Chs. 2–3; Schneider, *J.A. Hobson*, Ch. 2; Townshend, *J.A. Hobson*, Chs. 2–3.
8 *Recording Angel*, p. 19.
9 A. Smith, *An Inquiry in to the Nature and Causes of the Wealth of Nations*, New York: The Modern Library 1937 [1776], pp. 423, 421.
0 Smith, *Wealth of Nations*, p. 14.
1 Smith, *Wealth of Nations*, Bk I, Ch. 1, 3–12.
2 Smith, *Wealth of Nations*, pp. 397–652.
3 *Wealth and Life*, London: Allen & Unwin, 1929, p. 27.
4 *Science of Wealth*, p. 145 (cited in Allett, *New Liberalism*, pp. 74–5). Interestingly, it is this argument that leads some to suggest that Hobson subscribed to a theory of the general will; Allett, *New Liberalism*, Ch. 7; Vincent and Plant, *Philosophy*, p. 68; cf. Schneider, *J.A. Hobson*, pp. 26–27.
5 *Social Problem*, pp. 146–7, his emphasis.
6 Allett, *New Liberalism*, p. 47.
7 Long, *Towards a New Liberal Internationalism*, p. 11.
8 Allett, *New Liberalism*, p. 52, citing from Hobson, *Crisis of Liberalism*, p. 273 (Allett's emphasis).
9 *Recording Angel*, p. 20.
0 Allett, *New Liberalism*, p. 49, citing from Hobson, *Wealth and Life*, p. 125.
1 *Recording Angel*, pp. 16–24.
2 *Psychology*, pp. 63–4.
3 *Psychology*, p, 68.
4 *Psychology*, p, 78.
5 M. Freeden, *Liberalism Divided*, Oxford: Clarendon Press, 1986. For example, the War divided Hobson (an opponent) from Hobhouse (a supporter); my thanks to David Long for this insight (personal correspondence).
6 *Confessions*, pp. 96, and 104.
7 *Recording Angel*, p. 118.
8 *Towards International Government*, p. 150.
9 *Towards International Government*, p. 198.
0 N. Angell, *Patriotism Under Three Flags: A Plea for Rationalism in Politics*, London: T. Fisher Unwin, 1903.
1 See Mitchell, 'Hobson Revisited', pp. 405–7, though he also notes one crucial difference: namely their different views of the value systems inherent within capitalism.
2 J.A. Schumpeter, *Imperialism and Social Classes*, New York: Augustus Kelley, 1951.
3 See especially, Allett, *New Liberalism*, pp. 158–9.
4 *Imperialism*, pp. 10–11; *Democracy and A Changing Civilisation*, p. 135.
5 *Towards International Government*, p. 206.
6 *Problems*, p. 134; also *Towards International Government*, pp. 50–3.
7 *Problems*, pp. 135–6.
8 *Problems*, p. 138.
9 E.H. Carr, *The Twenty Years' Crisis 1919–1939*, London: Macmillan, 1939; also H. Morgenthau, *Politics Among Nations*, New York: Alfred Knopf, 1948.
0 *Problems*, p. 139.
1 *Problems*, pp. 253, 271.

5 Fifth Session. The Struggle for The International Mind

The South Place Ethical Society Lectures, 1932–1938

RECORDING ANGEL I am now anxious to learn how all this fits in with Hobson's South Place Ethical Society lectures that were delivered in the 1930s. And I would especially like to learn about the struggle for the international mind.

MESSENGER. Your Honour should understand that I have arranged this Report in such a way that it culminates with the arguments made in these hitherto largely unpublished lectures. So I began in the Second Session by considering the *economics* of J.A.'s approach to imperialism in the context of his first two theories of imperialism before turning to his politics and discursive analysis in the third, within which his third theory of (sane) imperialism is embedded. There we encountered his approach to ideology, which awards norms and ideas a certain ontological autonomy; and which in turn led directly into the Fourth Session on his organic framework wherein ethical values and reason hold pride of place. This was developed in tandem with his 'constructive internationalism' – international state interventionism – and the construction of the international mind. And this, of course, leads directly into this final session where I shall summarize the South Place lectures given in the 1930s, where he discusses both the construction of, and the struggle for, the international mind. In particular, I believe that these lectures are vitally important for they reveal a side of his thought that has hitherto been downplayed in the extant literature on his work.

R.A. Perhaps, then, it would be useful to begin by ascertaining what the experts make of Hobson's publ writings in the 1930s.

M. In general, they see them as reflecting his 1902 radical critique of imperialism, as is typically expr by Peter Cain. Cain explains this by arguing that in times of economic prosperity Hobson espous optimistic Cobdenism, whereas in times of economic depression he reverted back to his pessimistic radical analysis of underconsumption and the need to solve this in order to over imperialism and war.[1] For Cain, the onset of world depression after 1928 accounts for this revers Hobson's thought in the final decade of his life.

It is at this point that I need to iron out one issue that underlies Cain's thesis. For it is clear that Cain tends to conflate Hobson's optimism with Cobdenism and his pessimism with the radical critique of capitalism. So when Hobson argues for free trade and envisages strong prospects for peace this is seen as a symptom of his optimistic Cobdenism. But it could be argued that his post-1914 writings were undoubtedly optimistic even if they were not purely Cobdenite. Even in 1915 after the terrible shock that the War inflicted on the New Liberals, J.A. confidently asserted that what is now occurring that was not there a century ago is 'the creation and emergence [of a] clear consciousness of an international [progressive] mind'.[2] Moreover, it could equally be argued that even his radical '1902' critique was optimistic insofar as Hobson believed that peace could be secured through proactive state interventionism in order to make amends for the maldistribution of domestic resources, not to mention the optimism of his calling for a sane imperialism at that time.

R.A. But what truth is there in the claim that in the 1930s Hobson reverted back to the theme of his domestic critique of capitalism and insane imperialism in his various books?

M. One of the chief supports for this claim, made by Jules Townshend,[3] is found in the *Confessions*:

> The great lesson of the War and the even more important lesson of the Peace… brought home to me the truth that justice as well as charity begins at home. It is impractible to hope for peace and justice

in international affairs unless the conditions for peace and justice within the nations have already been substantially obtained.[4]

But this was contradicted in his 1934 book, *Democracy and a Changing Civilisation*, where Hobson argued that reform at home was inadequate and that an appeal to constructive internationalism is of the utmost urgency.[5] It is also claimed that the publication of the third edition of *Imperialism: A Study* in 1938 was a symptom of this alleged shift back to the focus on domestic economic factors. But, apart from the point made in previous sessions that *Imperialism* also focused on the international causes of, and strong prospects for, peace, it is particularly noteworthy that the two South Place lectures he gave in 1938 did likewise (as I shall explain later).

R.A. I also recall your predecessor telling me in the 1932 Report that 'no nation can live unto itself. enlightened selfishness of the several nations cannot secure the welfare of humanity',[6] in addition t insistence that 'setting your own house in order first' is impossible in a globally interdependent worl

M. Quite so, Your Honour. Indeed the Report's chief normative concern was to counter the 'u alliance' of unreformed capitalism and atavistic nationalism. Even so, the claim that national solu are not enough in an era of global interdependence was a claim that he had made earlier.[8]

R.A. So what then of the South Place lectures?

M. What makes the South Place lectures so interesting is the emphasis that J.A. accords to the twin for a reformed capitalism at home *and* an organic constructive internationalism. For these promote the construction of a progressive international (popular) mind that could defeat the atavism he associates with the dark side of nationalism; that is, they could help to win the struggle fo international mind. It is certainly true that domestic underconsumption is a problem that he is conc with, though as I noted in the last session, reform at home was not sufficient to overcome the pro of underconsumption under conditions of global interdependence. And as I was also at pains to earlier, these two arguments – domestic and international reform – should not be seen as mut exclusive but as complementary. For the obvious link lies in the point that international ethics domestic ethics form Hobson's twin-pronged solution to the problem of war and insane imperia Moreover, a complementary aspect of the lectures is a sustained critique of economic determinis well as their emphasis on the need for progressive education that can help win the struggle fo progressive international mind. All in all, I believe that these lectures recast the traditional readi reveal fresh insight into Hobson's 'organic' thinking during the 1930s.

R.A. Perhaps you could provide an overview of the central arguments of these lectures that co Hobson's approach to IR while bringing in to the discussion his non-IR ideas where relevant?

M. Permit me to begin with the familiar argument for domestic social reform and the proble underconsumption. The backdrop to these lectures is, not surprisingly, the world depression an failure of the League of Nations, as well as the International Economic Conference, to secure peac prosperity. He begins his lecture, 'Remaking the World', by pointing out that a 'malady' has got int roots of the international system: 'the resources of the earth… are all there. But they can't be ope for fear of producing too much of the goods which cannot be sold and therefore can't be made'. also notes that this comes at a time when millions of Chinese are dying of starvation. In 'The Caus War', he argues that the emergence of the imperial powers has 'brought a serious menace of war. I first instance, it meant an international struggle for an insufficient market'.[10] Notably, in 'Is Interna Economic Government Possible?', he goes furthest in this regard. For he argues that the depression would have occurred even in the absence of the war owing to the presence of this econ malady. This comprised 'the inability everywhere to use the productive powers of land, capita labour so as to sell the produce at a profit' such that only when a redistribution of resources has effected to enable 'a true equilibrium between production and consumption, can a sound and la recovery be achieved.[11] In 'Thoughts on Our Present Discontents', he reiterates the sta underconsumptionist thesis that 'peace cannot be attained without a prior removal of the causes v each national economy which have created [the malady]' that he locates in the problem o maldistribution of income.[12] Here he claims that the excesses of Marxist socialism and communism ushered in a defensive reaction among the capitalist classes of Western Europe, which led t delaying of the necessary reforms that would heal the malady. And last, but not least, he reiterate claim near the end of his long lecture on 'The Sense of Responsibility', where he argues that un relation between 'war and depressed industry is grasped, it is not possible to give reality to any sen responsibility beyond the limits of each nation'.[13]

R.A. So it seems that these lectures reiterate his radical critique of imperialism as initially laid o 1897/1898 and especially in 1902. And if so, this would presumably confirm the expert reading c published works of the 1930s.

M. Well, Your Honour, though the argument is indeed reiterated in several of the South Place lect nevertheless it is entwined with his critique of atavistic nationalism and the need to restore reason. more importantly, these latter themes receive considerably more emphasis. Indeed restoring the rc reason into the heart of the popular mind and thereby constructing the international mind is, I fee paramount concern. It is notable that although solving the problem of the maldistribution of resour important as I noted a moment ago, nevertheless he closes his lecture on 'The Sense of Responsi by arguing that only the construction of a new and responsible internationalist mind-set can fu peace and prosperity. In 'Remaking the World' he insists that 'more reason, more conscious plar must be got into the conduct of national and world government'.[14] In 'Our Selves' and in 'The Pc Mind' his predominant objective is to construct a new moral order based on a new sense of colle self or 'popular mind', which must be remade according to higher liberal-idealistic ends. In the fc lecture he begins by enquiring into the question of identity – 'the eternal problem of the one an many'.[15] He asks what the common cord is that binds an agglomeration of selves and, cruciall claims that the self is fluid given that it changes over time. This is important since it provides the for the construction of a progressive popular mind. The self, like the popular mind, can be elevat higher ideals based on reason as much as it can regress into lower ones. The creation of the progre popular mind cannot be left to chance or to spontaneous individualistic forces, but must be plar Again, consistent with his earlier writings, an appeal is made to man's higher instincts beyond his immediate interests.

> The moral ideal of personality must… be adaptable to the new needs, activities and institutions which come up in the course of what we call the progress of humanity … [And to be reasonable means to achieve an aspiration in which a man will secure a] higher and more lasting satisfaction than he would have got by the free exercise of some lower urge or passion to which he is inclined to yield … A right-minded 'self ' is social in that it is only realizable in society, through social organization and cooperation.[16]

This organic argument is dealt with in considerable detail in his extended lecture, 'The Sense of Responsibility'.

In this lecture he is primarily interested in understanding the process of winning the struggle for the 'popular mind', wherein the latter must be imbued with collective and humane properties. He begins by arguing that 'in every social group… where the action of one member affects the actions of others, this interaction implies a responsibility on the part of each member towards the others'.[17] Responsibility is a fact, but the *sense* of responsibility (ie., the 'sense of brotherhood' or 'the sense of humanity') is a feeling. In the modern globalizing world people do not enter into face-to-face contact with most others, which leads to an almost complete loss of the sense of responsibility.[18] It is this aspect of intensifying global economic interdependence that constitutes a vital challenge for humanity:

> An economic world, in which our personal conduct affects millions of unknown persons whose personal conduct in their turn affects ours, but where it is impossible that these interlocked effects can be known and felt by the inter-agents, is the supreme challenge to the reason and the sentiment of humanity.[19]

The key issue then becomes how to achieve this under conditions of global interdependence?

As has already been noted, under classical liberalism there was no sense or feeling of responsibility – individual liberty of choice was the pivot and national specialization through free trade ensured peace and prosperity. But the sense of responsibility constitutes a more positive 'closer communion in which the thoughts and feelings of individuals are fused, and operate in opinions and emotions that are in some way different from those that proceed independently from the minds of the individuals'.[20] And as was also noted previously, in contradistinction to Smith's *a-social* individual,[21] Hobson likens society to an organism through which individuals are shaped by common socialization, imitation and inter-

subjectivity.[22]

R.A. Is Hobson's sense of responsibility akin to Max Weber's 'ethic of responsibility', where a respo leader must justify his actions in terms of their outcome rather than their purity of conception?[23]

M. Well, Your Honour, though it has some echoes, nevertheless J.A. is getting at something much br and deeper; something that goes beyond simply the calculations of statesmen and into the heart of life more generally as we shall see.

R.A. But I also wonder how Hobson's 'sense of responsibility' differs to the Marxist approach.

M. J.A. explicitly rejects the point that the sense of responsibility can be equated with a class-consciou since this does not extend beyond the confines of one's own class.[24] And in turn, this an culminates with his identification of three 'non-revolutionary' steps in the social mentality as it adv towards a full humanitarianism. The first is toleration of difference – not just class – but also r sexual, national and religious. The second is a positive respect for the rights of others and their dif values. And the third is that sense of responsibility which associates us with others in the co enterprise of life.

This sense of responsibility must be fought for precisely because first, the spontaneity of the market cannot produce peace, especially under conditions of global economic interdependence, and second, because reason has been undermined by the destructive impact of atavistic nationalism. For 'what robbed reason from achieving [progress] was the wrecking passions of nationalism'. The popular mind is essentially *double-edged*: it can be subverted to lower ends by demagogues looking to glorify war and imperialism through atavistic nationalism as much as it can be promoted to higher ends in order to realize pacific internationalism.[25] Reason in particular would promote such long-term cooperation. But for the first few decades of the twentieth century the popular mind had been tragically hijacked by a nationalism that takes the form of a myopic 'beggar-thy-neighbour' attitude where '[p]ower as a human emotion has superceded [sic] reason'. Worse still, atavistic nationalism has stifled reason in the minds of the masses and the educated elites.

R.A. Surely, then, Hobson would see an important role for education to promote reason and th construct the international mind?

M. Yes and no. Your Honour. For education is Janus-faced, which can look back to a regressive irrational mind-set or can look forward to a progressive reason that can help win the struggle fo progressive international mind. Certainly J.A. invests a major role for education in the promoti construction of a progressive international mind in many of these lectures. But unfortunately, a point in time, as he notes in 'The Popular Mind', education has 'so far failed to develop reasonabl control in individuals and nations'.[26] Indeed, he argues that the major obstruction to the promoti reason comes from the older generation 'which sits on the backs of the young in the evil tradition o education'. Education must not stifle 'free thought' as it has done in the universities and elsewher in so doing it promotes a sense of helplessness and passivity.[27]

R.A. This sounds reminiscent of his entrenched critique of education, especially higher education.

M. Quite so, Your Honour. For as he goes on to state:

> To seize hold of the plastic minds of children and mould them to the pattern of the past is an unpardonable crime against the progress of mankind…. This spiritual conservatism that prides itself upon order and security is the gravest peril of our age…. An education which standardises the mind on a low routine basis, which imposes the dead past on the living present, which crushes free thought… is literally the sin against the Holy Ghost.[28]

And he goes on to say that:

> The domination of the Old in all seats of power, the domination of the Past in all seats of education – and behind both these authorities the fears which entrenched Property feels for the social readjustments which a New World requires – these are the obstacles that keep our World divided and dangerous.[29]

He also castigates the educated elites in 'Thoughts on Our Present Discontents', for the amazing credulity [that they displayed] under the spell of the crudest propaganda.[30] And in 'The Popular Mind' he chastises them for having rallied behind their national banners of hate'.[31] Notably, it was this that had led him in the *Confessions* to assert that the Great War was an 'acid test' for educated pacifists, given that even they had found a rationale for justifying the war;[32] an argument that also returns us to the central theme of his 1901 book, *The Psychology of Jingoism*.[33]

In order to counter these regressive tendencies, J.A. calls for a Youth Movement that is bold enough to oust the aged from the seats of power and to ditch the old theories and policies of statesmen. As I noted a moment ago, what produces this conservatism in the educational institutions is an 'inflamed patriotism' (or 'suicidal nationalism'), which in turn has created an atmosphere in which genuine pacific internationalism is deemed to be suspect. 'A teacher who endeavours to teach it in our schools will lose her post. … Before any real remaking of our world is possible, this evil spirit of nationalism must be cast out'.[34]

R.A. I heard on the grapevine up-over that Hobson was personally scarred by the actions of two econ professors, though I am unaware of the details. Could, therefore, Hobson's critique of academe sub-conscious attack on his detractors?

M. Before I answer the latter question let me recount the story that you are referring to. J.A.'s caree in part unwittingly shaped by sustained interventions made by two economics professors, Edgeworth and H.S. Foxwell. Edgeworth wrote a damning review of Hobson's first book *Physiology of Industry* (co-authored with the businessman and mountaineer A.F. Mummery, who met when he was teaching in Exeter in the 1880s).[35] And Foxwell used his privileged position to Hobson barred from lecturing on economics for the University of London Extension board (thou was able to continue lecturing in classics). This individual also wrote a scathing indictment on Hobs reply to a request on J.A.'s behalf from the London Ethical Society. This led to the refusal London Society for the Extension of University Teaching to include Hobson on its list of lectu Nevertheless this proved to be only a temporary block, given that between 1893 and 1897 Hobso allowed to continue lecturing there.

R.A. But why did this professional academic behave in such an unprofessional manner, though I'm bou say that this all sounds depressingly familiar? We have a saying up-over, that every silver cloud l dark lining. Were silver coins at base of this episode?

M. Academic politics is rarely about money, Your Honour. J.A. learnt early on that not all academic immune from developing various personal prejudices, the quantity of which are often inve proportional to the number of causes whence they emanate. The familiar story focuses on the poin both Edgeworth and Foxwell believed that Hobson was an 'economic heretic', given that his appro albeit heavily influenced by a businessman (A.F. Mummery)[37] – undermined many of the cla liberal assumptions that were cherished by orthodox liberals at the time. In particular, the claim saving can be a vice was deemed to be ideologically unacceptable.[38]

R.A. So it was a matter of ideological difference?

M. It's unclear, Your Honour. Certainly this is how the episode is generally reported. However, ther also various facts that point to an alternative conclusion. Clearly this 'heresy' was hardly novel. As noted in his autobiography,

> my heresy was far from being as original a sin as I had supposed. For, as Mr. J.M. Robertson has shown in his book *The Fallacy of Saving*, the heresy had a fairly long record in the annals of English economic thinking, including in its adherents such reputable names as Shaftesbury, Berkeley, and Malthus.[39]

R.A. Do you suppose that Hobson was implying the existence of a deeper personal prejudice on the p Foxwell?

M. With respect, Your Honour, it is not my place to pass judgment on the said individual. But intrigui Alon Kadish reveals that much of Foxwell's writings, which he had managed to dig up, bore more an uncanny resemblance – in spirit rather than detail – to those of J.A.'s 1889 book. This, of co serves to blunt the 'ideological differences' between them.[40]

R.A. Well, to be more specific then: do you suppose that professional jealousy might not really have l base of this whole lamentable episode?

M. Interesting here are the words of John Allett, who notes that the *Physiology* 'was the subject of h reviews by [two established] *professional* economists who seemed especially peeved at being to two *amateurs*… that the teaching of classical economics were a hindrance to understanding the pro of unemployment'.[41]

R.A. Ah, that all makes sense now! But to return to my original question: could this critique of academ merely a cathartic strategy to get his own back on the orthodox economists?

M. While I agree that there is no doubt an element of this, nevertheless I think that it would be unf dismiss this critique as but a bout of some potential lingering resentment at his own personal treat over four decades earlier.[42]

> There is undoubtedly a certain peevishness in Hobson's comment that 'Jonathan Hutchinson' (a mistaken reference to Henry Hutchinson), who provided the original funding for the LSE, would have turned in his grave had he foreseen [to quote from Hobson] "that his money would go into paying Professor Foxwell for teaching why not to socialise banking… [and] Mr. Ackworth why not to nationalise railways
>
> Allett, *New Liberalism*, n. 32, p. 11, citing from *Confessions*, p. 80; see also p. 83.

Moreover, at the time of the troubles Hobson wrote a short piece which was much more raw and scathing of academia: 'The Academic Spirit in Education', *Contemporary Review*, 1893, 63: 236–47. Indeed, it was this episode that led Hobson in his autobiography to embrace the label of 'economic heretic'. Note, however, that Peter Clarke claims that Hobson arrogated the term for himself once Keynes began to toy with using the term; Peter F. Clarke, 'Hobson and Keynes as Economic Heretics', in Freeden (ed.), *Reappraising J.A. Hobson*, p. 103. Fortunately, at least for Hobson, was that he lived long enough to receive the following tribute from John Maynard Keynes with respect to the original troubles when he referred to 'Hobson being remembered as a pathbreaker in economic theory after even the existence of the professor [Foxwell] had been forgotten': Keynes (1935) cited in Schneider, *J.A. Hobson*, p. 6. Finally, it is noteworthy that throughout his career Hobson attacked orthodox economics as 'a barren and arid science'. While this was entirely in keeping with his critical multidisciplinary stance, nevertheless it was the vitriolic terms that he used that gave away the sense of injustice that accompanied him following 'the troubles'.

For it is clearly the case that J.A genuinely saw in progressive education a major vehicle for remaking the world for the betterment of humanity: an argument which probably constitutes the single most important thread that weaves these lectures together. Indeed if it was a symptom of anything it was that of his radical new liberal political predisposition. Progressive education was a vital means to overcome the atavistic popular mind that was focussed only on selfish irrational short-term interests. Indeed, as he asserts in 'The Popular Mind', the choice for humanity is nothing less than 'a race between [progressive] education and catastrophe'.[43]

Particularly important, when answering your question as to whether this was merely a cathartic strategy to get his own back on the orthodox economists, is that his argument was not confined to the universities or schools but was applied to all the arms of propaganda-making. To wit: 'The misuse of the press, the school, the radio for the manipulation of publicity by a weakening of individual criticism and responsible thinking is perhaps the most urgent problem of this age'.[44] To counter this false propaganda is the task of numerous groups of intelligent citizens (or what Antonio Gramsci famously called the 'organic intellectuals') which include

> members of [the] W.E.A. [the Workers' Education Association] or other educational groups, active in the political organizations, in local parliaments, on local councils, in Women's Institutes… It is to the strengthening of such trusty groups that we must look for the defence of democracy in this country. They alone can enable the credulous and emotional mind of the masses to resist the audacious inflammatory propaganda which here as elsewhere the propertied and ruling classes might not scruple to employ, in order to enforce control and discipline in extreme emergencies.[45]

But progressive education can also be achieved through the 'magic of words'. In this lecture J.A. argues that the magic of words is realized in the ability of words to appeal to the common man as much as to the literary aristocracy (something which is exemplified in the writings of Shakespeare). This is, of course, an important ingredient in deepening worldly understanding, which in turn can help remake the popular mind since empathic-humane discourse lies at the centre of this project. He notes that what made Shakespeare so important was his ability to transcend all classes for 'underneath all the refinements of thought and stagecraft which interest the literary expert, the heart of humanity responds to simple direct appeals conveyed in words of simplicity and beauty'.[46] Above all, the magic of words always brings humanity to the fore.

R.A. Is he therefore saying that rational internationalism can be secured through domestic ideational cha And, if so, where does this leave his organic constructive internationalism?

M. Domestic ideational change was merely one, albeit extremely important, prong of his or constructive internationalism. International change is also important, for in the absence of r international institutions the effectiveness of an internationalist popular mind would be stymied. Ov though, his fundamental claim is that these institutions will remain ineffective until atavistic nation is defeated. Speaking of the League of Nations in 'Is World Government Possible?', he insist internationalism is blocked by atavistic nationalism. 'A real international Government is urgently ne to deal with the world–depression. [For the] impotence [of the league] is quite apparent'.[47] Th partially the result of the economic inequality of nations as was explained earlier,[48] but it was a result of atavistic nationalism, which repudiates the demands of internationalism.[49] And, reminisce the argument developed throughout his lecture on 'The Will to Power', he argues that '[n]ation expressed through the will to Power is then the negation of international morality'.[50] As he notes in Sense ofResponsibility': 'The feeble attempt at a constructive internationalism which followed the has everywhere been submerged by the tide of [atavistic] Nationalism'.[51] In this atmosphere, he ar 'Sympathy is less interesting than antipathy; difference than similarity; conflict than cooperatio Much the same argument is deployed to explain the failure of the International Economic Confer In 'Is International Economic Government Possible?' he views the Great Depression as ultimately a function of the dominance of unreason over reason. Indeed the international economic conferenc 'no real community of purpose, no sense of wider human solidarity, but [comprises] a gatherin national self-seekers, each scheming to give as little and to gain as much as possible for his country'.[53]

R.A. Here I fear history repeating itself, for I cannot help but reiterate the very words that I asked of predecessor back in the 1932 Report: 'The picture [that Hobson presents] is exceedingly depre Man's great achievement of civilization… is in peril of early and complete destruction by the failu man to overcome the ravages of war and waste which the Adversary has contrived against the pur of the All Highest'.[54]

M. This is not his intention, Your Honour; quite the opposite in fact. For he goes on to ask a seri rhetorical questions that amount to whether nationalism and sovereignty constitute the final locati human organization as the realists and pessimists assume. As he put it rhetorically in 'Thoughts on Present Discontents':

What is the cause of this despair? Does it mean that man is not sufficiently reasonable to perceive the identity of his interests with those of other men, or that the pride and prestige of personality and nationality are so strong that he prefers a smaller and insecurer advantage for himself, his class, his people, to the general welfare and security of the world at large?[55]

And in 'The Causes of War' he replies directly:

> I for one cannot accept this counsel of despair. There seems no sound ground for holding that the social instincts and interests of human cooperation… should have reached a final goal in nationality…. People must and *can be* made to see that they cannot be just judges in their own cause, and that the moral isolation of nationalism is a crime against humanity.[56]

Very well. But I would like to change tack, for I wonder if this constructive internationalism comp part of his arsenal against economic determinism? I ask this because it seems that everything you

R.A. discussed so far suggests not just a rejection of economic determinism (which contradicts conventional reading of Hobson) but a central focus on non-economic forces.

M. This is a prescient question, Your Honour, for it is indeed a dominant theme that runs throughout lectures. And it is here that the reading of Hobson's theory of imperialism as but a finance-cap conspiracy becomes acutely problematic. It is true that economic factors continue to play a r shaping international relations, as was discussed earlier. But consistent with his analysis i *Psychology of Jingoism*, *Problems of A New World*, and the second part of *Imperialism*, he argu 'The Causes of War' and 'Is World Government Possible?' that while nationalism tends to develo insane imperialism, nevertheless the latter is more than simply an expression of the profit-motive.

> To represent the British flag as a mere trading badge is shocking to imperialists. It impugns the nobility of feeling, the uplift, that attaches to the idea of Empire. We could not in fact have pursued successfully our imperial career if we had not baited our economic motive with finer and more disinterested aims. This is not hypocrisy, as it appears to critical foreigners. It is the expression of that real though vague idealism which suffuses and obscures all our public policies.[57]

Insane imperialism cannot be reduced to a single economic motive as in the classical Marxist theory of history, he claims, since this 'would deprive [insane] Imperialism of its necessary sentimental food and put it on the cold and unattractive fare of calculating realism'.[58] Indeed, selling the Boer War to the British masses could not be done on the basis of a naked profit-motive. Rather the South African War was made possible only by the propaganda of the British and South African presses that mobilized popular opinion through demonizing the Boers. In such a way, he argues cynically, 'I think it may be said that this was the first fully engineered use of humanitarian propaganda for the promotion of a profitable war'.[59]

R.A. But was not such humanitarian sentiment ultimately constructed so as to hide the profit-moti finance capital? Reading from the transcript of 'Is World Government Possible?' in front of m states that:

> '[W]e want the mines' would not have been a rousing slogan. Hence the propaganda for redress of the grievances of the foreign residents… The volume of passion needed for the war consisted of these unsubstantial yet powerful appeals to fair play, fear and pity, but underneath lay the clear purpose of the mine owners.[60]

M. Well Sir, he also argues in that same lecture that nationalism and militarism are more than simp expression of minority economic elites, as I noted a moment ago. Rather it is an expression atavistic group egoism. '[T]he association of group-egoism with the lust for power forms the nucle aggressive nationalism'.[61] Thus he claims in 'The Causes of War' that:

> Fear and pride and jealousy, prestige, craving for territory, together with a stirring of the fighting instinct, must be accorded a reality as war causes. The completely Marxist theory of [the economic] determination of history will no doubt insist that all these causes are by-products of modern capitalism. I cannot accept this view. Power politics have roots in the psycho-physical make-up of Western man that are independent of economic motives, being the outcome of an egoism expanded into nationalism and there made respectable and even glorious.[62]

He also attributes some autonomy here to the conduct of diplomacy as well as to the personal ambitions of powerful statesmen and generals;[63] a point that I discussed in earlier sessions. This is reiterated in 'The Sense of Responsibility' where he asserts in relation to Marxism that:

> I do not intend to commit myself to the doctrine of [the] economic determination of history. … Man's nature contains urges and activities, physical and psychical, which have for him an independent significance and value. Sexual satisfaction, self-assertion, power, prestige, combativeness, play, cooperation and competition with his fellows for non-economic as well as for economic purposes, are all supported by innate urges which seek expression and satisfaction.[64]

And this, of course, returns us to the analysis made elsewhere concerning the importance of the *lust* for power. This he developed in his book *Free Thought in the Social Sciences* where he argued that domination in the form of control over people was often more important than control over things. In this sense the desire for the acquisition of economic gains took second place to 'self-assertion' or the psychological lust for power.[65]

It was this lust for power that was often more important in guiding business elites than was the naked pursuit of profit-making. Your Honour, I beg for the Lord's patience here, for it is worth citing an extensive passage from 'The Causes of War', where J.A. argues that:

> Capitalism cannot be identified with Nationalism, Patriotism, and Imperialism, which are the passions that figure most powerfully and directly in the war-spirit… [T]he war-spirit cannot be explained in purely economic terms. Nations do not consciously range themselves behind their business men in a struggle for markets. Though Nationalism is undoubtedly exploited for profitable purposes by armament makers and foreign traders and financiers, there is something to exploit which is not conscious greed for gain…. [A] craving for the exercise of power is the chief ingredient…. Nationalism, spreading as we see to India, China, Turkey, Persia and many other countries where Capitalism has very little footing, must primarily be regarded as a new conscious collective self-realisation on the part of people hitherto fragmentary and narrowly local in their attachments…. In reasonable and truly social beings [war would not arise]…. [But] when … self-assertion shelters itself under a national flag and an emotional [irrational] group-mentality is formed, a war atmosphere may be engendered in which the craving for victory and conquest carries no conscious element of material gain or loss.[66]

I hope that Your Honour will pardon this long quotation, but I felt it necessary given that it is one of the most unambiguous and sustained statements that reflect his anti-economic determinist stance found anywhere in his extensive writings. And he goes on to argue that the irrationality of the nationalistic group- or herdmentality must be defeated before progress in the struggle for the international mind can be achieved. This clearly goes well beyond any notion of an economically determinist finance-capital conspiracy.

R.A. But I'm bound to say that all this sounds reminiscent of Gustave Le Bon's pessimistic analysis o socio-psychology of the crowd.

M. This is indeed a pertinent observation, Your Honour, particularly as others have also made such a l And moreover, J.A. implicitly made the link with Le Bon in his *Psychology of Jingoism* (even failed to explicitly cite Le Bon there).[68] Nevertheless, *contra* Le Bon, he insisted that the mentality could sometimes be of a higher, more idealistic, nature than that held by the individuals comprise it.[69] And it was precisely the capacity of the crowd, or the nation, to positively transcen selfish interests of the individuals that comprise it through the embracing of long-term reason that l the base of the 'international mind'.

R.A. But I return to my earlier question, for it is vital to ascertain whether Hobson was optimis pessimistic in his diagnosis, insofar as His All Highest is extremely anxious that the Exper ultimately succeeds.

M. Let us leave aside the general point that his writings were always optimistic insofar as he consis believed in a solution to the problem of war and imperialism. Rather, what is striking is that despit exceptionally bleak outlook that the world faced at the time of these lectures, Hobson develo optimistic diagnosis for the future throughout. Significant here is the point that he makes in 'Is V Government Possible?', where he detects a growing movement in which violence is rejected in f of a rising preference for reason and justice. Specifically he detects an undermining of the faith o propertied classes in their power and property. And he is optimistic insofar as he believes it unlikely they will resort to violence to maintain their privileged positions.

R.A. Stop a minute. I thought you argued earlier that for Hobson the capitalist classes had become defensive in the face of the emergence of Marxist socialism?

M. True, Sir. But J.A. believes that their historical tide is finally ebbing away. 'The old faith of laissez competitive capitalism is dying and the definitely socialistic conception of a planned national econo

M. struggling to find expression'.[70] And for Hobson, as I have explained throughout, nationalism popular mind, reason, education, and international investment/finance capital are all 'double-edge Janus-faced, looking both ways either to regressive or progressive ends. The secret, of course, ensure that the latter outcome is achieved. Revealing this as well as pointing to how it migl furthered is, I believe, the central task of his lectures.

R.A. So there is an optimism not just in terms of his own predisposition, but in terms of eme developments in the world at that time?

M. Most certainly, Your Honour. Directly taking on the pessimists, Hobson argues in 'The Sen Responsibility' that the prospects for progressive reform at the end of the eighteenth century could been seen as equally bleak or hopeless at that time. For then the elites were entirely indifferent t plight of the workers in the mines and factories. And yet after considerable efforts by all mann progressive groups, change was effected, thereby revealing the emergence and growing sens responsibility, even if it did not go far enough since laissez faire continued and the system itself wa structurally reformed.[71] But by the early 1930s he detects the emergence of a clearer 'sens responsibility' insofar as the modern state has evolved into a 'constructive organ for the furtheran the material and moral welfare and progress of its citizens [and therefore] imparts a new signific into [progressive] Nationalism'.[72] This inspires feelings of sympathy for the weaker members bu extends sympathy beyond the national limits, thereby preparing the ground for a genuinely p internationalism and an international sense of responsibility. Moreover, even the Protestant Ch which initially stood for a glorification of capitalism had, by the early twentieth century, begun to s for new ideas on social solidarity and responsibility.[73] In other words, by the 1930s progress already well under way in the struggle for the international mind as the 'sense of responsibility' become an emergent property of domestic and international society (though, as already noted, he already detected signs of this as early as 1915).

R.A. Time is getting on, so I would like to ascertain, in the light of our extensive discussions, how Hob thinking on IR might be categorized during his long writing career.

M. Of course, Your Honour. As I have already stated, I tend to concur with Peter Clarke's judgmen Hobson was consistent over time but less consistent at any one point. When viewed in the round, J approach to IR from 1897/8 through to 1940 could not be reduced to one strand – the radical critiq imperialism – as conventional wisdom assumes. Rather, as I have argued in this Report, I see four related strands that informed his approach throughout this period. First, of course, there is the ra critique of imperialism that rests on his argument concerning the need to solve domestic u consumption, though this also entails elements of Cobdenism. Second, we encounter a strong Cob strand that supports international capitalist investment as a progressive force for good in the w Third, a vital strand concerns his theory of international government, which could promote imperialism on the one hand, while providing an important base for the realization of the first strands. Fourth, and finally, there is the emphasis on ethical values that could promote the constru of the progressive international mind, the achievement of which is a vital prerequisite for the succe international government (that in turn enables the securing of the first two strands – namely, the so of domestic under-consumption, and the conversion of international investment along progressive l And overall, to reiterate what I said a moment ago, I think it fair to say that Hobson subscribe progressive vision of politics that entailed an optimistic future.

R.A. Well, I'm sure that His All Highest will be delighted to learn of all this. But I have one final questior I feel bound to ask on behalf of His All Highest. For given that He is reluctant to abandon His l experiment, can Hobson's writings survive in a post-colonial world, and are his remedies still applic

M. I believe that they will indeed survive in our neo-imperial world. In fact it is striking how the very i and problems that J.A. confronted in his time have perhaps intensified since then and, therefore, re more pressing than ever.[74] These include: the weakness of the League's successor, the United Na the negative effects of atavistic nationalism; the choking effects of a divisive global discourse of 'U Them', 'Self and Other' and 'Good and Evil'; the inter-related neo-imperialism of the United S and the accompanying division of the world into the 'haves' and 'have-nots'.

R.A. Speaking of the weakness of the United Nations, one can think of no better example than the run- the recent Gulf War of 2003. For the UN (and the IAEA) was unable to instil a period of dela would permit reason to prevail in the international public mind. Had this occurred then the rush to might well have been stymied.

Precisely so, Your Honour. And ultimately, reason, free-thinking and the capacity for critical judg that Hobson stood for is surely, more than ever, the moral staple of the popular international minc

M. what he called 'all true human personality'. Indeed the global community demands such union of informed personalities as his if we are ever to attain equality, peace and prosperity in the world.

1 Cain, *Hobson and Imperialism*, p. 10.
2 *Towards International Government*, p. 197.
3 Townshend, *J.A. Hobson*, p. 114.
4 *Confessions*, p. 113.
5 *Democracy and A Changing Civilisation*, p. 134.
6 *Recording Angel*, p. 40.
7 *Recording Angel*, pp. 112–13.
8 See for example *Towards International Government*, pp. 196–7.
9 'Remaking the World', July 1932, p. 83.
0 'The Causes of War', 30 June 1935, p. 10, 11.
1 'Is International Economic Government Possible?', September, 1933, pp. 9–10, 19.
2 'Thoughts on Our Present Discontents', p. 8 (originally published in *Political Quarterly*, 1938, 9: 47–51).
3 'The Sense of Responsibility', 1938, p. 118 (first published in *Le Sens de la Responsibilité dans la Vie Sociale*). Contributions by John A. Hobson, 'Professor at the LSE', Herman Finer, Professor of the University of London; and Hanna Meuter, Professor at the University Cologne (Paris: Librairie du Recueil Sirey, 1938). Hobson's chapter (English version) is pp. 1–80; the French version runs from pp. 81–149.
4 'Remaking the World', p. 11.
5 'Our Selves', 19 March 1933, p. 5.
6 'Our Selves', p. 16.
7 'Sense of Responsibility', p. 1.
8 See also *Recording Angel*, First Session.
9 'Sense of Responsibility', p. 179.
0 'Sense of Responsibility', p. 165.
1 Although Adam Smith's approach that was founded on man's *a-social* nature reflects the received reading and is undoubtedly present in *The Wealth of Nations*, nevertheless it is also the case that elsewhere he viewed man as a social animal; see *The Theory of Moral Sentiments*, Cambridge: Cambridge University Press, 2002 [1759], edited by K. Haakonssen.
2 'The Popular Mind', 28 May 1933.
3 See M. Weber, *Political Writings*, Cambridge: Cambridge University Press, 1994, edited by P. Lassman and R. Spiers.
4 'Sense of Responsibility', p. 166.
5 'Popular Mind', pp. 125–6.
6 'Popular Mind', p. 126; *Recording Angel*, p. 114.
7 'Popular Mind', p. 130.
8 'Remaking the World', p. 80.
9 'Remaking the World', p. 88–89. Elsewhere, when referring to our universities he describes them in passing as 'seats of learning as they are comically termed'; see 'Our Selves', p. 107.
0 'Thoughts on Our Present Discontents', p. 152.
1 'Popular Mind', p. 126.
2 *Confessions*, pp. 93ff.
3 *Psychology*, esp. pp. 21–5, 97–107.
4 'Remaking the World', p. 88.
5 For Edgeworth's review see, T.W. Hutchison, *A Review of Economic Doctrines 1870–1929*, Oxford: Clarendon Press, 1953, pp. 118–29.
6 Schneider, *J.A. Hobson*, p. 6.
7 See especially, *Confessions*, p. 30.
8 *Confessions*, Ch. 7.
9 *Confessions*, pp. 31–32.
0 A. Kadish, 'Rewriting the *Confessions*: Hobson and the Extension Movement', in Freeden (ed.), *Reappraising J.A. Hobson*, esp. 140–8.
1 Allett, *New Liberalism*, p. 10, my emphasis.
2 But he did manage to take a swipe at Foxwell in his autobiography while simultaneously airing his obvious disappointment at not being invited to join the staff at the LSE. As John Allett put it:
3 'Popular Mind', p. 130; see also *Recording Angel*, p. 113.
4 'Sense of Responsibility', p. 177; see also 'The Popular Mind' where he singles out the press, radio, and cinemas; pp. 124–125.
5 'Popular Mind', p. 17. With regard to Women's Institutes it is noteworthy that Hobson saw women as more pacific than men. See his, 'Men and Women', 6 May 1933, South Place Ethical Society Lecture (DHN/24, Hull History Centre, University of Hull).
6 'The Magic of Words', 26 February 1933, South Place Ethical Society Lecture (DHN/24, Hull History Centre, University of Hull).
7 'Is World Government Possible?', 29 January, 1933, p. 92.
8 'Sense of Responsibility', p. 215
9 As noted in *Democracy and a Changing Civilisation*, pp. 140–1.
0 'Is World Government Possible?', p. 94.
1 'Sense of Responsibility', p. 185.
2 'Is World Government Possible?', p. 94.
3 'Is International Economic Government Possible?, p. 136.
4 *Recording Angel*, p. 104.
5 'Thoughts on Our Present Discontents', p. 153.
6 'Causes of War', pp. 150, 151, my emphasis.
7 'Is World Government Possible?', pp. 95–96; also, 'Causes of War', esp. pp. 149–151.
8 'Is World Government Possible?', p. 96.

19 'Causes of War', p. 148.
20 'Is World Government Possible?', p. 97.
21 'Is World Government Possible?', p. 94; or what he calls a collective 'will-to-power'; see his lecture on 'The Will to Power', 30 April 1933.
22 'Causes of War', pp. 148–149; also pp. 146–147, 148–151.
23 'Causes of War', pp. 144–145.
24 'Sense of Responsibility', pp. 171–172, also p. 210.
25 *Free Thought in the Social Sciences*, London: Allen & Unwin, 1926, pp. 180–1, 192–3.
26 'Causes of War', pp. 149–150.
27 See the discussions in Mitchell, 'Hobson Revisited', pp. 404–5; Allett, *New Liberalism*, pp. 159–60.
28 But for Hobson's explicit discussion of Le Bon see his, 'The Psychology of the War Spirit', *Ethical World*, 9 December 1899, p. 769.
29 *Psychology*, p. 20; see also Allett, *New Liberalism*, n. 93, p. 160.
30 'Is World Government Possible?', p. 101. This is reiterated in 'Thoughts on Our Present Discontents', where he argues that new liberalism had definitively emerged by the early 1930s.
31 'Sense of Responsibility', pp. 182–185.
32 'Sense of Responsibility', p. 187.
33 'Sense of Responsibility', pp. 194–195.
34 For an application of Hobson's theory to understanding the present problem of US neo-imperialism see: L. Seabrooke, 'The Economic Taproot of US Imperialism: The Bush Rentier Shift',*International Politics*, 2004, 41(3): 293–318; H. Schwartz, 'Hobson's Voice: American Internationalism, Asian Development, and Global Macroeconomic Imbalances',*Journal of Post Keynesian Economics*, 2002–3, 25(2): 331–51.

Part II

The South Place Ethical Society Lectures and Related Writings, 1932–1938

John A. Hobson

5 Remaking the World[1]
(July 1932)

The solid earth with its configuration, its natural resources, climates and other durable features, still stands, or moves, intact.[2] Man, in his long process of establishing himself as master, has only been able to make superficial scratches on and a little below the surface of this earth, to alter some of its flora and fauna, adapting them to his needs, to extract some of its upper crust for shelter, tools and other human requisites. This man-made world has taken countless ages to contrive and fashion. For at first man was little in advance of other animals, and even after asserting his supremacy in certain spots of the earth, by the discovery and use of fire, tools and weapons, he moved very slowly to his task. His sluggish brain was loth to learn, he clung to custom, novelty in thought or action was personally dangerous, offensive to the unknown 'powers' which surrounded him and to his fellow men. For countless centuries man's progress was retarded by this ban upon the use of his brain. Then sporadically in favoured places man began to operate more freely on his physical environment. His growth in numbers forced him further afield on a more 'adventurous' career and impelled him to new and better uses of the resources at his disposal. Increasing numbers of men moved away from the cultivation of a plot of land, where their life was only a little higher than that of their anthropoid ancestry, and became 'citizens', helping to build up civilisations, which grew up, flourished, decayed and perished.

These attempts of man to get away from mother earth and to live an elaborate artificial life in cities have always been subject to denunciation as sins against nature. Spengler is only the latest in a long series of prophets who have seen in city life the mad folly of 'Hubris', the swelled head which lures ambitious man to his destruction.[3] Each separate civilisation was subject to the same Nemesis. Its enriched, luxurious and enfeebled people became the prey of the ruder, more virile, harder living tribes that waited on its outskirts for their opportunity of plunder, conquest and subjugation.

An oft-told tale! Has it been told for the last time? Is *Homo Sapiens* coming to deserve his name? Has Civilisation acquired a sufficiently broad and solid basis to defy its external and internal enemies?

The *renaissance* seemed to mark a liberation from the cramping routine and fixity of medieval life. The outlook upon the world and upon man's control of his life was of an audacity unknown before. His 'New World' was the whole world, lying open to him for a free possession, to do what he liked with. It was a period of exploration and of conquest. But it was only the beginning of modern civilisation. The unfolding of that process had to wait for the liberation of the mind of man, for the ordered application of that mind to the arts and sciences which were to achieve man's mastery over nature. This mental liberation was, of course, organically related to the physical expansion, 'the opening up' of the world, and the two processes interacted for the breaking down of the old limits and taboos which kept life so narrow and so sterile for the mass of men.

This great era of liberation broke down the religious despotism of the Church and the political despotism of the feudal sovereignty. Though the 'protestant' churches were in some ways as dogmatic and irrational as the Roman Church, their 'protest' was itself a movement towards liberty in thought, while the bourgeois 'revolutionary' movement in France and elsewhere was a violent assertion of the self-government of peoples. So Rationalism and Democracy began to emerge as principles of human thought and conduct, the making of a new Moral World. But the security for these intellectual and spiritual achievements lay in the unlocking of vast new powers of producing wealth, by harnessing natural energy to the purposes of man. Brain was to supersede muscle, for productivity was the accelerating force of invention. The industrial revolution was thus the legitimate child of the reformation and of the collapse of feudal society. Machinery and steam-power were ready at hand to produce 'Wealth beyond the dreams of avarice'[4] – for those, at any rate, who could wield the new productive agencies for their personal gain.

As the new economic system was fed with fresh streams of knowledge from the sciences of chemistry,

physics, biology, psychology, and extended its area of operation over an ever greater portion of the earth, the actual productivity of this economic system, though still hampered by enormous wastes of competition and miscalculation, was constantly straining against the barriers of a limited consuming power. Periods of depression occurred, during which all processes of production were slowed down: wars from time to time helped to clear away superfluous wealth and to pervert productive forces to the work of wholesale destruction. But amid all these retarding influences the Economic System became more productive, drawing into its service new sources of power, superseding steam by oil and electricity, establishing new controls over organic nature, and bringing most countries of the[5]

A man-made world of immense potentialities, able under decent management to supply its entire population with all the necessaries of life and with most of those comforts and luxuries which a century ago lay beyond the reach of all save a small minority! But it is this marvellous new world which 'Homo Sapiens' sees 'coming to pieces in his hands'. The machine he has created is impotent to work: this wonderful apparatus of production he stands watching with grave concern as it slows down, and he simply doesn't know what to do about it. His fine new world has suffered a paralytic stroke. Its physical and intellectual controls no longer operate. Industry after industry, country after country succumb to the disease. The malady has got into the very roots of the economic system. What are called the primary industries, those concerned with extracting foods and raw materials from the earth, are the worst stricken. Everywhere the lands producing grain and meat, cotton, coal, rubber, are going out of cultivation. The resources of the earth, the tools and machinery, the ability and labour to work them, are all there. But they cannot be operated for fear of producing too much of the goods which can't be sold, and therefore can't be made. This at a time when millions of Chinese are actually dying of starvation while millions in America who could supply their needs, are themselves reduced to penury and desperation because the prosperity of four years ago is no longer possible, though all the human and material sources of that prosperity still stand at their disposal.

The most amazing and disconcerting spectacle ever presented to Homo Sapiens!

Most men are so deeply entangled in their private needs and difficulties that they have no mind to face the general situation. Those who do face it, adopt various attitudes.

First there is the attitude which regards this trade depression as an inevitable part of economic progress, a natural and necessary cost, like the scrapping of labour in a factory when some new invention makes a number of the employees no longer necessary. It is a pity, no doubt, that they should lose their job. But in the long run such displaced labour will get absorbed. This attitude is adopted by many economists and some business men. The disease must be left to run its course (even granting it is a disease), and the world must wait 'until the sun comes through the clouds', or 'the tide turns'. The depression is in any case a 'natural' event and must be accepted as such. Any attempt of man to doctor it, or to take any measures either of prevention or of remedy, is more dangerous than to leave it alone. History shows that other depressions have passed away in course of time. This one will do the same, if it is not tampered with by quack remedies.

Next comes the attitude of the revolutionist who sees Capitalism hastening to its doom. The profiteering system has proved unworkable. When things have got bad enough, the hungry proletariat will seize the instruments of production and proceed to work them for the common good. A simple solution, and the sooner it is applied the better! As to the method of this revolution, some violence may be needed to displace the present legal owners of capital, and some difficulties may occur in switching off production from the profit motive on to the social service motive. Russia has found some difficulty. But our more educated workers and their intellectual supporters will be able to perform the necessary operation with the minimum of violence and the maximum of success. This revolutionary attitude, however, is not characteristic of any large section of our people. Though there is plenty of poverty there is not any 'hungry proletariat' in the sense of 'the hungry forties' of last century.[6] Starvation in the literal sense has been staved off by the dole. There is no revolutionary party with numbers and effective leadership, and nothing short of a complete failure of imported foods and a consequent breakdown of unemployed relief and substantial cuts in real wages would create a really revolutionary situation.

There is, however, a third attitude of reasoned reform and reconstruction which in many quarters here and in other countries is struggling to find expression in actual forms of political and economic policy.

It is best approached from the negative standpoint – an abandonment of the creed and practice of *laissez faire* and free competition as principles of economic life. The waste, insecurity and anarchy of competitive capitalism, long denounced by Socialists, are now repudiated by an ever growing number of industrialists, financiers and economists. A really revolutionary change in thought is taking place. Adam Smith's 'invisible hand' worked, or seemed to work, by a congruity of self-interests that required no corporate agreement in the thoughts and intentions of the individual members of economic society.[7] The gain of each man must be the gain of all.

This unconscious harmony, however, no longer commands acceptance.

Changes in modern business practice couched under the two terms 'Rationalisation' and 'Planning', and implying conscious cooperative policies among the hitherto separate and competing members of an industry, are now visibly replacing competition by combination. Apart from the direct public services, national and municipal, which are such large employers of capital and labour, most of the great industrial, commercial, transport and financial businesses are feeling their way towards community of policy, as regards the buying and selling processes, and are extending the economy of division of labour by agreements to specialise in types of goods and particular markets. This rationalising process has been greatly stimulated in recent years by the urgent need to maintain prices by agreed limitation of output. The culminating irrationality of the competitive system, its constant tendency to produce too much, has thus played into the hands of an emerging government of industry. For rationalisation and planning, as yet confined to particular trades, combining nationally or internationally, is, of course, only a preliminary stage towards a wider cooperation.

Capitalist and sectional in its early stage, it carries the germs of a true socialism, provided it can transcend, first the barrier between capital and labour in industry, secondly the barrier between national and international economy. At present capitalism with its profiteering motive has taken the lead. The organization of the workers in most countries is definitely weaker than that of capital, and though political democracy or capitalist discretion has secured for the workers some share in the growing productivity of capitalism, the lack of any agreed principles for the distribution of the larger advances in productivity is a chief visible cause of unemployment, and retards all effective endeavours at national planning on the basis of the best scientific utilisation of the productive resources of the nation.

The second barrier is equally refractory to the creation of a rational economic system. Though there is a general belief that this world is a single system and innumerable examples testify to the injurious reactions upon other nations that come from the refusal of free mobility of goods and men from one country to another, a blend of follies, partly political and racial, partly sentimental, partly the drive of special business interests, are actively engaged in narrowing international trade throughout the world in the interests of a suicidal nationalism.

These two impediments to reason are not of separate origin and nature. For the mal-distribution of national incomes, as between capital and labour, which underlies the first of the two conflicts, produces the waste of national productive power that impels each national government to check the flow of imports and to stimulate the flow of exports, thus accentuating the struggle of nations for a restricted world market, and feeding the false belief that each national economy should be as self-sufficing as is possible. Our own abandonment of Free Trade is manifestly due, not to any real change in thought, but to the pressure of industrial interests upon our Government at a time when unemployment gives a specious support to the sophistries of tariff-rigging.[8] The mere recital of these conditions will suffice to show how difficult it is to get reasonable conscious purpose into the seat of economic government.

I speak of economic government. But in the modern world economic considerations and conduct are even more closely interwoven with political. *Laissez faire* in the old sense of keeping politics out of business has everywhere disappeared. In every modern country the State has five fingers in the business pie. It runs large businesses of its own, it taxes, it subsidises, it regulates conditions of employment and it furnishes expensive social services.

All these interferences have been proceeding in all countries at an accelerating pace. But these interferences, important as they seem, are evidently insufficient to save society from unemployment, waste, insecurity and misery. More reason, more conscious planning must be got into the conduct of national and

world government. The man-made world that is 'coming to pieces in our hands' must be remade. And this remaking involves a scrapping of many accepted principles held dear by our ancestors and the older generation of today. Man must first remake himself.

Rigorous analysis of the economic life of our time exhibits more waste, more unreason, more injustice, than statesmen or economists have ever been willing to admit. But even those who clearly see these defects recognise the appalling difficulty of applying remedies. For in order to win success for reasonable remedies, you must presume a reasonable world. Now if 'reason' were merely a matter of correct argument from accepted premises, agreement on a common basis of action might seem feasible. Some dear good friends of mine push intelligent self interest. But 'reasonable', as an epithet applied to men, doesn't mean that. If you say 'Now do be reasonable!' your appeal is at least as much to the feelings as to logic. The crux as a rule is not intellectual but moral or emotional. I need only cite as instances the illuminating and disconcerting displays at recent international conferences held on matters of vital importance at Geneva and Lausanne and attended by men whose minds might be expected to respond more readily to 'reason' than those of the masses whom they claim to represent.[9]

Since armed force is the negation both of reason and of justice, and its reduction is more urgently required than ever before, to meet the revenue deficits of every armed State, it might have been expected that the representatives of each Government would have sought an agreed policy of maximum reduction. Moreover, all these statesmen were aware that the adoption of this sensible pacific policy was essential to the success of the other vital issues of debate, the cancellation of those debts and reparations which hampered the economic recovery of the world. This double appeal to reason has not been wholly ineffective. But it is robbed of half of its effect and all its grace, by the intrusion of fear, pride and suspicion, the wrecking passions of nationalism. Reason would prove to each Power that a reasonable policy of concessions would bring an undeniable gain. But if another Power appeared to get a greater gain, the first Power would renounce its own gain. Clean, immediate cancellation of all war-indebtedness, though admittedly desirable for world recovery, became impracticable because of the apparently uneven distribution of its benefits. Striking example in U.S.A. to whom European debtors are even now appealing.[10]

Or let me restate our problem in terms of Power. Without waiting for the resources of Atomic Energy which we now know to lie waiting for scientific liberation, without waiting for the biological controls of a 'Brave New World', revealed by Aldous Huxley, mankind has recently acquired a control over Nature amply sufficient to supply all his reasonable wants.[11] Economic Power abounds and Man knows how it can be put to his service.

What blocks the way? The Power offered by Nature is inhibited by 'Power' as a human emotion. The sense of Power in man craves expression in personal importance, in class domination, in race superiority, in nationalism and imperialism. Conflicts of emotional powers everywhere block the use of economic power, and rob man of his inheritance. I won't disarm unless you disarm more. I won't buy your goods unless you buy more of my goods. I won't make any bargain with you unless my visible gain is bigger than yours.

It is just this 'cussedness' that hampers every attempt to win effective cooperation between the peoples of the world, and to make the common resources of the world available for all its population. Slow wits, poisoned hearts, craven spirits block the way.

In laying emphasis upon the separatist passions of fear, suspicion, hate and avarice, I do not wish to disparage the need of intellectual work. It is the obstinate refusal to try to think, even among the vast majority of those who have access to intellectual training, that leads many to despair of democracy. The play of intelligent public opinion demands closer attention to current happenings and to the conduct of public affairs than ever before. But the magnitude, the number and the complexity of the vital issues on the public stage have cowed the mind even of the educated classes into a dangerous submission to any pushful group of self-assertive politicians and business leaders who seize office and power. Even the experience of the failure of such leaders to restore safety and prosperity does not lead them to think for themselves. Instead of broadening their minds towards world-cooperation for world remedies it narrows them towards the adoption of quack medicines for national diseases.

We sometimes seek comfort in the thought that the follies and obstructions here disclosed are mainly the

obsolescent ideas and standpoints of a generation that is passing away. The rising generation will put them in the dustbin with all the other vaunted 'wisdom' of their ancestors. Unfortunately the older generation sits on the backs of the young in the evil tradition of our education. To seize hold of the plastic minds of children and mould them to the patterns of the past is an unpardonable crime against the progress of mankind. Yet this is what most schools are doing with their history and their religious teaching, their failure to impart even the most elementary knowledge of the human body and the body politic, while live languages and literatures are subordinated to dead ones. This spiritual conservatism that prides itself upon order and security is the gravest peril of the age. For in our changing world, though there are many risks in moving forward, to stand still is certain ruin. The prime duty of all educationalists today is to equip young minds not merely with knowledge of the past but with experimental methods for moving courageously into the new world which science and modern economic and social equipment place at their disposal. Most children are born with some curiosity, some aptitude for thinking and for experiment. An education which standardises the mind on a low routine basis, which imposes the dead past on the living present, which crushes free thought under the oppressive canons of 'good form' and the levities of sport, is literally the sin against the Holy Ghost. Its poisonous fruits we see today in the blend of ignorant indifference and panic fumbling with which the economic situation is handled. If ever there was a time when the wise men of the East and West might be expected to pool their wisdom for the common safety, and to devize common action for world safety and world recovery, it is now. What blocks the way? Traditional Nationalism, an inflamed Patriotism which repudiates continually the plainest teachings of recent history. Pacific internationalism is still everywhere suspect. A teacher who endeavours to teach it in our schools will lose her post, as a recent instance shows.[12] In America she might easily be subjected to a charge of 'Suspicion of criminal syndicalism' and be clapped in jail.[13]

Before any real remaking of our world is possible, this evil spirit of Nationalism must be cast out. 'Cosmopolitanism' is and always has been a term of derision. But unless we are prepared to act as Citizens of the World, to subordinate all narrow allegiances to that of Humanity, no safety, and no progress are possible. We need a moral revolution commensurate in scope and meaning with the physical and intellectual revolution which modern science has brought about.

It is authority and fear that inhibit the making of the New World. The domination of the Old in all seats of power, the domination of the Past in all seats of education – and behind both these authorities the fears which entrenched Property feels for the social readjustments which a New World requires – these are the obstacles that keep our World divided and dangerous. Take this domination of entrenched Property in its latest and most destructive form, the thousands of millions pounds of internal and external indebtedness under which the economic system of the world is groaning. Our little scheme of a Conversion Loan, ever the cancellation of German reparations (if it happens), are but trifling contributions to that readjustment needed to scale down the intolerable burden of fixed-interest charges that makes our business system unworkable.[14] Yet so powerfully entrenched in law and politics is Property that the abolition, or even the scaling down, of this rentier burden appears impossible to the aged custom-ridden financial authorities in this and other lands. Though obvious considerations of utility and equity demand such economic relief, the sacred rights of Property forbid.

But in spite of the burdens of traditional authority and the faults of our educational system – it is to the younger generation we must look to shake off the shackles of the past, and to evolve a policy of social salvation. I shake with laughter when I read in the more serious organs of our press the lamentations of the old over the decay of reverence and respect for their elders which they find among the young. What title have these aged to respect? Theirs has been the management of our world, and how have they managed it? The war which destroyed millions of the young was of their making; and represented their principles of right and duty. The peace which has brought misery, starvation and despair to whole nations over the wide world was of their making. The refusal even now in the imminent collapse of civilisation to do anything but tinkle and fumble with quack remedies, is theirs.[15] So manifest and perilous an exhibition of cowardice and folly in so many fields of conduct has never before occurred. And old men write whining about the decay of parental authority and the lack of consideration they receive! Do we aged ones retain no elementary sense of humour? Do we really think we have done our job in raising, educating and protecting

the young so successfully as to earn their reverence and gratitude?

No! What is needed today is a genuine power for the 'Youth Movement', prepared to oust the aged from the seats of power, to take hold of the reins of social, political and economic government, with faith, hope, energy and a vision of the future unclouded by the obsolete theories and policies of statesmen, economists, philosophers, who for the urgent needs of our time are dead and should be damned. If such youths exist, informed of, but not imprisoned in, the records of the past, consciously wielding the power to work out their free purposes and to remake the world along clearly conceived patterns of peace, liberty and progress – let them combine to lay the foundations of the new social order.

I conclude this address by a personal endorsement of the concluding paragraph in which H.G. Wells makes his appeal to the new generation.

> For my generation, the role of John the Baptist must be our extreme ambition. We can proclaim and make evident the advent of a new phase of human faith and effort. We can point out the path it has been our life work to discover. We have struggled through the thought and bitter experiences of our time. We have hammered out our instinctive individualism on the anvil of socialism; we have witnessed the apocalypse of the Great War; we have been misled, we have stumbled through depths of despair, we have learnt. 'Here' we say 'is what we have made of it all. Here is the basis of a new world.' In the few years remaining to us we can hope to do no more than that. It is for you to say whether you will set your feet in this direction and go along with us and go further. Upon you – individually and multitudinously – the future rests. Here and there chance may correct and supplant the efforts of our race and save us from the full penalties of our mistakes and negligences, but saving the impact of some unimagined disaster from outer space, the ultimate decision of the fate of life within this planet lies now in the will of man.[16]

1 Lecture to South Place Ethical Society, July 1932, reported in *The Monthly Record*, December 1932, pp. 4–5. Title page: 'REMAKIN(THE WORLD/SP lecture/J.A. Hobson/ July 1932.'

2 MS notes at top of page: 'A time to take stock of human resources + capabilities. The nature of the task not produce [?] methods o achievement. What is Man's place in the Universe. What his attitude towards his environment? How far the slave of externa circumstances. Such grave questions confront us today with a new insistence.'

3 O. Spengler, *The Decline of the West*, trans. C.F. Atkinson, 2 vols., London: George Allen and Unwin, 1927–28. Hobson seems to have had in mind volume 2, chapter 4, pp. 85–110.

4 Famously, Boswell attributed to Samuel Johnson the claim that becoming a brewer gave one 'the potentiality of growing rich beyond the dreams of avarice' (James Boswell, *Life of Johnson*, 10 vols., London: John Murray, 1835, vol. 8, chapter 2), although the full phrase 'Wealth beyond the dreams of avarice' actually occurred earlier, in Edward Moore's 1753 play *The Gamester*, act ii, scene 2, l. 753.

5 Ms del.:'

6 The 1840s were a period of economic depression and famine across Europe and North America.

7 Adam Smith, *An Inquiry into the Nature and Causes of The Wealth of Nations*, ed. R.H. Campbell and A.S. Skinner, 2 vols., revise edition, Oxford: Oxford University Press, 1979 [1776], vol. 1, p. 456.

8 Free trade was abandoned and protectionism introduced by the National Government elected in October 1931.

9 The Geneva Conference of 1927 discussed disarmament. The Lausanne Conference of June 1932 concerned finance.

0 This sentence is Hobson's pencil addition. It may refer to the 'semi-secret arrangements' of the creditor states Britain, France, and Italy no to ratify the Lausanne Agreement so as to avoid repaying war debts to the Americans. *The Times* exposed this 'Gentleman's agreement' on 11 July 1932, provoking a debate that day in Parliament, led by Sir Stafford Cripps and Winston Churchill (see 12 July 1932, *The Times*, p. 14).

1 Aldous Huxley's *Brave New World* is a dystopian novel published in 1932, in which the size and composition of the population is controlled by biogenetic engineering, and their emotional lives by drugs.

2 Hobson may be referring to the case of Miss Aylward, a teacher dismissed by Coventry Education Committee for refusing to take part ir Empire Day celebrations. Aylward, a Quaker, was reported to be 'exceedingly bitter in her expressions towards the British Empire'. She objected to the character of the celebrations and the singing of certain songs because they were nationalistic (see 29 June 1932, *The Times*, p. 9).

3 The American Communist Party Presidential nominee William Z. Foster and three supporters made headlines when they were arrested i Los Angeles on 28 June 1932 on 'suspicion of criminal syndicalism' (plotting to introduce syndicalism by force). They were released the following day.

4 After her defeat in the First World War, Germany was made to pay reparations to the victorious Allied countries. Payment of these reparations was virtually ended by the Lausanne Conference of 1932.

5 J.S. Mill 'Small remedies for great [….?] evils do not produce small results they produce no results at all' [Hobson's note].

6 *The Open Conspiracy*; pp. 155–6. [Hobson's note. H.G. Wells, *The Open Conspiracy: Blue Prints for a World Revolution*, revised edition, London: Hogarth Press, 1931 [1928], pp. 155–56.]

7 Is World Government Possible?[1]
(December 1932)

When I last spoke from this platform I ended by an appeal to the young to rescue a world which had beer brought to the verge of destruction by the follies and crimes of an older generation.[2] The task of reconstruction which I indicated is best summarised in the term 'Internationalism'. For though by commor usage this term carries a meaning too political to cover the full requirements of the case, it none-the-less goes to the heart of the matter. Indeed, as we now recognise, it is even more a question of the heart than of the head. To argue the logic, the naked rationality of internationalism, the benefits derivable from cooperation of all nations for the common safety and prosperity, is easy enough. One aspect of such cooperation is admirably set forth in the historic document which our Government a few weeks ago submitted to the United States upon the subject of the remission of war debts.[3] Once grant the axiom that man is a social, not a solitary, animal, the advantages that have come to him from each widening of the social area, from the family to the village, the village to the province, the province to the nation, cannot be restricted by any national or imperial boundaries but must extend to the whole populations of the world and the countries they occupy. Can anyone seriously question the benefits that would accrue to everybody living on this earth if all its populations could be brought into common concerted action for the development of its material and human resources and their application to secure the greatest happiness of the greatest number? If sweet reasonability prevailed, the advances made by the sciences to the arts of industry would enable our world to enjoy the fruits of a civilisation undreamed of even a century ago. Everybody knows this to be true, and yet its achievement still seems to most of us a Utopian vision. Why? What blocks the way to this goal?

The answer is quite plain. The 'thus far and no further' of an obstructive Nationalism. The most pathetic delusion of a war-stricken world was the belief that the destruction and the horrors of the Great War would teach the lesson of the need for building an international order which would make the recurrence of such a tragedy impossible. This delusion was given a face-value by the formation of the League of Nations, designed by its planners as the nucleus of a world-government (though its prophets still shy at the title Super State, pretending to believe that an effective internationalism is somehow consistent with the retention of full sovereign independence for the member-States).[4]

In the opening years of the League, a reasonable plea was made by its supporters for time and patience. An infant with as yet an imperfect use of its limbs, and an unformed mind, could not be expected to do grown-up work in tackling the graver issues of constructive internationalism, or in preventing such acts of illegal violence as the Polish seizure of German territory or the Italian assault upon Corfu.[5] But now that the League might be considered to be entering adolescence, its continued weakness is regarded with some consternation. Though doing admirable work in minor paths of useful endeavour, where conflicting interests do not arise, it continues to display timidity in all matters of vital importance to the security and prosperity of the world. What are these matters of vital importance? Disarmament, Manchuria, the establishment of machinery for the peaceful and equitable settlement of all international disputes, the urgently needed revision of the Peace Treaties, the concerted endeavour to remove those trade impediments which obstruct exchange of goods and those financial burdens of debts and reparations which drive the monetary system to disaster.[6]

A real international Government is urgently needed to deal with the worlddepression, for it is now evident that the economic fates of all nations, great and small, advanced and backward are alike menaced with a common ruin. Never was [there] so great a need for a League of Nations to bring the world into successful settlement of so many urgent problems. Yet its impotence is quite apparent. Conference follows conference, postponement follows postponement. There is agreement in something called 'principle': in practice little or nothing emerges. In principle all the nations through their governments agree that

armaments are dangerously excessive and ought to be reduced by agreement. But something euphemistically termed 'security' blocks the way. In principle it is agreed that all disputes should be settled amicably and that the verdict or award of a legal or arbitral court should be imposed upon both parties with the necessary sanctions. But these sanctions continue to reside in the air. In principle the representatives of the nations agree that high tariffs are detrimental to trade and industry and that each country gains by easy commercial intercourse. In practice old tariffs grow higher and new tariffs spring up, while obstructions of exchange make it more and more difficult to make international payments.

The most striking of[7] examples relates to international war-debts. Reason, equity and the plain self-interest of all the nations, creditor and debtor alike, stand for the cancellation of these payments. All sane observers perceive that those burdens block the world's recovery from its sickness. Yet nothing conclusive has yet been done.[8] Why? Because in each body politic a poisonous nationalism inhibits sane thought and action. The sense of nationality, community of feeling within each country, displacing or expanding the narrowest bonds of locality, stimulating peoples with a common language, common traditions and institutions to cooperate effectively for the achievement of their common good, has played a useful, nay a noble, part in modern history. But when the sense of nationality finds expression in nationalism, the stress is no longer upon internal cooperation but upon external severance. This sense of severance breeds hostility in thought, feeling and action. It leads each nation to stress its self-sufficiency and to seek to confirm that self-sufficiency by refusal to consort on equal and free terms with other nations for their common good. In effect the sense of community is canalised within each national area: the life and interests of humanity are repudiated; the idea of mankind in common possession of a world, the resources of which are a common property to be utilised for the good of all mankind, is regarded by nationalism as a pernicious doctrine.

Now if, as I hold, this state of mind underlies all the follies and the crimes which are dragging the world to perdition it is important to diagnose it before seeking any remedy. Now nationalism is not a simple or mere expansion of egoism, though self-interest and self-glory help to feed and give it vitality. The country which, as a nationalist, I worship is *my* country, it belongs to me as much as, or more than I belong to it: the monarch who reigns in it is *my* king, the flag that waves over it *my* flag. This naive egoism is pervasive. The fact that had I happened to be born in Germany or America, this sentiment of possession would have had a different national attachment never enters into my consciousness, though somewhat grudgingly I admit that a Frenchman ought to feel towards France, a German towards Germany in the same way as I feel towards England (or is it Britain or is it the Empire?). In fact this rivalry or conflict of 'oughts', national sentiments and obligations, serves to stiffen the particular nationalism of each country. For it is easy to persuade oneself that to compromise or qualify such a sacred obligation is wrong, and that the separatism which nationality thus acquires is endowed with moral or even religious sanctions.

Regarding it as group-egoism, it is easy for modern psychology to point out how the primitive instincts of pugnacity, acquisitiveness, gregariousness, worship and subjection, are pressed into the service of nationalism. It may, indeed, be contended that the community of thought, feeling and conduct which nationalism involves, should bring a consciousness of sympathy with one's fellows rather than of hostility to other nations. But here we encounter a most disconcerting discovery. Sympathy is less interesting than antipathy; difference than similarity, conflict than cooperation. Here in fact is the basic weakness of the peace-movement. Pacifism[9] rests on a negative concept, 'don't fight', militarism upon a positive dramatic concept. Reflection will doubtless show that peace has its positive fruits in order, security, progress. But reflection itself is for most persons an uninteresting process. Disorder, insecurity, irregularity, the exceptional, the unpredictable, the hazards of life, are always more interesting and more exciting.

This lurking love of risks and chances, conflict and disorder, is a secret support for nationalism and a source of all the troubles it involves. History, laid out in terms of national animosities, the whole mythology of racial, linguistic and cultural distinctions, is pressed into the service of this separatism. But if nationalism only meant each nation living a distinct life of its own, absorbed in the pursuit of its own separate interests, regrettable as this group-egoism might be from the standpoint of the broader interests of humanity, it need not breed those antagonisms which are seen to issue from it. It is the association of group-egoism with the lust for power that forms the nucleus of aggressive nationalism. It is in the struggle for power that nationalism finds its true expression. Now power as applied to nations signifies not self-

control and self-sufficiency in human and material resources, but strength for dealing successfully with the human and material resources of other peoples. It is deeply significant that the fabric of the League of Nations itself, the intended instruments of peace and cooperation, should have been conceived and born in terms of Power, and that those gatherings even up to the present day are spoken of as Conferences of the Powers. Primarily it signifies fighting strength, the capacity to dominate by force another nation, a weaker Power. Nor can it be pretended that armed Power is designed merely for defence. History shows that the possessors of superior force, always fail to distinguish offence from defence, and use it to enforce their will upon weaker Powers who fail to recognise their claims.[10] Nationalism expressed through the will to Power is then the negation of international morality. It signifies the distribution of the earth, its peoples and its material resources, in proportion to the strength of a few great Powers as tested by recurrent wars. That has been the story of mankind up to the present. Is it going to be different in the future? If Nationalism were nothing else than crude combativeness, the lust of dominance and of Power, ever realised solely in the submission of weaker peoples to our will or rule, it might seem that nothing but a moral miracle could save the world.

But miracles do not happen. Have we then no hope from the growth and speech[11] of a rational belief in the community of interests among the different peoples, a belief which may expel that militant nationalism which is in most countries the cult of a ruling fighting caste? I think we have. But it is first necessary to dig deeper into the roots of modern nationalism. As we do so, we realise how every Nationalism tends to develop into Imperialism, the extension of national rule over external territories and their peoples. It is no new phenomenon: the rise and fall of great Empires furnish the most dramatic scenes in history. Egypt, Babylon, Assyria, Persia, Greece, Rome, Spain – each had its day of territorial expansion, power and glory. Is then Empire the great political illusion, a megalomania of rulers which lures them to their destruction? The common explanation to which historians incline is drawn from a biological analogy. An imperial state becomes a parasite, drawing more and more of its wealth from its subject provinces which it drains for the support of an idle luxurious class in the imperial centre. Idleness and luxury enfeeble and demoralise the parasitic capital, while growing discontents in the plundered provinces stir discontent and rebellion among the peoples, rendered more dangerous by the improved communications which Empire requires and by the personal ambitions of prancing proconsuls each seeking for himself supreme authority. The taproot of Imperialism is here disclosed in economic plunder. Underneath all the pomp of power and glory, the sentimentalism of Empire, is the directive urge of plunder. The grandeur that was Rome points this lesson even more forcibly than the glory that was Greece. For the Romans were what we call a practical people who knew what they wanted and went after it. There was little pretence about their motives or their methods. They did not set out to convert the heathen, to teach the dignity of labour, to spread the arts of civilisation, to educate the backward peoples towards self-government. They were out for the goods, lucrative jobs for needy aristocrats or ambitious soldiers or grasping money-lenders, who took handsome toll of the tax-revenue before it flowed into the coffers of the State. Is it different now? Only so far as the economic and commercial structure of modern civilisation has imposed new and more complicated methods in the acquisition and administration of imperial power. Organised modern capitalism has altered the *modus operandi* of imperialism. Nationalists and imperialists in this and other countries are genuinely indignant when they are told that behind all their exuberant enthusiasm for the flag and benefits it brings to the 'lesser breeds' that are brought under our rule, the profit-seeking motive is predominant.[12] Imperial sentiment is, indeed, a composite of several feelings and desires. To represent the British flag as a mere trading badge is shocking to imperialists. It impugns the nobility of feeling, the uplift, that attaches to the idea of Empire. We could not in fact have pursued successfully our imperial career if we had not baited our economic motive with finer and more disinterested aims. This is not hypocrisy, as it appears to critical foreigners. It is the expression of that real though vague idealism which suffuses and obscures all our public policies. The competing imperialism of other countries, Germany, France, Italy, Japan has a touch of this idealism, partly in imitation of our superior brand, but it is too consciously taken on to be successful, as the recent concern of Japan for the safety and progress of the population of Manchuria serves to indicate.[13] When the late Sir John Seeley said that we won our Empire 'in a fit of absence of mind' he stated an important truth.[14] Cromwell however had preceded him: 'None

goes further than he who does not know whither he is going.'[15] This, of course, is our famous recipe for 'muddling through' and yet coming out safely upon the further bank, – and with 'the goods'. Not to proceed by any clear logic, not to have a plainly planned objective before us, belongs to that wise opportunism which has served us so well in our career. But such opportunism does not imply lack of direction – only that the directing urge must not be conscious. We must be not quite aware of what we are after. For, if we were aware that a definitely selfish economic aim directed our imperial policy, this awareness would enfeeble or dispel all those finer sentiments which furnish the uplift imperialism requires for the performance of its arduous tasks. I don't know whether I have made this analysis quite clear. I mean that a perfectly conscious acceptance of the Marxist doctrine of the economic determination of history would deprive Imperialism of its necessary sentimental food and put it on the cold and unattractive fare of calculating realism. Let me cite a familiar instance in which, as journalist, I was put into personal contact with the actual technique of imperialism. It was in South Africa in the summer of 1899 when events were moving towards war.[16] The directing motive was quite manifest. It was the determination of British mine-owners to gain complete ownership and control of the mining area of the Transvaal, in order to operate it profitably and free from extortionate taxation and other Governmental interferences. The threat of war, or war itself in the last resort, was necessary for proper pressure on the Boer government. But 'we want the mines' would not have been a rousing slogan. Hence the propaganda for redress of the grievances of foreign residents, the demand for a fair franchise, the indignation at the atrocities inflicted upon Outlanders and natives, duly certified by English missionaries.The volume of passion needed for the war consisted of these unsubstantial yet powerful appeals to fair play, fear and pity, but underneath lay the clear purpose of the mine owners.

The causation of the Great War is, of course, more difficult of analysis.[17] The publication of diplomatic and other documentary evidence gives first place to dynastic and other distinctively political forces in the years that immediately preceded the outbreak. Military and naval preparations, competitive political alliances, personal hates and suspicions of monarchs and statesmen, occupied the foreground and seemed to make war inevitable. But a deeper farther-reaching examination will disclose that the greed for territorial expansion (for places in the sun, or even in the shade), in order to gain special opportunities for trade and investment, for the new capitalism which had sprung up in the last half century in all the civilised countries of Europe, was the main secret source of discord. Competing business imperialisms are a new phase in history. They are the product of the rapidly advancing sciences applied to economic technique in manufacture, transport, mining and agriculture. The earlier struggle for markets is rendered even more intense as the productivity of each national industry yields a growing surplus for export trade, and as the remaining fields of foreign development in a world where the best lots had been pre-empted, become narrower and therefore more desirable.

Now the Great War and the Bad Peace have not only done nothing to abate this conflict of rival Nationalisms and Imperialisms; they haven't made the world safe for Democracy or indeed any other government. They have brought the conflict out into the clearer light of day and sharpened its antagonisms. New sovereign States have been created and have proceeded to assert their nationalism by armaments and tariff rates and the oppression of minorities.[18] The spoils of victory have everywhere been converted into political and economic obstacles and grievances, festering sores of rival nationalisms. Nor is this evil spirit confined to the European area. The nationalism of Japan has already overflowed into a most ruthless imperialism in defiance of its solemn obligations to the League of which it is a professed adherent.[19] The newly liberated areas of Egypt, Persia, Irak and Ireland are intoxicated with the sense of sovereign rights.[20] Above all the vast populations of China and India are gradually closing up into a nationalism with isolated solidarity as its ideal.[21] Good and evil are commingled in this world-movement. On the one hand, we have peoples rightly struggling to be free from foreign domination or internal conflicts – the nationalism which marks a real advance upon localism and provincialism. On the other hand, the achievement of this laudable ambition tends everywhere to harden into that selfish sufficiency which is the denial of broader human fellowship. Each new nationalism, following the examples of the older ones, becomes the prey or the tool of the powerful military caste or the business interests that control its national policy, and as war and armaments become more and more branches of big business, the sense and the

substance of peaceful security are everywhere made more difficult. Are we then confronted with an insoluble problem? Is effective internationalism impossible?[22] Are the bonds of social feeling and cooperative enterprise incapable of passing the barriers of nationality, except for particular purposes of personal or material advantage?

Now in formulating a brief reply to such questions, it is well to remind ourselves that law and other political institutions necessarily lag behind those changes in human conditions and conduct which they claim to regulate. Therefore, in answering our question 'Is internationalism possible?' we do well first to realise the many processes of change which are in fact breaking up isolated nationality and making the world one. Here, cheapened and accelerated transport of persons, goods, information and ideas, is, of course, of prime importance. Notwithstanding the obstructions which nationalism presents to free exchange of goods, this unification of the world proceeds apace. Indeed, protective politicians seek after[23] an excessive similarity of national economy. For, whereas free internationalism would make the industrial life of every nation different, to accord with the differences of its natural resources and its population, protection causes the more backward nations to engage in a wasteful imitation of the more advanced, and, carried to its logical conclusion, would force all nations into an identical pattern of economic life. Now this artificially stimulated identity is a mistaken retrograde step. For nationality has a true value and significance in so far as it connotes the particular resources and traditions of each people. In virtue of this fact each nation has a special contribution to make to the society of nations, mankind. The artificial isolation of nationalism is simply a refusal to make this contribution. And the nation suffers from this refusal. For just as an individual[24] is educated and enriched by the community of which it is a member, so is it with the collective personality of a nation. Each nation is strengthened morally and intellectually as well as materially by living in free cooperative relations with neighbour nations.

Forgive these platitudes. Like other platitudes they tend to be ignored instead of being taken for granted as rules of conduct. What precisely do they signify? That the material and the moral interests of each nation demand effective internationalism for their successful pursuit. Why then is this community of interests obstructed? The obvious immediate answer is that the interests of a nation as a whole may be opposed by the interests of a class or group within that nation. This in fact is the charge against capitalism as the main support of an obstructive nationalism and an aggressive imperialism. The charge is true, and unless this power of business groups within a nation to control its external relations is superseded by a clearer-sighted, more disinterested policy, the perils and the wastes of hostile nationalism will worsen. As each nation behind its tariff walls takes on successfully the technique of scientific industry, its expanding productivity with constant pressure for[25] outside markets, and for inside self-sufficiency, continually exasperates the economic and financial conflicts between nations. But is it the true interest of each nation to sell as much to and buy as little as possible from other nations? This preposterous doctrine has been foisted upon the policy of Governments by groups of industrialists and traders to whom the national interest signifies profitable markets for their goods, not cheapness and abundance for the consumers.[26] The diplomacy, the militarism, the Protectionism, the flag-waving imperialism of each Great Power are directed and dictated by the needs and interests not of the peoples but of the captains of industry and finance. This is the most obvious testimony to the unreality of democracy under the form of a democratic Constitution. The language used by Sir Thomas More nearly four centuries ago is far truer today 'Everywhere do I perceive certain rich men seeking their own advantage under the name and pretext of the Commonwealth.'[27]

If, then, the real interests of nations, material and moral, lie in organised pacific cooperation, is it possible to depose from the seats of government the instigators of false nationalism? No effective international government is possible without such transformation of the personnel of national governments. But how? Shock tactics and proletarian violence appear to have succeeded in Russia.[28] But before committing ourselves to force as a remedy, would it not be well to ask whether it is wise to build the new order upon physical force (assuming it to be available) when reason and justice present so powerful a support to the cause of economic and political internationalism? Physical force is always a short cut to a dubious end and with perilous reactions upon the normal processes of social life. For civilisation as a whole, interpreted as a better, freer, fuller life for mankind, has shown itself as a continuous substitution[29] of moral and intellectual activities for[30] the cruder methods of physical struggle. Man has been continually

learning to use his mind and to extend the area of his sympathies by wider and closer cooperation with his fellow men. Brought up sharp against the barriers of nationalism his right impulse is to press against them till they fall and to extend the boundaries of thought and sympathetic action to the limit of Humanity. I have already cited some of the recent changes that actually achieve this expansion of thought and feeling. Liberty, equality, fraternity – these have been the true watchwords of progress in past revolutionary movements, tarnished and damaged by accompanying outbursts of baser passions.[31] There have always been moments in human history when some great stress has called forth the latent powers of man for great changes in collective conduct. Some such sudden conversion of thought and feeling is now needed to cope with the forces of ruinous reaction. I believe such powers are available. This belief rests on no vague mysticism, no miracles of providential intervention, or the advent of some great world prophet-preacher, but upon a clear perception of that general instability of mind, that loosening of old notions and beliefs which is the preparatory stage for a spiritual revolution.[32] I believe that a new and saner scheme of life is now struggling towards birth, that the adaptable mind of man is moving towards the framing of institutions to accord with the urgent needs of a new material and moral world. The faith of the powerful propertied classes in their power and property is already deeply undermined. I do not think they will be found prepared to use the instruments of force they nominally possess for the retention of positions which in their hearts they believe to be untenable. I may be mistaken in this hope for a revolution by consent. Shaw may be right in holding that a section at least of the possessing classes will only yield to the physical force of an armed revolution. There may be among those classes diehards of the type of Mr. Amery and Mr. Winston Churchill who would fight in the last ditch for the wrongs of property.[33] But the general atmosphere at any rate in this country is of a more concessive kind. The old faith of *laissez faire* competitive capitalism is dying and the definitely socialistic conception of a planned national economy is struggling to find expression. Nor is this movement peculiar to this country. The educative shock of the collapse of capitalism is everywhere at work.[34] And when, as must soon occur, it becomes manifest that recovery will not come by waiting and doing nothing (the present phase of statecraft), the general demand in each nation will compel these nations to adopt concerted action, political and economic, in order to win for mankind his natural rights of life, liberty and the pursuit of happiness.

1 Lecture to the South Place Ethical Society, 29 January 1933, reported in *The Monthly Record,* March 1933, pp. 2–3. Title page: '*Is World Government Possible?*/SP lecture/December 1932/John A. Hobson/3, Gayton Crescent,/Hampstead, N.W.'

2 Hobson concluded 'Remaking the World' (July 1932) in this way, endorsing H.G. Wells, *The Open Conspiracy: Blue Prints for a World Revolution*, revised edition, London: Hogarth Press, 1931, pp. 155–56.

3 On 10 November 1932, a note was submitted to the American Government on intergovernmental debts (14 November 1932, *The Times,* **pp. 12–13).**

4 The League of Nations was instituted by the Treaty of Versailles and came into being in January 1920. The League always aroused concerns in some quarters that it would become a 'super state'.

5 Probably Hobson is referring to the division of Upper Silesia following a plebiscite in March 1921. This provoked a Polish insurrection and significant Anglo-French dismay before the League of Nations re-partitioned the territory in Poland's favour in October 1921. In 1923 Italy attacked Corfu in retaliation for the murder of members of an Italian military mission. Bombardment on 31 August was followed by occupation from 7 to 22 September.

6 Japan invaded Manchuria (nominally under the suzerainty of China) in September 1931. The reparations or 'war debts' imposed on Germany by the Allies under the terms of the Treaty of Versailles (signed 28 June 1919) provoked much resentment in Germany, especially following the world economic depression precipitated by the 1929 Wall Street Crash, which ultimately assisted the rise of Nazism. Economic protectionism had been reintroduced by the UK's National Government, elected in 1931.

7 MS del.: 'recent'.

8 MS orig.: 'Yet nothing can be done.' Hobson had discussed these war debts in his previous lecture, 'Remaking the World' above.

9 MS reads: 'Pacificism'.

0 MS orig.: 'History shows that the possessors of superior force, fail to distinguish offence from defence, and is always used to enforce our will upon weaker Powers who fail to recognise our claims.'

1 Hobson marked the phrase 'and speech' for possible deletion.

2 The phrase 'lesser breeds' recalls Rudyard Kipling's poem 'Recessional' (1898).

3 The Japanese held Manchuria until the end of the Second World War, having invaded it on 19 September 1931. The League was trying (and failing) to draft mutually acceptable peace terms between Japan and China at the time Hobson gave this lecture (see, for example, 16 January 1933, *The Times,* p. 12).

4 The English 'seem, as it were, to have conquered and peopled half the world in a fit of absence of mind'. Sir John Seeley, *The Expansion of England: Two Courses of Lectures,* London: Macmillan, 1920 [1883], p. 10.

5 'No one rises so high as he who knows not whither he is going.' Attributed to Oliver Cromwell (1599–1658) by M. Bellièvre, recorded in Jean François, Paul de Gondi, Cardinal de Retz, *Memoirs: Being Historic Court Memoirs of the Great Events during the Minority of Louis XIV, and the Administration of Cardinal Mazarin,* London and New York: Merrill and Baker, n. d., p. 264.

6 Hobson was sent to South Africa in 1899 to cover events for the *Manchester Guardian*. See J.A. Hobson, *Confessions of an Economic Heretic*, London: George Allen and Unwin, 1938, chapter 5.
7 See Hobson's address 'The Causes of War', below.
8 The break-up of the Ottoman and Austro-Hungarian empires following the First World War had led to the creation of many new states including Czechoslovakia, the Baltic states (Estonia, Latvia and Lithuania), Finland, Turkey and the State of Slovenes, Croats and Serb which eventually amalgamated with other states to form the Kingdom of Yugoslavia.
9 The advent of the Shōwa era in 1926 saw Japan adopt a much more aggressive imperial posture. It annexed part of China following the Manchurian Incident of September 1931, as well as launching an ultimately unsuccessful assault on Shanghai in the opening months of 1932.
10 Egypt gained formal independence from Great Britain in February 1922. Persia (effectively, modern day Iran) witnessed the overthrowing of the Quajar Dynasty in 1925, followed by the development of infrastructure and various other aspects of national life including the education system. Ireland gained formal independence from the UK under the terms of the 1921 Anglo-Irish Treaty, although there was civil war from 1922 to 1923 with the Irish Free State lasting until 1937.
11 Various nationalist factions fought for control of the Chinese state during the Nanjing or Nanking decade (1927–37). Indian agitation for independence from the UK, not least that led by Mahatma Gandhi, Jawaharlal Nehru and others, was intense at the time Hobson gave this lecture.
12 MS orig.: 'Is effective internationalism impossible, an enviable [MS alt.: 'a desirable'] but quite impracticable ideal?'
13 MS orig.: 'conform to what is really'.
14 MS orig.: 'a personality'.
15 MS orig.: 'from'.
16 This sentence is queried in the MS.
17 Sir Thomas More (1478–1535), 'Utopia', in E. Surtz and J.H. Hexter, eds. *Complete Works of Sir Thomas More,* New Haven and London: Yale University Press, 1965, vol. 4, p. 241.
18 In ignorance of the regime's cruelty, many on the British left saw the USSR as a successful socialist system at this time, and in 1935 Sidney and Beatrice Webb published their now-infamous *Soviet Communism: A new civilisation?*.
19 MS orig.: 'conquest'.
20 MS orig.: 'over'.
21 'Liberty, Equality, Fraternity', the slogan of the French Revolution which began in 1789, was tarnished for many people by the 'Terror' that ravaged French society between June 1793 and July 1794.
22 MS orig.: 'revelation'.
23 Leo Amery (1873–1955), British Conservative politician. Sir Winston Churchill (1874–1965), initially a Conservative MP, then Liberal, then Conservative again. In 1930 he advocated restricting the franchise via a property qualification.
24 The world economy was still in the grip of the Great Depression that had been precipitated by the 1929 Wall Street Crash, of course.

8 Our Selves[1]

(19 March 1933)

'Know thyself 'was the advice of a Greek philosopher of several thousand years ago.[2] The most didactic of our poets declared that 'The proper study of mankind is man'.[3] It would, of course, be foolish to say that we know very little about the self, the personality, the character of man. We have learnt a good deal from observation of his ways of 'going on', or what modern psychology terms his 'reactions' to the stimuli of his environment. But this knowledge is mostly of a desultory kind: it is largely couched in proverbs or popular sayings. Until quite recent times there has been little disposition to turn the scientific instruments of ordered observation and experiment upon man's mental or spiritual make-up. Why? Partly, no doubt because of the inherent difficulty of applying scientific methods. You can't dissect the mind as easily as the body. For when the mind is dead there seems nothing to dissect. But that is not the only obstacle. We must remember that only in recent ages has it been permissible freely to dissect the human body.[4] And even when the admitted benefits of surgery had overcome this scruple, Holy Church still reserved the soul from any other scrutiny than that applied by its own spiritual practitioners. And though the art of spiritual diagnosis in the hands of skilled confessors was one of extreme subtlety, it was removed from anything we now know as psychology by its absolute subordination to the requirements of a dogmatic theology. So long as the naive doctrine of original sin, with baptism and other modes of sacramental cleansing, occupied the ordinary field of vision, with God and Satan in the background struggling for the possession of man's soul, this simple drama, this great spiritual sporting event, was of such transcendent interest as to preclude any disinterested study of what we call man's self. Even when biology had resolved man's physical organism into the complex union of organs and of cells, the study of mental or spiritual organs, under the title of faculties or dispositions, was slow to assert itself.

For after the theological boycott had been lifted, two other accepted tenets blocked the path to any scientific study of mind, soul, self, personality. One was the belief that in mind, as in body, nature endowed men with the same faculties and in very much the same proportions. Men were really held to be born equal. There were, of course, exceptional cases, mental defectives and geniuses, happy or unhappy sports of nature, but the vast majority of ordinary men and women were made on the same pattern. 'The difference' wrote Adam Smith 'between the most dissimilar characters, between a philosopher and a common street porter, seems to arise not so much from nature, as from habit, custom and education.'[5] To liberal thinkers of the eighteenth and nineteenth centuries the plea for equality of opportunity in education, access to land and other economic requisites, was not merely a demand that everyone should have the same chance of happiness and success in life: it contained a clear implication that everyone could make an equal use of such opportunities because their human nature was the same.[6] Now since the study of any subject is more interesting and more valuable when it contains rich varieties, the conception of a single standard type of man turned attention away from human nature itself to concentrate upon education and environment. Democracy has suffered considerably from this failure to recognise the wide divergencies of innate endowment. In America, especially, the popular notion of the equality of man is carried so far as to imply that any man is as good as another for any job that is going. The late William Jennings Bryan once expounded this doctrine to me, seriously maintaining that a sweeping change of offices after a new Election had the advantage of giving a new lot of men the same opportunity of carrying on the public services as those they had displaced.[7]

The other obstacle to the close study of self is of a subtler nature. The starting point of all thought, indeed of all conscious life, is the assumption of the unity and continuity of the self that has, or is, this conscious life. Without this belief in one abiding identical self we toss rudderless upon the stream of life. It is true we *lose* our self in sleep, sometimes we are distracted, or forget ourself, either in anger or in

ecstasy, but these are only brief interruptions in an otherwise continuous self. Even when we lose consciousness the self, we claim, is there in some state of suspension. Some looser or mutilated form of it wanders in dream or reverie, or the self expands in sympathetic contact with nature or society. But with all these allowances, the belief in a single, compact, continuous personality, consistent, self-controlled and ultimately reasonable, is an underlying principle in all our lives. You may say that most people never think at all about such matters. That is true. But this belief is there, implicit, in their conduct. They may be purely practical active beings (extroverts according to the new jargon)[8] but charge one of them with inconsistency or lack of self-control, you will soon discover the pride of a compact personality you have offended. Those who indulge in self-reflection are quite aware that under different circumstances they are different sorts of persons, and that this hard-shell consistent self is a good deal of a pose. A man is one sort of self in his home, another in his business house, another at his Club: may be, is a different person after dinner or in congenial company. No doubt we note these differences of self more in other people than in ourselves, but that is largely because we get others in a better focus for observation. It is also because we don't like to regard our sacred self as being at the mercy of circumstances, it injures our self-respect. But we readily admit the volatility or inconsistency of others.

> The Devil was sick – the Devil a monk would be,
> The Devil was well – the Devil a monk was he.[9]

Such shifts of personality, whether sudden or gradual, are recognised as proceeding chiefly from changes in bodily condition. Childhood, adolescence, maturity, old age present extraordinary changes in our interests, emotions, valuations and all other mental attitudes. Do then Shakespeare's seven ages present seven separate selves?[10] The general answer will be 'No', the same person, the same self, undergoes these transformations. So we are brought to face this problem of identity – the eternal problem of the one and the many.

Here the new science of Psychology breaks in – a very young science, so fascinating in the traits of infancy.[11] This, I think, is its brawling stage, wild outcries of discovery, wild conflicts of interpretation in new unmapped arenas of the subconscious, a pegging out of claims in dreamland, a settingup of instinctive dynasties in place of the reasonable will with which man was formerly accredited. The offspring of philosophy out of biology, psychology at present suffers from the confused claims of its parentage. The influence of biology has been upon the whole disruptive. It has furnished the psychologist with a number of separate instincts not closely cooperative for any single intelligible purpose. How many these instincts are is a separate dispute among psychologists. Some say only four, hunger, sex, fighting and a herd instinct: others find scores, nay hundreds, of conscious responses to stimuli, urges or tendencies which they call instincts. Others again will have no truck with any instinct: behaviour, automatic responses to physical stimuli – the life of man *homo sapiens* is resolved into this – consciousness is but a shadow or a by-product of these physical responses.[12]

But I don't want to plunge into this highly technical debate. I mention it only as indicative of the modern attack upon the simplicity and continuity of the self, or personality. Setting aside its extravagances, I believe it has here done great service in helping us to a more reasonable conception of our self and therefore to a better ethics. For many who had thrown off formal adherence to theology had been disposed to cling to the dualism which represents life as a conflict between the good and evil principles within us. Now struggles undoubtedly occur. There is a meaning in St. Paul's confession 'The good which I would, I do not, and the evil which I would not that I do.'[13] On any particular occasion it is a choice between two courses of conduct, between two desires, one perhaps with quicker urgency of animal passion, the other with a longer range and more considered end in view. Of such a nature is the familiar 'moral struggle'. But psychology shows us that our self is not a two-party system, a Government and an Opposition with a clear-cut fight upon a definite issue, but rather a system of many shifting groups which combine sometimes in one arrangement sometimes in another to run one's life. At any given time one grouping may be paramount, but put a man in a widely different situation and he will be quite a different man, that is to say the 'self ' will have adjusted itself to the new position by giving power or 'rein' to urges or desires which previously had been kept in subordinate places. Striking examples of such changes occur when men are taken from the

civilised restraints and respectabilities of Western life, and put into some primitive or other alien society. What do we say of them? At home they were quite well-behaved men, exercising self-control and leading good lives: now in these savage surroundings they have cast off their old restraints and show qualities of arrogance, lust, cruelty and treachery of the possession of which they themselves were not aware. What has become of the continuity of the self ? Such violent changes are uncommon. But everybody notices in others, if not in himself, what surprising alterations in personality are brought about by some quick rise or fall in social position or even in income. The publicity of politics makes this a rich field for observation, especially at a time when the breaking down of class distinctions may lift a man rapidly from some low estate and seat him on a heady pinnacle of power.

But it may be said 'There is nothing new or remarkable in this. Everybody knows that a person's character may display new and unexpected qualities in a changed environment. But the "self " remains the same.' But if the self may feel differently, think differently, act differently, can it be said to be the same 'self '? No easy answer is possible. I have already suggested that the so-called 'self ' may be a group of different little selves in some looser or tighter association with one another. If so what is the common cord that binds them? Perhaps it is Memory. For there are cases of what is called dissociated personality with which psychological textbooks are familiar, such as the famous case of Dr. Prince's lady, Sally, with her three distinct selves that have no knowledge of one another, though each from time to time displaces the others and takes charge of her conduct.[14] The War with its shell-shocks and other brain disturbances produced quite a crop of these breaks of continuity, often involving a total loss of memory over a long series of past events. H.G. Wells, writing on the subject, says 'There seem to be all gradations between such a complete splitting of the personality as we have here described and a mild degree of dissociation between two sets of tendencies – two unreconciled systems of ideas.'[15]

But the issue is really more complicated than this. It isn't merely two sets of tendencies or two systems of ideas that contend for the control of a personality. It is that the emotional and intellectual contents of the mind or self may be closely organized in a tight personality, or loosely associated in a slack personality. Feelings, interests, valuations in some persons group themselves differently in new situations. We often describe such persons as 'temperamental', regarding their 'minds' as aberrations from some more fixed pattern. But this is probably a wrong way of looking at them. They are possessors of (or possessed by) a more fluid self – or a series of interchangeable selves in which now this now that mood or interest is dominant and puts the others in their proper places. But it is known that certain instincts, urges or tendencies are much more dominant than others and seek to turn the whole resources of the self to their particular satisfaction. Modern psychology has given particular attention to two of these urges, the sex urge and the lust of power.[16] I do not propose to open up the great controversies between these divergent schools, but only to cite them for the light they shed upon the structure of the 'conventional self'. People who, like myself, grew up in mid-Victorian times, express surprise at the growth of what they deem 'the mushroom science' of psychology and the enormous output of its literature. We are disconcerted and alarmed at what for the modern generation is the humorous revelation – the debunking – of Victorian bourgeois respectability. For that was the age in which Puritanism, and business prosperity joined hands to give a definite pattern to 'the good life' under the epithets 'respectable' and 'comfortable', and to reconcile the laws of God with the dictates of Mammon. This comfortable and respectable life presents in its history and its fiction a field of incomparable humour to the modern understanding. For with a sort of clumsy efficiency it established canons of conventional character and behaviour based upon the repression, suppression or sublimation of the most potent factors in the human make-up. Sex was canalised into the large Victorian family (with an admirable royal exemplar) and disappeared from public utterance in speech or press.[17] The lust of personal power was cloaked and sanctified as business progress or service to the nation. This bourgeois type, of course, comprised only a minority of the people: the barbaric aristocracy and the lower populace carried on their loose sexual behaviours and other wasteful and extravagant lines of conduct in accordance with the traditions of their class. The importance of the prosperous business class was such as to make it the representative type to the large outside world. But this Victorian bourgeois type with its pushful industry, its 'greasy domesticity',[18] and its drab respectability did not last. Business success enabled it to send its grandsons to our great public schools and universities (seats of learning as they are comically termed) in order that they might mingle with the

sons of social superiors and acquire the habits, manners and interests of a sportsman and a gentleman. Here we have an instructive example of how one sort of self, when taken young, can be made over by imitation into another sort, or, in Matthew Arnold's language, how the young Philistine can be corrected into the young Barbarian.[19] It is, of course, this power of imitation and assimilation that is responsible for repressing the individuality of members in every class, trade, or profession, so as to make them conform to some single pattern. To us, however, there appear to be a great variety of different types, and it is difficult for us to realise the wider generalisations of foreigners. Yet, even to Americans who are not familiar with our country and its people, there is a typical Englishman, self-contained, imperturbable, uncommunicative, brusque in his manners, unimaginative, rather slow-witted and lacking in finesse. It is not the fault of foreigners that they misread our character, for the travelling Englishman of the well-to-do classes chooses to present this sort of self to strangers. If we ask 'Is this his real self?' the question does not admit of a simple answer. A certain element of pride, and if you prefer, of diffidence, makes him afraid of 'giving himself away' to strangers, though in his own home circle or among his friends he may 'let himself go'. What then is this 'self ' that he 'lets go' to his friends but won't 'give away' to strangers? Is it some ideal arrangement of the contents of his self which he cherishes, the self that he wishes to present to himself and to others? But how many people can be said to have and hold any ideal self, any clear arrangement of their mental and moral equipment? A man's ideal is usually of a negative kind, he doesn't want to appear ridiculous, ignorant, incompetent, cowardly or treacherous. This may be said to carry some sense of an ideal. But it is not clearly formulated. Indeed, the process of clearly formulating an ideal is repugnant to most men. I think the ethical Movement has suffered from over-insistence upon 'the good life' as a conscious structure. Just as Englishmen do not believe in applying logic as a rule of political conduct, but prefer looser ways of compromise and opportunism in meeting situations, so in their private life they feel they would be unpleasantly and inconveniently hampered by avowed committal to some ideal of conduct.

It is just here that we approach what is, I think, the most profitable topic for consideration. The net tendency of the psychological controversies of our time has been to disestablish all the earlier canons of behaviour and principles for the regulation of the self, and to introduce something like a competitive *laissez faire* in which a free run for the instincts is secured, under the caption 'self-expression'. While democracy is everywhere challenged in politics, this psychology seems to acclaim the doctrine that all instincts are free and equal and that their suppression or subordination is fraught with disaster to the self as an organic whole. Perhaps it would be wrong to charge any of these schools of psychology with repudiation of all moral discipline. But their practitioners, in conscious revolt against the hitherto accepted canons of education in the family, the school and in wider social circles, seem to give far more attention to the destruction of the obsolete obstructive standards than to the creation of new standards of order or of discipline within the personality. This charge applies to all revolutionary movements, and psychology in its present stage is distinctly revolutionary, challenging all our institutions and the values they claim to represent. But since every revolution, in order to succeed, must be creative and constructive, it will be necessary for psychology to furnish to ethics, as the art of conduct, the intellectual support for the building of a new moral order.

It won't do to say that a new order will emerge of itself: here as elsewhere the conscious rational will of man has its part to play. And this brings me to the most crucial aspect of our problem. How conscious, how rational should we try to be in our new moral planning? Those of us who do not believe that plans of conduct evolve by themselves or are put upon us by some external providence or other demi-urge must be prepared to bring some thought to bear upon the process of getting our various impulses, desires and interests into some satisfactory cooperation. I said just now that a tight formulation of 'the good life' was repellent to most Englishmen. But this does not mean that we should not entertain ideals and seek to realise them. Matter of fact persons often deride idealists because their ideals are vague. But, if that means that ideals have not precise clear-cut finality of form, that is surely no ground for complaint. The precisian or the pedant who would prescribe some single type of constitution or of policy upon all nations alike, regardless of their race, history and environment, has his counterpart in the false economy of self-hood. We need both ideals and plans for achieving them, but both ideals and plans should have enough plasticity to adapt themselves to the capacities and needs of different natures in different circumstances. Apply this

to the ordering of the selves in a personality. It gives validity to the conception of a rational self in which there is a hierarchy of values, where the higher, broader and more permanent interests of man exercise an effective control over the lower, narrower and immediate interests. This hierarchy of values and the ideal personality it serves have definiteness and singleness of form only so far as human beings resemble one another in physical and mental composition. The moral ideal of personality must however adapt itself to differences of inborn character and situation. It must also be adaptable to the new needs, activities and institutions which come up in the course of what we call the progress of humanity. The rational self, therefore, will not be quite the same for an educated Hindoo or Chinaman as for an Englishman or a German. But as human contacts, material and intellectual, grow closer, these divergences should diminish, and in proportion as they do so, the standards of the desirable or good life should approximate more nearly.

Though few people, I imagine, ever confront closely this problem of composing for themselves out of their several competing impulses and desires an ideal self, this does not signify that they are indifferent to the problem. Everyone condemns the self of a 'selfish' person, and that very condemnation implies some standard of reference. When one says of a man that he is 'not quite himself ' or is lacking in self-control there is a conception of a true or better self. I think we should also admit that this better self is a more reasonable being and that the self-control which we approve means a reasonable control. And when we proceed from self-control to self-development, the rationality of the process becomes even more apparent. But this claim for reason does not mean that the logical faculty is paramount, that we can 'reason out' the problem of a good life. When you ask a person to be reasonable, you are inviting him to control certain feelings by an appeal to that co-ordinative urge or aspiration in his nature which will secure for him a higher and more lasting satisfaction than he would have got by the free exercise of some lower urge or passion to which he was inclined to yield. Again, as the term 'selfish' usually implies, this problem of the good or rational self cannot be solved on an individualistic basis. A selfish person is one who does not think or care enough for others. A right-minded 'self ' is social in that it is only realizable in society, through social organization and cooperation. These generalities need emphasis at a time when individual liberty and self-realisation through free play of private impulses and desires are in danger of over-emphasis, among those very people who in politics and economics profess themselves socialists or communists.[20] Control and ordered progress within the personality are essential to any successful ordering of society along lines of liberty and justice.

A final caution I would add. I have always felt a certain distrust in philosophising upon these deeper ethical issues where morality and rationalism join hands, lest I should transgress against the rule which I have already cited, in favour of leaving free margins to our ideals. The oft-quoted saying of the writer of Ecclesiastes: 'Be not righteous overmuch: neither make thyself overwise: why shouldst thou destroy 'thyself ', is sometimes misrepresented as the voice of tired cynicism.[21] It is, however, no such thing, but a sound idealism which realises that working ideals must not be so far beyond our present reach as to seem unattainable, and that as we move towards attainment the ideals will themselves be moving forward in new forms and commanding and directing fresh allegiances in their followers.[22]

> Yet all experience is an arch where through
> gleams that untravelled world whose magic fades
> for ever and for ever when I move.[23]

The author of Ecclesiastes, like Socrates[24] and all philosophers concerned with human life, was a humourist, in that he recognised that human nature in its mundane career was full of interesting and entertaining revelations. I want in closing this address to put in a good word for psychology, which I may seem to have disparaged. Though it isn't a good thing to be engaged continually in inspecting our spiritual secretions, an occasional look at what is going on inside us may be very profitable and, I add, very entertaining. The eccentricities and inconsistencies of other people frequently arouse in us this sense of humour. In fact, humour, as distinguished from lighter comedy, chiefly consists in observing the twists and turns of human nature exposed to novel circumstances. But comparatively few people are accustomed to exploit the far richer fund of humour that lies in their own personal expression of themselves, watching

some impulse or desire look up and try to seize the reins of government, note how the processes called rationalisation and sublimation actually work, how easily they find perfectly good reasons, or even obligations, to do what some primitive emotion makes them want to do, how animal instincts decorate themselves with fine feathers so as to become respectable. In fact, the deepest humour of 'respectability' can only be discovered by direct observation of oneself. This humourous process of self-discovery requires, of course, the assumption of a sort of impartiality towards ourselves which is not quite easy to acquire. It isn't merely the capacity to see ourselves as others see us, though that enters into the process. It involves stripping ourselves of that selfesteem which shies at any disparaging revelation of our nature. Saint and sinner of the Churches have at all times been steeped in a process which at first sight is similar to that I am discussing. But it was tainted by false intellectual and moral dogmas regarding sin and salvation. The cleansing however to which I have referred as a help towards self-understanding and self-improvement was impossible until psychology had released itself from servitude to priests, and claimed to make the self and soul of man an objective study by processes of scientific observation and experiment. The not yet successful attempts to achieve this disinterested objective, which are apparent within the portals of psychology itself, especially in its Freudian edifice, give added zest to this study. But though absolute disinterestedness in the study of ourselves may not be attainable, I recommend all of you to try to understand the wiles and twists, the subterfuges and pretences, as well as the friendly cooperation and the fruitful aspirations and ideals by which human nature below and above the level of consciousness endeavours to propel us along the road which we should go. The humour that attends such observation is itself an urge to human betterment.[25]

1 Lecture to the South Place Ethical Society, 19 March 1933, reported in *The Monthly Record*, May 1933, pp. 2–3. Title page: 'OUR SELVES/South Place Lecture?/J.A. HOBSON./3, Gayton Crescent,/Hampstead, N.W.'
2 Anonymous: inscribed on the Temple of Apollo at Delphi. Plato attributes it to the 'Seven Wise Men' (*Protagoras* 343b).
3 'Know then thyself, presume not God to scan;/The proper study of Mankind is Man.' Alexander Pope, 'Essay on Man: in Four Epistles to H. St. John, Earl Bolingbroke' (1733), in A. Pope, *Poetical Works* ed. H. Davis, London: Oxford University Press, 1966, Epistle II, p. 250.
4 The 1832 Anatomy Act increased greatly the opportunities for human dissection in Britain, with the practice being used previously largely as an additional punishment for murderers.
5 *Wealth of Nations*, Ch. II. [Hobson's note. Adam Smith, *An Inquiry into the Nature and Causes of The Wealth of Nations*, ed. R.H. Campbell and A.S. Skinner, 2 vols., revised edition, Oxford: Oxford University Press, 1979 [1776], vol. 1, pp. 28–29.]
6 Hobson might have in mind Jeremy Bentham (1748–1832), John Stuart Mill (1806–73) and Thomas Hill Green (1836–82), amongst others.
7 William Jennings Bryan (1860–1925), American political leader. Hobson recounted this story in his *Confessions of an Economic Heretic*, London: George Allen and Unwin, 1938, pp. 69–70.
8 The terms 'introvert' and 'extrovert' were popularised in the early twentieth century by the Swiss psychologist Carl Jung (1875–1861).
9 This saying is proverbial.
0 William Shakespeare, *As You Like It*, act 2, scene vii, ll. 143–166.
1 The study and practice of psychology gained in coherence, sophistication and prominence in Europe from the 1860s onwards, not least through the work of Wilhelm Maximilian Wundt (1832–1920), the German psychologist, and William James (1842–1910), the American philosopher and psychologist, among others, although some scholars trace its roots to ancient times.
2 Wilfred Trotter (1872–1939), the British psychologist, popularised the phrase 'herd instinct', not least via his book *The Instincts of the Herd in Peace and War* (1914). Conditioning was popularised in its classical form by the research of Ivan Pavlov (1849–1936), the Russian psychologist and physiologist, and in its 'operant' form by the work of the American Edward L. Thorndike (1874–1949) and others. Conditioning was closely connected with behaviourist psychology. B.F. Skinner's influential work on behaviourism was unpublished at the time of Hobson's lecture.
3 Romans 7: 19.
4 Dr. Morton Prince treated Miss Beauchamp (one of whose selves was called 'Sally') for seven years and discussed her case in *The Dissociation of a Personality* (1906).
5 Work Wealth + Happiness. Page 801. [Hobson's note. H.G. Wells, *The Work, Wealth and Happiness of Mankind*, London: Heinemann 1932 [1931]. The quoted passage does not appear on or near page 801.]
6 Much of what follows gestures towards the theories of Sigmund Freud (1856–1939), and indeed his *Civilisation and its Discontents* had been published in German and English in 1930.
7 Victoria (1819–1901), Queen of Britain and Ireland from 1837 to 1901, had nine children.
8 The phrase 'greasy domesticity' has been attributed to Lord Byron.
9 See Matthew Arnold, *Culture and Anarchy* (1869), chapter 3.
0 Possibly an allusion to the left-leaning members of the Bloomsbury Group such as John Maynard Keynes (1883–1946) and Leonard Woolf (1880–1969).
1 Ecclesiastes 7: 16.
2 Hobson may well have in mind the British idealists: see, for example, Thomas Hill Green, *Prolegomena to Ethics*, ed. A.C. Bradley. Oxford: Clarendon, 1883, sections 175–86.
3 Alfred, Lord Tennyson, 'Ulysses' (1842), in his *Poems*, ed. C. Ricks, London: Longmans, 1969, p. 563, ll. 19–22.
4 Socrates (469–399BC), Athenian philosopher.
5 At the end of the typescript, Hobson added a handwritten 'R?', possibly indicating his intention to revise the text of this lecture.

9 The Will to Power

(30 April 1933)[1]

Although I would not go so far with Hamlet as to say 'There is nothing either good or bad but thinking makes it so'[2] I would affirm that thinking about anything makes it different from what it was before, gives it a new value and often a new intensity. This is the case with the word whose significance I propose to discuss this morning, the word 'Power'. The awkward expression 'Will to Power' comes, of course, from Germany, because Germans love to theorise and give formal conscious expression to processes which most other people, and particularly Englishmen keep in the shady background of their minds.[3] This belongs to our national tradition: we find we can act more successfully if we reduce to a minimum our thinking. We are a little suspicious or even resentful when psychologists drag out into the full light of day the hidden motives which direct our activities. While, therefore, the disposition or tendency to acquire power and employ it, is quite well recognised, we have been somewhat loth to realise and cultivate a will-to-power, to adopt power as a definite conscious object of desire. I think we are perhaps right in this reluctance, for whether we regard the individual man or the nation, the conscious cult of power, the conception of a career or a policy in terms of 'power', is the gravest possible menace to a sound personality or a true civilisation.

This conscious cult, as expressed today in a Hitler, a Stalin, a Mussolini, cannot be lightly dismissed as mere examples of the time-honoured tendency for strongwilled men to seize despotic power in periods of emergency, with the tacit or even the avowed consent of the people. For in each of these latter cases the seizure is supported by a strong body of passionate opinion, with some sort of philosophic theory or religious fanaticism behind, and therefore differing essentially from the older cruder instances of despotism.

I do not, however, wish to embark upon a discussion of these or other types of the cult of power in their wider political significance. I wish rather to direct your thoughts to the origins and nature of the urge to power, as it is found in man and operates in his ordinary life processes. But at the outset it may be well to remind ourselves that to most men and all boys today the word 'power' first calls up the image, not of any human energy, but of the mechanical energy that drives engines. And, if we proceed to analyse the power of the modern captain of industry or lord of finance, we shall find a close relation between these two sorts of power. The inventive drive of man to dominate his environment *is* the human power which has evoked the mechanical power that threatens to dominate us all, by its productive and destructive excesses in industry and war.

But though all vital activities may be conceived in terms of power, the personal issue of the conscious use or abuse of power hardly arises in the simpler forms of life. For the first call upon the life-force appears to be for the maintenance of the species: the individual organic life is devoted to reproduction and support of the succeeding generation in the family, the herd or hive. Finding the necessary food, shelter, and protection against enemies, so as to keep the group-life going, pretty well exhausts the energies of primitive organisms. If there is some surplus energy, it may go to quantitative enlargement of the group or to qualitative evolution of the individual in the interest of group life. In man alone does it appear that evolutionary progress yields increasing quantities of surplus-energy beyond the needs of maintenance for the achievement of a 'finer' individual life. The 'play' of young animals is adapted to make them fit for later activities that have a survival or a reproductive value. The play of human beings, though not devoid of biological utility, more and more takes an interest and pleasure for its own sake. As more surplus energy and leisure are available from the simpler forms of animal play, there spring all the finer arts, the dance, music, painting and all the decorative arts: the instinct of curiosity, needed and used originally to learn enough about the physical environment to get our food and move about in safety, gets a

quasiindependent value in the sciences. Long kept down by habit and superstition, the sciences and arts of conduct in the personal and collective life of man are at last struggling towards the free light of day, and are striving to put into the hitherto unconscious and wasteful processes of civilisation some conscious rational direction. This rational use of surplus vital energy is the core and potency alike of personality and of community. The ethical issue here presents itself in its most lasting form. It is the issue between the art of self-expression and the lust of power. It is not simply the conflict between egoism and altruism. It is best approached as two opposing drives of personality, the tendency to achieve personality as an inner harmony of human interests within the individual and social life, or as a self-assertion which cultivates the sense of power and makes it dominant alike over the interests of personal life and over the lives of other human beings.

Power, as we recognise, is not to be conceived as an evil thing, quite the contrary, it is the source of all human life and progress. But the lust of Power, Power valued for its own sake and for the purely selfish ends to which it may be put, is the most widespread and devastating influence in life. Perhaps this abuse of power finds its meanest expression in a self-glory which feeds on popularity, its basest expression in a domineering attitude towards others. Nowhere does the saying 'corruptio optimi pessima' find more complete verification than here.[4] The creative artist who prostitutes his genius to money and social position: the literary man or scientist who sells his soul for popularity: the typical power-man, the politician, expert in the technique of moving multitudes of voters. Such are some of the distinguished types of the 'will to power'. But the study of simpler cases among ordinary men and women is even more significant. We hear a great deal nowadays about sex-appeal (a power that was not supposed to exist, except illicitly, in my Mid-Victorian days). There are, indeed, psychologists who explain all human conduct in terms of sex and its by-products.[5] But it is surely evident that, whatever be the biological dominance of sex, its widest use in ordinary social intercourse is as an exercise of personal power. Think what an intoxicating experience it must be for a young girl to discover that her physical beauty and charm can win for her the attention and admiration not merely of the youths of her own age, but men of established position, even of aged distinction, whom she had been accustomed to regard with distant reverence. What wonder that the heady brew drives those of unset character and light disposition to cultivate the arts of the syren or the harpy, according as they value more the luring or the prey![6] Among many women of such personal attractiveness this private exercise is not enough. They crave a wider field of power; the stage, the film, the opera house, are the greatest arenas for the exploitation of this kind of power.

It will be said 'Is this not also true of men? Does not the consciousness of physical attractiveness in young men lead them to a similar exploitation of power?' But there is a difference both in the nature of the power and in its direction. We need not accept the shallow exaggeration of Byron's famous assertion

> Man's love is of man's life a thing apart
> 'Tis woman's whole existence.[7]

But even in times of sex liberty and equality in all branches of human activity, it will remain true that sex and parenthood have greater potency for woman than for man. Maternity must always be a bigger factor than paternity, and if we agree that surplus energy outside the biological purpose of race maintenance is more largely vested in man, we shall expect to find in man's life a more varied field for the study of power than in woman's. One obvious feature of this difference is the less importance attached to beauty in man than in woman. Vigour, alike in body and in mind, counts more heavily in man than beauty. About an Adonis, or even an Apollo, there always clings some suspicion of effeminacy. Manliness, virtus, rests upon a physical fitness which is that of the fighter rather than the lover. Man's field for personal display is the battlefield, or in times of peace the sports field. Physical force, courage, an element of sheer brutality, adhere to all the sports which carry manly prestige. The prize-ring is the test-case. The nearest analogue to the young queen of beauty dressed or undressed for display, on the stage or film, is not the stage Apollo but the prize-fighter, a man who realises his power to knock out any ordinary man who might confront him. Though skill of course enters into the success of every sport, it is the fighting spirit of man, primarily needed for killing enemies, and now sublimated into milder modes of combat, that wins prestige for the

modern man.

From these crude samples we see how the surplus energy of life is largely drawn away from its finer work of self-expression in a personality and a society to feed the lusts of personal pride and domination. A wider survey of modern life, though not disparaging the importance of the sexual and the fighting instincts as drives to power, will, of course, find the chief instrument for the embodiment of power and for the satisfaction of will to power in property. The power-value of property is two-fold. The personal prestige which in primitive times attached to the possessor of the largest number of skulls or scalps now attaches to the millionaire whose economic force, intelligence and cunning, with the use of appropriate political weapons, have given him a victory in the modern struggle. But what I term personal prestige, sheer pride of victory, is the more superficial element in the power of property. For the owner of property is *ipso facto* and in proportion to the magnitude of his fortune, a master of men, that is to say, he is in a position to make the wills of numbers of his fellow men bow to his will, and to realise his power by compelling others to do things that are disagreeable because he tells them to. I would not say that this domineering sentiment is the chief conscious motive in the profiteer. But it is an important ingredient in the acquisitive process. I doubt whether even the miser, who is regarded as a victim of the acquisitive instinct, would continue to gloat over his hoard of gold, if he learned that all nations had left the gold standard and that all potency had disappeared from his possession. Property is not merely the symbol but the instrument of power, power as expressed through luxurious display, conspicuous leisure and the direct command of servile obedience. Civilisation has altered the ways in which property exerts its power. When property consisted chiefly in ownership of land, the arbitrary will of the owner was exercised over known local underlings, tenants or labourers. When capitalistic manufacture first became a chief source of gain, the master-owner still realised his personal power in the autocratic control of his employees. The modern power of property, though still retaining fragments of this personal domination, has taken on a more generalised form. The power of the purse, operating through processes of investment or of purchase, is exerted for the most part over unknown workers, scattered over the whole economic system. The typical modern man of property is a shareholder, perhaps in many widely diverse businesses where he has no personal contact, either with his fellow shareholders, his employees or his customers. So likewise in his spending capacity, what he buys and the prices he pays, carry his economic power far and wide among all the peoples of the world. This diffused anonymous exercise of power is sometimes criticised by moralists as an undesirable loss of personal contact between persons whose interests and activities are vitally related. And it is true that the cruelties of slave labour in the Congo and of the plantations in Putumaya for the supply of rubber and cocoa to English consumers would not have been tolerated so long if those tropical commodities had been our own products and the producers our fellow countrymen.[8] Even under machine production a just and generous-minded employer, a true Captain of Industry (as Ruskin would have described him),[9] is moved to secure good conditions for his employees because he knows them personally, because they are fellowmen and not mere instruments of production. But here, as elsewhere, the personal relation tells both ways. A kindly master will do more good for those within his personal control than for unknown outsiders: a domineering master will be more insolent and oppressive to persons at his disposal. Upon the whole I am disposed to hold that the intricacy of modern business, with large mass-productive transport and finance, has had a mitigating influence upon the abuses of economic power. The home-workshop, the small retail store, the local money lender, were wielders of personal power far more oppressive than the modern jointstock company, the multiple shop or the big national bank. For the sort of mechanical oppression that emanates from a soulless capitalism, in its dealings with the weaker individuals and classes, is less galling, less wicked than the conscious enjoyment of personal power by the stronger over the weaker in a close personal relation, of master and servant. For only in small private areas is the lust of power capable of full enjoyment. The romantic reformers who would like to return from the machine age to medieval economic simplicity, on grounds of humanity, are under a mischievous delusion.[10] The home, as the centre of work and life, has always been a dangerous haunt of despotism. Nowhere has the naked 'will to power' such opportunity and such temptation. It is true that the family contains securities against such abuse of power in the natural affections and common interests of its members. But these affections and this community of interests are often subjected to grievous strains when, as in most homes, the personal contacts are so close and so continuous. The liberty and privacy which are

true rights of man are still forbidden to all poorer families by the narrow limitations of the home. In too many homes the natural affections of the members are frayed by excessive personal contiguity, and the constant tendency to bickering is only repressed by the arbitrary will of the stronger parent. This is an aspect of the housing problem which I would commend to the attention of any government concerned not only with the physical health but the morals of the people. There can be no real liberty, equality or fraternity, for a two or three-roomed family. Either the father will tend to revert to the despotic brutality of the caveman or seek some outside haunt of alcoholic peace. Where home despotism rests on physical coercion, the will to power is generally vested in father and husband. But as domestic life takes on more civilised ways, the stronger will of the wife and mother, with her more constant presence in the home may prevail. The growing equality of the sexes, as expressed in economic, educational and political opportunities, and the growing liberty which birth-control and smaller families have bestowed upon the woman, have done much to curb the cruder displays of the masculine dominion. Not merely among the working classes, but in bourgeois society, an immense advance has taken place within my memory. Half a century ago the ordinary married woman of the middle classes was compelled by custom to defer to her husband in all important issues of the home and family; the bearing and rearing of children at his disposal left her little liberty or time for any outside activity or for any cultivation of her own interests; so far as politics, religion, literature entered the home, it was the arbitrary choice of the father that prevailed. As the children grew up, he put out the boys into occupations chosen by him: the girls he kept in dull domesticity until they should escape into the dubious liberty of marriage. This was the normal situation for all classes, though better home relations were found among the more enlightened minority. What I describe, I do not impute to a conscious domination of the man, but rather to a rule based on custom and the consent of the governed. But none the less it was a sublimation of the will to power. It was an age when women set about consciously to practise a technique of feminine cunning and cajolery in getting the better of their masters for the management of their lives. This secret revolt has become an open one and has extended from parents to children, with the result that home life, both in its structure and its feelings, has undergone an immense change – and mostly for the better. The sham reverence for parents who were no better than they should be, the arbitrary exercise of parental authority in education, choice of work and other matters where authority was based on ignorance or prejudice, the unjust discrimination against girls in cultural and recreational opportunities, the close economy of expenditure which the large family involved[11] – the changes of the last generation have swept these follies into the lumber room of Victorian curiosities.

Here I may pause to deal with a doubt that may be lodged in the mind of some of the elders in my audience. Am I not exaggerating the evils that may come from the exercise of power, by assuming a tendency to use power for the personal satisfaction of those who possess it? Surely power[12] may be employed well as much as ill, for the benefit of others as much to their detriment. The will-to-power may be a good will. You may have a benevolent despot in the home, the business, the State, and he may conduct affairs so as to bring the blessings of peace, security and prosperity for all his underlings. To a growing number of persons in the troubled world we live in, this may seem wholly desirable. But before giving such a verdict it will be well to scrutinise a little closer the relations between benevolence and despotism. I will approach the issue once more from the narrower case of the home, citing two cases from my own close personal knowledge of the facts. The first is the case of a man of the highest intellectual character with a family to which he was passionately devoted. Though he had wide outside interests and activities, there was no matter of domestic affairs that lay outside his consideration: his quick mind knew what was best for each member of his family to do when any fresh matter for decision arose, even down to the details of what they should wear or eat, and though nothing was imposed authoritatively, none the less his decision, stifling any free judgment on their part, was certain to prevail. Everything was decided for their good but the decision was not really theirs.

The other instance was that of a woman, devoted in girlhood to the personal service of an invalid father to whose needs and caprices she administered during his declining years. At the rebound from this subjection her will-to-power was nourished by a long period of what I would term despotic devotion to the weakerwilled members of the family who lay at her disposal for her kindly ministration. She alone had initiative, the others young and old alike, gave themselves up to her suggestions: their personal wills

became atrophied from lack of use. They did not realise that they were no longer free agents, though to observers from outside the situation was quite evident. She did not realise it herself, for she was only conscious of an affectionate regard for those under her care, who seemed unable to decide things for themselves. In both these instances personal power was directed to the good of others, this sense of power in each case was screened by a genuine regard for others: in each case the unseen effects were, on the one side, to feed the will-to-power, on the other side to sap the wholesome initiative, the opportunity[13] to make one's own mistakes, that is essential to a free personality.

Now turn to the sort of will-to-power expressed in the philanthropy of the prosperous business man who is concerned for the well-being of his employees, or spends his income lavishly for hospitals or colleges or other public services. That such a man is of a far finer type of character than his fellow millionaire, who spends his money upon luxurious display, the collection of art-treasures for the sheer prestige of ownership, or invests it so that it may grow into a still bigger money-power, may well be conceded. Nor need we assume that such philanthropy is a conscious or half-conscious device of prosperous capitalism to turn the edge of envious criticism. The millionaire philanthropist may sincerely regard himself, especially if he has got religion, as a divinely appointed trustee of his wealth under an obligation to use it for the good of others less favoured than himself. He may preserve an austerity in his ways of living and discountenance idleness and luxury for his family. Lavish expenditure upon good works for the benefit of others will thus appeal to him as the best field for the exercise of his power. There is a short-sighted proverb that forbids us to 'look a gift horse in the mouth'. 'What', it may be said, 'if a millionaire philanthropist does enjoy the sense of power in seeing his money fructify in libraries, hospitals, colleges and other socially advantageous equipment. Is he not justified in his glow of satisfaction over useful work which would not be done at all, if he did not provide the means?'

There are, however, two difficulties that bar the way to accepting this plausible view of millionaire philanthropy. The first relates to the qualifications of the money maker for spending his money wisely. Getting and spending are not only separate arts, they are opposed arts. Great wealth either comes by inheritance, or is obtained by methods in which hard bargaining, close concentration upon concrete business schemes, bold seizure of opportunities, are principal ingredients. The acquisition of wealth is always, even where high personal ability and industry are engaged, a distinctively selfish process, which tends to disqualify the successful practitioner from knowing how to spend his money for the benefit of others. Take the case of the elder Rockefeller, who built up the largest fortune of his age upon the successful and unscrupulous exploitation of the oil industry.[14] His close devotion to business throughout his working life prevented him from acquiring any knowledge of the arts and sciences which were transforming the community in which he lived. Though much of his lavish benefactions has gone into institutions for the encouragement of education, research, and other cultural activities, such useful employment of his surplus wealth cannot be regarded as the natural fruits of his business career, but rather as a fortunate result of outside pressures unrelated to the tastes or interests of the donor. In such expenditure there is no economy comparable in skill with the economy of acquisition. Why should the ability to make money for myself qualify me for spending it for others?

The other objection is even deeper-rooted. The rich donor, who, acting on his own sympathies or on the skilled advice of others, bestows his charity upon the most vital needs of society, is actually preventing that society from taking its own measures and exerting its own powers for the satisfaction of these vital needs. This applies not only to the charity of the rich but generally to the loose dependence upon charity for measures that belong to social justice. The plainest example is afforded by setting attractive and pushful young women to cajole from casual passers-by the much needed finance for hospitals which should be furnished from the public purse.[15] Financial insecurity is thus imparted into institutions where sure provision for the present and the growing needs of a literally vital service is of primary importance. The injury done to the spirit of organised self-help in a community in matters of hygiene, education and recreation by dependence upon private charity is the greatest example of the misapplication of money-power.

Politics is however the most familiar field for the display of the will-to-power. The distinction drawn between a politician and a statesman deserves some attention. An American account of the distinction defines a statesman as 'a successful politician who is dead', that is to say death lays a pall of

respectability upon an otherwise dubious career.[16] Even in this country the title politician, though not exactly a term of disparagement, is apt to evoke some sense of selfseeking. A politician is not, we feel, entirely consumed with a desire to serve his country: some personal ambition is conceded as a useful spur. Now there is nothing inconsistent in these two urges to political success, provided that the narrower personal desire does not dominate. A certain amount of self-importance, a hankering after popularity may be a useful spur to public services. A politician, to do good work for his country, must have the support of public opinion in his favour. He must secure that support by pledging his personal career to the furtherance of certain policies. And here he must make himself a skilled performer on the platform, in the press and by the practice of social amenities. His whole personality thus easily becomes enmeshed in his political career, a career of successful conflict for new instalments of personal power. In this struggle the politician who is a vulgar careerist, soon acquires an aptitude in shedding past committals and in utilising new opportunities to strengthen his personal position. Or he may realise political influence in terms of a lucrative post, or even in financial graft. But far more insidious is the danger of the politician whose personal will-to-power takes shape in devizing a scheme of government under which this personal will shall displace the feebler instruments of popular or party rule and establish a benevolent dictatorship in the political field corresponding to that of the millionaire philanthropist in the economic field. It is foolish to assume, as many do, that a Mussolini, a Hitler, a Stalin, are mere megalomaniacs who by organised force or the grasping of some passing opportunity have placed themselves in the seat of autocracy. The will to power that was satisfied with such success would be far less dangerous, than the tyranny which by its good intentions or even its able administration, hypnotizes or paralyses the will of a people into an acquiescent or even an enthusiastic acceptance of policies, which are in no true sense *their* policies. The worst achievement of the will-to-power is this assassination of the popular will. It is no excuse to plead that democracy has been a failure, that the peoples of Italy, Germany, Russia, even America and Britain, consent to a Government in which they have no power or little power. One of Lincoln's great sayings was that 'Self government is better than good government'[17] which, rightly interpreted, signifies that progress and prosperity gradually secured by the liberty to make one's own experiments and correct one's own mistakes, is better than the quickest and most lavish benefits of autocracy.[18]

The crude denunciation of autocrats as mere selfish schemers after personal power, in order to gratify a sentiment of self-importance by making their will prevail over the will of others, is usually based on a too simple or a false analysis of motives. In order to understand the art of winning power, the politician must possess some genuine sympathy with the needs and feelings of his fellows. In exercising power he must have some consideration for those who are to carry out his will. Even if he applies crude force to break his enemies, he must secure the aid of an enthusiastic following by personal magnetism, and the rhetoric of persuasion. He must convince others of his good intentions, of his public spirited policy, and in order to convince others he must first convince himself. Behind these arts of persuasion there will lie the half-conscious but intense and persistent craving to be a power, to realise himself as a great performer on the stage of history. This perilous craving becomes so dominant as to see in every course of action which feeds it the performance of a public duty, until gradually every principle, every sympathy, every dictate of conscience, is made subordinate to a vanity so self-assured that it never needs to look into a mirror. But such complete dominion of the will to power is seldom as absolute as it appears. No man can subsist upon his own self-satisfaction. A one man despotism is impracticable. Power must always be delegated to others and the confidence of these others can only be maintained by sharing the spoils of power. So the will-to-power comes to possess a group, a party, a Government, a Nation that deems itself commissioned by Providence or Destiny to carry out a mission of civilisation, by restoring public order and repressing banditry, by teaching the dignity of labour to idle nations set to develop the resources of their country for the enjoyment and enrichment of the world. A whole bevy of disinterested motives can shelter comfortably under a well rationalised will-to-power.

1 Lecture to the South Place Ethical Society, 30 April 1933, reported in *The Monthly Record*, June 1933, pp. 4–5. Title page: 'The Will to Power/ S. Place lecture/J.A. Hobson,/3, Gayton Crescent,/ Hampstead, N.W.'

2 William Shakespeare (1564–1616), *Hamlet, Prince of Denmark*, act 2, sc. ii, ll. 239–40.

3 The German philosopher and philologist Friedrich Nietzsche (1844–1900) coined the phrase 'will to power' ('Wille zur Macht') in his *Also sprach Zarathustra: Ein Buch für Alle und Keinen* (*Thus Spoke Zarathustra: A book for everyone and no one*) (1883–85), part 1,

section entitled ‘Of the Thousand and One Goals’, repeating it in part 2, sections entitled ‘Of Self-overcoming’ and ‘Of Redemption’. H returned to the idea frequently in his subsequent writings.

4 ‘Corruption of the best is the worst’ was used to express the essence of the Church’s condemnation for heresy of Bishop Marcion (110–160 CE).

5 A reference to the work of the Austrian psychoanalyst Sigmund Freud (1856–39) and his school.

6 In classical mythology, the Sirens were sea nymphs who lured sailors to destruction. Harpies, ‘snatchers’, personified the demonic forces of storms and were represented as vultures with women’s faces.

7 George Gordon, Lord Byron (1788–1824),*Don Juan*, Canto 1, 1545–6, in *Lord Byron: The Complete Poetical Works*, ed. Jerome J. McGann, 6 vols., Oxford: Clarendon Press, 1980– 1991, vol. 5, p. 71.

8 Native populations were used as slave labour in the Belgian Congo by the agents of King Leopold II of Belgium (whose private fiefdom was until 1908), and on plantations along the Putumaya River (Colombia) by the agents of the Peruvian Amazon Company from ca.190 until ca.1914.

9 John Ruskin (1819–1900), social and art critic. In fact, the phrase was coined by Thomas Carlyle (1795–1881), see for example, his*Past and Present* (1843), book 4, chapter 4.

0 Probably an allusion to Ruskin, William Morris (1834–96), designer, manufacturer, socialist, and the Pre-Raphaelites.

1 MS orig.: ‘required’.

2 MS del.: ‘is needed for all activities and it’.

3 MS orig.: ‘right’.

4 John D. Rochefeller, sr. (1839–1937), industrialist and financier, became one of the richest men in history through the Standard Oi Company, which he created in 1870 with the help of his brother William Rockefeller (1841–1922). See also H.G. Wells,*Work, Wealth and Happiness of Mankind*, London: William Heinemann, 1932 [1931], pp. 445–54, 817–25.

5 Probably a reference to ‘Hospital Sunday’. From the 1870s, a special collection was made by nurses for hospitals in churches one Sunda each year. Later, it became customary for street processions and collections to be organized.

6 The definition was offered by the US Congressman Thomas Brackett Reed (1839–1902), Speaker of the House of Representatives 1889 91.

7 Hobson misattributes this phrase to Abraham Lincoln. More commonly, it is attributed to Sir Henry Campbell-Bannerman (1836–1908) British Liberal politician, Prime Minister 1905–08 and advocate of Irish Home Rule.

8 MS del.: ‘And this judgment must be strengthened by the reflection that both history and analysis of human nature show that autocracy, alike in its narrower or broader fields, always tends to sacrifice benevolence and wisdom to the wild cravings of the will-to-power.’

10 The Popular Mind[1]

(28 May 1933)

Is there such a thing as a popular mind? If so what is it? I have to put these questions at the outset of this discourse, because there are some psychologists who would rule out my subject as meaningless. A people, they would say, has no mind. Only individual men and women have minds. This objection is plausible, but is it valid? For ordinary purposes of thought and conduct a mind is something in a body which feels and thinks and wills: some of these feelings may figure as sensations, others as emotions, and some of the thinking and the willing may go on underground in the subconscious. If, accepting the dualism of mind and body, we say there is no mind without a body, can we rule out the existence of a popular mind, by saying it has no corresponding body? As the cells which compose a body have some separate life of their own, and yet are combined in and contribute to the organism as a whole, it is possible to hold that a closely organized society is an organism with a body and mind of its own. This idea seems not unreasonable as an account of a hive of bees, where there are bodily distinctions corresponding to the different functions of queens, workers, drones in the life of the hive. Or, again, in a herd of animals, the identity in modes and times of feeding, breeding, migration and other activities is such that we easily impute to them a common mind, animating the common body of the herd.

But though in my writings I have sometimes tampered with the use of the term organism, as distinguished from organization, to describe a group or society of men and women, I have always got into difficulties with others and with myself for doing so.[2] The reason is that each of us experiences so powerfully his separateness both of body and mind, even from those who form his closest associates in family or other grouping, that his mind appears to him his unique possession, under his own control and operating for his own interests. His thought and emotions are, he recognises, influenced by his sympathies with others and by common interests and activities. But none the less his personality is separate, he feels himself free to direct and withhold his sympathies and his cooperation, and to think as he likes and will as he pleases. He sees society as a voluntary organization of free and separate members, coming together for some common ends, but in no sense as an organism in which the good of the whole governs the lives of each of the members or cells.

The unique value of our free separate personality appears to each of us so precious that we are exceedingly reluctant to admit ideas or facts which indicate that our minds are less separate and free than we imagined. Here is the problem for our discussion. How free and separable are our minds and what are the influences which tend to generalise them?

This value we set upon our free separate personality is not seriously damaged by the knowledge that others are made in body and mind, in feelings, thoughts, interests, activities and aspirations, very much like ourselves. For it is not the 90 per cent in which we resemble our neighbours but the 10 per cent in which we differ that is of dominant interest to us. A recording Angel,[3] or any onlooker from another world, would certainly be impressed by the drab uniformity of most men's life on earth, whether they were tillers of the soil, factory workers, clerks in offices, home dwellers in cities or villages. The little differences of their behaviour or of happenings would seem to him ridiculously small, mere chance divergencies from a common pattern. If he regarded them otherwise than as automata[4] conforming to a similar environment, if he attributed to them any mind at all, it would be the same sort of mind for all. This also, it might be said, would apply to their bodies. The varieties in shape and height and face and deportment would seem very slight as contrasted with their common structure. But there is this difference. Bodies are like one another by descent from common ancestry and by the moulding of a common physical environment. But minds are alike not merely by reason of inheritance from the same stock and by subjection to the same environment, but because they imitate one another, interpenetrate, engage in sympathy, communicate their thoughts,

feelings and opinions to one another. So you would expect to find a larger similarity in their minds than in their bodies. There is the inborn resemblance in the minds of different persons, the response to the stimuli of a similar environment, and the conscious conformity to common ways of thought, feeling and behaviour. Here is a basis for the notion of a popular mind. It does not, of course, signify that there are not exceptional divergences from this common type. Indeed, it must be admitted that the mental divergences are even greater than the physical. The creative imagination of a Shakespeare, or the memory of a Macaulay, appear to have a far larger superiority over the average mind than the tallest giant has over the average body.[5] But these high qualities of genius, undoubtedly inborn in origin, do not militate against the acceptance of a high degree of conformity of feeling, thought and conduct in the great majority of members of a group, nation or other society. We are not, indeed, bound to accept the notion of a group-mind, or a social consciousness functioning through a social organism. The popular mind, with which we are here confronted, may simply mean the prevalence and dominance of certain ways of thinking and feeling which impose common rules or habits of conduct upon the members of a society.

With the inborn character of this popular mind and the moulding of climatic and other physical conditions, important as they are, we are not concerned. Nor are the contacts between minds engaged in ordinary intercourse, as members of the same family or trades or other social group, the subjects of my inquiry. All people who live together, or are engaged in the same occupations, will have common interests and opinions related to them, and will carry those interests and opinions into their politics and other cooperative action. Thus the popular mind would seem to break up into a good many group-minds. Schoolmasters, doctors, lawyers, busmen, city clerks have quite definite group-minds.

But only in recent times has the conscious education and formation of a popular mind in the wider sense become possible. In the closer numerous contacts of large town life, embracing an ever increasing proportion of the population, in the common processes of schooling, the influence of the newspaper, the radio, the cinema, impressing or imposing the same body of interesting information, opinions, emotions, upon an ever larger public, there are forces which would seem directed to stereotype the mind by feeding and strengthening those elements that were common to all sorts and conditions of men, and starving or weakening all individuality and peculiarity of thought, feeling and interests, those qualities which we are accustomed to associate with freedom and progress.

But are we right in imputing to these influences the repression of individuality? We have admitted that there is more likeness than unlikeness in people's minds. It is, therefore, right that education should be directed largely to feeding these common qualities of minds, and that most men should read the same books and papers, attend the same popular performances, engage in the same sports and recreations. But it is also true that what I call the ten per cent of difference between one man and another urgently needs recognition and nourishment. Do the modern forces tend to overstandardise the individual, overconventionalize his mind and habits and repress the germs of originality?

This is the outstanding question. We are not justified in *assuming* that the net effect of this common education, this standardisation, is injurious to personality, originality and freedom. The common body of instruction given in school to all children alike conforms to the truth that they are in mental make-up largely alike and that the society in which they are to live requires a certain amount of conformity. But, rightly regarded, these common standards are the jumping-off places for free personality. It is not even true that reading the same newspapers and books, and going to the same plays and cinemas, force people to think and feel alike. In so far as by innate vigour[6] they are disposed to think and feel for themselves, to assert themselves against authority, to question the statements and opinions which it is sought to put upon them, this self-assertion will exercise a resisting and selective influence. There is a widespread disposition to kick against a drab conformity even when it figures as 'good form' and respectability. There will always occur the stout resistance of a considerable minority, preferring personal liberty to easy submission and enjoying the struggle to assert their own preferences against authority. But a considerable amount of conformity and standardisation is desirable in the interests of liberty of thought and progress. The ablest minds assert their originality most effectively by accepting and transcending the accepted standards of attainment. Even in the world of science an Einstein could not transform the basic conceptions of physical science unless he had been educated on those very conceptions which he came to question.[7]

But with all due admission of the needs of such standardisation and conformity, the dangers to personal

liberty in thought and action from abuses of those influences is real and very urgent. Readers of history cannot fail to realise that underneath the fine facade of civilisation, with its equitable and reasonable institutions,[8] there always lurks a primitive savagery to which unscrupulous demagogues can appeal in moments of chance or fabricated crisis to enable them to crush their enemies and establish a dominion of force. Man is nowhere as reasonable, as moral, as civilised, as he thinks and pretends to be. The discovery of the fine art of arousing the primitive emotions of the savage and utilizing them for personal or group dominion is not of course entirely modern. The appeal to the Roman mob by Anthony in Shakespeare's Julius Caesar is an interesting forecast of the more elaborate modern methods of a Hitler, a Stalin, a Mussolini.[9]

I have laid stress upon two very different characteristics of the popular mind, first, its conformity to routine accepted habits, ways of thinking, valuations, standardization in work and life, a conservative submissive mind: secondly, a secret background of primitive superstition and passion which can be brought into sudden destructive activity by skilful appeals in moments of emergency. This latter in its crudest form is the mob mind, capable of believing the most incredible statements directed against real or imaginary enemies, and of acting with a fury and a folly that knows no bounds. 'Mob' is the correct designation of this mind, for its peculiar 'mobility' is what the agitator learns to play upon. But it is well to remember that this mobility is the survival of the savage, credulous and fearful in a dangerous and unintelligible world, with little knowledge for his guidance and protection. Now as man's knowledge and control[10] of Nature grow apace, it might be supposed that his reasonable sense[11] of security, his understanding of how things happen would displace and destroy the early barbarism of thought and feeling. It should, indeed, be the chief business of education to do this very thing: to teach self-control and reasonable judgment based upon tested knowledge of nature and of man. The sciences have, indeed, made wonderful progress in enabling man to protect himself against the violence of external nature; plague, pestilence and famine no longer ravage civilized communities. Man has discovered, tamed and harnessed to this purpose, the physical resources and powers of the earth. But he has made no corresponding progress in protecting himself against the violence of his own passions and follies. The processes we call Education have here a heavy weight of guilt to bear. For they have so far failed to develop reasonable self-control in individuals and nations. Nor is it the crude instruction in our popular schools, the absence of any serious attempt to arouse intellectual curiosity and to train the reasoning powers to deal with human problems that is the most disconcerting aspect of this educational failure. When the Great War broke out, the strangest mental exhibition was not the credulity and ferocity of ordinary men and women in each combatant country, eagerly and easily repeating and believing the most extravagant mendacities about enemy atrocities. It was the mobilisation of the intellectuals of each country behind their national[12] banners of hate, the virulent abuse poured by famous professors and literateurs in this country and in Germany upon one another, accompanied by a ludicrous disparagement of one another's intellectual achievements.[13] High mental qualities, training in science, philosophy, and especially in theology, seemed to inflame the ferocity of these emotional tirades. In the ranks of our rationalist leaders, as in the ranks of our theologians, this inflammation raged.

Or take the amazing instance of the Nazi revolution in Germany. That people has for several generations devoted itself to the highest forms of education with a zeal unequalled in any other great people. The larger professional and business classes and indeed their bourgeoisie in general have a far wider range of cultural training and interests than the corresponding classes in this country. And yet it has been from these ranks that Hitler drew the earliest of his active adherents. The bulk of the teachers and most of the students in the great German universities are fervent Nazis.[14] But what is most significant is the fact that this intellectual training affords them no power of resistance to the preposterous doctrines regarding the Nordic and the Jewish races which have figured so prominently in this wild outburst of passion. Nay this bad and biassed history is found highly serviceable for patriotic propagandism.

When the widening of the franchise in this country first placed the instruments of representative government in the hands of the people, a well-known statesmen, Robert Lowe uttered the oft-quoted statement 'We must educate our masters'.[15] The liberal political ideal was that an educated electorate would, through the intelligent choice of its representatives, become a true democracy, wielding free

powers of self-government. This seemed a reasonable hope. But its realisation implied an assumption which has never been fulfilled, that the spread of education, taken in conjunction with the bestowal of political power, would maintain a continuous, intelligent, and keen interest in the work of Government. Now this assumption has not been verified. Some would explain this failure of effective democracy by the growing complexity of modern government and the diminishing control the House of Commons exercises over the determinate[16] acts of the Cabinet, and of the permanent officials who administer and often make the laws. But though the political issues of our time are of far graver and more vital import than those that figure in the great Victorian times, the popular mind makes no serious attempt to grapple with them or to bring any continuous force of public opinion to their settlement. I shall be told that in times such as these the economic struggle for life both among our business and our working classes compels them to narrow outlooks and absorbs their thoughts in day-to-day tasks and risks. What time and energy have they left for an enlightened following of public affairs? Now an obvious comment upon this statement is that there never was a time when the larger movements of public affairs, economic and political, material and immaterial, impinge more closely upon private personal interests. What Governments are doing today, and still more what they are failing to do, are literally bread and butter matters for all of us. And yet only a very small minority of any class seriously concerns itself with the state of a world smitten with more dangerous maladies than in the past course of human history and apparently unable to find any effective remedies. If democracy were indeed a reality, it might be expected that the great heart and the sound head of the people in this and other countries would be earnestly engaging in concerted measures for the defence of civilisation. No such thing. While little knots of economists, financiers, politicians wrangle among themselves about causes and remedies, the general mind devotes nearly all the thought it can spare from its daily task to test matches, horse-races, air flights, golf and other sporting records, recreations and amusements. Let there be no mistake; these recreational and sporting events, with their gambling accompaniments, are the dominant interests of all social classes. A few weeks ago when several public issues of vital moment were astir, the greatest of our newspapers gave the first place in its correspondence column to the question of better turf for putting greens.[17] A just revelation of values among the gentlemen of England! Science, art, literature, religion, politics are of quite secondary importance. The labour and interest of attempting closely to follow the most important issues of our material and world life have no appeal to the people. Such a popular mind is almost destitute of self-defence when strong-minded business groups or politicians[18] find it necessary to win the consent of the electorate to the policies which promote their interests. ‘Bread and the Circus’ were the device which Roman autocracy discovered for assuaging popular discontents. The dole and the pictures are our modern equivalents.[19] But something more is wanted today of the popular mind than mere acquiescence. The people is sometimes required to play an active part. The consent of the governed at certain crises must be whipped up into enthusiastic support. Support of whom or what? The simple belief in the possibility of Government of the People for the People by the People is no longer credible even by those who wish that it were possible. It has been displaced by the Wellsian formula of Government of the People for the People by a self-chosen but accepted oligarchy of honest and efficient experts.[20] Unfortunately there seems no adequate guarantee that the persons who choose themselves for the task of government shall be honest or efficient. Some of them may be honest in their intentions and in belief in an efficiency they do not possess: others may possess efficiency but it is directed to selfish ends by unscrupulous methods. I spoke last month of the ‘Will to Power’.[21] Never have such opportunities been presented to the able megalomaniac. The perilous situation in which every nation finds itself today is everywhere a temptation to a potential Mussolini, Stalin, Hitler. We in this country often boast that class-war, with the emergence of some Fascist or Communist dictator, is inconceivable. Perhaps it is. But can the same assurance be given about America. Listen to this statement made by Woodrow Wilson. ‘Don’t you know that some man of eloquent tongue, without conscience, who did not care for the nation, could put this whole country into a flame? Don’t you know that this country from one end to the other believes that something is wrong? What an opportunity it would be for some man without conscience to spring up and say: “This is the way – follow me” and lead in paths of destruction.’[22] In other words, the new despot may be fool or knave, or both, but may get himself clothed with the authority of the people. For that great American, Abraham Lincoln, overrated the protective value of Democracy when he declared ‘You cannot fool all of the people all the time.’[23] The despotism of an individual or a class does

not require more than the ability to fool a sufficient number of the people at certain moments of emergency. At these moments it is necessary for the fine art of propaganda to be applied to rouse the popular mind from a dull acquiescence to a fanatical enthusiasm. Blank ignorance is not a favourable condition for successful propaganda. You need a people with what Walter Lippman calls 'pictures in our heads' and emotions related to those pictures.[24] The pictures need not, indeed must not be quite clear; verbally they take shape in rhetorical clichés about King and Country, the Empire, the Balance of Trade, the Laws of Supply and Demand, Free Competition, the Aryan race, the Class War and a score of other heatcontaining phrases. For the propagandist they are the means by which fanatical devotion to a skilfully falsified cause and leader may be evoked, while the fears, hatred, and blind credulity of the savage in our background are utilised to crush or cow into submission the enemies of our holy cause.[25] The overwhelming mass of the Russian people probably believe that their dire distress and poverty are attributable to anti-revolutionary conspiracies. In Germany concealment of all unpleasant incidents has served to feed intense nationalism by a passionate resentment at foreign falsehoods.

In face of such experience what are we to say to those who stake the safety of our tottering world upon 'a race between education and catastrophe'?[26] It seems as easy to stampede the populace of educated Germany as the crude proletariat of Russia. A little knowledge, a low level of education, are favourable conditions for interested propaganda. Nor is that the worst. Scientific experts, historians, philosophers, men of learning in all departments, cannot, it appears, be relied upon to support those liberties of thought and speech and action which are the very lifeblood of a sound intellectual system. Nor is this mere timidity, a cowardly truckling of the man of thought to the man of action. Acquaintance with the academic life in every country make the disconcerting discovery that free-thought is not the prevailing atmosphere in these quarters, that intellectual bias and the adoption of forcible means for the suppression of heresies, under the name of intellectual discipline, are widely prevalent. It is exceedingly difficult to get rid of that state of mind, which, realising the importance of certain truths to the fabric of social or intellectual order, is unwilling to allow them to be denied or questioned. It seems to such men a sound economy of thought to confine free criticism and speculation to really disputable propositions, and not to direct them at the settled foundations. There are today men of great learning to whom Einstein is a wicked disturber[27] of the intellectual peace,[28] just as Epsteinis in the aesthetic field.[29] What I am contending is that, if the culture of an educated class is a feeble safeguard against the determined policy of strong groups of domineering politicians or business men, it is difficult to conceive that the vigour of the popular mind, working as public opinion or the general will, can defend itself against the new arts of propaganda wielded by expert practitioners and accompanied by a forcible repression of all counter-propaganda.

But are there no defences, no securities for recovery and progress, and has the popular mind no serviceable part to play? Is democracy, with all its hopes, claims and aspirations, a bubble that has burst? Perhaps I have overstated the danger of the situation on both sides. The resistance of the popular mind to ideas and policies inspired in it may be greater than I have represented it to be, while on the other hand disinterested and public-spirited leadership may assert itself, or be thrown up, in times of grave emergency. In other words, there may be a rally of that force which I call 'common sense', which contains an element of reason, some intuition of a warning character, and a certain courage of experiment in moving forward.

This is not mere mystical speculation. It is a hypothesis necessary to explain the admitted progress man has made in the past. On the whole man must have been right oftener than he was wrong. He must have followed good leaders more often than bad. He has often been put in grave perils, but has usually escaped by virtue of some collective self-preserving energy of mind. To give conscious direction to this energy is the greatest educational need today. To substitute reasonable experiment for the former fumbling policy of 'trial and error' demands that cultivation of the reasoning faculty which hitherto has played a trivial part in our educational system.

By close reasoning on concrete facts the material fabric of the civilisation has been built up through the ages. The arts of language, measurement,[30] and other modes of human intercourse, the social institutions by which men have cooperated for their common gain, are products of a reasoning faculty. The initiation in each step of this process of civilisation is taken by individuals of exceptional capacities of mind and

courage. But the general mind must be sufficiently reasonable to recognise the value of each advance and to adopt it. By this process of acceptance the combination of security and progress has operated in the past. But we have now come to a situation of great and widespread emergency, of which the chief feature is the inability of social institutions, such as capitalism and representative government, to adapt themselves to the rapid changes which the physical sciences have imported into the social system.

Hence the urgency of this new appeal to reason. Our political and economic governments are out of date, hopelessly incompetent for the successful handling of the vital issues of our economic life. The first result of realising this impasse has been a spirit of bewilderment and despair that has made it possible for personal or group dictatorship to fasten themselves upon cowed and submissive peoples. The possibility of such an occurrence[31] in this country is commonly rejected. We are not a submissive people prepared to bow to a fascist or a communist tyranny. So it seems now. But we ought not to be overconfident. Suppose that the economic and political situations, bad as they are, should worsen: suppose that recovery is not just round the corner, that the economic struggle of the nations for livelihood and trade, combining with further outbursts of political nationalism, threatens us with the unspeakable horrors of another war. Could we then rely upon the fundamental sanity of our popular mind suddenly exposed to the propagandist forces of the radio and the press? Those of you who contemplate the possibility of such a crisis must look around for bulwarks of defence strong enough to break the force of such an attack upon free institutions in this country. I have criticised the inadequacy of our popular education. Nevertheless it is to a more rational education we must look for the safeguarding of our popular liberties. We cannot hope to get habits of close reasoning and criticism into the majority of the working or any other class. Most people have no desire to think for themselves and nothing will make them. But there are minorities who are willing to think and are capable of some reasoning, men and women making no formal claims to authority, but none the less wielding influence and even a measure of leadership among their fellows. Groups of these intelligent citizens, members of W.E.A. or other educational groups, active in the political organizations, in local parliaments, on local councils, in Women's Institutes, are found in every part of the country.[32] It is to the strengthening of such trusty groups that we must look for the defence of democracy in this country. They alone can enable the credulous and emotional mind of the masses to resist the audacious inflammatory propaganda which here as elsewhere the propertied and ruling classes might not scruple to employ, in order to enforce control and discipline in extreme emergencies.

1 Lecture to the South Place Ethical Society, 28 May 1933, reported in *The Monthly Record,* June 1933, pp. 4–5. Title page: 'THE POPULAR MIND/S.P. Lecture/J.A. Hobson, 3, Gayton Crescent,/ Hampstead, N.W.'

2 Reviews taking issue with Hobson's use of the notion of the 'social organism' were legion. The following three are typical: regarding Hobson's *Social Problem: Life and work* (1901), see S.J. Chapman, *International Journal of Ethics*, vol. 13, no. 1 (October 1902), pp. 112–114 regarding his *Work and Wealth: A human valuation* (1914), see W.K. Wright, *Philosophical Review*, vol. 24, no. 3 (May 1915), 335–36, and M.S. Handman, *American Economic Review*, vol. 5, no. 2 (June 1915), 314–15.

3 See John M. Hobson's introduction to the present volume for a sustained discussion of (and by) the 'Recording Angel'. See also John A Hobson, *The Recording Angel. A report from Earth*, London: George Allen and Unwin, 1932.

4 MS orig.: 'automatic'.

5 William Shakespeare (1564–1616), playwright and poet. Thomas Babington, Lord Macaulay (1800–1859), politician and historian, renowned for his remarkable memory.

6 MS orig.: 'weakness'.

7 Albert Einstein (1879–1955), German-born theoretical physicist, known best for his revolutionary 'special' and 'general' theories of relativity.

8 MS orig.: 'institutes'.

9 William Shakespeare, *Julius Caesar*, act 3, scene ii, ll. 65–250. Adolf Hitler (1889–1945), Austrian, Nazi dictator, was appointed Chancellor of Germany in 1933 and immediately began to instigate the Third Reich. Joseph V. Stalin (1878–1953), Georgian, dictator, General Secretary of the Communist Party of the Soviet Union (1922–53). Benito A.A. Mussolini (1883–1945), fascist dictator, Prime Minister of Italy, 1922–43.

0 MS orig.: 'his love'; which was replaced by 'control'.

1 MS orig.: 'source'.

2 MS orig.: 'natural'.

3 In this context it is interesting to read Hobson and Ginsberg's analyses of Hobhouse's attacks on Hegel and Bosanquet, in John A. Hobson and Morris Ginsberg, *L.T. Hobhouse: His life and work*, London: George Allen and Unwin, 1931, pp. 49–60 and 178–206, respectively.

4 For example, the German philosopher Martin Heidegger (1889–1976) had been elected Rector of the University of Freiburg the month before Hobson gave this address, praising Nazism in the inaugural lecture 'The University in the New Reich', which he gave the day before Hobson gave his lecture. Carl Schmitt (1888–1985), the German philosopher, political theorist and jurist, professor at the University of Berlin, had joined the Nazi Party on 1 May 1933.

5 Robert Lowe, Viscount Sherbrooke (1811–1892): 'I believe it will be absolutely necessary that you should prevail on our political masters to

learn their letters.' 15 July 1867, *Hansard*, col.1549. The remark was made during the debates that led to the passing of the Second Reform Act later that year.

6 MS orig.: 'determinist'.

7 A debate on 'Turf of Putting Greens' was initiated in *The Times* on 13 March 1933, running until 15 April, with letters from Reginald Beale Nathaniel Lloyd and T. Simpson.

8 MS del.: 'political economists'.

9 The phrase 'bread and circuses' comes from Juvenal, *Satires*, 10, ll. 77–81. Unemployment benefit (the 'dole') and the cinema (the 'pictures') became increasingly significant during the 1930s, of course.

10 A recurring theme in the political writing of H.G. Wells (1866–1948) from *Anticipations* (1901) to *The Shape of Things to Come* (1933). See especially his *A Modern Utopia* (1905).

11 See the preceding lecture in the present volume.

12 Woodrow Wilson, *New Freedom: A call for the emancipation of the generous energies of a people*, New York and Garden City: Doubleday, Page, 1913, p. 46. Wilson (1856–1924) was the twentyeighth President of the United States of America (1913–21).

13 Abraham Lincoln (1809–1865), American President 1861–1865. The anecdote is apocryphal, first being published in A.K. McClure, *'Abe' Lincoln's Yarns and Stories*, Chicago: John Winston, 1901, p. 184.

14 The US intellectual and political commentator Walter Lippmann (1889–1974) entitled part 1, Introduction, pp. 2–32, of his *Public Opinion*, New York: MacMillan, 1961 [1922], 'The World Outside and the Pictures in Our Heads'.

15 MS del.: 'The cynical observer may extract an intellectual pleasure from the sheer silliness of the framed up [MS del.: 'bogus'] charges of a Moscow trial staged as an explanation of the failure of the Plan, or of the fabricated disclaimers of violence by the Hitlerites. But the fac remains that they serve their purpose.' Even before the more famous purges that began in the late 1930s, show trials were widely used propaganda devices in the Soviet Union. In March 1933, six British engineers of the Metropolitan-Vickers Company were arrested fo 'sabotage, aiming at the destruction of electrical stations, and the undermining of the electrical industry' (14 March 1933, *The Times*). The resulting 'Moscow trial' provoked a diplomatic crisis between Britain and the Soviet Union. Between 22 and 25 May 1933, *The Times* carried a series of four daily special reports regarding the show trials.

16 'Human history becomes more and more a race between education and catastrophe', H.G. Wells, *Outline of History*, New York: Garden City, 1920, chapter 40, section 4.

17 MS orig.: 'destructor', 'destroyer'.

18 MS orig.: 'power,'.

19 Jacob Epstein (1880–1959), American-born modernist sculptor although took British citizenship in 1907.

20 The word 'measurement' is circled with an asterisk to '+? [MS del.: 'movement']' in margin.

21 MS orig.: 'a bouleversement'.

22 The WEA or 'Worker's Educational Association' was founded by Albert Mansbridge in 1903 (adopting its current name in 1905) to provide educational opportunities for adult workers. The Women's Institute (WI) was founded by Adelaide Hoodless in 1915, to enable women to help with the war effort and to protect rural life. For the wider background on both the WEA and the WI, see Jonathan Rose, *Intellectual Life of the British Working Classes*, New Haven and London: Yale University Press, 2001. Hobson explored some of these issues in his undated and still unpublished South Place lecture 'The Magic of Words' (see my 'Note Regarding the Texts' above).

11 Is International Economic Government Possible?[1]

(1933)

'These times touch moneyed worldlings with dismay' wrote Wordsworth at a time when British Channel trade was jeopardised and an invasion of our coasts by a French army was believed to be impending.[2] But Wordsworth might have been less scornful if he had remembered that all of us are 'moneyed worldlings', that even he in his simple life did not make his own food and clothes but had to use money he had earned, or rather had not earned, in order to purchase these necessities of life. The acquisition of money may play a greater part in the minds and activities of some of us than of others, but its possession and its use are essential to our life. It is also the prime basis of human intercourse, the medium of that elaborate interchange of goods and services by which men unknown to one another in the most distant countries cooperate so as to build up the material fabric of civilisation. Gradually with the improvements of transport by land and sea, money conquered space: the gold or silver which gave it substance passed into the markets of the world more easily, more abundantly and more safely, stimulating everywhere a corresponding flow of goods and services. Even the paper notes which represented it came to attain nearly the same fluidity and acceptability, as the cash itself. Moreover this money, unlike most of the goods it handled, was virtually imperishable: neither moth nor rust affected it. You could keep and store it, or invest it in 'gild-edged securities'. It would stay put. Money had conquered time as well as space. It was the standard and the store of Value. Though there were fluctuations in the purchasing power of money, these were nearly always slight and slow, and did not seriously concern ordinary men and women.

A man with plenty of money felt safe and important. His neighbours valued him accordingly. Though other criteria of human character and life existed, it is significant that the question 'What is he worth?' always related to his money. This association of value and worth with the monetary standard contains an entire criticism of modern civilisation. When Ruskin insisted that 'value' is that which avails for life he was met with derision, and there are still economists who meet all criticism of the ethics of capitalism by the contention that every man tends to get what he is 'worth'.[3]

But I am not today concerned with a moral indictment of the economic system, but with the staggering blow that has been struck at the financial heart of that system.

People have always gladly sold their labour and abilities, their goods and services, for money, because they believed in the stability and mobility of money. It could perform most 'vital' services, enable them to satisfy most of their desires. Most of our instincts and desires demand money for their satisfaction. Most of the necessities and pleasures of life, houses, travel, personal display, wives,[4] social position, health, titles, political power – all the kingdoms of the earth, are open to the power of the purse. This is perhaps an exaggeration of the money-power. It remains true that there are large fields of human value which money cannot buy. The qualities of love and friendship, with all they signify for life, the acquisition of knowledge and the exercise of the understanding at a time when science is opening new vistas of knowledge to our eyes, the contributions of nature and of art to our enjoyment of beauty – money will not purchase these values. Such are the unbought graces of life. But though money will not buy them, the absence of money may exercise a blighting influence on the attainment and enjoyment even of these higher finer values. When Aristotle said 'We must first have a livelihood in order to practise virtue', he spoke plain common sense.[5] Security of livelihood is an indispensable condition of a higher life.

The fact that money is no longer safe or calculable is an even graver blow to civilisation than the War itself. How far the War itself was responsible for the ruin of reliable finance is a question that I would leave to the remnants of the International Economic Conference to answer.[6]

Here I would merely remark that the War did not destroy any large proportion of the wealth of the world, or even of those countries directly engaged in it. It was the financial follies of the war and the

peace that sowed the seeds which have ripened into the present world disaster. If each country in the war had paid the current costs of war out of its annual income by conscripting wealth, as it conscripted men for the fighting services, none of the vast internal war debts would now burden the public finances of every country. Even if the initial error of raising war funds by expensive loans instead of by current taxation had afterwards been rectified by a Capital Levy that would have paid off the loans out of the enormous fortunes made by business men who did not risk their lives but profitably stayed at home, much of the subsequent monetary stress and strain might have been avoided.

If each belligerent country had confined its borrowing to its own people, instead of borrowing from England and America, the international complication would have been less. But the supreme act of financial imbecility, of course, lay in saddling Germany with the obligation of paying a vast annual sum which could only be paid in one of two equally objectionable ways, either by dumping upon foreign markets huge quantities of manufactured goods which would crush the traders of the recipient countries, or else by borrowing abroad the money needed to meet the indemnity instalments. Since each allied country knew that Germany had no gold to pay with, and none of them would take her cheapened goods, the only alternative was the borrowing process by which America and to a lesser extent this country found the money solemnly handed over by Germany as reparations.

For years this complicated folly went on, each creditor nation setting up tariff barriers to prevent their debtors paying back their loans, embargoes on the importation of various kinds of goods and on the export of money to buy foreign goods, each nation striving to sell but not to buy, to produce but not to consume, to lend but not to borrow, while the solid money of the world settled down in idle impotence at Washington and Paris, sulkily refusing to do its proper business of sustaining the credit fabric of international trade. This lunatic behaviour came to a head first in America more than 3 years ago. For that people, fuddled by a bout of prosperity such as the world had never seen before, found itself suddenly in possession of sums of money they were no longer able to lend abroad or to invest at home, and aided by reckless outputs of bank credits, plunged into the greatest orgy of gambling in stocks and shares that history records. The reactions of this mania upon European finance, coinciding with other trading and monetary difficulties, brought down the price level of world commodities so low as to cause that stoppage of industries throughout the world that is termed Unemployment.

This is the economic situation of today regarded as a product of war wastes and war follies – the inflammation of economic nationalism,[7] the unwillingness and the consequent inability of the peoples or their political leaders to realise that the economic isolation towards which they are all heading means for each of them retrogression in all the arts of civilisation.

The World Economic Conference recently sitting is perhaps the most critical test of human sanity ever presented in human history. If man is indeed a reasonable animal, the opportunity to prove it is here and now. It is sometimes said, and with a good deal of truth, that the great experiment of internationalism at Geneva finds its chief impediment in the selfish greeds, prides and fears of the several nations.[8] There is no real community of purpose, no sense of wider human solidarity, but a gathering of national self-seekers, each scheming to give as little and to gain as much as possible for his own country. It would be futile to ignore the historical justifications for this attitude, the land-grabbing dignified by the title of Imperialism, of which our country has been the most successful practitioner, the pushful diplomacy in the struggle for markets, the recent exhibition of a Disarmament Conference in which each member strives to jockey the others into giving up the arms in which it is weakest and its potential enemy strongest, the reassertion of the fatal principle of Balance of Power by group treaties within the League.[9] It could not be expected that this selfish power politics should disappear in the course of a few years [of] shy intercourse at Geneva. But the financial crisis would seem to have offered a plain appeal to reason and to cooperative action for the common good. The folly, the peril, the impossibility of some of the post-war arrangements have been made manifest. Nobody now believes that Germany could pay the reparations recommended in 1919 by the Governor of the Bank of England (£24,000,000,000) or indeed any considerable sum at all.[10] Most men of business intelligence in every country believe that the total cancellation of external war debts would be beneficial to all parties. Why then, it may be said, don't they at once pronounce for cancellation? Chiefly for two reasons which are not really reasons but unreasons. The first is that though every nation, debtor and creditor alike, would gain by cancellation, some would gain more than others, and the 'cussedness' of

human nature is such that a man or a nation will refuse a gainful deal, if he thinks the other party is going to get more out of it than he. The second unreason is the superstitious attitude all men adopt towards money. Why should the creditor forgive his debtor? Isn't money a good thing to receive? There is an illuminating remark attributed to Coolidge when invited to consider the remission of European war debts. 'Didn't we hire them the money?'[11] That is to say, wasn't it an ordinary business transaction? Well in form it was, in substance it wasn't. For ordinary business loans are fruitfully employed by the borrowers in producing wealth out of which loan interest and capital repayment can be made. But these war loans, however justifiable on political grounds, were wholly barren in the economic sense. Indeed, they were destructive of wealth and of the productive power of human lives. There is, therefore, no way in which these debts can be paid except by confiscating wealth created by ordinary economic processes. And what applies to external war debts, applies likewise to internal. The £300,000,000 or so paid by our Government as interest on War debts is forcibly taken each year from the economic income earned by the labour and capital of the nation. The great fall of prices and of money incomes in recent years has increased the real burdens of this charge upon the national income, by taking a larger proportion of a smaller total body of wealth and handing it over to those who by staying at home when others were risking their lives made excessive profits by overcharging their government for munitions and other public needs, and then lending back the profits they couldn't spend to their government at high rates of interest. That these follies and iniquities should occur in years of war-mania is intelligible, but that their growing burdens should be permitted to poison the health and wealth of nations for ever afterwards can only be attributed to what I term the superstitious attitude towards money. It is true that something is done by Conversion schemes to reduce the pressure of debt-interest, and moratoria are devised as breathing spaces for international payments.[12] But unless international man is sane enough and strong enough to put money in its proper place as a standard of value and an instrument of commerce among the body of produce-consumers throughout the world, no policy of plasters and poultices will be of lasting avail. In order to avoid the drastic reforms in the control of money that are essential to prosperity, economists, statesmen and business men alike have conspired in the pretence that all our financial trouble with its slackening of production and its unemployment are explained by those war and peace follies upon which I have touched.

But this assumption is entirely false. Had no war taken place, this country and the world would have plunged at an earlier date into a deep and prolonged depression marked by nearly all the maladies of glut, unemployment, poverty, collapse of prices and of credits which mark the present depression. Monetary fluctuations would, doubtless, have been less violent, the burdens of taxation would have been less, banks might not have crashed so freely, but the malady, industrial, commercial and financial, would have been substantially the same. For what is this malady? It is the inability everywhere to use the productive powers of land, capital and labour so as to sell the produce at a profit. Prices are too low or costs too high. Farmers cannot grow wheat or cotton or raise cattle so as to cover their costs and make a living. Manufacturers of almost all staple products are in the same evil case: they find the markets congested with unsaleable goods: railways and shipping companies have insufficient carrying trade even at cut-rates: mines have to close down, merchants everywhere reduce their stocks, and though retail trade had suffered less than wholesale until lately, the malady of falling prices and restricted trade is widely prevalent.

This grave world conference, we were[13] told, must find measures for raising the price level and stabilising prices at this higher level. This all of them (with the exception of France) regard as indispensable for recovery. Prices are too low! And yet every purchaser or consumer in this and every other country wants to pay as little as possible for everything he buys. Every fall of price is good for the consumer, every rise of price is good for the producer. What is the meaning of this conflict of interest between the producer and consumer? After all, the whole productive system, with its foods and other necessaries, comforts and luxuries, is intended to supply the wants of consumers and has no other aim and end. The absurdity of the situation is enhanced by the consideration that the producers and the consumers are the same people. This absurdity is not eluded by saying that some classes live on rents, profits or other unearned income. For these persons, though not productive in the sense of being workers, are owners of productive instruments. I am quite aware that the interest of this class is not identical, often conflicts, with the interests of the workers, in operating the productive processes. But as consumers it would seem that all

of them must gain by falling prices. For they could all buy the same quantities of commodities as before by paying a smaller amount of money. Why then this outcry against falling prices, why this insistence upon concerted international measures for raising the price level?

In order to answer this question I must first justify my statement that depression, low prices and unemployment, would have come had there been no war with its sequel of financial and commercial troubles. The price level would have fallen largely and continuously, though without the disconcerting jerks and plunges that have marked these fifteen years. For there is clear and measured proof that an acceleration has taken place in the technique and organization of most manufacturing and agricultural processes greatly diminishing the costs of production of most commodities and increasing the rate of their output. This would not have involved overproduction if the money costs paid out in the productive processes had all been spent without delay in buying at lower prices these increasing products, some of which were consumption goods, others capital goods in the shape of plant, power, raw materials. All the goods that were or could be produced could have been sold, consumed, or used as capital to produce more goods, on one condition, viz. that the incomes paid out to workers, capitalists, landowners were spent without delay in buying all these cheapened goods.

Why was this not done? For two reasons.

The first is the superstitious attitude towards money. Money has always been an object of worship. Auri sacra fames.[14] The holy thirst for gold. Valued as a means, it soon became an end, worshipped for itself.

It is easy to understand how gold becomes an idol, its brilliant appearance, its weight and durability and the economic power it carries in so condensed a form. The miser is its true idolater. Now that gold has virtually disappeared from circulation, I have sometimes wondered whether the miser can find the same holy joy in the rustle of the note that he found in the jingle of the guinea.

Going off gold undoubtedly as we did 2 years ago seemed to our older generation of city men an act, not merely of recklessness but of sacrilege.[15] The earliest banks of deposit in Babylon, Egypt, Assyria were the temples of the gods whose shrines afforded a protection against robbers or marauders. Some of their divinity was imparted to this money. Even today banks are nowhere on a level with other business premises. They enjoy a dignity that gives distinction. In New York and other great business cities of America the architecture of a bank is assimilated to that of a temple or a church. A banker, quite irrespective of his wealth, ranks in the common mind above all other business men. This is related to a certain mysterious character of money, at once the most abstract and the most serviceable form of wealth. The building where gold was stored was sacred on its own account, and when notes and cheques and other credit instruments displaced gold for ordinary payment, the mystery and sanctity of banking were enhanced. Banks like churches live on faith, credit, confidence. The thrill of horror felt in all respectable circles of American society at the charges recently brought against the great Bank of J.P. Morgan and at the audacity of the Committee that dared to scrutinise its books, reminds one of the feelings evoked by the desecration of the Temple at Jerusalem by a conquering foe.[16]

Now this superstitious attitude towards money ramifies throughout the business system, and evokes unreasonable conduct. Let me give two illustrations. Direct taxation, where the taxpayer is called upon to part with money to the Government, is everywhere resented more than the indirect taxation, such as customs and excise, which takes more out of the consumers of the goods through raising prices. That is why the income tax yields so little revenue in France where the individual patriot cannot bear to part with hard cash even for the extreme needs of his country, and where false returns are generally connived at by sympathetic officials. In America the same difficulty in levying direct taxes has been largely responsible for the huge deficits in recent years. One of the chief feeders of this Tariff craze which threatens to bring international commerce to a stand-still, is the refusal of individuals to make personal payment, coupled with the silly notion that they can make the foreigners, or, at any rate, somebody else pay for them.

The other instance of that superstition is the refusal of anyone to accept a cut in his money income, even when he realises that such a cut applied all round will bring about a fall in prices enabling him to buy as much or even more with his cut money income. In a declining trade it is seldom possible to persuade the employees that a wage-cut will so reduce costs of production as to enable the employers to capture some large foreign markets and so to lessen the burden of unemployment in the trade. Nay, even were it possible to prove that a general temporary lowering both of wages and interest rates would restore prosperity and

enlarge the real income of the nation, with advantage both to workers and capitalists, the temporary lowering of money incomes would be rejected, because of the superstitious preference for money over goods.

It is chiefly the difficulty of getting men to adjust their minds to the scaling down of money values and money incomes needed to enable the new technique of industry to work to its full efficiency, that is driving our financiers and our statesmen to look for salvation to large measures of inflation. The new technique makes for lower costs and lower prices; but public confidence requires higher prices which can only be got by pumping more money into the system. This is the root issue that immediately confronts the Business World.

This money struggle has, of course, a more intelligible aspect. It is a conflict not merely between producer and consumer but between active and passive instruments of production. Repudiation isn't a nice-sounding word: we seldom find it on the lips of respectable statesmen when they confront debts that are inconvenient to pay. Gentlemenly Nations don't repudiate, they impose Moratoriums, make 'token' payments, even when it is quite understood that they never intend to meet their legal obligations.

But inflation does the trick more indirectly and what is better, it scales down all fixed monetary obligations, such as rents, mortgages, debentures and annuities, leaving the whole benefit of the procedure to the active financiers and capitalists, unless labour is intelligent enough and strong enough to claim a share in order to meet the higher costs of living.

To business men it seems a reasonable and indeed a necessary remedy for the fall of prices that has made it unprofitable to work their plant, employ labour and turn out goods. More money will not only lubricate the wheels of industry, it will furnish that confidence which is the psychological equivalent of the electric power which makes the wheels go round.

But two doubts gnaw at the minds of those who realise the immense power we are invited to hand over to the national and international banking systems in order to issue more paper money so as to raise prices and pump oxygen into the failing heart of capitalism. The first doubt arises from the assumption that this issue of new bank-made money will be regulated and directed by the needs and interests of the suffering peoples, and not by the gainful interests of small groups of bankers, brokers, and other financiers constituting a Money Power. The revelations of the Macmillan Report in this country, punctuated by the dramatic careers of Hatry and Kruger,[17] the current disclosures of the *modus operandi* of the great American Banks, afford striking evidence, first, of the want of any coordinating policy among those elements which constitute the City, or any common knowledge of what the financial situation as a whole is at any given time. Secondly, the fact that when industry was visibly flagging in this country, with falling profits in nearly all lines of business, the banking, the insurance and other financial companies were earning large dividends, is a clear evidence that the interests of finance and the general public are not identical – to put the issue in its mildest form.

There is then no guarantee whatever for the expectation that a lasting recovery of industry, employment, prices, will be secured by putting this new power into an unreformed banking system bent on making the maximum gain for its shareholders and its outside business and political beneficiaries. Not merely must there be public control over the financial system in order to make of it a truly public servant, restoring to Government the powers which originally belonged to it of being the sole issuer of money. There must also be an efficient control of the investment market and of the entire credit system so as to stop the wastes and frauds with which this system has been riddled in the past. 'Safe as a bank' is a saying that has lost its meaning in most countries, while to speak of investments as 'securities' carries a grim humour of its own. The mystery of finance, in which expertism[18] had reached its finest form and where the most skilful foresight was supposed to be directed to the most serviceable application of money and the elimination of all risks, this sacred myth is finally debunked. While, therefore, our people are disposed to receive into favour the Chancellor's declaration to the Economic Conference that 'The fundamental monetary condition of the recovery of prices was that credit should be made available by a policy of cheap money and that such[19] credit should be actively employed', they will do well to wait and see whether cheap credit can of itself secure active employment. Experience in America and here shows that cheap money does not induce manufacturers to employ more capital and labour, or merchants to enlarge their stocks, unless there is good

reason to believe that the goods produced can be sold so as to cover costs and leave some margin of profit.

This issue of cheap credit to business men through banks will not cure unemployment, raise commodity prices, and bring recovery, unless it puts more purchasing power into the hands of the working classes. Merely offering cheap money to businesses does not achieve this end. Even if an increased quantity of cheap money did act as an immediate stimulant to trade, the effects of this stimulation would pass away, leaving the patient in the same state as before, unless the new money got into the hands of those who would use it without delay in buying consumption goods. If the bulk of the new money went in profits to building material rings, to landowners, to banks and insurance companies, to big employers and contractors, whether the money were spent on public works or offered on cheap terms to manufacturing firms, would make little difference. To make trade once more 'profitable' is the remedy that seems obvious to politicians born and bred in business circles. It is difficult for them to realise that the economic problem looked at from its money side is not a matter of quantity but of distribution.

Our deep-rooted and recurrent malady is a maldistribution of income which gives too large a share to landowners, financiers, profiteering manufacturers and merchants, too small a share to the workers. This unfair, unequal distribution stimulates over-saving and the creation of more productive plant, power and raw materials, than are needed to make the commodities which the workers can afford to buy. So long as this process of putting too much productive power into making capital continues, the malady does not show itself. But when every sort of business man is confronted with excessive stocks, falling prices, and cut profits he ceases to demand more capital from investors or from banks, savings accumulate on deposit and production shrinks.

Not until this waste of money is rectified by an equitable distribution which will remove the grit from the business system and maintain a true equilibrium between production and consumption, can a sound and lasting recovery be achieved. It is the failure of business politicians and their economic advisers to realise that money can only be rightly utilised by placing it so that it will contribute to the life and livelihood of human beings, that is accountablefor the lamentable collapse of the Economic Conference, or the organised hypocrisy of its feigned survival. Not done!! Perhaps best to put the poor thing out of its misery.[20]

1 Typescript untitled by Hobson so one has been added here. Lecture to the South Place Ethical Society, reported in *The Monthly Record*, September 1933, pp. 3–5. In pencil (in error) on the typescript: 'Lecture – not SP'.

2 Slight misquotation from William Wordsworth, 'October 1803' (1807). Napoleonic forces were sweeping the Continent when Wordsworth wrote this poem.

3 'To be "valuable,"… is to "avail towards life." A truly valuable or availing thing is that which leads to life with its whole strength. In proportion as it does not lead to life, or as its strength is broken, it is less valuable; in proportion as it leads away from life, it is unvaluable or malignant.' John Ruskin, 'Unto this Last' (1862), in his *Unto this Last, Political Economy of Art, Essays on Political Economy* London: Dent, 1968, p. 168. Hobson was deeply influenced by Ruskin: see, for example, his *John Ruskin: Social Reformer*, London: James Nisbet 1898.

4 MS del. (before comma): 'or substitutes'.

5 Aristotle, *Politics*, 1253b23 (book I.4).

6 A *World Economic Conference* was held in the Geological Museum, South Kensington, London, from 12 June to 27 July 1933. It instructive to compare the following pages of Hobson's essay with John M. Keynes, *Collected Writings: Volume IX Essays in Persuasion*, London: MacMillan, 1972.

7 MS orig.: 'economic materialism'.

8 The League of Nations was based in Geneva. Its founding covenant was signed on 28 June 1919.

9 The *General Conference for the Limitation and Reduction of Armaments* commenced on 1 February 1932 in Geneva. It was attended by the members of the League of Nations, the USSR and the USA. However, it served little purpose following Germany's withdrawal fro the League of Nations in October 1933, after which point it sat only sporadically. Officially it existed until May 1937.

0 Brien Ibrican Cokayne, 1st Baron Cullen of Ashbourne (1864–1932), was Governor of the Bank of England from 1918 to 1920.

1 Calvin Coolidge (1872–1933), thirtieth US President 1923–29: 'They hired the money, didn't they?', in J.H. McKee *Coolidge: Wit and Wisdom*, New York: Fredrick Stokes, 1933, p. 118.

2 The Conversion Scheme concerned the rate of interest paid on government bonds. Specifically at this time the debate was over whether the British government should reduce its repayments to 3.5 percent per annum on the value of its bonds. Hobson's remarks might be read in the context of John M. Keynes, 'A Note on Long-term Rate of Interest in Relation to the Conversion Scheme' *Economic Journal*, vol. 42, no. 167 (September 1932), 415–23.

3 MS del.: 'are'.

4 John Maynard Keynes included an extract from his *Treatise on Money* (1930) under this title in his *Essays in Persuasion* (1931) (Keynes, *Essays in Persuasion*, pp. 161–63).

5 The Gold Standard (by which the value of British currency on the international market was tied directly to the value of gold) was suspended on 21 September 1931.

6 John Pierpoint Morgan (1867–1943). After the financial crisis of 1929, a major congressional investigation (known as the Pecora

Commission after its chairman, Ferdinand Pecora), was set up to investigate Wall Street.

7 The MacMillan Committee on Finance and Industry was set up by the Treasury in 1929 to assess the effects of the British financia architecture on the wider British economy. Keynes was heavily involved in writing the associated MacMillan Report (1931). See Rober Skidelsky, *John Maynard Keynes, Volume Two: The economist as saviour 1920–1937*, London: MacMillan, 1992, pp. 343–62, and or these events including Hobson's involvement see Thomas Jones, *Whitehall Diary*, ed. K. Middlemas, 3 vols., London: Oxford University Press, 1969, vol. 2, pp. 218–28. The companies controlled by Clarence Charles Hatry (1888–1965), company promoter, crashed in 1929 and Hatry was sent to prison the following year. Ivar Kreuger, Swedish financier, committed suicide in March 1932.

8 + ? (p.28) [Hobson's marginal note.]

9 + ? (p.28) [Hobson's deleted marginal note.]

10 Hobson added this final paragraph in pencil.

12 The Causes of War[1]

(30 June 1935)

If anyone of you in a fit of curiosity were to spring upon a group of your acquaintances the question 'What caused the outbreak of the Great War?' a great variety of answers might be elicited. One might say it was the murder of the Austrian Archduke at Sarayevo,[2] another that it was the invasion of Belgium:[3] others would cite Prussian militarism or German ambition for 'places in the sun':[4] others again might dwell upon France's alliance with Russia in order to regain Alsace-Lorraine, or to compass the encirclement of Germany.[5] Others, taking a broader view, might find the causation in the race of armaments or 'the balance of power', while others again would see in it the natural fruit of capitalism and the struggle for markets. Ethically minded persons might go deeper still and trace the malady to a defective sense of human brotherhood.

In all these answers there might be an element of truth. But a closer inspection would disclose loose motives as to the meaning of 'causation', a confusion of surface considerations with deeper motives, of conscious with unconscious forces. A fire breaks out: shall we blame him who strikes the match, or him who assembled the combustible materials, or him who ordered this assembling, or him who permitted them to order it? There are many grades and degrees of causation, some nearer or more direct than others, or more clear in their intention.

The confusion illustrated in the case of the Great War is applicable to other wars, and is exhibited in various books which have recently appeared dealing with the causes of war. In trying to reduce this confusion to order, it is, I think, best to begin with the question 'Who is directly responsible for a state of War?' The answer must be 'The Government of one or more of the warring nations.'

In earlier times Kings or Barons governing their lands and peoples with absolute personal power could and did wage wars with one another to enlarge their territories, for some personal quarrel, or for mere self-assertion and prestige. The fighting men simply followed their war-lords or were hired for the work in hand; there was no question of popular feeling in the matter or popular consent. In some instances, indeed, as in the Crusades, religious enthusiasm among the peoples cooperated with the dynastic ambitions of the princes.[6] But, in general, it would be true to say that wars were not undertaken by peoples but by their rulers. Populations as a whole were not engaged or even interested in these strifes, except so far as they were liable to fall victims to the incursions of marauders who might devastate their land and massacre the innocent inhabitants. Economic motives were, of course, not wholly absent, for the enlargement of taxable areas and cruder forms of lust must be taken into account as war-motives. Nor can we ignore the pressure of a growing population for access to foreign areas of cultivation. But, speaking generally, pride of personal power and prestige among the ruling groups were the causes of war.

In seeking to understand the causation of modern wars we have to deal with novel factors. Absoluteness has disappeared from governments. However great may be the formal powers of a monarch or a ruling dictator, he cannot embark upon war without the consent, and even more than that, the enthusiastic support, of his people. For wars are no longer waged by a fighting class but by the energetic action of whole nations. Recognising this, there are some who attribute the causation of wars to the pugnacity, the fears, the greeds, the follies of the masses, who are said to force their reluctant governments into war. Not governments but peoples make wars. This, however, is a shallow and untrue diagnosis. The responsibility of governments cannot thus be shed.

In the first place, the traditions which regulate the relations between different nations, the rights of sovereignty and the conduct of diplomacy based on these rights, the personal ambition and temper of powerful statesmen and generals, manifestly play an important part in promoting international hostility. The part played by military alliances, by the doctrine of the balance of power, in the European wars of the

past hundred years, cannot be ignored. The traditional attitude of countries, as expressed in the conduct of foreign relations, has remained one of suspicious and suspended hostility, and this attitude must be attributed to governments and their foreign ministers, rather than to peoples. But, when the fighting spirit is imputed to peoples as necessary to bring them into war, the question arises 'Is this war-spirit a natural part of the mental and emotional make-up of ordinary men and women, or is it evoked by the propaganda and other conscious appeals of those governments who have brought their country to the edge of war? Does a government force its people into war, or do the people force its government? Or is there some third and more delicate psychology of the situation?'

Those of you who have read the latest books by Norman Angell, Brailsford, Laski, and the press controversy in which Toynbee, Zimmern and other learned men have taken part,[7] will recognize how difficult it is to find a plain simple answer to these questions. Taking first the placing of responsibility as between Governments and Peoples, it may certainly be said that the normal disposition of all peoples is towards peace not war. They don't want to fight – but they may want things that are unattainable without the risk of war. What sort of things? Well, the first thing a peaceful people wants is security, adequate protection against the aggressive policy of neighbouring peoples whom they believe to be less peacefully inclined than themselves. Nor is it merely a matter of the possible invasion of their country. Every modern people has vital interests outside its own country. Some of its members live in foreign countries, as traders, officials, missionaries, travellers: some countries have colonies, protectorates, spheres of influence where they are responsible for the lives and property of the inhabitants. Every civilised nation is dependent upon external sources for some of its necessary supplies of foods and other materials for consumption or manufacture. Some countries have large permanent stakes in foreign countries, in the shape of invested capital. If any of these vital interests is assailed or threatened by foreigners, the people concerned expect their Government to afford protection. All this comes under the head of security. Now security can only be got in one of two ways, by law or by force. If there existed a generally accepted system of world or international law, the demand for national security would admit of peaceful equitable satisfaction. No wars could arise. But existing so-called international law and the new experiments at Geneva and the Hague have not yet gone far towards supplying the sense of security that is needed.[8] Without going into the intricacies of the situation, it will suffice to say that every nation refuses so far to make that surrender of sovereignty required to place the requisite power behind international law. In other words, each nation persists in its attempt to provide its own security, out of its own political, economic and military resources.

Now this security it can only possess by feeling and believing that it is stronger than any possible or likely assailant of its country or its foreign interests. Hence the growth of armaments for purposes of mere defence, as it appears to every peaceful people, during periods of peace. But if one country pursues this policy of security, others must follow, and a competition in security becomes a competition in armaments. Now this costly and dangerous course admittedly leads to war. Satan finds some mischief still for idle arms to do. If this competitive security were practised by single nations, it would be dangerous enough. But when a country envisages an attack in which more than one foreign country takes part, its sense of security pushes it into alliances, defensive in their first intent, but conceived as offensive by suspicious foreigners. So peaceful peoples, concerned entirely with security, are driven into armed alliances that bring them into situations where their normal pacifism gives place to violent outbursts of patriotic jingoism.

But, it may be said, this jingoism does not arise spontaneously in a peaceful people. It is the result of wrong governmental policies. For the policy of competing armaments and alliances and balances of power belongs to governments. It is only accepted by peoples. Now, that the obsolete traditions in governmental circles expressed in secret diplomacy have a direct causal responsibility, there can be no question. The preservation of national sovereignty, that is, a direct repudiation of international order, is a fundamental principle of the foreign policy of every government. But this does not give a complete explanation of the course of action that leads to war. In every modern country the voice of the people, or of certain large sections of the people, not merely accepts this policy but actively endorses it.

This statement brings me to a vital issue in our discussion, viz. the part played by organised business, or capitalism in the causation of wars. I find in the recent controversy to which I have referred three more or

less divergent views. One is for convenience styled the Marxist view, which imputes to competitive capitalism, the struggle for profit, the final underlying source of all modern wars. I have set out already what may be termed the political view in which nationalistic and imperialistic sentiments figure as governmental and popular forces. But the Marxist interpretation of history requires us to accept a rigorous capitalistic explanation not merely of the governmental policies but of the popular sentiments that feed these policies. The blend of false ideas and foolish passions to which Norman Angell imputes war-making, appears to Marxists a psychological contrivance by which the business men who run politics promote their gainful ends. When a war is needed, in order to obtain political and economic possession of some backward country which has rich natural resources that call for development, or a population which can form a profitable market for our surplus manufactures, the proper steps are taken by our business men and financiers to drive our government to exert the diplomatic or forcible pressures needed to promote and to protect our so-called national interests in this spirited foreign policy. When this country was the only well-equipped capitalist country, with large surpluses of goods for sale and capital for investment, we appeared able to pursue this profitable policy without serious interference from other powerful Governments, and any resistance made to our encroachments by the countries directly concerned could easily be met by superior force. The greater part of our far-flung empire was got by such means and served such economic purposes. No doubt other sentiments and motives, political, religious, humanitarian, served to give a reputable covering to this acquisitive process. Providence had endowed our people with the capacity of bringing order and good government to disorderly and ill-governed countries, of helping them to improve their ways of work and living, substituting Christianity for Paganism, and of teaching all the arts of Western civilisation. The ability to render such services constituted a grave responsibility – they formed 'the white man's burden'.[9] They were undertaken as a duty to humanity, the trading and other profitable gains were incidental by-products. Such is the hypocrisy of imperialism. The policy was not, of course, confined to one country, or one period. Without going back into the history of the early Asiatic and European Empires, we find in the exploitation of large tracts of America, Asia and Africa by Dutch, French, Spanish, Portuguese and British traders and settlers, numerous separate examples of this combination of economic and non-economic motives. In the main these exploits may be regarded as power-politics with trade and plunder for a chief impelling motive.

But the competing Imperialisms of our time give a more definitively directive force to the economic factor. When in the late nineteenth century a number of countries, hitherto backward in the modern arts of industry, especially Germany, the United States and more recently Japan, with rapidly expanding powers of production, entered the world market for the sale of their surplus goods and the investment of their surplus capital, this new economic situation brought a serious menace of war. In the first instance, it meant an international struggle for an insufficient market. If that were left to private competitive enterprise, it might have led to a peaceable settlement by the elimination of the unfit, that is to say, the businesses which could produce cheaper goods would get all the market irrespective of whether they were British, German, American, French or Japanese. This remains the Cobdenite ideal![10] But it is entirely out of gear with modern politics, which require the Government of each nation to come to the aid of its own national business firms in the fight for markets and for the acquisition or control of backward exploitable countries.

This new situation, while it does not dispose of power-politics or of the part played by false reasoning in the causation of wars, gives an increased measure of determination to capitalism. The crucial example of this I find in the South African War, the origins of which I had the advantage of being able to study at close quarters in the summer of 1899.[11] In this case the directly impelling motive in South Africa itself was manifest. Bad government in the Transvaal was a threat and hindrance to the profitable working of the gold mines by British owners, investors and engineers. Capitalists stood clearly to gain by a successful war which would give them full control and liberate them from crippling taxation. But a plain announcement of this gainful motive could not have led our people to support an expensive war. What was needed was first a propaganda of appeal against Boer outrages and ill-treatment of Outlanders. This was conducted by an unscrupulous and mendacious campaign by the kept[12] press of South Africa and the deluded press of Britain, supported by the poisoned mind of Lord Milner and other officials eager to crush what in resounding language was termed 'the dominion of Africanderdom'.[13] This press campaign was

backed by a missionary agitation throughout this country in which the Dutch, especially in the Transvaal, were accused of practising brutal cruelties in their treatment of the natives. The limit was reached in a picture of Kruger in the act of sawing in pieces the body of a Kaffir child.[14] I think it may be said that this was the first fully engineered use of humanitarian propaganda for the promotion of a profitable war. It was not, indeed, a fully representative case. The part played by capitalism in causing the Great War is not so clear. Germany's demand for 'places in the sun' though largely an economic demand, was mixed with the craving for power and prestige, while Prussian militarism was not a mere tool of capitalism. Nor can France's secret machinations for winning back Alsace-Lorraine be reduced wholly, or even mainly, to terms of coal and iron. Fear and pride and jealousy, prestige, craving for territory, together with a stirring of the fighting instinct, must be accorded a reality as war causes. The completely Marxist theory of determination of history will no doubt insist that all these causes are by-products of modern capitalism. I cannot accept this view. Power-politics have roots in the psycho-physical make-up of Western man that are independent of economic motives, being the outcome of an egoism expanded into nationalism and there made respectable and even glorious.

Capitalism cannot be identified with Nationalism, Patriotism and Imperialism, which are the passions that figure most powerfully and directly in the war-spirit. Whether we ascribe the responsibility of war to Governments or to peoples, the war spirit cannot be explained in purely economic terms. Nations do not consciously range themselves behind their business men in a struggle for markets. Though Nationalism is undoubtedly exploited for profitable purposes by armament makers and foreign traders and financiers, there is something to exploit which is not conscious greed for gain. If we look at the danger spots in the world today, though territorial demands may sometimes be reduced to terms of oil, rubber and other economic values, they turn directly upon prestige and power in the aggressors, fear in the defenders. If we take Germany, Italy and Japan as the countries most likely to initiate a warlike policy, Japan is the only one whose main motives can be described as economic. The inflamed Nationalism in Germany, Italy, France, Poland and Britain is an amalgam of interests and passions expressing the collective self-assertion of these Governments and peoples, and in this self-assertion a craving for the exercise of power is the chief ingredient. It is, of course, true that for the successful nation, as for the successful man in modern times, Power is largely operative through wealth and its control of production. This is so evident that it has betrayed many economists into an exaggeration of economic forces in the Nationalist Movement. But Nationalism, spreading as we see to India, China, Turkey, Persia and many countries where Capitalism has very little footing, must primarily be regarded as a new conscious collective self-realisation on the part of people hitherto fragmentary and narrowly local in their attachments.

In order rightly to assess the causes of national conflicts, it is well to keep in mind the mental and emotional composite of the individuals who compose nations. Though their interests, thoughts and actions are largely devoted to their material maintenance, their economic livelihood, it would be wrong to assert that their needs, interests and desires are governed by these economic factors. We all need food, clothes and shelter, but for most of us an increasing portion of our life lies outside this area of physical necessities, and expresses loves and hates, pleasures and fears which derive from other qualities in our make-up. Though civilisation implies an ever wider and more complex system of economic cooperation and competition, the very economy of this process is directed to secure an ever-larger scope of freedom and leisure for those personal and social activities which lie outside the economic field.

But, it may be said, why should these personal and social activities be causes of war? In reasonable and truly social beings they would not. But conflicts between ambitious and self-centred individuals are liable to arise in every sphere of action, and when such self-assertion shelters itself under a national flag and an emotional group-mentality is formed, a war atmosphere may be engendered in which the craving for victory and conquest carries no conscious element of material gain or loss. As individual animals, men are not particularly reasonable or moral, as herds or nations reason and morals are often clouded over or submerged in collective illusions and passions. Sir Norman Angell has done a great service in his masterly analysis of these follies.[15] If such exposure brought clear recognition of our errors and consequent reforms of conduct, the damages war brings to conquerors and conquered would be manifest. But we have to go one step further and ask why such revelations of folly, now so widely recognised, appear unable to deal with the collective mentality which even today is seen driving nations along the

paths of economic nationalism and competing armaments and false security which the whole of history attests as preliminaries to war. Are men when grouped in nations and subjected to the assaults of passionate propaganda unable to offer any rational resistance? Must they continue to believe that security can only be attained by each nation being stronger than each other, each group of nations than each other group? Must they continue to believe that one's own verdict in one's own case, enforcible by one's own right arm, is a better security for justice than the decision of a tribunal of disinterested foreigners? In other words, are they content to live, move and have their being, in a world where there is no effective world government, but only a grudging unreliable pretence of international law? I for one cannot accept this counsel of despair. There seems no sound ground for holding that the social instincts and interests of human cooperation which, with every expansion of communication, have brought men to associate in wider areas, should have reached a final goal in nationality.

It is I think clear that, however we approach the analysis of the war-spirit, whether from the standpoint of traditional diplomacy, the economic pressures of the armaments trade, the fighting instincts of individuals, the mob passions of fear and hate evoked by interested propaganda, we are brought up eventually against the barrier of sovereign nationality. So long as the process of social self-government is confined within this barrier, wars will remain not merely possible but inevitable. For we are living in a condition rightly described both from the economic and political points of view as international anarchy. The Great War attested this fact, and the impotence of the League of Nations corroborates it. Until the Nations and their Governments are willing to surrender their sovereignty to a reconstructed League which shall possess an over-riding sovereignty over economic and political nationalism, with legal and in the last resort forcible powers to repress rebellions among its member states, the conditions of a stable peace are unattained and unattainable. Reason and Ethics alike are exposed to this challenge. The mere detection of the fallacies and follies of war will not suffice. For minds inflamed with the passions of nationalism, imperialism, militarism are closed to the plain appeal to reason. The first appeal therefore must be to the sense of justice and humanity. People must and can be made to see that they cannot be just judges in their own cause, and that the moral isolation of nationalism is a crime against humanity. Ethical societies must devote more and more of their energies to this supreme task of establishing this sense of human brotherhood.

We are told that nations are incapable of reasonable conduct – that they are the easy and impotent prey of interested or impassioned propaganda. If this were true, we are indeed driven to despair of humanity. But it is not true. The energy, whatever it be called, biological, psychological or spiritual, which has enabled man to raise himself by slow degrees from a beast of the field to a modern citizen, susceptible to the call of justice, honour, humanity, cannot be extinguished – it will live and work so as to overcome the poisons of evil, of unreason which beset the world today and threaten the very fabric of civilisation.

1 Lecture to the South Place Ethical Society, 30 June 1935, reported in *The Monthly Record*, August 1935, pp. 1–2. Title page: 'THE CAUSES OF WAR/SP. lecture/J.A. Hobson,/3, Gayton Crescent,/ N.W.3'.

2 MS reads: 'Serayevo'. The Archduke Franz Ferdinand of Austria (1863–1914), heir-presumptive to the Austro-Hungarian throne, was assassinated in Sarayevo on 28 June 1914, an event that led Austria-Hungary to declare war on Bosnia.

3 In the opening weeks of the First World War, Germany invaded Belgium in order to attack what became the Western Front.

4 Wilhelm II (1859–1941), German Emperor and King of Prussia, 1888–1918: 'We have … fought for a place in the sun and we have won it. It will be my business to see that we retain this place in the sun unchallenged, so that the rays of that sun may exert a fructifying influence upon our foreign trade and traffic.' Wilhelm II, speech in Hamburg, 18 June 1901, reported in *The Times*, 20 June 1901. Hobson equates 'places in the sun' with colonies here and elsewhere.

5 Germany created the region of Alsace-Lorraine by annexing parts of France in the aftermath of the Franco-Prussian war (July 1870 to May 1871). The Franco-Russian Alliance Military Convention (signed 18 August 1892) set out a series of complex circumstances under which Russia and France would support each other if attacked by Germany, Italy or Austria, thereby contributing directly to the spread of war across Europe in 1914.

6 Between the eleventh and thirteenth centuries, various Christian armies and alliances launched a series of military campaigns, predominantly against Muslims in what is now the Middle East.

7 Sir Norman Angell (1872–1967), journalist and author, awarded Nobel Peace Prize, 1934. Henry Noel Brailsford (1873–1958), journalist and author. Harold John Laski (1893–1950), political theorist. Arnold Joseph Toynbee (1889–1975), historian and student of international affairs. Sir Alfred Zimmern (1879–1957), academic and author. The books by Angell, Brailsford, and Laski to which Hobson refers may include Henry Brinton, ed., *Does Capitalism Cause War?*, London: H. and E.R. Brinton, 1935, which was a symposium taken from a correspondence in the *New Statesman and Nation* (initiated 2 February 1935) that had been provoked by Angell's *Preface to Peace: A guide for the plain man*, London: Hamish Hamilton, 1935. In addition to Angell, Brailsford, and Laski, Brinton's short (61 page) collection included contributions by Leonard Woolf, Frank Hardie, J.P.M. Millar and May Munro, with a final contributor being named simply '*A*

Socialist'. A 'press controversy' under the overall title 'Economic Causes of War' was conducted in the *Manchester Guardian* in April 1935, following a letter from Zimmern ('Causes of the Great War') published on 2 April. Besides Zimmern and Toynbee, the contributors were Brailsford, H.D. Dickinson, Michael Foot, Sydney Havelock, Thomas Johnston, A.P. Laurie, John Murphy, and H.P. Rodier.

8 The League of Nations was established at Geneva in 1920. At The Hague in 1929, the Allied Reparations Committee began reconsidering the amount of reparations sought from Germany for the First World War, eventually in 1930 endorsing the Young Plan which reduced the amount of reparations demanded.

9 Rudyard Kipling's 'The White Man's Burden: The United States and the Philippine Islands' (1899) exhorts the U.S.A. to face up to its colonial responsibilities in the Philippines.

10 Richard Cobden (1804–1865), manufacturer, politician, campaigner for free trade. Hobson's book *Richard Cobden: International Man* had been published in 1919.

11 Hobson was sent to South Africa in 1899 to cover the development of events for the *Manchester Guardian*.

12 Hobson queries this word in the typescript.

13 Alfred, first Viscount Milner (1854–1925). In 1898 Milner was sent to South Africa to mobilize pro-British elements through the South African League.

14 Stephanus Johannes Paulus ('Paul') Kruger (1825–1904), statesman and a leader of Boer resistance to the British in South Africa.

15 Angell had published several books on these 'illusions' over a number of years including *Europe's Optical Illusion* (1909) and *Fruits of Victory* (1921). By far the most influential of these was *The Great Illusion: A study of the relation of military power in nations to their economic and social advantage* (1909).

13 Thoughts on Our Present Discontents[1]

(1937–38)

It would be idle to suppose that the experience of the Great War and its prolonged sequel has not had important effects upon the political, economic and moral principles and valuations of all who have endeavoured to understand human conduct. It must be evident to all of us that humanity in its standards and behaviour has been revealed as widely different from what it seemed in 1913. No one could have predicted the possibilities of the collapse of all codes of decent conduct, all standards of justice, truth and honour, not only in international affairs but in the revealed nationalism of the brutalitarian State, the facile acquiescence of whole peoples in the absolute dominion of self-appointed Masters, and perhaps most significant of all, the amazing credulity of the educated classes under the spell of the crudest propaganda.

Such revelations of the irrationality and brutality of 'civilised' peoples cannot fail to affect our ideas of human progress and the values of the social institutions that seemed to express and secure it. Before the War our faith in the alliance of Democracy, Nationalism and Internationalism as permanent and consistent movements for world security and progress, remained unbroken, in spite of the economic and political excesses in which Nationalism indulged. Still more remarkable the interpretation put upon the allied victory by President Wilson and others, as a triumph for Democracy, Self-determination and Internationalism, was accepted as a just and reasonable interpretation.[2] Even when large portions of the territories of the conquered nations were taken from them by force, and their colonies were handed over to the conquerors under the face-saving title 'Mandates', when the right of re-armament and other acts of self-determination were deliberately infringed, when all the liberated nationalities began to set up tariffs and other barriers against amicable relations with neighbouring States, such flagrant violations of the ideals of victory were treated by most 'reasonable' politicians as brief regrettable incidents destined to disappear when the full tide of world progress resumed its sway.

It has taken many years to bring home to political, economic and ethical progressives the scale and nature of the human damage inflicted by the war, and the needed reassessment of the motives of men and in particular the psychology of nationalism and democracy. The shedding of Monarchy in Germany, Austria, Russia and Spain, the erection of the noble fabric of a League of Nations, helped us for some time to believe that we were entering upon a more reasonable and more secure phase of human evolution.[3] It would take a certain time, perhaps longer than we had hoped, for these forces of freedom and cooperation to win their destined supremacy in human self-government, but the belief in their final efficacy remained unshaken.

Only within the last few years has the course of events brought complete disillusionment and sown the seeds of despair. Democracy and self-determination have virtually disappeared under the rule of accepted Dictators, events in Manchuria, Abyssinia and Spain have completely discredited the League of Nations as the instrument of world-peace, and the rapid rearmament of all 'Powers' appears as the opening phase of another and a more destructive war.[4] The amiable platitudes by which our statesmen endeavour to allay alarm, the feeble fumbling methods they propose for handling a situation which grows graver every month have led many to the conviction that statecraft does not seriously believe it can do anything effective to stay 'the course of events'.

What is the cause of this despair? Does it mean that man is not sufficiently reasonable to perceive the identity of his interests with those of other men, or that the pride and prestige of personality and nationality are so strong that he prefers a smaller and insecurer advantage for himself, his class, his people, to the general welfare and security of the world at large? If either or both of these suppositions be true, they seem to inhibit any schemes which rely upon appeals[5] to identity of interests as the rational[6] methods of attaining the common welfare. For if this common welfare has no emotional or intellectual significance,

either for peoples or their rulers, political and economic, the reversion to militant isolationism or limited alliances seems justified as the only method of postponing conflicts.

An observer from Mars might readily accept this interpretation, were it not for one strange new word brought into his ken, the word 'ideology'. It does, indeed, seem strange that at a moment in history when men most boast their 'realism', this reference to ideas, as if they had a potent significance, should have appeared. Yet the talk of rival 'ideologies' has found its way even into the House of Commons and the popular platform, as having some bearing upon events in Russia, Spain, Germany and elsewhere. The reference is to some idea or ideal inspiring the rival claims of Communism and Fascism. Now these terms seem at first sight wholly unrelated to the 'cause' or 'causes' of the Great War, as interpreted by Wilson, Clemenceau, Asquith, George, or other peace-makers.[7] It is only the aftermath of the War that brought these 'ideologies' into the forefront of history, disclosing the fact that behind the 'politics' of the War there was operating obscurely this clash of other[8] forces within each nationality. It would be an excess of economic interpretation to say that Russia and Germany were impelled to war by the policy of their ruling and possessing classes, seeking to avert internal strife by following the familiar device 'stay giddy minds with foreign quarrels'.[9] But the menace of approaching class-war both in Russia and Germany was undoubtedly a strong contributory cause of 1914. It is now admitted that the danger of growing communism and socialism in Germany could only be met by dictatorship extending from the emergency of war into the emergency of peace, while the establishment of Sovietism in Russia was manifestly the outbreak of a class-struggle which had been growing in intensity since the opening of the century. Though Fascism assumes a political guise, it is in reality a successful endeavour of the ruling possessive classes to repress the assault of the working classes upon the rights and powers of property and profit. Capitalism has, no doubt, to pay for this political defence in costly subservience to the totalitarian State and its political leaders. But it is saved from the aggression of organised labour and is allowed considerable latitude in profitable private enterprise. In Russia where the class-war took a different turn, where profiteering capitalism was eliminated and the bourgeoisie along with the aristocracy was bereft of all economic and political status, the goal of revolution and the steps employed do not present Communism as so different from Fascism in its political-economic aspects. In both cases the form of democracy is retained while its substance of free popular self-government disappears. In both cases the State is endowed with supreme power, economic and political, and exercises a censorship and propaganda fatal to[10] freedom of thought and expression. The most marked feature of the last few years has been the convergence of Fascism and Communism in their 'real' operation, both political and economic. The virtual autocracy of a single man, with his cluster of chosen lieutenants, utilising every form of brutal force for the elimination of possible rivals and opponents, the substitution of wide class divergences of income for the 'needs' principle of Communism, the extension of the right of private property from consumable goods to productive capital, not involving the employment of wage-earners – this evolution of Sovietism signifies a repudiation of economic equality and liberty not widely distinguishable from the government of Germany and Italy in its essential features. In each case democracy as known and practised in England, France and Scandinavia has ceased to exist.

What then has become of the opposed 'ideologies'? Are they mere rhetorical pretences by which Hitler, Mussolini and Stalin safeguard their personal supremacy over their peoples? The rival despots of nationalism are not content to present their rivalry in vulgar terms of political and economic opposition, they must find a loftier terminology of intellectual and spiritual appeal. So long as Sovietism meant the dictatorship of the proletariat and Fascism the self-anointed despot, the 'ideologies' were indeed distinct and intelligible. Even when underneath their political cloak was perceived the substance of the economic conflict between capitalism and communism, the reality of a class-war was still retained. But now there seems no reason why Hitler or Mussolini should inflame themselves and their peoples with scares about Soviet propaganda, except the persistent need for an enemy to arm against. Does it not look as if the class-war between Capitalism and Communism had been swallowed up by the maw of dictatorship?

Or is this National Socialism only a passing and precarious settlement kept going by series of frantic appeals to sham conflicts of international interests and ideals? We have seen how false, short-sighted, irrational and costly these conflicts are. But we have also seen to our dismay that the appeal to peace and cooperation on grounds of common interest does not convince.[11] Must we not, therefore, suspect that the

appeal to reason carries some snag? Is not the substance of the rival ideologies to be found, not in international relations, but in intra-national or class relations. If it can be shown that a 'capitalism' which is challenged by the body of worker-citizens within each nation as unjust, irrational and wasteful, is the direct generator of the political, economic and 'ideological' conflicts between nations which carries the menace of war and the destruction of civilisation, this discovery[12] of the source of international conflict should give a fresh significance to the demand for each nation to 'set its own house in order'. Those nations to whom democracy has been a real experience could face the facts of this internal situation and by their common though separate national policy reduce the strain of international conflict. But this peaceful solution cannot be reached by[13] urging the advantages of free trade, sound world money, free access to raw materials and free migration, desirable though these reforms are. For they cannot be achieved without a prior removal of the causes within each national economy which have created them. These causes are to be found in the maldistribution of income or spending power within each nation, the excessive income that goes to the possessive and ruling classes, the defective income of the worker-citizens. Unfortunately the excesses of Marxist Socialism and Communism in doctrine and declared policy have roused sentiments and activities of class-war which have so strengthened the defences of capitalism in Western Europe and America as to delay the just reforms which by bringing internal peace within each nation could and would furnish the basis of world peace.

There is ground[14] for believing that Western Democracy is beginning to confront with clearer consciousness than heretofore the nature of this problem and the policies for its solution. I have said that Marxist socialism has been a chief barrier to a rational economy. This is less true of Britain than of other countries. Here a greater obstacle has been a narrow Trade Union mentality which thinks that by each industrial group of workers improving its condition by separate pressure upon its employers, and fortified[15] by favourable State regulations, the welfare of the whole community can be secured.[16] The merely or mainly formal Socialism to which the Labour Party is committed has been used to screen this group separatism. In the United States, where private profiteering capitalism has had a freer field, the restrictive selfishness of the stronger better-paid Trade Unionists made the defects[17] of a policy of national equity and welfare even more evident than in Britain.[18] But in both countries it is evident that the true lines of progress are being visualised.[19] Political democracy is perceiving that its very life depends upon winning economic democracy and that this latter demands movement along several related routes. The bargaining advantages hitherto enjoyed by capital in purchasing labour must be cancelled: monopolies must be administered or controlled by Government: public services[20] financed out of the unearned incomes of the rich must be applied to equalise the general level of economic welfare. These policies are moving from their first state of opportunist empiricism into the stage of related conscious experiment. With the new urgency of the situation they are moving faster and bolder than in the past, and what is even more important, they are winning a less grudging acquiescence from larger numbers of the owning and possessive classes. This is partly because the latter are aware that in a democratic country they cannot put up a fascist resistance with any confidence of success, partly, because the appeal of reason and justice has shaken their early confidence in their rights to property.

The notion[21] that liberal democracy is doomed to perish in the world from the conflict of the rival 'ideologies' of communism and fascism is without foundation. The nineteenth century liberalism which virtually excluded economic life from the sphere of government has already perished. It has been replaced by a new liberalism which differs from the old in that it incorporates economic equality of opportunities in its full sense as equal access to nature, capital, education and enterprise, as an integral factor of popular self-government, and recognises that property and income are joint products of individual and social activities.[22] While important practical questions still remain unsettled, regarding the place rightly accorded to private enterprise and profit in the economics of a modern democracy, and the part to be assigned to public ownership and control of monopolies and certain key industries, the general principle of such public rule is accepted and applied with diminishing resistance from the interests affected. The freedom which the term liberalism implies is not only extended into the economic field, but is acquiring a clearer and stronger mental and spiritual significance. The astonishing interference with free thought and expression practised by fascist and communist rulers alike has done more than anything else to

demonstrate 'the falsehood of extremes'.[23] No political or economic system which demands such personal sacrifices can gain the acceptance of any considerable number of persons in this or any other Western country. This places an effective taboo alike on Communism and Fascism. Those who in this country envisage the possibility or probability of a combination of the city, the army, the landed gentry and the 'capitalists', to oppose the socialism of a Labour government and to substitute a fascist autocracy on German or Italian lines, reckon without regard to history.[24] Where political democracy has had short and shallow roots, as in Germany and Italy, this resistance is feasible, but not in countries where it has enjoyed centuries of traditional acceptance and growth. The 'rival ideologies' cut no ice here: full-blooded socialism and fascism are equally impossible. A middle course, irregular and opportunist in its concrete application, will continue to be our path of progress. The very reasonability of such a course consists in a refusal to follow dictatorial ideals. A consideration that takes account of relative advantages and defects,that compromises on short- and long-scale utilities, on slow and rapid movements, will continue to hamper and exasperate idealists and plungers. But just in proportion as our new liberalism[25] becomes enlightened and consciously constructive in character, will the waste of its older empiricism be reduced and the pace of its advance be accelerated.[26] We are often told that 'fair play' is a stronger and more general sentiment among English speaking people than elsewhere. This may be true, but if so, then the light which a reasonable temper sheds upon the nature of 'fair play', especially in the economic sphere, will enable our people to make the necessary steps in economic democracy, which are essential to the avoidance of wasteful revolutions on the one hand and are positive securities for internal and external peace upon the other.

For the equitable distribution of opportunities, income and property within our nation will not only ensure internal peace and progress, but by the diminished pressure on the need for external markets for our goods and capital, by reason of the increased volume of home consumption, will abate the perils of aggressive imperialism and of international conflicts. If I am right in believing that a growing recognition of this policy of increased home consumption is taking place in all democratic countries and that means for its application form a growing part of conscious governmental activity, we have a new and vitally important bond which will bind the democratic countries economically, politically, and in the last resort forcibly, in opposition to the aggressive designs of the fascist autocracies.

[The *Political Quarterly* article concluded with the following additional long paragraph (PQ 56–57).]

The recent anti-Bolshevist pact between Germany, Italy and Japan is in substance a plain intimation of the conscious opposition between Fascism and Democracy.[27] For though the Soviet system is not a political democracy, it carries, even in its later form, the assertion of an economic democracy, which is the real enemy of Fascism. Though considerable inequalities of income exist, they are based upon differences in the importance and efficiency of production and official activities and not upon profits, rents and other unearned gains. If, therefore, the abolition or curtailment of unearned income is the prime necessity for national unity and international peace, the European democracies of the West must reckon Soviet Russia as their ally against declared Fascist aggressors. But such an alliance could not be counted a complete security for peace without America. Here the traditional isolationism, temporarily intensified by the experience of the Great War, is still predominant in public opinion, though men with the far-seeing minds of Roosevelt and Cordell Hull perceive that the isolationism, political and economic, once possible, is no longer practicable.[28] Though much suspicion of 'entangling alliances' still exists, the fear is being gradually displaced by other fears and dangers.[29] One is distinctively economic in origin, the recognition that economic isolationism on the old lines is dangerous to industry and entails strong class conflicts. The productivity of brains in industry and agriculture has hitherto found lucrative vent in supplying the growing needs of a rapidly increasing population, and, after checks upon immigration, in supplying weaker European and South American nations with capital and money loans.[30] The disastrous collapse of industry and employment since 1929 has made it evident that with a declining immigration and reduced export capital, a full recovery demands higher wages and more leisure for labour, together with an expansion of public expenditure on works and services calculated to reduce the rate of profits for capital. The resistance of the owning classes to this policy may take shape in an organised attack upon popular government as a legislative and executive instrument. This is now for the first time consciously

realised as a danger to political democracy, arising from the assertion of the claims of economic democracy in a country where the earlier realities of economic liberty and equality have disappeared. It is, however, unlikely that any such semi-Fascist movement could succeed in face of the new conscious rally of labour and land workers against city capitalism and finance. The traditional and highly-prized democracy of America is in sentiment definitely hostile to the aggressive policy of Germany, Italy and Japan, and the penetration of Fascism into the politics of American States is perhaps more likely to bring the United States into real co-operation with the democratic countries of Europe than any other recent movement. It may, however, take some time before America can realise that her potential strength is necessary to restrain a policy of aggression, which, beginning elsewhere, would almost inevitably extend to the American continent and demand from the United States an active policy of war-prevention. For the central argument for the United States coming into early co-operation with the European democracies, is that, by so doing, she would prevent another World War from occurring, into which she would again be drawn if that World War had already broken out and was bringing disaster upon that common civilisation to which America belongs. The political economic isolation of America is a dream incapable of fulfilment, and if she feels no moral obligation towards the civilisation of Europe which has contributed so much to her own, she cannot entertain a sense of security in a world exposed to the ambitions and aggressions of Fascist power-politics.

1 Published subsequently in *Political Quarterly*, vol. 9, no. 1 (1938), pp. 47–57. Title page: 'THOUGHTS ON OUR PRESE DISCONTENTS/SP lecture/J.A. Hobson,/3, Gayton Crescent,/ Hampstead, N.W.4.' The present edition collates Hobson's typescript w the version published in *Political Quarterly* (PQ followed by the relevant page number), noting differences in words and phrases, but not minor differences of punctuation and capitalisation.

2 Even though ultimately the US did not join the League of Nations, the latter's architect was twentieth-eighth US President (Thomas Woodrow Wilson (1856–1924). The twenty-second article of the League's founding Covenant (signed 28 June 1919) gave various nations the task of preparing colonies for independence. Many observers saw this 'mandate system' as a way of allowing colonialism to continue although with an appearance of legitimacy.

3 The monarchies of Germany, Austria and Russia were overthrown between 1917 and 1919. Spain became a republic in 1931.

4 Japan invaded Manchuria in September 1931. Italy attacked Abyssinia (Ethiopia) in October 1935. Civil war broke out in Spain in July 193 with help being supplied openly to both sides by other nations.

5 PQ 49: 'rational appeals'.

6 PQ 49 omits 'rational'.

7 Georges Clemenceau (1841–1929), French Prime Minister, 1906–9, 1917–20. Herbert Henry Asquith (1852–1928), British Prime Minist 1908–16. David Lloyd George (1863–1945), British Prime Minister 1916–22.

8 MS orig.: 'economic'.

9 William Shakespeare (1564–1616), *King Henry IV*, part II, act 4, scene ii, ll. 341–42: 'Be it thy course to busy giddy minds/With foreign quarrels'.

0 PQ 50: 'an absolute censorship upon'.

1 The Great Depression saw many European countries such as Britain, Germany and Italy retreat into economic protectionism, with Britai and France concentrating increasingly on their respective imperial resources. Militarily, in the face of German and Italian expansion in Africa, the Mediterranean and elsewhere, appeasement became a popular policy in Britain in the final interwar years. This attitude changed when Nazi forces entered Austria on 12 March 1938, marking the beginning of the Anschluss, which Hitler saw as Austria's return to the German nation. France and Britain would attempt to appease Germany again by signing the Munich Pact in September 1938.

2 PQ 52: 'disclosure'.

3 PQ 52: 'reached merely by'.

4 PQ 52: 'There is, however, ground'.

5 MS orig.: 'justified'.

6 In 1931 in response the Great Depression, the National Labour Organisation (NLO) split from the more hard-line, pro-trade union Labou Party. The NLO joined with the Liberal and Conservative parties to form the first National Government, with a second followin immediately in 1931–35 (Ramsay MacDonald of the NLO was Prime Minister for both of these ministries). The third National ministr governed from 1935 to 1937, being led by the Conservative Stanley Baldwin.

7 PQ 53: 'attainments'.

8 At this time, control of unionised labour in the US was divided acrimoniously between the American Federation of Labor (AFL) (created i 1886) and the Congress of Industrial Organizations (created in 1935). The AFL tended to represent skilled labour.

9 PQ 53: 'are now more clearly visualised.'

0 PQ 53: 'humane services'.

1 PQ 53: 'belief'.

2 The Manchester School liberalism of John Bright (1811–89) and Richard Cobden (1804–65) gave way in the 1880s and 1890s to the mor interventionist liberalism of the British idealists, which was inspired by the writings of Thomas Hill Green (1836–82). This movement gave birth to the New Liberalism whose main theoreticians were Leonard Trelawny Hobhouse (1864–1929) and Hobson himself.

3 This phrase concludes Alfred Lord Tennyson's poem 'Of Old Sat Freedom on the Heights' (1842).

4 While Germany was governed by a Nazi one-party state, fascist Italy was organised on corporatist lines at this time.

5 MS orig.: 'new Liberalism'.

6 Hobhouse, who died in 1929, had based his 'new' liberalism on an empiricist epistemology, thereby distinguishing his position from that of the

British idealists who grounded a very similar political programme on an avowedly non-empiricist philosophy (while still emphasising the need for careful empirical observation in public policy discussions).

17 Germany and Japan signed the Anti-Comintern Pact on 25 November 1936, with Italy signing on 6 November 1937.

18 Franklin Delano Roosevelt (1882–1945), thirty-second US President (1933–45) and Cordell Hull (1871–1955), US Secretary of State (193 44).

19 The 'entangled alliances' were the Triple Alliance of 1882 (between Germany, Italy and the Austro-Hungarian Empire) and the Triple Entente (which grew up in the late nineteenth and early twentieth centuries between Britain, France and Russia). Eventually, this web o connections, together with various other related alliances, led to the First World War.

20 Many European countries received American loans throughout the interwar period. The intensity of German reparations was eased slightly under the terms of the 1924 Dawes Plan and the 1930 Young Plan.

14 The Sense of Responsibility[1]

(1938)

§I The Fact and Sense of Social Responsibility

In every social group or cooperative activity, where the action of one member affects the actions of others, this interaction implies a responsibility on the part of each member towards the others. But the fact of such responsibility does not necessarily imply that it is apprehended or realised emotionally. Responsibility is a fact, the sense of responsibility a feeling, and the relation between the two requires consideration, especially in the economic field. For, whereas in most primitive societies producers and consumers form small local groups the members of which are in close constant personal contact with one another, and are aware of any changes in the production or consumption of any of their members, the modern areas of exchanges have rendered such knowledge inaccessible to those concerned. This expansion of theareas of responsibility is accompanied by an almost complete loss in the sense of responsibility on the part of those whose real interests are none the less involved in the wider cooperation. Producers for a modern market know little of their fellow producers in their own country, still less of those in other countries, and virtually nothing of the consumers in their own country or the world whose demand for their product is of literally vital importance to them. Though every farmer, factory-hand or office-clerk, is in some dim sense aware that the work he is doing affects the interests of other people, he seldom knows who these other people are, except his immediate employers and fellow workers, and even for these latter he can hardly be said to feel any positive sense of responsibility. His conscious interest is absorbed in his work and livelihood, and the chief social responsibility he can be said to feel is towards his family and their maintenance. If he is a trade-unionist, some sympathetic interest in the conduct and fortunes of the other members of his union must be accorded to him: if he is a member of an employers' federation, some similar interest in the capitalist aspect of his industry as a whole will affect his mind. Legal or voluntary codes of conduct which regulate most professions evoke some sense of responsibility in their members. Fragments of these forms of cooperation even extend beyond the national boundary, carrying the germs of an economic internationalism in fact and feeling. But except in rare moments of economic emergency when the wider community of interests is realised, such sympathy can hardly be said to count as a sense of responsibility.

In a word, the close actual responsibility which nearly all men have towards one another as producers and consumers is very feebly represented in the field of conscious apprehension and emotion. The elaboration and intricacy of economic relations, brought about by the modern division of labour and expansion of markets, are responsible for this lag in social responsibility. This might not seem to matter much if Adam Smith's 'invisible hand', by which each man, following the line of his immediate self-interest, was impelled to make his best contribution to the common wealth, were a reality.[2] But though the 'providential' aspect of this theory has been jettisoned, it has been largely responsible for the facile acceptance of self-interested individualism, alike in economic theory and practice, generally associated with the classical nineteenth century political economy.[3] The logic of that individualism rested upon three assumptions; the first, that all members of an economic society knew their best personal interests and were free to pursue[4] them; the second, that the addition of these personal self-interests must form the interest of the whole community. This doctrine was a natural product of the Benthamite philosophy based upon utilitarian hedonism,[5] and given wider intellectual and practical prominence by the revolt of 'bourgeois capitalism' against the restraints of landlordism, protectionism and other legal interferences with mobility of persons and industries. The third assumption was even more arrogant, for it assumed a similar[6] condition of human relations throughout the economic system, as also for the political democracy with which it was associated. Every nation, and every industry and political grouping was visualised as moving

towards a common goal of economic and political government in which individual liberty should be achieved by equality of opportunity. This was usually designated 'Liberalism', for liberty was both its means and its end. If all individuals were made free to follow their own inclinations and attain their own satisfactions, the ideal society would be attained! The main economic condition for attaining this desirable end was individual liberty of choice. To modern reflection it seems amazing that thoughtful economists and statesmen should have supposed that the removal of a few legal and customary barriers would enable this liberty of choice to become a reality. Free trade, free migration from place to place, from country to country, popular education and an extended franchise, would give the substance of this liberty, enabling every person to do his best for himself, his family, his nation and humanity! Under the pressure of these mighty streams of progress, all interferences would rapidly be swept away, or remain as negligible relics of an outworn order!

This static view of a liberal world, in which all new powers of machineproduction, with their revolutionary changes in modes of living, would achieve a final transformation of society, received so much support from the visible progress of a few Western nations in the nineteenth century that its fundamental assumptions were rarely challenged in the land of their birth except by a few premature Socialists and a few literary critics, like Carlyle and Ruskin.[7]

It may seem strange that in the age when the scientific conception of evolution had taken hold of the sciences of geology and biology, its application to the arts of human conduct and institutions should have been ignored. But it must be remembered that psychology was only in its infancy in the mid-century and consisted almost entirely of the analysis of conscious processes of an individual mind common to all human beings and fixed in its general structure. Social psychology, and sociology in its modern psycho-physical make-up and its institutional moulding, were not recognised as legitimate studies. The speculative theories of Comte and Spencer were treated as intellectual freaks in academic circles, the individualism of the latter being carried so far as to negative his claim to be a sociologist, though he was the first Englishman to adopt the term.[8]

Again, when thinkers began to speculate regarding the extension of Darwinism to fields of human conduct, progress was retarded by the dominant position accorded to the State under the idealism of Hegel and the materialism of his halffollower Marx.[9] The Hegelian teaching, even under the more liberal presentation of T.H. Green and Bosanquet, was at once too abstruse and too repellent to the 'common sense' of English readers to make any successful resistance to the practical individualism of our business classes with their potent hold upon our politics.[10] Equally obnoxious to this dominant trend of thought was the revolutionary teaching of Karl Marx with its materialist interpretation of history, its assault upon 'surplus value', and its demand for the establishment of a proletarian government. Even in Germany and other continental countries Marxism was slow to win acceptance as a working class creed, and in Britain it has not played any considerable part in the intellectual and emotional attitude of labour-socialism even in this century.

§II Individualism as a Moral Principle

These considerations help to explain the strong hold which individualism maintained as an intellectual and a moral principle both among our educated classes and among the rank and file of our people. What is true of Britain is equally applicable to our Dominions and to the United States of America.[11] Indeed, in the latter, the abundance of opportunity for pushful business men and for farming pioneers gave more substance to the liberty and equality of individual enterprise than existed in any of the older civilizations. The large element of luck in the distribution of economic opportunities did not much impair this general acceptance of equality and of the right of individuals to exploit freely for their private gain any opportunity which came within their reach. The notion that justice required a social control for the fair distribution of such opportunities did not enter the mind of anybody. Men were held to be substantially similar and equal in their physical and mental structure, and living in a free country enjoyed the same chance of success. Even the most disastrous failures to live up to this principle were not recognised as cases for public care but only for private charity.[12] In the older European societies a certain traditional responsibility of the State was recognised towards impoverished or defective members. But this social responsibility was

narrowly restricted and during the nineteenth century, in England, was associated with an individual responsibility for failure on the part of applicants for public relief and a carefully inculcated sense of degradation among the recipients of such relief and the general body of the poorer classes. This attitude was openly defended by the well-to-do and by captains of industry on the ground that a more generous treatment of the poor would encourage indolence and thriftlessness and would sap character. For if success in business and in society were due, as was assumed, to personal merits, failure must be due to personal defects. On both sides of the account there would, doubtless, be exceptions, but this was the rule. This sober morality accorded with accepted intellectual principles in support of competitive individualism as the right rule for economic conduct. Though it was evident that cooperation on a wide and intricate scale existed in economic life, that cooperation must be interpreted as the voluntary action of its component members, each concerned with its own gain and not as a communal conduct, demanding a conscious sense of collective responsibility. Adam Smith's 'invisible hand' indeed conferred a responsibility for the collective welfare upon God or Providence. But the nineteenth century individualism, as we see, could dispense with Providence. For strictly speaking, it repudiated the existence of collective welfare by resolving it into the addition of individual welfares achieved by individual conduct. Now if this were true of cooperation in the economic field, it must also be true for other fields of conduct. There would be no common welfare, no common feeling and no social responsibility. There have been and are today psychologists and philosophic thinkers who propound this creed.[13] For them there is no 'sensus communis' in the strict meaning of that term, no *esprit de corps*, no public opinion apart from the opinions of the separate members of the public, no herd-mind or mass-emotion. Only individual minds can think and feel; sympathy does not imply any organic unity of feeling among such minds. This doctrine has two significations; first that, in so far as the minds and ways of feeling are similar in different persons, they will respond in similar fashion to an experience which they have in common; secondly, that each person has some regard for others and is affected by what happens to them. The purely selfregarding individual, the *idiotes*, is not a human being. Now it may be contended that if members of a group or society are similar in their mentality and have some feeling for and understanding of one another, that is all that is required for social responsibility. For if a person is interested in the welfare of others and knows that what he does may, or must, affect their welfare, he has a feeling of responsibility towards them. Is that all that is required? Or are we bound to hold that 'sensus communis' is not satisfied by this process of individual thought and feeling, and requires the admission of some closer communion in which the thoughts and feelings of individuals are fused, and operate in opinions and emotions that are in some way different from those that proceed independently from the minds of the individuals. Those who take this view sometimes appeal to 'tides in the affairs of men',[14] large long-range historic movements, the full contents or aims of which are only dimly seen or felt by those who take even leading parts in them, and which are not consciously realised by the multitudes who obey the current urges.[15] And, indeed, it is difficult for historians, whether they take a materialist or an idealist or a 'providential' view of historic causation, to deny that such large long-range movements actually take place, or that the chief movers at any given time are unaware of the wider trends of the movement. This, no doubt, sounds vague. But take as examples the passage from feudalism to central State governments in Western European countries, or the development of representative government in England. The changes in environment and in thought and feeling, which by interaction brought about these political transformations, were certainly not 'thought out' or consciously designed by any of the statesmen or parties whose actions none the less contributed to bring them about. It is manifestly impossible to explain or interpret these historical processes purely in terms of the mentality, the purposes or sympathies, of the individuals who made the particular legal or political moves that registered the several steps towards these goals. Yet it is perhaps equally impossible to deny to such movers some feeling for the drifts of tendency which underlay and gave larger significance to their short-range actions. Short-range immediate expediencies, dominant in the immediate purposes of politicians, are not inconsistent with some recognition that their actions accord with a deeper historic urge.

§III Areas of Social Responsibility

What bearing such occurrences have upon the problem of the apportionment of individual and collective responsibility it is difficult to determine. But my point here is that even the most hardened individualists will admit that there are historical movements, with accompanying transformations of environment and human character, which cannot be regarded as the mere product of enlightened personal intelligence and interest. Those of us who reject the view of some external providential management will claim that the course of human history is directed by drives or urges, whether from behind or in front, which imply and involve some degree of half-conscious or sub-conscious sympathy with a collective welfare and some sense of responsibility for that welfare. Nor can such a 'sensus communis' be resolved into the class-conscious regard for the well-being of others in our individual minds. For such sympathy is not extended beyond the confined group-areas of our practical present experience. Neither far-distant occurrences in space or in time figure effectively in our minds. A flood or famine in China evokes a very thin emotional response as compared with some minor accident next door. Posterity beyond two generations has no appreciable consideration for us. Yet it cannot be held that the larger and longer ranges of utility or interest have no effects in motivating current conduct, and that no responsibility is involved in such conduct.

This may seem to bring us to an *impasse* in thought. For the nature of such social responsibility as lies in these large historic movements has no accepted analysis and no accepted terminology. All that we can claim, as relevant to our present enquiry, is that they appear to carry some obscure element of motivation transcending the personal immediate aims and desires of those who take the several steps which, taken together, constitute the movement. Is this an admission that the movement is nothing but the addition of its steps? No, such a statement takes no account of the direction in which the steps go. And it is this direction and its motivation that are our main concern, for they are only made intelligible by the assumption of a purpose that lies outside the minds of the individual movers or is dimly apprehended in these minds. There are those who would boggle at the use of the term 'purpose' as an illicit introduction of some high personality. But it is difficult to conceive an active consistent drift or tendency of policy without imputing to those who carry it out some cooperation in a common purpose. That purpose may only be traced in the several steps that carry it out, but since each step is planned and taken by the will of some person, the larger attainment or general direction must be imputed to some collective process of thought and will. This, I presume, is what Sir John Seeley meant by saying that the British Empire was built 'in a fit o absence of mind',[16] i.e. that no individual empire-maker thought out or aimed at the Empire as a whole, though the achievement expressed a general urge towards acquisition and expansion. It is with a mentality that underlies such urges towards Democracy or Empire, or other super-personal achievement, that we are here concerned. What is the sort of responsibility that can be attached to it? If we are to treat these long-range achievements as responsible actions, transcending the thoughts, desires and wills, of the individual executants, we seem driven to a view of collective responsibility deemed inadmissible by those who contend that mentality is a purely individual possession.

Can we get any light upon this subject by considering the life of bees and ants and other lower animals where a collective urge or drive for the preservation or progress of the hive or herd closely regulates and dominates the conduct of the individual members, extorting from them individual efforts and sacrifices for the future good of the community? It is not possible to deny to such beings some consciousness of what they are doing, even some sense of preference for the community over their immediate individual ease or satisfaction. The automatism often imputed to such activities cannot be absolute, for these activities require continual choice of detailed actions. The ant or bee must in some degree know and will what it is doing, though that doing is directed by a wider and longer specific urge.

Apart from these intricate examples of long-range collective urge and action, there is much evidence of a herd or group mind among all gregarious animals. The group has a mental as well as a physical signification. In some cases the herd action shows a sense of recognising and following a leader, in others the action appears as a simultaneous recognition of a common situation, a common danger from the appearance of a recognised enemy, a common opportunity for food. The former cases seem to imply some organised relations in herd mentality, some collective choice of a leader and a common faith in his leadership. The latter cases do not necessarily imply anything more than an individual sense of self-

protection or self-appetite which gives a false appearance of concerted action because the selfappeal is identical and simultaneous to the several members of the herd in virtue of their similarity of needs and nature. In the former case it may be held that the will to follow or obey the leader carries some sense of responsibility or obligation: in the latter all the common action that occurs may be brought within the purely personal ambit. Indeed, where the common action is directed against an enemy, it may be treated as cooperation, and so involving some consciousness of herd interest. But where an opportunity of food is concerned, the conduct of members of a herd, or flock, is conspicuously competitive and self-assertive with no apparent regard for the herd welfare, except so far as the young and sometimes the mate in a family is concerned.

§IV Social Conduct in Primitive Society

How far does man in a primitive condition differ from this behaviour and its accompanying mentality? How far and under what conditions does the clearer sense of responsibility, rightly imputed to him, emerge? Here is a special problem for anthropologists to state and solve. The answer, I gather, largely depends upon the physical environment of these primitive family or tribal groups. If life is easy, by reason of abundant food easily accessible to individual men without much cooperative activity, and the absence of outside formidable foes, animal or human, there is little sense of common good, little social responsibility, actual or conscious. The stability and security of environment inhibits true social sympathy, apart from some vague feeling which seems to accompany the sight of others behaving in the same way as you behave, the feeblest degree of sociality. Organised cooperation for food, or for resisting enemies, or for seizing outside land, which involves group-hunting or fighting against outsiders, enforces conscious agreement among group-members, with accepted leadership, discipline and 'division of labour' for something conceived as the common safety or gain, usually with some sentiment of prestige and glory attached to successful cooperation. This type of primitive human society is sometimes distinguished by the prominence given to the combative instinct as compared with the pacific character of the satisfied and stable group. This, however, is a too narrow interpretation. The real contrast is between conservation and progress, the latter being understood as the energy applied to overcome difficulties, whether of refractory physical environment, or inimical competition. The effort successfully to achieve useful changes of environment, so as to improve the supplies of food and shelter needed for survival and increase of life, the cultivation of the soil, in particular, involving cooperative labour on some plan with knowledge and forethought, such effort brings workers together in a common interested enterprise under conditions not of merged individuality but of divided activity with the recognition of a common gainful end. Each man expects something for himself out of the collectively-acquired gain; he is ready to do his share of the work, but requires the others to do their share. A shirker is his enemy: if any part of the group get more than their share, a latent or actual class-conflict exists. Thus a sense of conflict against difficulties of environment and against fellow men is an essential factor in the progress of a primitive society. When to this internal conflict is added a defensive or aggressive conflict with a neighbouring society, due to pressure of population upon existing means of subsistence, or any other cause, the conscious need of organised common action carries rational and emotional factors of responsibility which are deeply felt. Thus the 'struggle for life' is the great developer both of community and individuality. As man passes from such primitive conditions into the conditions we call 'civilisation', important changes take place both in the character of this struggle and in the sort of life that is its object.

§V Conflict and Responsibility

Before proceeding to the closer discussion of my main thesis, the steps needed for applying the sense of economic responsibility to the changing structure of the modern business world, it is necessary for me to make a further application of the principle just stated, viz. the relation between the sense of conflict and the sense of responsibility. When we speak of man as a responsible being, we signify in the first instance his responsibility to himself, or more accurately to that self which secures order and harmony among those urges and desires which represent fragmentary and often conflicting selves. This is best seen in those cases

which we call irresponsible behaviour, when a man gives free rein to passing impulses or desires without submitting them to any accepted standard of true self-interest or welfare. In extreme instances this irresponsibility amounts to madness or complete loss of self-control. There are also cases of divided personality where different selves take charge of conduct for a time, imposing different standards of behaviour. All these rank as defective personality in that they are in more or less successful conflict with that higher personality which seeks to correlate and harmonize the various urges and desires into some satisfactory unity. Such harmony is the expression of a rational will which works[17] out a general and permanent concept of personality and restrains and moulds to this end the specific and conflicting urges. This dominion of the rational will is exceedingly incomplete even in the most responsible persons, for passing and irrational impulses direct most of the minor details of conduct. None the less there exists for many, or most men, some sense of a harmonious well-ordered life which imposes a measure of consistency upon their private and public behaviour.

Now what light does this sense of personality shed upon the wider concept of responsibility which is our concern here? The society of selves that makes up a personality is evidently a much closer union, both in its processes of cooperation and its conflicts, than any society of different human beings. Nowhere do we find in the latter case any central government or control approximating to the rational will of a well-ordered personality. Are we to assume that all social progress is to be reckoned in terms of the evolution of such a social control, applied to different sizes and varieties of human groups and their several diverse activities, economic and others? In the case of a responsible individual we appear to posit as the desirable end a complete control over the several selves by what we have termed a rational will. Must we conceive social progress as directed to a similar goal, one in which the rational will of the community is the ruler of all character and conduct, and the social life is everywhere dominated by this sense of harmony? Most sociologists would rightly, I think, insist that this view would overstress the similarity between the psychic organism of the individual man and the social organism. Indeed, they would question the application of ‘organism’ to society which they would prefer to term an ‘organization’. Now this objection is of very great importance. It implies a double difference between the individual personality and a society. For, whereas the aim of the former is represented as a completely harmonious self, by the resolution of all conflicting motives under the rightful dominance of a rational will, in the case of a society, progress does not seem to lie in the cessation or absence of all conflict, nor does there exist and operate any control which can exercise absolute authority or ‘rational will’.

The reluctance to view society as a ‘moral organism’ is evidently due, in part, to the fear lest this view should convey the assumption that society is also a physical organism with relations between its members analogous to those between the cells and the organs of the animal body. But the fact that every mental act involves some physical act by no means involves this consequence. It is quite consistent to maintain the absolute separateness of human bodies while holding the interaction and cooperation of their minds. And it is this sort of harmony or unity that figures in the treatment of the evolution of social responsibility, whether that responsibility be regarded as a distinctively personal feeling towards others, or as a strictly collective feeling evoked by cooperation or common action.

Indeed, the notion that perfect harmony in the individual life is a desirable end, is not true, if it appears to involve all liquidation of hostilities in the environment. For though this environment may be relatively static for the individual life, it always involves some changes and the obligation of the individual to adapt himself to these changes, or to mould the changed environment to his own needs, and this always entails new elements of struggle and a sense of conflict with difficulties. Complete harmony with environment even for individuals is, therefore, impossible. The internal harmony of the rational personality signifies the most effective effort to cope with and overcome these environmental difficulties.

Now when we turn from the personal to the social economy of human progress, we perceive that the same task is set, that of utilizing a closer cooperation of individual wills for the wider and longer-range struggles with changing material environments. This brings us to the larger aspect of getting into society, both in its smaller and larger groupings, a sense of common responsibility, which shall effect such transformations in the mental and moral environment of each member of society as will enable him to cope successfully with changes of his material environment and to cooperate with his fellows in this work. Here again we must put in a distinction between those slow material changes, climatic and other, which appear

to lie outside effective human control, and those which are the direct results of human action. These latter open up the grave issues arising from movements of population, use and abuse of soil and other natural resources, improved communications through land, sea or air, the concentration of an increasing number of people in cities with highly standardised and mechanized conditions of work and life. The pace of these man-made changes of material environment, involving unforeseen and unprovided for changes in hygiene or intellectual and moral environment, is not determined by any rational estimates of human well-being. It is not treated as a process amenable to social responsibility. It is attributable to a rapid development of the physical and biological sciences, applied to the technique of economic production in order to effect increased gains for the individual owners and managers of certain industries. Though it is claimed that the mass of workers and consumers reap benefits from the increased productivity attendant on these processes, such benefits do not proceed from the intention of the organisers of such industry and are in many cases offset by increasing insecurity of work and livelihood and other working and living conditions involved in this industrial procedure. The directors and managers of capitalist industry are not, strictly speaking, responsible either to their employees or to the consumers of their goods for the terms of employment or the qualities of the goods. Their responsibility is confined to the investors who are the legal owners of the capital. If, as is often the case, they recognise some responsibility for the wages they pay and for other conditions of employment, and for the terms on which they supply goods to consumers, this responsibility is of a secondary order, its fulfilment largely hinging upon some advantage they possess over industrial competitors. A freely and closely competitive business cannot afford to give better terms than its fellows either to employees or consumers, unless, as sometimes happens, it reckons that such benefits come back to it in better workmanship or larger and more profitable markets. Normally there exists in business a complete irresponsibility to the employee and the consumer. Nor does this apply only to large modern capitalist undertakings. It is generally true of the relations of producers to their employees and the market, and indicates the magnitude and intricacy of the task that confronts those who seek to build up in the economic field an effective sense of responsibility that corresponds to the realities of economic life, and a set of institutional changes that express that sense.

§VI Economic Relations to Other Fields of Conduct

But though this economic field presents the problem of responsibility in its sharpest outlines, sociologists will recognise that the isolation of this field is impracticable and unscientific. The growing irresponsibility which has attended the expansion of business units and of markets, and in particular the dominance of finance in the conduct of business and the assessment of ‘values’, has numerous reactions and interactions within other fields of human conduct, extending from world politics to the details of family life.

Any effective survey of the sense of responsibility, personal or collective, must, therefore, take cognisance of these various fields, considering the nature of the changes in them brought about by that transformation of the economic fabric which is the most important social product of recent times and the most causative in its influence upon other aspects of human life. By this procedure I do not intend to commit myself to the doctrine of economic determination of history which figures so prominently in Marxist and certain other philosophies. Man’s nature contains urges and activities, physical and psychical, which have for him an independent significance and value. Sexual satisfaction, self-assertion, power, prestige, combativeness, play, cooperation and competition with his fellows for non-economic as well as for economic purposes, are all supported by innate urges which seek expression and satisfaction. It may, of course, be said that the maintenance of physical life, and therefore the work necessary for this, are a prior condition for the satisfaction of all these non-economic urges or desires. But this admission is no sufficient basis for economic determinism. ‘Man does not live by bread alone.’[18] Deprive a man of all other valued satisfactions, and of self-assertion in the struggle to achieve them, his life becomes worthless. History, indeed, records cases where the enforced repression of habits established by long tradition have brought about race suicide in primitive communities by means of a refusal to continue breeding. If then we take economic activities as our key-note in the study of the sense of responsibility, this does not commit us to the view that these activities have an intrinsically superior value over other activities. Their central

position is due to the fact that they naturally and necessarily play the largest and most continuous part in most men's conscious outputs of energy and are a condition and a means for the attainment of most non-economic values and satisfactions.

§VII Locality and Occupation

In order to support this general statement it will be necessary to study human society in two related but distinguishable groupings, one closely based upon locality, the other upon occupation. The primary human contacts are those of a common locality for all the vital processes. In the simpler local groupings, the family or the small tribal community, location and occupation are closely interwoven. Where the family is a virtually self-sufficing body dependent on the activities of its several members for the work which supplies its physical needs and for the sexual and other satisfactions from a group life where the sense of power over weaker members is conjoined with a sense of care, affection and responsibility, the family life is an all-embracing one. Its economic aspect is communistic in the strict sense, for each working member contributes his share to the productivity of the group and receives from the common stock according to his needs. This is not in fact of course as beautiful[19] as it sounds. For the apportionment both of the work and the product commonly expresses the enforced will of the head of the family, an essentially demoralising position in which the abuse of power displaces the true sense of responsibility and often makes the strongest male parasitic on the labour of his wives and his offspring. The normal situation, however, is one where the adult males take on the more prestigious and irregular occupations of hunting and fighting, the women being devoted to agriculture and home-keeping. This division of labour, of course, is applicable not merely to the family but to the larger group of families composing a tribe, and the economic system it expresses carries a conscious sense of responsibility among its members. The break-up of the close family-group as an economic and social organization, with its intricate composite responsibility, is one of the most important phases in the process of modern civilization. It is, indeed, a definite product of 'civil' life, the substitution of the city for the rural homestead, as the local area for work and life. This change implies much more than the loosening of ties among the members of a family. As Signor de Madariaga shows in his latest work,[20] it signifies an evaporation of the whole mental and moral atmosphere breathed by the peasant, expressing the traditional wisdom and conservation of a life dependent on the soil, the climate and other factors beyond human control. The townsman, torn away from local ancestral tradition, acquires a flexibility, an adaptability to new conditions, but he has little control over the pace and nature of the environmental changes. His old life was planned and acceptable and more or less intelligible to him: the new city life is insecure, full of novelties to which his powers of adaptation and assimilation are unequal. It is full of problems which have grave reactions upon the sense of responsibility. But our immediate consideration relates to the weakening of family bonds. For in city life the family is no longer a close cooperative unit for economic purposes. Nowhere can it be self-sufficing for the supply of its material needs. Even where the son goes into his father's business, unless the father is the employer the relations cannot remain on the intimate basis of the small farm. To a diminishing extent, indeed, do town children follow the occupation of their parents except in a few instances such as mining and cotton where large industries remain localised, and even so the work and the wages belong to the individual earner if he is an adult and not to the family, if he still lives with it. The typical town family, indeed, preserves a certain amount of structural unity. The father and the mother (where the care of young children and the home does not absorb her) may both go out to work, so likewise the older children. Each working member will make his or her particular contribution to the family income which will be expended on a more or less communistic basis of needs. But a good deal of the expenditure of income will usually remain at the free disposition of the individual earner. Any modern attempt at communing it for joint family use will be resented and lead to separation from the home. In any case the freer choice of occupation will be likely to lead to separate residence in another locality where there is a better opening for young labour. Even where some home industry or small retail shop is within the scope of a single family, such self-sufficiency is too slight and too precarious to maintain the old solidarity of the family.

In a word, the mobility of modern economic conditions is inconsistent with the former economic self-sufficiency of a family, alike for productive and consumptive processes. The members of a family have

lost much of their old intimacy bred of close cooperation in work and in home-life. With this loss of intimacy the sense of family responsibility has greatly weakened. How far is it replaced by a sense of individual self-responsibility, each member recognising his duty to 'look after' and produce for himself? How far is it replaced by wider forms of communal responsibility? The ethics of the industrial revolution, with its stress upon individualism and free competition, tended in the former direction. The needs of efficient capitalism with factory and other large-scale enterprise required personal mobility for employees both as regards the nature and the locality of employment. Freedom of opportunity did not signify freedom for families but for individuals. Where families could adapt themselves to the supply of individual workers in sufficient numbers, family migration took place, notably from the feebler agricultural communities, but the prime demand of the factory for abundant and efficient labour was an appeal to the individual worker rather than to the family. A good deal, of course, depends on the nature of the industry. In cities largely used by textile trades, where there is much employment for women and older children, the structure of family life may be kept intact by the preservation of a common home. But that family life is necessarily impaired by the outside employment of the mother and adult daughters during the working day and young children are deposited in collective nurseries or *crèches*. In cities where metal and other exclusively male industries prevail, the wife and mother may still remain a home-keeper in the fuller sense, retrieving the older personal responsibility towards husband and children. But even in these industrial centres, the employment of women, especially for clerical work in offices, has greatly increased since the War and is fed by the conscious preference of many women for outside remunerative employment at higher rates of pay than were formerly attainable. Birth-control and the refusal of large families have been a chief factor in promoting this growing economic independence of women. This new position of women has sensibly diminished the dominance of the husband and father in the economic and other personal arrangements of family life. The woman has acquired a voice in all home arrangements, including the expenditure of the family income which is mainly vested in her hands. In many families the man has his fixed allowance out of the family income for his private personal expenditure and cannot encroach further on the joint income. In all except the poorest classes of England, the habit has sprung up of a small weekly allowance for each child, partly spent at its own discretion on toys, sweets etc., partly saved and invested through the Post Office.

§VIII Public Services and The Family

Not less important in its bearing on the moral and economic structure of the family is the rapid growth of local and national aids for family emergencies, such as sickness, old age, accidents, unemployment, destitution. In most civilised countries, even those most individualistic in their traditions (like the United States), two facts are gaining increased recognition. The first is that current economic conditions render it impossible for most families even of the lower middle classes to make adequate provision out of their own resources for many of these emergencies, especially for the damages due to fluctuations of employment in their bearing on working-class standards of living, health and character. Related to this is the further recognition that the direct effects of unemployment, poverty and general insecurity of life, are gravely detrimental to physical and moral efficiency for purposes of production and national defence. In most countries the recognition of these truths has destroyed that faith in the economic independence and self-sufficiency of the family which belonged to the era of *laissez faire* individualism. Everywhere the policy of supplementing family self-help by public aids, such as pensions for old and disabled workers and their dependents, doles for the unemployed or subsidised public works, bounties for feeding school children, is encroaching upon the earlier obligations of the family. With the wider economic and moral consequences of this widening social responsibility I shall deal later. At present I am concerned with its reactions upon family responsibility. The shifting of much of this responsibility on to the state or municipality may seem at first sight a weakening of that sense of responsibility. Why should parents practise thrift and forethought if they can get the public to look after their children and take on their financial emergencies? The answer is that there are needs and emergencies which exceed the possibility of adequate pre-vision and pro-vision on the part of most workers. To saddle those workers and their families with costs and risks which are beyond their capacity does not stimulate their reasonable efforts at

self-sufficiency, but induces recklessness and despair. This lesson has been taught in many countries by the length and intensity of the trade depression which still prevails in many industrial areas even at a time when prosperity is said to be returning. The endeavour to provide public aids as supplements to, rather than as substitutes for, family self-help, marks the general line of the new policy. It involves difficulties of its own, as is illustrated in England by what is termed 'the means test' for unemployed relief.[21] The enforcement of a test which takes into account the full earnings of members of the family who are in employment, and the full savings of the family, has two disintegrating effects. It tends to drive out of the family home employed members who resent encroachments on their earnings for reduction of further relief, and it weakens the incentive to thrift and self-provision where it is practicable.

To work out a true balance between the two policies of self-help and public assistance is, of course, not impossible. It is, indeed, one of the most important tasks of our time. For upon the solution of this problem depends the maintenance and growth of a right sense of responsibility within the family-group. We need not assume that the future tendency is wholly in the direction of reducing the economic and moral solidarity of the family by the substitution of public provisions for private. For if the development of a wide national or international policy were such as to reduce the risks of unemployment and of war and to give peaceful security of work and livelihood to the workers in each locality, this security would enable the working class family to make due provisions for its private emergencies, such as sickness, accident and temporary loss of work. Voluntary cooperation and insurance might reduce the need for state aids. Though this joint cooperation would ease the responsibility of members of the family towards each other, the finance of it would be a family not a state obligation. How far this reversal of the recent tendency is likely to go depends, however, upon considerations which do not admit of close estimate. The immediate tendency is in the opposite direction, a substitution of public for family responsibility in relation to all emergencies which require financial help.

§IX The Neighbourhood

When families lived in the same locality for many generations, in villages or small towns where local conditions formed a common attachment, this fact of neighbourhood gave a sense of neighbourliness carrying some feeling of mutual obligation. This feeling might be, usually was, fortified by local institutions providing for common action in the protection or improvement of local life. The Parish, with its elected Council in England, is the smallest of these units of neighbourhood: the District and the County, with their respective Councils, represent a wider sense of neighbourhood. In America the Township has always been a vigorous area of self-help, and in most other countries there exist both formal and informal activities expressing local needs and interests. In countries where modern industrialism is still in its infancy, such as China and India, the solidarity of village life as a basis of feeling and of action is far stronger than that of the province and the nation. The so-called Anarchism in a country like Spain is in reality a protest against wider areas of Government in favour of a reversion to group local self-government. The general tenor of modern civilisation, however, is hostile to neighbourhood as a basis of formal or informal cooperation, outside a very narrow circle of interests. Even where neighbours work together in the same locality the growing division and mobility of labour have impaired both the close personal knowledge and fellow feeling that belong to 'good neighbours'. The mere fact of having homes in the same locality and buying goods from the same shops does not go far towards establishing neighbourly feeling. There are, however, new influences, due to the shortening of working hours and educative and recreative needs, that count for the strengthening of voluntary cooperation in localities. School life, with its close contacts for lessons and for play, brings the youth of a neighbourhood into cooperation on a basis of personal intimacy. Clubs and societies for adult-education and for games are essentially local in their appeal and call into existence a local patriotism. This local sense of solidarity for games extends, of course, far beyond the narrow village or even the town. The study both of the team spirit expressed by the players in competitive games and of the feelings of the spectators is of great value for an understanding of the sympathy and community that rests upon a local foundation, whether that locality be the village, the county or the nation. The sense of responsibility in a local football team is so real as to induce its members to 'pass the ball' instead of 'hugging' it and to sacrifice some narrow personal prestige to the joint success

of the team. Indeed, a well organised game contains a finely balanced appeal to the spirit of egoistic display and of collective efficiency. The extension of phrases such as 'playing the game' or 'that isn't cricket' to politics, business and other fields of conduct, testifies to the educative strength of sporting habits in such countries as England and its Empire. On the other hand, the invasion of business into sport, alike in the trade of professionalism, the competition for gate-money, and the prevalence of betting, is a damaging counteraction to the wholesome influence of local or national community of feeling.

Though this general consideration of games has passed outside the narrower purview of the neighbourhood, the actual team-play always carries some sense of the close local cooperation from which it is derived. Indeed, as we proceed in our search for responsibility, we shall constantly be compelled to fall back upon the facts of personal contiguity, and the intimacy it brings about, as the basic factor in any effective sense of responsibility for ordinary men and women. Aristotle laid it down as an essential condition of a well-governed city that its numbers must enable all the citizens 'to know one another's characters; where they do not possess this knowledge, both the election to offices, and the decision of law suits will go wrong'.[22] This, as he recognises, disables large states or even large cities for fully efficient government. The utilities and economies of large-scale government are always purchased at some costs of efficiency in administration. It is generally recognised that the best-ordered States in Europe are the Scandinavian States, Holland, Belgium and Switzerland, and that in countries with large areas and populations a good measure of local autonomy is desirable. Even in a small country like Switzerland, cantonal[23] autonomy has been an important guarantee of efficiency, enabling the whole population in a restricted area to practise direct self-government in important issues.[24]

Modern improvements in communication, mobility and rapidity of conveyance for persons and for information have, of course, done much to expand the area of responsible self-government, though they are accompanied by new perils of interested propaganda. The misuse of the press, the school, the radio for the manipulation of publicity by a weakening of individual criticism and responsible thinking is perhaps the most urgent problem of this age. It is, of course, directly associated with a technical expansion of human intercourse without any corresponding expansion of moral contacts. The building up of an effective sense of responsibility to meet the demands of such expanded intercourse may prove impossible and may negate those schemes for a world-communion[25] which to many appears the sole means of social salvation, political, economic and moral.

§X Legal and Voluntary Bonds

It may be convenient here to give fuller recognition to the differences in the sense of responsibility that attend legal and voluntary obligations. Both sorts of obligations are found in the modern family. Marriage and divorce, parental obligations for the upkeep and humane treatment of the family, claims of inheritance in most countries, are legal bonds making for the unity of the family and imposing responsibility on its members. But it is generally and rightly held that the real conditions of good family life lie outside those legal regulations, resting upon the spontaneous obligations which affection and goodwill evoke in the dealing of members with one another. In a good family life the distinctively legal obligations hardly can be said to count as conscious motives: they are tacitly accepted and obeyed.

Now in less measure this same distinction applies to the relations of neighbours. A locality in which neighbours live has a legal entity: it is separately organised for certain purposes of government, cooperative or protective. There are perhaps more sources of serious dissension and conflict between neighbours than in a good family, and the law is more consciously recognised as a ruling influence in maintaining peace and certain forms of cooperation. None the less voluntary cooperation, based on a real sense of neighbourliness, imparts a stronger and more continuous feeling than that attending the obligation to elect parish councillors and to obey their rulings. Neighbourhood Guilds, Women's Institutes, local Cooperative Societies, recreational Clubs, carry a personal appeal which differs in kind from any sort of formal legal duty.[26] This is because the latter *imposes* obligations and so impairs the voluntary sense in the cooperative process. The emotional element in conduct which is helpful to others disappears when the sense of personal contact is absent. When we pass from the narrow ambit of the family and the neighbourhood into the large city and the nation this divergence of sentiment between formal government

laws and voluntary cooperation becomes more marked. It is not that the sense of obligation to obey municipal or State regulations is weak. On the contrary, most citizens become so accustomed to obey such regulations that their obedience becomes an almost automatic process. A breach of the law gives a shock to their feelings, the very intensity of which implies that obedience has passed into the region of unconscious conformity. The observance of the Ten Commandments (with one or two exceptions) evokes very little sense of personal responsibility because they are so strongly supported by legal or customary sanctions.[27] It is, of course, true that there are border cases in the wide modern range of legal obligations where obedience is less automatic in its appeal. Breaches of the law are often committed by persons who are not criminally minded and who would not voluntarily injure any person they knew. The commonest example of such illegality is the disregard of speed limits and other regulations relating to street traffic. This is not as a rule mere reckless defiance of the law in pursuit of private convenience or pleasure. It is usually the assertion of the right of private judgment in particular circumstances to which the purpose of the regulation, as distinct from its formal declaration, appears to the driver inapplicable. It is not so much that he sets his own judgment against the public interest, as that he thinks that the public interest is not really jeopardised by his action. And this is very often the case. For the legal rules regulating safety are bound to take a general form which is strictly speaking inapplicable to a skilled driver who knows his road and the risks it contains. The knowledge that his excessive speed is unlikely to be detected and that the full rigour of the law will not be enforced against him by a bench of motorist magistrates, aware of the imperfections of the law they administer, no doubt contributes to the habitual illegality and frequent recklessness of drivers. In fact, a speed-limit formally applicable to all cases in given areas is felt to be unreasonable as well as burdensome, and private sense of responsibility is preferred to legal responsibility when no actual harm appears to be involved.

The evasion of customs duties and of other taxes evokes little sense of shame in large sections of a normally law-abiding people. Here we come to the root of the matter. The State is an impersonal potentate imposing certain obligations without our personal consent, though we may have voted in some election for some Member of Parliament who has given his formal consent to an Act imposing these obligations. The quality of cold impersonality removes such obligations from the sphere of felt responsibility. Here we approach the main difficulty of getting human feeling and a personal sense of responsibility into more numerous spheres of conduct remote from the direct knowledge of those whose lives are affected by such conduct, and intricate in the processes which they involve. An economic world, in which our personal conduct affects millions of unknown persons whose personal conduct in their turn affects ours, but where it is impossible that these interlocked effects can be known and felt by the inter-agents, is the supreme challenge to the reason and the sentiment of humanity. If, as was once supposed, this economic world operated by a regular automatic system of its own, uniting the separate selfish interests of its individual members in an economic commonwealth, we might be content to ‘let well alone’. But all informed men and women are now aware that there is no such automatic economic system, and that the lack of it is imperilling every form of civilisation, political, economic, moral, which we seemed to have attained. Not merely the future progress but the immediate security of life for all the members of each nation and every group within every nation appears to depend upon the potency of the recognition of their peril to evoke the necessary efforts at a consciously rational and moral reconstruction which shall plant the sense of responsibility in those who regulate the interlockings of this economic process.

§XI Military Obligations

Here it may be well to consider how the sense of responsibility is operative in military discipline, where formal unity of personal conduct is strictly imposed. Obedience to the orders of an officer, representing a personal relation, and *esprit de corps*, a more impersonal or collective sentiment, are found working together in the various grades of military service from the rank and file soldiers to the members of a general staff. The compulsory element in army discipline tempers, but does not wholly displace, the voluntary spirit of the good soldier. But his sense of responsibility, save in the higher ranks where personal initiative and enterprise retain some scope, is severely restricted by the knowledge that he must obey orders without exercising any choice or discretion of his own. This situation resembles that of the

ordinary civilian confronted with a legal obligation, but with the important exception that it is continuous whereas for the civilian it is only occasional. On the other hand the *esprit de corps* which is an important ingredient in the military *morale* is much weaker in the civilian, relative to his higher command, i.e. the Government and its laws. Attempts, however, more or less successful, are made to evoke in the ordinary citizen some sense of personal and collective responsibility and emotional regard for the State, by infusing into it a quasipersonal character of its own. Though no American could put feeling into a song beginning with 'My "state" 'tis of thee', he can glow with inspired sentiment in singing 'My country, 'tis of thee, Sweet land of liberty'.[28] For he can personify his country and feel a sentimental attachment to it. Modern nationalism has thriven on this personification. In most European countries the dwindling sense of religious orthodoxy has been diverted into political use by making the nation (or the Empire) into an object of personal worship. The task has been facilitated by imputing to the nation-state qualities of pride and prestige, friendship or hostility to other nation-states, which serve to strengthen this national personality as an appeal to the individual citizen. But more has been achieved by associating the greatness of the nation-state with its Monarchy or with some Führer. Alike for internal and for foreign policies the enthusiastic support of ordinary men and women has been secured by propaganda which aims at winning a willing allegiance to the personal rule of King or Statesman. It would be foolish to shirk the fact that the decline of Democracy is largely due to its failure to provide an adequate personal appeal. Liberty, equality and fraternity, as expressed in the political and economic life of modern nations, do not evoke from the mass of citizens the same sort and measure of sentimental attachment as can be got for a dominant personality, with a long and sacred tradition to support him, or with a dramatic prestige of recent achievement. It is significant that not only in Italy and Germany where electoral institutions have been reduced to empty formalities, but even in Russia where they have not, the personality of a Lenin and a Stalin has been elevated into an object of worshipful allegiance. This need not imply that a sense of personal or collective attachment and responsibility is only possible towards a god-man. But it does seem to imply that the process of awakening and educating an adequate regard and responsibility towards an impersonal institution is slow and difficult.

§XII Back to The Economic Field

This digression into the field of politics contains a useful introduction to a closer study of the task of getting conscious responsibility into the associated but far more intricate field of economics.

We have already noted certain fragmentary experiments in the sense of collective responsibility in modern economic life. In part these must be regarded as attempts to apply to the new industrial system some of those forms of cooperation or corporate action which existed in the days of feudalism and guilds but which had virtually disappeared in the new conditions of factory life and distant markets. The movement for the humanization of conditions of factory life in England in the middle decades of the nineteenth century is exceedingly instructive. The rapid rise of a moneyed bourgeoisie in profitable control of the capital and labour, and engaged in operating the new factory and other capitalist enterprises, had displaced in large measure the land-owning aristocracy in the control of national and local government. The old law of settlement which kept the poorer classes in their place of birth gave way before the factory owners' demand for 'free labour': the Poor Law was hardened into a compulsory supply of cheap workers, largely child labour. The type of person whom personal energy and industry put into power by no means represented the finer types of Englishman. Mr and Mrs Hammond summarise the situation in the following terms.

> Industry, with its new equipment and resources, might be expected to find a form which would do justice to the claims of human nature, giving responsibility, freedom, and greater and nobler range of mind and will to all who took part in it. But the Industrial Revolution found England in the hands of an oligarchy so free from misgiving about its capacity for government that it resented even the smallest abatement of its control. The new industry increased human power to a remarkable degree, and it seemed to this oligarchy the most natural thing in the world that the economic should resemble the political structure, and that in the mill, as in the State, all this power should be concentrated in the

hands of a few men, who were to act and think for the rest. Economic science seemed to add a sanction to the law of inequality, for it showed that the sovereign authority of capital was the condition of success in the world of trade. In industrial as in political life, the mass of men must be content with an obedience that asks no questions. Thus the new industry, instead of guiding mankind to a new experience of freedom, common to all classes, confirmed the power of the few, and made the mass of men still less their own masters.[29]

Though it is probable that the actual burden of industrial toil, as regards hours of labour and output of physical energy, was not increased for most workers by the suppression of home industry by the factory or mill, two definitely dehumanising factors came into operation. One was the mechanization of the worker by compulsory obedience to the machine. However hard he worked in his own home, the pace lay at his own control and he retained some liberty in the length and intensity of his working day. Machine-tending destroyed these fragments of personal liberty. Again in pre-machine manufacture he felt himself to be his own master, even though he worked upon materials supplied by an outside owner. In home industry the wife and children were in close personal contact with their master-employer, their interests were also his, the human sympathy of the family counted in the distribution of the work. The mechanization of human beings, when the factory meant machine-tending, has always lain at the base of the repugnance against modern capitalism. In recent times it has been abated by such improvements in automatic working as tend to make the worker a master rather than a servant of the machine, adjusting its operations and correcting its failures instead of obeying its inhuman will. Again the greater proportion of wage-labour engaged in processes of transport and distribution has restored some fragments of liberty and personal responsibility to the wage-earning classes within the narrow scope of their employment. But the injury of a narrowly mechanised activity is still felt by large sections of workers, and, though alleviated in some degree by the shortening of the workday, contributes largely to the growing volume and intensity of discontent with capitalism felt everywhere among the working classes. How to combine the productivity of capitalist technique with a reasonable measure of liberty and responsibility among the worker-citizens is one important aspect of the world economic problem.

§XIII Capitalism in The Industrial Revolution

In the opening period of the Industrial Revolution the tyranny of the machine had very little recognition. Even those workers who resented and resisted its introduction were mainly concerned with the displacement of labour and the unemployment it brought about. On the whole they showed themselves willing to enter the new system for pay somewhat better than that which they could otherwise earn. The Luddites and other wild resisters were a small minority.[30] Even the monstrous cruelties attending the employment of young children in factories and mines did not arouse the passionate resentment of parents glad to get even the most meagre supplement to the family income which this sweating system furnished. The slow awakening of some elementary sense of public responsibility for the tyrannical, degrading and demoralising conditions of such labour is not easily intelligible to the modern citizen and that this is the case is perhaps a most hopeful sign of[31] future progress towards a fully effective sense of social responsibility. For a century ago, when Engels gave his appalling description of the rise of Lancashire industrial towns, neither among the upper classes still in command of the political and social system, nor among the new capitalist class, nor among the clergy and other professions, was there any considerable demand for immediate active reforms in conditions of employment.[32] Chartism and other working class agitations (with the exception of a strong though limited Trade Unionism) were mainly concerned with distinctively political reforms and did not formulate any effective demands for economic liberty, equality, or voice in economic government.[33] Though for a brief moment Owenism seemed likely to develop into a national project for social-economic reforms, it soon died down when its interference with free-lance profiteering and arbitrary control of industry became manifest.[34] The well-to-do classes in general were contented with the prosperity which capitalism was bringing and did not care to scrutinise too closely its methods. There always had been rich and poor, working classes and ‘independent gentlemen’, and though the rapid rise of rich uneducated men with social ambitions caused some resentment among the old-

established families, there was little disposition to interfere with their ways of making money. Among the more[35] educated classes there was a remarkable absence of any disposition to interfere with the social-economic system or to recognise the need of public policy to safeguard the interests of the poor. The slow and grudging application of legal measures to safeguard the lives, first of children, afterwards of women, and incidentally of men, against the worst effects of factory work from uncontrolled machinery, excessive hours of labour and unhygienic conditions, shows how narrow were the limits of the sense of public responsibility. The initiative for these early protective acts came mostly from a few sensitive members of the middle class like Oastler and Sadleir, who, with the assistance of powerful members of the ruling aristocracy, Sir Robert Peel and Lord Shaftesbury, managed to secure the support of the needed majorities in Parliament against the almost unanimous opposition of the factory owners and their political supporters.[36] The fact that so liberal-minded a man as John Bright should have been opposed to this early humanitarian legislation is as significant as was the failure of Mr Gladstone throughout his long career to recognise the existence of any need for social-economic reforms in England.[37] The Christian Churches might have been expected to play a leading part in asserting the need of humanitarian legislation. But the Established Church was so strongly entrenched in the traditions of conservatism, while the dissenting Churches were so dependent for their upkeep and finance upon the new rich, for any vigorous initiative from these quarters.

And yet the period of the early and mid nineteenth century was one in which the seeds of many humanitarian reforms were sown. The abolition of capital punishment for offences against property, the reforms in prison life, the better treatment of the insane and defectives, the extension of elementary schooling to the children of the poor, and in general the expansion of charitable aids to the weak and needy – such reforms attest a growing sense of limited responsibility, public and personal.[38] But it was confined to cases of individual or group suffering of a definite kind to evoke personal sympathy, and carried no recognition of the larger defects of a social-economic system which produced such suffering. It dealt with certain flagrant results but did not concern itself with root causes. This criticism applies to the whole course of the social-reforms which have so deeply modified the *laissez faire* attitude of the earlier individualism towards the injuries of the new economic system. They have been treated as exceptional by-products of a system sound in essentials and socially beneficial in its working. Though recent reforms to which the public policy is committed, such as pensions for the aged and disabled, minimum wage rates, maximum hours of labour, are now accepted as desirable in the national interest, they still figure in the minds of most politicians and business men rather as serviceable concessions, with a protective value against revolutionary movements than as the early stage of a radical reconstruction of the economic system.[39] Taken with the development of public education, recreation, hygiene and other social services, these economic-reforms have brought about demands for public expenditure that have involved important changes in taxation. Two opposed tendencies are visible in this finance, one the increased progressive taxation of large incomes and inheritances, the other the erection of tariffs which involve unseen but substantial contributions from working class consumers in the shape of higher prices for the ordinary necessaries and comforts of life. Though high income-taxes and death duties are generally accepted as legitimate sources of public revenue, the numerous evasions practised by the well-to-do in Britain, and still more in France and America, attest the unwillingness of the rich to bear what an impartial judge would hold to be 'their fair share' of the public burden. Not less significant is the absence on the part of the working class electorate of any attempt to present, either by their votes or through the action of their political leaders, any effective opposition to the growth of the taxation of consumers. This, no doubt, is partly due to the defence of tariffs, as conducive to higher wages and fuller employment within the national economy, partly to a failure to relate import duties to high prices. Finally, the sentiment of nationalism has helped every movement that claims to make for national self-sufficiency, economic or political.

The feeble attempt at a constructive internationalism which followed the War has everywhere been submerged by the tide of Nationalism.[40] Now, if Nationalism meant nothing more than a strong sense of corporate unity among the citizens of each nation and an attempt to express that unity in economic and political institutions which should benefit the nation, such a movement would facilitate and not impede the growing structure of internationalism required for the full development of the world's natural and human resources. Unfortunately the new Nationalism of each country, nominally making for self-sufficiency, is

everywhere hostile to the Nationalism of other countries, and the self-sufficiency it cultivates is less directed to internal benefits than to purposes of alleged 'defence'. The political, economic and military measures of each national Government are admittedly directed to strengthen the nation against other nations whose interests are supposed to conflict with its own. Now though non-economic considerations of pride, prestige and combativeness are utilised to inflame Nationalism, there exists sufficient inequality of economic opportunities between different nations to give some substance to the resentment of the 'have-nots' against the 'haves'. Just as no sound spiritual unity within a nation is consistent with wide disparity of class possessions and opportunities, so in the 'society' of nations, the virtual monopoly of the economic resources of most of the undeveloped countries, by Britain, France and Holland,[41] is a fatal obstacle to the growth of an international spirit of sympathy and responsibility. So long as this condition of inequality remains unredressed the sentiment of social solidarity cannot obtain any reliable extension outside the national or imperial area. Economic and political alliances expressing the joint interests of two or more nations will remain precarious defensive alliances against other nations or alliances with diverse interests.

§XIV The State in Economic Life

I am, however, not here concerned to dwell upon the perils of such a nationalism but upon its internal reactions upon industry and commerce. One of the most important factors in the emergency of war is the State's control over national economic life: in all industries essential to the requirements of the fighting services and to the maintenance of the other vital trades, combination for production under public control displaces competition: the transport services, banking and finance, foreign trade, pass temporarily into public services. This State socialism of war-time has left some lasting impressions upon the economic structure of peace-time, and upon the minds of ordinary men and women. The ease with which a protective system displaced the long-established Free Trade of Britain and her possessions, with the general assent of our people, the State control of the electricity supply, the regulation of railway prices and profits, the proposals for nationalisation of coal mining, the public aid to the centralization of the iron and steel trades, the large financial subsidies to agriculture – these and many other governmental intrusions into private business enterprise attest the wide-spread feeling that peace, as well as war, has its emergencies which demand that the State shall direct industry, commerce and finance along paths of safety, and that safety implies self-sufficiency where the needs of defence are concerned.

The recent change in the character of War itself by which the lives of the entire civil population are involved, has brought an increased sentiment of solidarity for defence and an easy acceptance of any precautions, economic or other, imposed by the Government for civil protection against a future war conducted under the new conditions of indiscriminate slaughter. Such steps towards a totalitarian State, exclusively national in its mind and its arrangements, not only have gone far towards enforced unity in such countries as Germany, Austria, Italy, Russia and Japan, but have made considerable strides even in England and France and the United States, curbing that 'rugged individualism' and free private enterprise for which the history of those countries has been famous. It may be that this new phase of Nationalism, with its material and moral self-sufficiency, is a stage through which man must pass before the wider sense of humanity is effective. Unfortunately the sort of experience involved in this phase may be so disastrous as to destroy the achievement of nationalism itself and to throw back large sections of mankind into barbarism. If, however, Nationalism survives, its contribution towards Humanity will largely depend upon the nature of the feelings it inspires among nationals towards one another, the sense of mutual responsibility it evokes. Now so far as Nationalism is the expression of a common fear or a common purpose of aggression, the cooperation it evokes is little else than a self-protection or a self-assertion with little sympathy or mutual regard. But it is more than this. The very fact that the modern State is something more than a protective system against foreign aggression and internal breaches of the law and has developed into a constructive organ for the furtherance of the material and moral welfare and progress of its citizens imparts a new significance into Nationalism. The patriotism which glowed in war and was fed by antagonism towards other nations becomes a permanent emotion of pride and pleasure in definite cooperative efforts, the value of which is seen in terms of the health, intelligence, morals and enjoyments

of the whole community. This positive progressive Nationalism reacts upon the minds of its citizens in quite different fashion from the old negative kind. Not only does it inspire feelings of sympathy for the weaker members of the nation who are the chief direct beneficiaries of most of the new 'social services'. It also extends that sympathy beyond the national limits and, working along lines of clearly recognised common interests of hygienic and scientific cooperation, prepares the way for those slower achievements of political and economic union that are essential for world security and progress. The notion that such union could come quickly from a recognition of the follies and injuries of war has been the plainest testimony to the irrationality of judgment which war generates. Sympathy and the will to cooperate proceed not from resentment against wrongs and sufferings but from spontaneous desires for the good of others. The real obstacle to effective internationalism is the belief that the members of other nations are unlike ourselves. For the exclusive character of modern nationalism has tended to emphasise and to exaggerate the differences of nations, so impairing the sense of a common humanity. These commonplaces cannot lightly be ignored by those who perceive that nations cannot, however much they try, succeed in living to themselves, and that the expansion of a sense of responsibility strong enough to achieve international cooperation for all human causes is the only security for peace and progress. The belief that some inherent opposition exists between nationalism and internationalism, or that a world-government can and must supersede all national governments is based upon the same illusion which sees in each nation the possibility and desirability of a class-less society. Carried to its logical conclusion this illusion rests upon the supposition that all members of a class or nation are identical in qualities and needs. A right comprehension of the balance of identity and diversity of interests, capacities and opportunities between individuals, classes and nations, is the only road towards a right setting and solution of all the social problems that confront us.

Look at this statement in its application to economics. If all the members of a large economic group had precisely the same consumptive needs, differing only in the quantity of their consumption, mass production and standardisation would everywhere prevail. There would be no scope for novelty, no call for personal enterprise for the supply of individual tastes. Competition under such circumstances would be a very wasteful process, for competition everywhere thrives upon the supply of better as well as cheaper goods. Complete standardisation in consumption would evoke a standardised production. Competitive production would disappear, either replaced by combines or by public services. If this identity of needs, tastes and demands prevailed throughout a nation, the tendency towards a complete national socialism would prevail. If it extended to the members of all nations, i.e. if men were not merely equal but identical in their needs, the most efficient up-to-date standardisation of industry would become world-wide in its structure and its operation: individual, class, nation as regulators of economic demand and of production would entirely disappear. Productive operations would not, indeed, be everywhere the same, for the inherent natural divergences of soil, climate etc. would continue to make for division of labour and local specialisation. But each productive process would be so highly standardised as to warrant a world-wide economic government. Just in so far as the animal man is virtually the same in his physical structure and bodily needs, this wider economy of standardised production is actually in operation. But this identity only extends to a limited number of material wants, and as the command of man over natural resources is enlarged, the diversity of human needs and desires asserts itself and a larger proportion of productive energy is directed to their satisfaction. It is true that in the present-day conflict between standardisation and individualism the issue is not a simple one. For it has been carried from the area of physical into intellectual production, and is fought out fiercely in the field of education. There are many who see the gravest danger to progress in 'the standardisation of the mind' which is proceeding in some countries as an instrument of political discipline, in others as a profitable journalism. But the standardising process is everywhere met by the stubborn resistance of natural and acquired divergencies of need, taste, thought and feeling. Anthropologists have always recognised that as man passes out of his most primitive life, he is less gregarious in his ways of living, less traditional in his ways of work and of thought, that he discovers and exhibits more freedom and individuality in material and spiritual demands. This is by no means inconsistent with the growth of standardisation on both planes. In fact some standardisation is the essential condition of larger individuality. For as a productive economy applied to the supply of material demands where human differences are slight, it sets free an ever larger amount of energy and leisure for higher

individual activities. Even when men's tastes are not quite identical they recognise the economy of disregarding slight and unimportant differences in favour of larger and more important ones. Thus nearly all men and women accept a degree of customary rule in dress, which is either habit or the passing[42] taste called fashion. In either case individual assertion of taste is inhibited in favour of large-scale production. Only a small proportion of the well-to-do assert their individual tastes in dress, leading the way towards the standardisation of fashions. The relation between the two processes may be expressed by saying that all individualism is built upon a basis of standardisation. This is literally true of most material goods where personal taste or need finds vigorous expression. Most of the earlier processes in the making of such goods are mechanised and standardised, it is only the finishing processes that give scope to personal skill, ability and interest in the supply of individual demand. Of art products alone can it be said that the individuality of the worker is intimately and fully associated with that of the consumer, and even in that field conventionality of taste is a constant curb upon originality of artistry.

§XV Standardisation of The Mind

The relations between conformity, with its standardised work, and freedom of individual life are most delicate in education and the pursuit of knowledge. For education has two distinguishable aims. The first is to fit young persons for life in a society where there are certain accepted modes of behaviour and of intercourse and a certain accepted body of knowledge. The second is to discover and train the special aptitudes and tastes which compose the individuality of the young person, and enable him to develop his personality in ways that contribute both to his own well-being and that of his society. The first of these processes involves a deliberate and justifiable standardisation, implying an equality of needs and capabilities and directed to the elementary forms of intercourse and cooperation. The danger lies in carrying too far this common education, from economy of organization. Teaching large classes narrows the personal relations of teacher and pupil and involves the assumption of a similar mentality with similar needs. Though this assumption is justified up to a certain point, educational organization is apt to carry it too far both as regards methods of instruction and examination tests. Moreover, the largely undesigned but very powerful pressure of convention and tradition embodied in the unwritten rules of a school or college is apt to crush the incipient individuality in character and manners under the steam-roller of 'good form'. This 'good form' is frequently defended as containing elements of serviceable and reputable conduct, but it nearly always carries some prestige of class distinction which limits its utility for wider social ends. It is not always realised how great is the part played by differences of education in maintaining and expressing those class distinctions which impede the sympathetic unity of a nation. A genuinely public system of education would seek to repress those differences of pronunciation and of bearing which in England continue to mark the 'upper' from the 'lower' classes. Here, it appears, a larger measure of standardisation is desirable, increasing the common stock of knowledge and of mutual understanding. How and to what extent a system of education can graft upon this common teaching, the specialisation fitted to dissimilar minds and the social demand for expertism, are questions which raise more delicate problems of educational responsibility.

If it could be taken for granted that everyone desired to place any special gift or aptitude which he possessed at the service of the society in which he lived, all that would be needed would be an education which would discover that aptitude and equip it for its social duty. But this cannot be taken as a true setting of the problem. For it denies to the individual that development of his own individuality which is recognised as a personal right as distinct from his contribution to the common good. It assumes that social welfare and progress is the only end for man, and confines his sense of responsibility to the share he can take in promoting that end. This assumption, however, contravenes our basic hypothesis regarding the shifting equilibrium of personal and social well-being in the conception of human evolution and progress. For it is certain that in this process from barbarism to civilisation a continually increasing proportion of the time, energy and interest of human beings has found expression in a higher individuation, and that personality is regarded as a legitimate product of, as well as a means towards, higher sociality. What seems to be required in an ideal society is that the enrichment of each personality shall place no impediment to the enrichment of other personalities or to the progress of social conditions favourable to

that end. This does not, according to the social psychology adopted here, involve the denial that social welfare is an end, that there is a collective, spiritual unity desirable upon its own account. It means that in the moving equilibrium between social and personal advance, the latter occupies a relatively larger place. This is often summarised by saying that progress is measured in terms of larger personal liberty or opportunity for self-expression.

§XVI Religious Communion[43]

This interrelation of the activities of the individual and society is expressed not only in all forms of secular cooperation, but has a special place in the intellectual and personal aspects of the religious life. Religions and Churches differ widely in the stress they lay upon personal faith and personal salvation as compared with the value of collective rites and collective worship. Christianity in its origin and its evolution exhibits this difference in the degree of importance it attaches to the Priest, representing the unity and continuity of the Church, as compared with the personal soul seeking its own salvation. Here, of course, we find the main divergence conveyed in the titles Catholicism and Protestantism. For though both would agree that it is the individual soul that is 'saved', their views about the methods and instruments of this salvation differ widely. And that difference imports into religion the problem of collective responsibility. Though the episcopal Church in Britain and America retains some of the collective authority and therefore responsibility more strongly presented by the Roman Church, the numerous dissenting Churches, by their minimization of rites and ceremonies, as well as by their close concern for individual faith and works, throw the achievement of salvation upon the separate soul. The minister may tender special advice to, but not impose clerical authority upon, the members of his Church. The separation of each soul pushes into the background the Pauline maxim 'Ye are members of one another'[44] and almost cancels the implication of the earliest Biblical question 'Am I my brother's keeper?'[45]

It would, however, be unfair to overstress this distinctively religious individualism of the Churches, in regard to their primary consideration of salvation in another world. For the necessity of adapting their methods of activity to the social demands of this world, involving the intrusion of the Churches as repositories of ethical creeds into secular behaviour, is everywhere displayed with increasing vigour. Modern writers upon the economic teaching and practice of Protestantism have rightly attributed to them an individualism which expresses a loosening of the principles of social solidarity and responsibility proposed and in some measure practised by Catholicism. For, far from confining its authority to matters of religious creed and ceremony the Catholic Church assumed control over what we may term the ethics of the business life.

> 'The most fundamental difference between medieval and modern economic thought' writes Mr Tawney 'consists, indeed, in the fact that, whereas the latter normally refers to economic expediency, however it may be interpreted, for the justification of any particular action, policy, or system of organization, the former starts from the position that there is a moral authority to which considerations of economic expediency must be subordinated. The primitive application of this conception is the attempt to try every transaction by a rule of right which is largely, though not wholly, independent of the fortuitous combinations of economic circumstances.'[46]

This 'rule of right' found expression in the verbalism of 'a just price', merely 'verbal' because it was not based upon any intelligible or applicable standard of justice. The schoolmen of the fourteenth century seeking some criterion of justice soon found themselves entangled in the controversy which divided our nineteenth century economists, as to whether the cost to the producer or the utility to the consumer was the true measure and source of 'value'. This analysis soon forced them to take account of the element of scarcity, natural or humanly contrived, and so we find St. Antonio, writing in the fifteenth century, when markets were already highly developed, coming to the conclusion that 'the fairness of a price could at best be a matter only of probability and conjecture, since it would vary with places, periods and persons'[47] – a very reasonable judgment, but one that reduced to nullity the principle it professed to expound.

None the less, it is certain that the Canon Law which accorded to the Church a general moral

government over economic affairs was of considerable value as a check upon many grave abuses of economic power. Though the prohibition of usury in its larger meaning became more difficult of application when borrowing for production or for commerce came into use, its check upon the more extortionate forms so prevalent in small local communities was of definite public service. Though the Church as a great landowner came easily to acquiesce in some of the major irregularities, injustices and oppressions under the feudal system, and even adopted a serfdom indistinguishable from slavery, Mr Tawney is doubtless justified in holding that 'in the earlier Middle Ages it had stood for the protection of peaceful labour, for the care of the poor, the unfortunate and the oppressed – for the ideal, at least, of social solidarity against the naked force of violence and oppression.'[48]

Protestantism did not at once abandon the spiritual authority claimed by the Roman Church over economic conduct. The founders of the Lutheran, Calvinist, Independent Churches claimed to exercise over the economic and other spheres of human conduct an authority of moral regimen as real as, and in the case of Calvinism, more drastic than that exercised by Rome. The severance of 'business' from the moral law of the Christian fellowship, and the adoption of a *laissez faire* individualism, had no place whatever in early Protestantism. Under Calvinism Church discipline was rigorously enforced upon every branch of personal and social conduct. But as Calvinism found its way into cities like Antwerp, Amsterdam, London and Edinburgh where business enterprise was the chief activity, there came about an appraisement of human qualities which gave prominence to those most conducive to business success.

> A society of hard, thoughtful, industrious men and women, bent upon their personal salvation, to be achieved, under Divine predestination, by conduct conducive to the glory of God, was easily led to regard its occupations and "callings" as chief instruments in the spiritual life thus conceived. The qualities that made for success in the new economic order were qualities valued on their own account as contributing to a godly life, and the regulations of their Church gave them the social approval.[49]

Calvinism was in this sense the strongest expression of the practical teaching of the earlier Puritanism. But all the nonconformist Churches took on the same mundane valuations, and prescribed the same economic lines of conduct. The right economic life worked out differently according as it was applied to the rising bourgeoisie (the main supporters of the new religious organizations) and the wage-earners and peasants who were brought in to form the rank and file of church membership. The employing bourgeoisie, besides practising industry, initiative and thrift on their own account, felt some special responsibility for the wellbeing and good conduct of their employees. Wesley and his early converts professed the obligation to pay 'fair wages' and to charge 'fair prices' though this meant little more than abstinence from sweating and under-cutting.[50] Moreover, they held that the riches which came to them by successful industry were in some sense a 'stewardship' or 'trust' not a private property to be used for personal enjoyment or prestige. The terms of such stewardship were expressed in several grades of obligation. First came the payment of debts. Next, the provision for the 'carrying on' (and expansion) of the business. Then came the claims of the 'reasonable wants' of oneself and one's dependents, including such provision for one's survivors 'as would keep them above want'. Any further surplus should be applied 'to satisfy the needs of the community' i.e. to charity. Though the Wesleyan ethics for employers present[ed] many loopholes, it did contain a 'sense of responsibility' for others. It was early recognised that a moral and godly life would lead to material success, partly, because it 'would bring God's blessing', but, partly, for definitely economic reasons. Industry would increase wealth, and thrift would conserve and expand it. Moreover, mutual aid, strong among the close membership of these little religious communities would prove very advantageous, at a time when personal good-faith was needed for joint-stock enterprise. It was thus no mere chance that associated the expansion of capitalism with the growth of the puritanic Churches. But though some sense of social obligation was discernible in the Christianity of these early sects, it met with great difficulties when the growing size and complex structure of business cancelled the personal relations between capitalists, employers, workers and consumers. The fuller bearing of those changes awaits later consideration but here it must suffice to note the fact that the business ethics of the Churches (with few exceptions) came easily to adapt themselves to the principles and practice of the *laissez faire* individualism and free competition which the economists of the early and middle nineteenth century

established in the seats of intellectual authority.[51] This teaching had its special bearing on the upper class attitude towards the workers. For if industry and thrift were the chief sources of wealth, then poverty was due to idleness and waste. Now idleness and waste are individual defects to those educated to believe that social causation has no meaning and that all economic conduct is resolvable into personal behaviour. When this logic prevailed, it became easy to believe that all interference, even from genuinely charitable motives, with the play of these 'natural laws' would be damaging to character and efficiency. Freedom of contract between worker and employer, unfettered by trade-unionism, with mobility of labour from place to place, from trade to trade, were the first conditions for a profitable trade which *ex hypothesi* distributed its benefits throughout the whole community in proportion to the economic merits of its members. Though some remnants of special obligation towards employees and consumers survived from earlier traditions of Christian teaching, the Churches as a whole have deferred to their wealthy owners and supporters in adopting an attitude towards employees and consumers that shows no understanding or acceptance either of the earlier personal obligations of 'fair wages' and 'fair prices', or of the wider obligations which the 'social' determination of values imposes.

This has been the general attitude of the Churches both in Britain and in other Christian countries towards the ethics of business life until the twentieth century. Now, however, the social challenge to the Churches to declare themselves and to throw their influence upon the side of social betterment is producing some notable results.

The radical, nay revolutionary, ethics of the Sermon on the Mount,[52] formerly kept out of sight in a consecrated safe, as obviously unsuitable for immediate application, is now seeking to come out into the open, as a doctrine of spiritual guidance in the ordinary conduct of human affairs. It is true that most clerical authorities still deem this plain teaching inapplicable to a world 'so remote from the simple localism of Christ's environment', and endeavour to distinguish something they call 'the spirit of his teaching' from the plain language in which it is couched. But none the less it is true that the central assertion of the duty of the strong to help the weak, the rich to help the poor, the abstention of the use of force, the disarming of hostility by kindliness, is gaining ever wider acceptance among the minorities who take religion seriously, and is making its influence felt in social policy, both in the way of private cooperative charity and of 'public services'.

While therefore few even among these social reformers are yet prepared to face and accept the teaching which economic analysis derives from 'social values' in its manifold application to industrial, commercial and financial processes for the production and distribution of wealth, public policies in most countries are moving fairly rapidly in the adoption of alleviations and aids for the more urgent cases of economic injury, and the religious-minded members of the Churches are rousing their fellows to various forms of collective charity in similar causes. It is the fashion for professing socialists and communists to regard all such moves of charitable aid as designed to buy off the remediable and preventive policies by which society could adjust itself to the modern modes of economic life. But such an imputation is quite unfounded, if it implies the practice of a conscious art of evasion, practised by those interested in the retention of private profiteering enterprise. In England at any rate the sort of socialism which during the past three-quarters of a century has found expression in the Society of Friends and among a scattering of influential leaders in other Churches (including the Roman Catholic) has been a genuine protest against the absence of any Christian ethics in modern industry and commerce.[53] Not, however, founded upon any clear critical basis, Marxian or other, this sentimental Socialism has naturally run to compromise and concession, evading any movement likely to be regarded as revolutionary and to evoke violent resistance. On the other hand, there is reason for holding that Marxism has committed a grave error, both in reasoning and in tactics, by its insistence in discountenancing religion as 'a dope of capitalism' and in so losing much of the powerful help which was slowly but visibly finding its way for wider modes of social-economic reform.[54] The flaunting of a materialist philosophy has greatly impeded the new sense of collective responsibility that is being educated in nearly every country by the destruction of nineteenth century individualism under the impact of recent industrial, commercial and financial experiences.

§XVII Social Responsibility of Arts and Professions

Any orderly attempt to discover how the sense of responsibility is exhibited in economic processes must begin by considering how the nature of the work he does affects the mind of the doer. There are certain sorts of work, productive activity, which economic science scarcely recognises as coming within its province, because it lies wholly or partly outside the monetary or the barter measure of a market. I do not here allude to the primitive work of the isolated farmer who makes food and other products for his own use or consumption, though his attitude towards his work is one of close personal or family responsibility. For such work and its product must be capable of being brought into measurable relations with similar work and products that enter market valuations. I allude here to that work of artists, poets, scientists, who are not working to please others or to sell their goods, but to please themselves, or to satisfy some urge to serve the appeal of 'the good, the true, the beautiful'. How far the satisfaction of this creative instinct can be dissociated from the desire to communicate its product to others is a much debated topic in the psychology of the fine arts. But while it will be admitted that the artist, the creative writer, and the pure scientist are primarily responsible to themselves for doing their best work, the mere fact that their product is seen, or heard, or read, or otherwise communicated to others, must exercise some influence upon the practice of their skill and so introduce some element of responsibility to others. Apart from this, is the fact that this consideration for a public is necessary to the performance of their creative work, if their living depends upon it. But such qualifications do not dispose of the self-centred and selfresponsible nature of all work which is essentially self-expressive and motived by a non-economic ideal, such as beauty or truth. How far and under what conditions does this feeling of self-expressiveness and self-responsibility extend to other workers whose work lies admittedly within the economic field? Here we come at once within the sphere of the 'professions', a term which is usually applied to the Church, the Law, Medicine, Teaching and the higher grades of the Military and Civil Services. In this group of activities the nature of the work is usually interesting to the performer, either by reason of the scope it affords for the exercise of personal skill and knowledge, or by the satisfaction from the seen benefit to others which is its direct result. Though in some professional services the discipline and routine factors hamper individual initiative and interest, there is nearly always some scope for the exercise of personal skill, applied to 'cases' which are never identical but always carry some element of novelty. No disease affects two persons in precisely the same way, every legal 'case' has some characteristic of its own: even in the distinctively administrative professions there is scope for personal judgment and discretion.

In proportion as these characteristics apply to the professions, there is a combined sense of self-responsibility and social responsibility. There is also what is termed 'the ethics' of the profession, a term which in law and medicine means a sort of trade-union recognition of a duty towards other members of the same profession. Thus it comes about that a professional man has a triple sense of responsibility towards himself, his fellow members and the 'consumers' of his professional services, the 'cases' he attends.

In many countries attempts are being made to extend this organization of a responsible profession to groups of trained and skilled workers in the architectural and engineering arts, to retail chemists and others whose brains are required for the application of the physical sciences to business purposes. This movement is motived largely by recognition of the need of the citizen-consumer, or the workers in an occupation, for protection against the dangers attending professionalism in the hands of incompetent or untrained men. The manufacture and sale of medicines and drugs, the hygiene of housing, the provision of open spaces, and a score of other sorts of work, extending to the details of plumbing and mining, are passing under the control of professions, in virtue of the skill which their performance needs and the protection of the unskilled operatives and the consuming public against the neglect or incompetence of those in charge of a skilled job.

§XVIII Responsibility in Ordinary Business

But passing outside these professions and semi-professions, where the need for self and social sense of responsibility is largely recognised, we come to the ordinary run of businesses and occupations where the work for most of those employed is of a narrow routine character with little appeal to higher qualities of skill and interest. The technique of management in many manufacturing and mercantile businesses carries some of the qualities and interests of a fine art for those engaged in it. Though their prime responsibility is

to run the business so as to make profit for the shareholders, this aim is consistent with a personal pride and satisfaction from the display of skill, judgment and foresight in adopting the best up-to-date improvements in plant, the selection and control of an efficient staff, the maintenance of good relations with the workmen in the several processes, the securing and satisfactory performance of contracts for making and selling goods, and the special qualities needed for maintaining and improving the 'goodwill' of the business.

In modern economic life a wider function is required than is conveyed by the term business management. The managing director here comes into operation. While keeping intimate relations with the worker manager and his staff, he must keep a general outlook over the industry of which his business is usually a competing unit. This often involves a continuous study of the national and international structure of the industry as a whole, and its interrelations with other industries which furnish needed raw materials, power and machinery, or which purchase the goods that his industry supplies. In other words, the study of world-trade in its present state and future prospects must come within the purview of an up-to-date business manager or director who is to conduct a profitable undertaking. The failure to perform this wider function with sufficient knowledge and judgment is largely responsible for the collapse of so many businesses which are well conducted in their internal operations. This is a fault of an excessive specialisation and an over-individualist view which attribute the success or failure of a business entirely to its efficient working, disregarding its dependence upon other businesses that compete with it, with other industries closely connected with its markets, and with those still wider movements of world-trade – all of which are in vital relations with each single business unit. To steer a safe and profitable course in an economic ocean of such changing winds and tides demands some quality of skill and wisdom in a modern 'captain of industry' that resembles genius. A study of such men shows that their success is attributable to intuition as much as to conscious calculation, such intuition as comes from the complete assimilation of past experience so that its lessons come up in the shape of quick unreasoned acts of choice. With the full psychology of such action we are not here concerned. But such performances carry elements of personal interest and satisfaction akin to those of the artist or the poet who feels a compelling self-responsibility for his creative work. There can be no doubt that much of the finest initiative, enterprise and judgment in the establishment of novel methods of production and marketing, the discovery and satisfaction of new tastes and needs, must rank as individual creative processes, which, though harnessed to the profit-making motive, have also an appeal and personal value of their own. Any socialistic or other planning system which would interfere with these creative actions, attempting to bring them under the control of some research board, might inflict grave injuries upon the technique of economic progress. Indeed, the retention and enlargement of liberty for the creative mind is as essential for economic as for any other art, and the surest test of large social control over industry in general is its provision for such liberty. It is not sufficient to argue that most of the brain power and enterprise under modern capitalism goes into successful reductions of labour cost, advertising and control of markets, and comes out as surplus profits. For while it is undeniable that much brain power and enterprise are put to socially wasteful purposes, much is productive in the best sense of that term, and it will remain essential both to retain and increase the liberty of these creative processes and to endow them with such gains as their performers require.

§XIX Social Service as Economic Motive

For though an inventor or an organiser may enjoy the exercise and prestige of his creative gifts, he may also desire to make personal gain from them. We cannot assume that his sense of social service will be strong enough to evoke his best work, or that the provision for his livelihood made under public control will suffice. Although the present system may enable him to take a personal rack-rent for his work, far in excess of what would suffice to evoke it under a socially controlled system, some private gain may still be necessary.

There is a wider significance to be given to this consideration, in any proposals for state socialism. In planning the general outline of such socialism, there is a *primâ facie* case for leaving to private enterprise such businesses and industries as furnish large scope for the creative qualities we have been considering. New industries, unsettled in their technical or business structure, or older industries that are undergoing

rapid adaptation to new productive methods, may well be left as fields for free competitive enterprise. It is not only that such industries call for individual ability and enterprise in the business leaders who are making them or adapting them to new methods of production, but that these plastic requirements affect also in some degree the rank and file of their employees. In other words, they are not, even in their ordinary work, fully standardisable. Industries which are not mere routine processes, either because their products are required to satisfy individual needs or tastes, or because the material they employ is irregular in shape or quality, call for skill and intelligence in the workers. Ordinary tailoring for men is now done by routine machine processes, but good fits still call for skilled work both of fitters and tailors, and carry some interest and sense of responsibility. The assertion often made that wage-labour in general becomes more and more servile to the machine is probably incorrect, for though division of labour and specialisation are continually advancing, an increasing proportion of wage-labour takes shape either in the supervision and adjustment of machine processes or in transport and trading processes which call for some care and yield some liberty to the performer. If this be so, these limits upon economic standardisation of the workers' mentality leave scope for some feeling of responsibility even in those processes where the nature of the final product and the personality of the consumer are hidden from his vision. In railway transport, for example, a large number of the employees have a solid sense of their responsibility for the safety of trains: The great and ever growing building trades carry not only personal skill but the feeling on the part of workers that they are doing responsible work.

But granting that some sense of responsibility attaches to those engaged in any sort of industry, it will evidently differ very widely according as the industry supplies the common needs of man by routine work or supplies the luxury or other special needs by individual skill and attention. The degree of standardisation applicable to any trade will determine the skill, interest and feeling of responsibility for all concerned from the manager-director to the lowest-skill workers. Standardisation is a technical economy of economic costs which, therefore, carries with it some increase of human costs for those whose work is closely standardised, and in any right calculus of human gains and losses this effect upon the workers must be taken into account. Everywhere it underlies the demand for shorter working hours and increased leisure. A limited amount of routine work is easily borne and is not injurious in itself: in a system where such work was spread over the whole people no human cost might be involved. The importance recently given to the shortening of hours as a national and international reform, therefore, is deeply significant of a widening sense of economic responsibility.[55] An artist may need no limit on his hours of labour but a brick labourer or a bus-driver does need a limit. If any national or world economic system could utilise the scientific powers of productivity under a distributive system which could supply adequately the standard requirements of all inhabitants in a short day's work, the increased proportion of time and energy available for the supply of the higher and more individualised tastes would compete with leisure in this economy of progress. There would be a net increase of interesting activities.

§XX Responsibility for Supply and Demand

It is now time to make a summary analysis of the facts and feelings of responsibility between those who determine supply and those who constitute demand in the economic system. For here the fact of responsibility stands out in the plainest way. Though our account of economic life forbids us to adopt the rigorous orthodoxy which treats economics as the science of utilising scarce means for given ends (since the nature of the ends reacts upon the degree of scarcity of the means), the relations of producers to consumers requires closer investigation than we have yet provided. Let me state the issues in the following way. A business, an industry, the productive system as a whole, are regarded as methods of supplying the demands of a consuming public. That public consists of beings who are for the most part themselves producers, or owners of some factor of production. How is this public of producers mentally disposed towards this public of consumers? Considering that they are the same persons, it might appear unnecessary to consider the problem of responsibility, except so far as special circumstances might blind some of them to the identity of their interests as represented in their double capacity. Crusoe would adjust his working day with its several occupations to the supply of his needs with an accuracy that required no close conscious planning.[56] Does not a human society of producer-consumers follow this same economy,

unconscious so far as the several workers and their items of work are concerned, but yielding a 'right' result whether by the providence of 'an invisible hand' or by the free play of individual self-interest?

If all producers were free to place the economic power at their disposal, whether it were business ability, labour, capital or land, to its most productive use, under circumstances which enabled them to get for themselves the advantage of this productivity, it might seem to follow that their interests as producers and consumers would be identical. Minimum costs of production would yield maximum utilities of consumption. There would, no doubt, be some waste, due partly to inability of producers to forecast future markets and the changes in technique, partly to the stickiness and the lag in mobility of existing capital and labour. But the freedom of producers in the application of their productive powers would yield the maximum of consumable goods in something like their right proportions. This economy, of course, assumes not only freedom of production but also of exchange and a reliable monetary instrument for conducting this exchange. The soundness of this theory and its efficiency in practice still prevail among the orthodox economists of most countries, modified in policy by various concessions directed to meet certain obvious defects, or to satisfy the new demands of nationalism.

The hostile criticism of this orthodox theory and practice, whether by professed socialists or other reformers, is directed against its two basic assumptions, one, that producers actually possess the freedom of production ascribed to them, and, secondly, that the exercise of purely selfish gain-seeking does, or can, yield the maximum satisfaction to consumers.

Now the only class of producers that appears to exercise the assumed freedom of choice in a developed productive system is the entrepreneurs. It is they who decide how much of every other productive factor shall be brought into play for the several productive operations, and with the superior economic knowledge at their disposal, they are usually in a strong bargaining position for getting the service of the other factors. Even in dealing with landowners for factory sites or business premises they generally get the advantage so that the increment value of land often plays a considerable part in the profits of a well-placed business. It may seem that in what is called 'the capitalist system' the investors in shares or debentures must be in control of the business. And it is true that the control is legally vested in the body of shareholders. It is also true that the directorate usually consists of large shareholders. But neither in the choice of their investments nor in the conduct of the business where their shares are placed does the main body of the 'capitalists' possess the freedom imputed to them. Any close study of the 'flotation' of companies, their financial structures, the appointment of directors, the conduct of shareholders' meetings, will serve to show that in most companies the actual control of the productive and financial processes is exercised by the managing director with a few of his more expert colleagues and the managers of the departments. Though the body of shareholders are occasionally brought into free action, this is usually on some emergency due to the errors or misfortunes of the managers. Even when dividends fail to appear the shareholders are generally impotent, and simply have to bear their loss. This might not greatly matter if the main body of the saving and investing public had clear knowledge of the risks they run and the gains they were likely to make by putting savings into particular industrial investments. But the skilled art of prospectus drawing and other uses of publicity exhibit the advantage of the experts in dealing with the amateur.

This account of capitalism does not, however, intend to impute sheer irresponsibility towards investors on the part of industrial and financial managers. The successful conduct of the company is not only a source of pride and profit to its rulers but is accompanied by some feeling of responsibility to the shareholders and of solidarity of interests. This feeling, however, is seldom strong, except in the case of family or other close concerns where the shareholders are personally known to one another. The fact that in large companies the shareholders are unknown to the managers or to one another undoubtedly weakens the sense of mutual responsibility.

This last consideration also weighs heavily when we turn to the relations of business control to the ordinary body of employees. The wage-earner, far less than the investor, possesses that measure of freedom in the choice of his work or the conditions of wages, hours etc., imputed to him by the competitive theory.[57] Where the small business exists in manufacture or commerce, the employer, often himself the owner, is in constant personal touch with his employees, and, partly from self-interest, partly from good feeling, desires to keep on amicable terms with them and to enlist their goodwill. Wages and other

working conditions will be affected by this sense of common interest, except in the lowest kind of business run upon definitely 'sweating' terms. In most small concerns the personal contact carries some sense of obligation, which is usually reciprocated. In most large-scale undertakings where the manager can have no direct personal contact with the general body of employees, approaching them only at several removes through departmental managers, overseers etc., the business as a whole is likely to be operated on a profiteering basis which regards labour as 'a cost' upon the same footing with plant and power except for the knowledge that a strike is possible if wages and hours are below some accepted standard. While a few philanthropic firms endeavour to humanise the conditions of employment by giving employees some definite share in the profits of the concern, a closely competing business is not in a position to cultivate philanthropy. Superior conditions for labour are only possible for public employers or for private firms in possession of monopolies or advantages over their competitors. Under normal modern capitalism responsibility towards the general body of employees is realised only in terms of responsibility for the efficient, regular and profitable operation of the business. There are instances, as in the Ford Motor business, where high wages have been paid from motives of calculated self-interest so as to get a pick of the best available labour and to get the biggest volume of work out of it.[58]

But this application of 'the economy of high wages' is no new doctrine, and it has clearly recognised limits. At any rate it is not based upon any personal concern for the welfare of labour. In general it may be concluded that the capitalist system in its normal working contains no adequate provision for a responsibility on the part of the management towards the employees, except as regards the few higher-rank officials.

But, if production is finally[59] motived by the interests of consumers, the supreme test of the economy and the morale of capitalism lies in its efficient service to the consuming public and in its sense of responsibility for that service. The defenders of capitalism hold that this service is upon the whole efficiently rendered and that throughout the business system the desire of satisfying the consumer is a foremost motive. If the whole body of producers were in free and equal control of production, the identity of their producers' interests with those of themselves as consumers would seem to be assured. But taking productive control to be what we actually find it, is there any sufficient reason to hold that the interests of consumers are adequately met? Here a certain ambiguity in the term consumer must be cleared off. The term is usually applied to the effective demand for final products, and it is in fact this demand that is held to motivate the entire productive process. But when we are considering the attitude taken by the employer and his factors of production towards the demand, or market, for his products, we must remember that most markets are for the sale of capital goods not of consumable goods in the usual sense of the term. This is of some importance in examining the relation of producers towards the market for their products. For where a capitalist business is engaged in supplying some other capitalist businesses with a product which is to figure as a cost of production to the buyer, the bargaining process in such a market differs a good deal from the final retail market for goods to be bought for personal consumption. In the former market, where capitalists represent both supply and demand, there is some presumption of equality of bargaining power which will secure an equality of gain to both parties. Where this exists, as where coal or oil is sold to railroads, ships or metal manufactures, the managers of the supply will have to take a closer and a more sympathetic view of the interests of the businesses that constitute the demand than is the case with goods which go to final and unrelated consumers. This closer economic bond of interest is a chief cause of the growth of those vertical trusts or combines which bring together under a common financial control businesses supplying various grades of capital goods from mining products to the plants in various manufacturing processes that go to make some standard article of common use in households or in business premises.

But taken by and large the responsibility of producer to consumer is generally recognised but dimly and in a negative sense. By this last expression I mean that most business managers have some sense that they are serving the public by producing sound and reputable goods. They would not like to let down the standard of their products, even if some immediate gain could be got by doing so. It may be said that this means that they recognise they would be losers in the long run and would give an advantage to competitors. But this is not the whole story. Most managers of reputable businesses producing a good

article for the market have some personal pride in keeping and improving that market, which implies a sense of disinterested obligation. This sense is not sufficiently general to protect adequately the consumer of final products against deterioration of quality, if it can be speciously concealed, or against such profiteering as may result from a discovery of cheaper ways of production. But it must be accorded a place in the maintenance of the character of the business processes which link together producer and consumer, even when the size and complexity of markets destroys all knowledge of personal relations and identity of interests.

§XXI Shareholders' Responsibility

Now let us turn from the directing and managerial factors to the shareholders who furnish the capital. Though their interest upon this capital is the formal objective of all big concerns and most of the profits are paid over to them, their actual part in operating the business is, as we see, very small. The investor in bank or railway shares seldom concerns himself with any of the business operations. He knows nothing of his fellow shareholders, or of the employees of the business or of the terms of their employment: he is excluded from any element of control giving him a sense of responsibility, save on rare occasions of financial emergency, and even then his liability under modern law weakens his sense of obligation, by limiting his loss if the business goes seriously wrong. As owner of capital he has no felt interest in the owners of labour that cooperate with his capital, nor is he concerned with the benefits of the consumers who buy the goods or services his capital helps to produce. No moral censure[60] is involved in this judgment: the indifference of the owners of capital is inherent in the capitalist system.

How then does it come to pass that 'capitalism' is endowed with a collective meaning, sometimes a meaning hostile to labour, sometimes to the interests of the community of consumers? When hitherto competing businesses come into a combination, a cartel or a trust, or even a gentlemen's agreement, the result of which is a limitation of total output, an apportionment of product or of market, a fixing of prices, this consolidation of interests seldom carries any sense of responsibility, either to the owners of weak businesses which may be put out of action or to the new groups of fellow capitalists brought into common action, or to the consuming public that may be called upon to pay higher prices for the goods they need. The displacement of competition by combination, though an exceedingly important fact in the evolution of modern business structure, has virtually no effect on the mentality of the owners of capital. Indeed, the conduct of this capitalist policy is not conceived or executed by the 'capitalists' themselves but by a few highly placed company directors and outside financiers who seek special gain from the processes of reconstruction and from market operations associated with this process.

§XXII Responsibility of Labour

When we turn to the consideration of the labour or employees in a business, we are entangled in a number of different mental attitudes related partly to the nature of the business, partly to the different kinds of work involved, partly to the different social status and standard of living among different grades of workers. Neither the ideology of Socialism nor the practical policy of Trade Unionism has anywhere succeeded ir establishing the solidarity of labour in its broad sense as comprehending all orders of employees in a conscious[61] combination. Even if we here exclude from consideration the officials of a private business, from the managers to the detailed overseers, and the growing number of public officials, and confine our attention to the lower grades of skilled or unskilled wage-earners, we find wide divergences of interest and attitude. In most countries the clerical staff in an industrial or commercial business has little personal contact with the manual workers and is not easily brought into cooperation with them for any purpose of common economic gain. In Britain this lack of sympathy between mental and manual workers has proved a strong obstacle to effective cooperation: it is founded not upon a higher wage or standard of living, nor the exercise of higher skill, but upon a sense of superior 'respectability' attached to black-coated workers and carried on by tradition even when the black coat of former days has been discarded. Probably the large recent penetration of women employees into commercial employment has made solidarity even among mental workers more difficult by stressing sex competition. Indeed the rapid intrusion of women into

occupations, manual as well as mental, which were formerly male monopolies (largely a product of war experience), has brought a good deal of temporary confusion into the economic conflicts of 'labour' and 'capital'. For the ability of many women to undersell male labour, partly from a lower standard of personal expenditure, partly from subsidies out of the family income, has in some industries caused a marked displacement of male workers. This consideration must not, however, be overrated, for the combination of women workers both among themselves and in cooperation with men workers is advancing fast, and is likely to strengthen the solidarity of working-class feeling and action in the near future. The history of labour organisation shows how slow has been the progress of securing a sense of solidarity among the different grades of workers. The skilled workers in their several trades inherited from the mediaeval crafts the habit of organisation in protection of those local-group interests. As capitalism advanced those group-interests often came into clear conflict with the profiteering interest and a certain limited amount of sympathy grew among the different skilled groups in the same town or locality. The interdependence of different industries for supplies of materials and skilled labour expanded the area of labour organization to correspond with an expansion in the relations of employers. Thus in England, America and other capitalist countries skilled workers strengthened their collective power of bargain. Though mainly concerned with local trade conditions, the advantages of wider cooperation led to the establishment of national relations, and issues began to be envisaged on a national scale, though considerable differences between labour conditions in different districts or in towns and country were still prevalent. Not until half a century ago was there any serious attempt to unionise unskilled labour or the skill of agriculture.[62] Even now in most advanced industrial countries, there is little organised solidarity in the ranks of low-skilled labour. In the United States the struggle now going on between industrial and craft businesses shows how little common feeling has hitherto prevailed among the different strata of the working-classes. For the attempt to set the organization of the wage-earners upon the industrial basis by joint action of skilled and unskilled workers is regarded by the craft unions and the employers as a dangerous and indeed a revolutionary process in a country where the employing and owning classes have always refused to bind themselves to bargaining on equal terms with any sort of union of workers and have hitherto maintained substantially intact the policy of 'the open door'.

The free unrestricted growth of population by large families and free immigration made it very difficult to bring unskilled labour into effective organization. Smaller families, restricted migration and scientific technique in agriculture have recently done much to remove these difficulties and to make combination effective over wider areas of production. But even now the conflict waged in America, and surviving in a less degree in Britain, between craft organization and industrial organization indicates a narrowness of sympathy in the ranks of labour which weakens the labour movement as a whole. Though in Britain Trade Unionism is the numerical and financial backbone of what calls itself a socialist labour party, marked differences of immediate interest and of mental outlook impair its solidarity.[63] While the members of the local branch of a trade union in the building, textile or metal trades are nominally committed to Socialism, the real value to them of unionism is realised in bargains for higher wages and other improvements in their own local trade. Where the national organization can assist in this process, or where political pressure can be employed, some wider sentiment of solidarity is imported into the process. But the unity of thought, feeling and action implied by the ideology of Socialism in the struggle of a proletariat for power in the State is everywhere exceedingly defective. Even where, as in Soviet Russia, its attainment was paraded this unity soon faded into marked diversities of income, power and sense of service.

§XXIII Psychology of Motive In Socialism

The actual conditions under which individual workers do their work and the character of that work are the main determinants of their whole mentality as producers. If a man is interested in his work, and has security and other fair conditions of employment, he will like to do it well and may even feel he ought to do his best. To that extent a sense of social service may enter as a stimulus. Even if his work is uninteresting but is recognised as useful, he may be supported in its performance by some feeling that he is doing his share in a common task, provided he is not imposed upon in terms of pay or excessive hours. These important generalisations are sometimes ignored by Socialists who imagine that when the workers

realise their liberation from profiteering capitalism, they will as a body respond quickly and deeply to the call of service to the community. The assumption of this general achievement of a sense of social responsibility sufficiently strong to maintain throughout the economic system an effective productivity, cannot be accepted as an early probability. In fact most socialist experiments show that diversities in rates of pay are essential to the operation of a planned system, and that human inequalities, both upon the side of production and consumption, must obtain recognition in socialist book-keeping.

So far I have been using the term socialism in its capacity as a labour policy. For as a practical policy it has taken its chief shape and meaning from organised labour entering into politics. In Britain where the development has been most clearly manifested, it has been the demands of organised labour, assisted by sympathy from upper class philanthropy, that have brought about the practical socialism of the past forty years. This practical socialism has taken shape in the legal fixing of wages, hours and hygienic conditions in key industries and a tightening of the earlier factory controls, in the development of municipal and state public services, public expenditure upon physical as well as mental education, pensions for unemployment, old age, sickness, and other personal disabilities – all involving rising tax-revenue drawn largely from 'unearned' incomes and luxury expenditure.

§XXIV Consumers' Socialism

Working-class socialism is mainly concerned with bettering the conditions of labour and life for the workers. In so far as all workers are consumers, it may seem at first sight a matter of indifference whether socialism is realised in thought, feeling and fact, as a policy of workers or of citizen-consumers. But it is worthy of remark that, though this workers' socialism has for half a century operated so as to improve the economic conditions for large sections of the working classes and to save the weaker members of the nation from the worst effects of poverty and unemployment, it has not confronted the central problem of the capitalist system, the recurrent failure of consumption (or effective demand) to keep pace with the enlarged powers of production which science has placed at the disposal of industry. It is this problem which now places the consumer in the forefront of any adequate policy of economic reform, and compels us to consider the relations of consumers to one another and to the producers. Now it is obvious that no formal organization of consumers corresponds to the elaborate organization of producers, whether as capitalists, managers or workers. Consumption is mainly conducted by individuals and small family groups. Even where the consuming process is itself on a large scale, as in the case of many sports and amusements, or in the utilization of public services, the sense of community is usually subordinate to individual enjoyment. And while the cooperative movement is in Britain and some other countries an active organization for common gain, the gain which figures most vividly in the minds of the rank and file of cooperatives is the dividend from their several purchases, not their sense of participation in a common enterprise. Where cooperation trespasses on the field of production it is regarded by capitalist industry as an interloper and has only proved successful in a small number of standardised markets for food, clothing, furniture and buildings. But though thus restricted in its economic and moral appeals, the cooperative movement has played an active part in the social education of many little groups of active organizers and has presented an effective check on profiteering enterprise in many branches of industry and retail trade. Attempts to organise consumers in localities for joint bargaining so as to counter the regulation of prices by producers or retailers, have, however, had very little success. In fact, one of the chief obstacles to a general sense of economic solidarity is the latent antagonism and suspicion felt by consumers towards the superior skill and power of organised producers. For until the unity of the producer-consumer relation can be realised in fact and feeling, whatever economic system exists will be wasteful and morally disruptive. It is on this account that I have called attention to the defects of a socialistic process which is conceived wholly or predominantly in the interest of groups of producers seeking to oust the control of capitalist organisers and to divert profits to their own groupgains. Sometimes this power is termed guild-socialism, sometimes it is cloaked under some public organisation for the control of separate industries, on which the State, or some nominees, are supposed to sit as representatives of the consuming public along with representatives of capital and labour.[64] But it is always difficult to maintain effectively the rights and interests of consumers against the more expert pressure of the producers. The tendency of organised

workers to utilise their civic franchise and the instruments of national government for the improvement of working conditions in their several industries has habitually ignored the reaction of increased costs of production upon consumers. High wages and short hours secured by political aid for public employees and for strongly-unionised industries in home markets, tariffs, quotas and exchange barriers, are all detrimental to the consumers, outside these favoured trades, lowering the purchasing power of their incomes. Still more injurious is the effect of economic nationalism in cultivating a spirit of positive hostility towards the productivity of other nations, and in defeating attempts at a common international economic policy for shorter hours and equal access to raw materials etc. This injurious economic nationalism registers the failure of the consumer to gain recognition of his paramount interest in the economic system. The periodic hold-up of capitalism in its productive activity because of the insufficient demand of consumers is a plain register of the excessive power wielded by strongly organised producers for their short-sighted ends. It is possible that the dangers now apparent in this wasteful and unsuccessful struggle between the economic nationalism of different countries may educate the producer into recognising his true long-range identity of interests with the consumer. Only by such a process does it seem possible that the consumers' interests may consciously attain their true dominion, and that producers may acquire some sense of responsibility which will lead them to regard themselves as working to deliver the maximum of goods at a minimum price to the consumer. This would signify the disappearance of the struggle for profits among capitalistentrepreneurs, and for wages among groups of workers, and the substitution of a consumer-citizens' control over standardised industry, commerce and finance. But this form of practical socialism could only be achieved by consumer-citizens asserting the supremacy of their interests over producer-citizens, i.e. wielding political power in order to raise the standard of consumption and leisure for society as a whole. Any struggle of this sort may, perhaps must, figure as a conflict of interests, as is now abundantly apparent. But in the long-run, as we see, though certain group-interests may lose power and gain, the identity of interests between producers and consumers, as wholes, would be established and recognised in common thought and sentiment. The economic system which expresses this achievement would be one in which the needs and utilities of consumers would so regulate the productive processes as to displace the attention hitherto concentrated upon the class-struggles of capitalists, workers, landowners, by the solidarity of the citizen-consumers.

§XXV Limits of Social Control

This statement requires, however, two important qualifications. First, the economic system it indicates does not cover the whole of economic life, either in its productive or its consumptive side, but only that part which represents the standardisation of productive processes and of consumptive needs. In so far as men's bodies and minds are moulded in the same types, give out the same activities and require the same consumptive products, this community of needs is wedded naturally to a standardisation of productive processes. This is the true limit of socialised economy. The errors, wastes and injustices which have been found in the working of competitive or monopolistic capitalism fall within this economic field and can only be remedied by a soundly socialised control. But where men differ from each other in the nature of their abilities and needs, the routine standardisation of production and consumption does not apply. Here is a large and growing scope for individual enterprise and skill on the productive side and for personal tastes and enjoyments on the consumptive side. Not merely in the fine arts but in the ordinary productive processes does this individualism find proper play. Upon highly standardised production in many of the clothing trades there is grafted a specialised consumers' demand which calls for personal attention and skill in the final process of production. In most fashion and luxury trades similar characteristics of demand qualify the standardisation of production. If a successful social organization of the standard industries could be achieved, its economies would probably be so large as to evoke many new demands for the satisfaction of individual personal tastes, and so for productive processes not suited to the capitalist economy of large-scale standard production. Thus can be met the not unreasonable objection brought against most socialistic proposals, that they will reduce the lives of men and women to a few standardised types and lose the human values of personality. This envisagement of a limited socialisation of industry is not a compromise but a harmony based upon the nature of man as a common human being and a separate

personality. When we are considering him as a responsible moral agent, this harmony of differences is immensely significant. For in regard to the needs he has in common with his fellows he is engaged in elaborate processes of cooperation for the supply of the same sorts of goods and services. Here the control over the productive processes he is called upon to exercise should bring him into conscious collaboration with his fellows and evoke a genuine feeling for their common aim. For not otherwise can he be induced to subordinate some short-range selfish or group interest to the wider long-range interest needed to maintain and improve the standard processes of production and to secure the equitable distribution of the product which shall evoke the full productivity of these processes. Such enlargement of outlook and of sympathy is not a quick or an easy process, involving, as it does, the displacement of many established traditional points of view. It demands an education in citizenship. For if the interests of consumers are to direct the course of industry, the consumer must be aroused to the necessity of establishing his control over government, so far as government is concerned with economics. His advantage here is that, whereas specialised producers' interests are usually not fully concentrated in particular localities so as to control the choice of legislators, the interests of consumers, so far as they exist outside the separate homes, are vested in neighbourhoods that form electoral areas. It should, therefore, be possible to make consumers' interests prevail over the organised pressure of producers' interests when they appear to clash, by means of the close dependence of the elected representative upon the citizen-consumer. Free-trade, with its immense value in establishing pacific internationalism, can overcome protectionism wherever the enlightened control of the consumer can gain the upper hand in national government.

§XXVI Non-economic Obligations

But though the interests and sympathies of the citizen are, in periods of emergency, closely attached to economic issues, civic life in its full significance has many other concerns. An enlightened politician will not accept the strict doctrine of the economic determination of history, for he will recognise that while the satisfaction of economic needs is a necessary condition for the satisfaction of all other human activities, these activities have urges, instincts and satisfactions that have other origins and other ends. These non-economic activities, expressing the desire for play, personal power and prestige, friendship, knowledge, beauty and other high values, bring men into relations of cooperation and competition and give rise to organizations where moral considerations of self-responsibility and social responsibility are of paramount importance. Though Tolstoy may not be fully justified in regarding the communication of the higher values to others as the prime obligation of the scientist and the artist, the purely self-expressionist view of science and of art is equally unjustified.[65] For here, as elsewhere, it is a question of reconciling[66] the claims of personality with those of society. The complete disregard for what we may call the consumer-public by a self-centred artist, poet or scientist, concerned with beauty, skill or truth as he sees them, is not less reprehensible than those creative geniuses who prostitute themselves for fame or money. No one has the right to hide his talents under a bushel. In fact the arrogant claims to self-sufficiency and self-expression which would ignore the interested public is detrimental to the best life of the artist. For, quite apart from any claim the public may have to share the riches of creative genius, the absolute reliance of the artist upon his own judgment and approval renders him liable to the delusions of the megalo-maniac or the *idiotes*. On the other hand, the formal or informal interference of the public with freedom of creative activity in the fine arts or literature, whether exercised by legal censure or by tyrannical opinion, is the most injurious assertion of authority that can be conceived. The endeavours to use instruments of repression and of propaganda to mould the mentality of a public into forms servile to the political purposes of dictators or self-asserted oligarchies are perhaps the most dangerous activities of our time. For not only freedom of thought but freedom of communication is the essential condition of all progress, and its suppression in certain fields where political motives obtrude, produces a poisonous infection throughout the whole world of thought. That it should be necessary to stress such axioms indicates the peril into which the world has fallen by the failure of social thinking to keep pace with thinking in the physical sciences.

§XXVII Relation of The State to Other Social Institutions

This brings me to the final consideration of my thesis. Every reader will, I think, accept the statement that the prime duty of sociology, whether regarded in the light of a science or an art, is to educate public opinion in the most serviceable uses of social institutions. And here comes in as its first corollary, the discovery of the right relation of that political institution termed the State to other institutions concerned with religion, morals, science, literature and art, recreative and 'social' groups. By right relation is signified the limits of such aids and interferences as will assist in keeping these other institutions alive and in preventing their encroachment upon one another's activities or upon the liberty of their members or outsiders. How delicate and difficult this task may be, is illustrated in history, ancient and modern, in keeping good relations between State and Church. For here the problem of the rival claims to a moral authority and responsibility has never won anything more than a formal solution always liable to be upset when a sufficiently keen emergency arises, as at present in the relations of the Catholic and Protestant Churches in Germany towards the State.

But the same issue arises in the relation of the State towards other institutions. The endeavour to regiment the plastic mind of youth into the desired enthusiastic acceptance of a political ideology has brought the State in a number of European countries to cancel the liberties of thought, speech and action formerly enjoyed by most educational and social institutions.[67] This process is represented by its advocates as a growth of spiritual solidarity in a totalitarian state where every citizen shall be brought to regard all his social and personal activities in the light of national unity. The interference with narrower forms of association is justified by stressing the wider and nobler achievement of this nationalism.

But the State has its relations not only towards other social institutions, but towards the rights of private personality. Here comes in that test we have applied to the regulation of economic activities, the test of standardisation versus individualisation. Since everyone lives most of his waking hours in contact with other persons, either directly or indirectly, none of his activities, outside a few animal processes, can be regarded as purely individual, and even these, such as the consumption and digestion of food, are dependent upon innumerable social activities. But, while this conditions, it does not destroy, or even impair, the character of individual personality. So far as a man has inborn qualities which differentiate him from his fellows and lives in a material and moral environment somewhat different from theirs, he tends to develop a character and to live a life not identical with that of other men. Any attempt of the State, or the Church, or any other social institution to disregard this individuality and to seek to standardise him by force, or any other pressure, damages his character. Even education, so far as it seeks to impress social habits and conventions upon him, should be prevented from trespassing upon the area of liberty to choose and assimilate from the social inheritance the sorts of knowledge best adapted to his private personality. Complete success in the attempt to produce by compulsion or by social pressure a standardisation of life and character, by destroying distinctions of personality and behaviour, would not merely kill the seeds of initiative and progress but would abolish the interest of life by reducing it to a dull uniformity. Even if this result is brought about, not by outside institutional pressures, but by voluntary action in the slavish imitation of custom, fashion and other conformities, it is a repudiation of a man's duty both to himself and to society. For he 'ought' to make the most and best of himself and this demands his exercise of freedom in self-development. Though the kinds and amounts of such rights and duties of self-development are incapable of exact statement and will vary from man to man, from age to age, from one environment to another, it remains none the less true, that there is a right harmony between the standardisation and the individualism of a human being and that it is the special duty of the art of social ethics to discover and maintain this harmony. Since the dominant forces of our age seem to be working by means of mechanisation[68] and of propaganda towards standardisation, it is a manifest duty of social thinkers to bring the resources of their science and art to the assistance of the weaker party in the struggle and above all to stand up for the principle[s] of free-thought and expression which are the basis of human personality. For one of the prevailing dangers of a time in which the physical sciences have asserted a determinist supremacy, accepted alike in intellectual circles and in popular socialism, is a failure to realise[69] the power of a rational and emotional will to mould the structure of society and the course of events. The result of this failure is a sense of impotence and apathy, an acquiescence in what on the surface seems the operation of irresistible natural forces but what in reality is the abuse of these forces by groups of political

and economic potentates for their own power and prestige. This widespread sense of impotence signifies a failure of peoples to realise responsibility. For if you cannot perform an act you are not responsible for failure. This trite reflection brings out the question of responsibility as a question of fact. Is a people impotent to mould and control its destiny, and to decide the problems of collective and individual responsibility which we have cited? When a man with so powerful, brilliant and disinterested a mind as de Madariaga declares himself against the possibility of democracy and calls for a Platonic group of self-elected rulers to tell the people what to do, sociologists may well hesitate to prescribe a democratic remedy.

This feeling of impotence in political democracy, however, is mainly attributable to the survival in the popular mind of a false notion of equality in the democratic system. In no social grouping are men equal in their contributions to group life, in their obligations or their rights: they are not born equal nor does their common education and environment make them equal. This applies to every social structure from the family up to the nation and mankind as a whole: in every cooperation the persons cooperating are not making a contribution of equal importance to the common cause. Everywhere the special aptitudes and experiences of some members make them more serviceable than the majority of their comrades, and the structure of the society should be such as to enable it to utilise this superiority. The problem comes up everywhere of the relation of the ordinary man to the expert. And the most important task in political or economic democracy is that of getting popular recognition of and assent to, the expert ruler and in exercising an intelligent acceptance of his rulings. This intelligent acceptance is essential to keep experts from the abuse of the power entrusted to them and to enable the people to realise that they are not the servile instruments of charlatans posing as experts. This responsibility on the part of a people, again, is not an equal responsibility, for the critical intelligence competent to choose and check the expert rulers is not equally distributed. No education for citizenship will make all citizens equally competent and therefore equally responsible. But it can supply a sufficiently large body of competent ‘middle men’ to whom the more inert mass of an electorate will look for guidance and from whom they will accept advice. Both in the sphere of politics and of related economics this educative process is beginning to win recognition. It is not an easy process. For it must largely be devoted to checking errors in thought and biases in feeling strongly ingrained by habit and tradition. In every sphere of conduct, but especially in economics and politics, certain loose words and metaphors have exercised a baleful influence. The genuine community of interests, with the accompanying goodwill, which should prevail in the relations of classes and of peoples, is obscured and perverted by a phraseology of conflict suggestive and provocative of class strife and international strife. It is clear, that if we are to get a widening and a quickening of any effective sense of common obligation, we must be able to displace the language which represents trade both within a nation and in the world at large as a competitive struggle akin to the actual warfare which conflicting national interests are liable to evoke.

§XXVIII Education for Citizenship

Educationalists who desire to teach citizenship, however, are themselves liable to mental confusion, if they think that by introducing into schools the elements of logical thinking with a more appropriate and pacific language, they will succeed in getting youthful minds out of the mental and moral atmosphere of conflict and antagonism in dealing with class and international relations. For though the use of warlike language in relation to capital and labour and to the apportionment of foreign markets undoubtedly feeds ill-will and promotes hostility, it is idle to shirk the fact that both in internal and foreign industry, commerce and finance, there continue to exist actual oppositions of interest which must be reconciled before the logic of pacific cooperation and mutual obligations can be made good in practice. If force is to be taken out of the language and the mental attitude of classes and of nations, it must be taken out of the processes of producing and distributing wealth. So long as force (physical or moral) continues to play its part in all markets, by which the prices of the various factors of production are determined and the prices of consumption goods and services, it is not possible and it would be dishonest to present to children the economic process in terms of pacific cooperation, that is to say, to substitute what ought to be for what actually takes place. In other words, the prime obligation of the educationalist who would teach

economics, whether to children or adults, is to give a clear meaning to the fact that values and prices are not the products of individual ability, skill or enterprise but are determined by a play of social forces which in their present bearings are not justifiable either by logic or by ethics. For although monopoly in its strict sense seldom operates as the determinant in bargaining processes, analysis of the relative strength of the owners of demand and the owners of supply in the various markets does not support the economic assumption that they bargain on equal terms. Bargains for the sale or rent of land or any scarce natural resources are normally favourable to the owners. Bargains for the sale of labour are commonly weighted on the side of the capitalist-buyers, owing to the greater need of workers to make an immediate sale which will give them the necessaries of life. Wellorganised labour will use its bargaining strength to raise wages, costs of production and prices, without regard to fellow workers who must buy their products at these higher prices. Competition among firms in the same trade is carried on to the defeat or extinction of the weaker by the stronger. Foreign trade, as we have seen, knows no moral obligations but uses not only its economic but its political strength to get the trade away from other countries and to sell its goods for 'whatever they will fetch'.

Until these vices inherent in the economic system can be eradicated, it is idle for educators to preach the virtues of equal opportunities and free trade. So long as every business man and every wage-earner feels justified in taking all that he can get, by buying cheap and selling dear, regardless of the other party to his transactions, the moral and economic disintegration from which the world and each of its constituent elements is suffering will continue. And everyone does feel justified in taking all he can, because he is persuaded that he himself has made whatever income he can get and that it is his 'right'. The moral isolationism of this belief, supported by a natural egoistic bias and by a purely 'legal' view of 'right', is exceedingly difficult to displace. But only in proportion as it can be displaced by a right understanding of the nature of human interdependence in all productive or commercial processes, and of the inequalities in the bargaining by which wealth is apportioned to the individuals who cooperate in its production, will the regard for others be raised to any proper level of social responsibility. It is possible that the progress of this education may be quickened by the new, intense and wide-spread fear of insecurity throughout the world. For while this fear exerts only a paralysing effect on the minds of the unthinking multitude, it arouses among increasing minorities everywhere a disposition to apply reason and a sense of justice to the comprehension and removal of the causes of that insecurity.

The mind of these thinking minorities fastens upon the two most urgent forms of insecurity, viz. war and unemployment, and economic analysis traces a close connection between the two. For though other factors, more ostentatious in their presentation, make for war, the economic gains which certain economic interests think to make from armaments and a victorious peace count heavily towards an aggressive policy, always lightly camouflaged as legitimate defence. Until the relation between war and depressed industry is grasped, it is not possible to give reality to any sense of responsibility beyond the limits of each particular nation. For the inability to dispose of the full economic productivity of which each national system is capable, either by due expansion of its home market or by outside trade and investment, is a perpetual obstacle to pacific internationalism. If internal markets expanded so as to keep pace with the growing productivity of modern economic technique, no such clamour for external markets and no such irritation of international relations need arise. In other words, internal and external security, against war and unemployment, could be achieved if a fairer and more equal distribution of income and consuming power took place within each nation. Here again we encounter two opposing tendencies. On the one hand, the rapid development of large capitalist enterprise in more industries and more countries tends to distribute the aggregate money incomes favourably to the owning classes and unfavourably to the workers. Not that the workers obtain less incomes, but their incomes do not take so large a share of the increased aggregate income. The owning, saving and investing classes get proportionately more, and their failure to invest those increased savings in continuously productive employment is the acknowledged cause of modern depressions and of the unemployment of available labour. This double insecurity in modern life involves that disregard for the interests of others which aggravates that insecurity. Economic isolationism, resting primarily on a misconceived desire to conserve the national markets for national producers, is reinforced by the policy of securing the maximum of economic self-sufficiency in case of war. This vicious circle can only be broken by a widening recognition of the need of a more equal and equitable distribution of national

and international income.

Free trade would not in itself satisfy this need. For it is not attainable until the maldistribution of national incomes is remedied so as to make it manifest that imports of all sorts are as desirable as exports. Only thus can the hostile nationalism, which sees other nations as actual economic and potential military enemies, be liquidated. The national[70] minorities in every country which are striving to secure the needed economic reforms are, however, somewhat impeded by an excessive reliance upon the human faculties of reason and desire for security. The economic logic we have here sought to apply fails to win its full recognition partly, as we see, because of the bias which leads everyone to regard as his rightful property whatever he can legally acquire by the use of his bargaining power. But we cannot ignore the operation of another factor or pair of factors deeply embedded in the emotional nature of man. Most men do not desire perfect peace and absolute security. Their inherited make-up contains aggressive urges of self-assertion which carry a desire to use personal force for personal ends, and a love of unforeseen happenings, the products of hazard or chance. Civilisation reduces and represses those qualities but cannot exterminate them or prevent them from troublesome reappearance in times of trouble. Complete security, by the establishment of pacific settlements of all disputes, or by social conditions which would eliminate disputes, and the complete foresight which gave no scope for chance occurrences, would not give general satisfaction. Fighting and risk-taking, though they should play a smaller part as humanity comes to control its destiny, are unlikely to disappear. They can, however, at any rate for adults, be sublimated into innocuous and pleasurable forms of sport or play – forms of self-assertion and risk-taking which need not imply disregard for the interest of others and which belong to that personal freedom that lies outside the area of social responsibility. But this sublimation can only be achieved by removing from the mind of ordinary men and women their beliefs in the nature of the class and international conflicts which underlie their fears and animosities. So long as they continue to accept the traditional views about the rights of personal property and of the methods of acquiring it, the emotions that rouse class and national strife will continue to render peace and security impossible. Only in so far as a reasonable interpretation of economic processes in the light of social cooperation can be got into normal effective thinking, will it be possible to displace the passions of personal, class and national rights by that larger conception of human cooperation needed for the free expansion of the sense of responsibility. Only by this further expansion of the cooperative sentiment which has throughout human history accompanied the widening of the social group from family and tribe to nation can we make the world a reasonably safe place to live in. A concentration of thought upon this problem of removing the separatist feelings of fear and forceful defence from nationality and the 'ism' attached to it is the most urgent task for sociologists to tackle. For only by disinterested and objective reasoning can the illusions and the biases which supply the plausibility and passion to obstructive nationalism be exposed and eliminated. Until that can be achieved humanitarianism continues to be a vague distant ethical ideal, unharnessed to any economic or political policy and devoid of any sufficient protective values against war and its economic auxiliaries. There are three stages in the social mentality as it advances towards this full humanitarianism. The first is toleration of differences, racial, national, religious, class. The second is a positive[71] respect for the rights of others and their different valuations. The third is that sense of responsibility which associates us with others in the common enterprise of life.

1 Published in J.A. Hobson, H. Finer and H. Meuter, 'The Sense of Responsibility', *Le Sens de la responsabilité dans la Vie Sociale*, Paris: Librairie du Recueil Sirey, n.d. [1938], English, pp. 1–80, with a French translation at pp. 81–149. Title page: 'The Social Sense of Responsibility./J.A. Hobson,/3 Gayton Crescent,/Hampstead.' Hobson added the word 'social' to the title page in pencil. The word does not appear on the first textual page of the typescript, nor in the title of the published English version. Upper-case roman numerals have been inserted silently to number each subsection.

2 Adam Smith, *An Inquiry into the Nature and Causes of The Wealth of Nations*, ed. R.H. Campbell and A.S. Skinner, 2 vols., revised edition, Oxford: Oxford University Press, 1979 [1776], vol. 1, p. 456.

3 See A.F. Mummery and J.A. Hobson, *Physiology of Industry: being an exposure of certain fallacies in existing theories of economics*, London: John Murray, 1889.

4 MS reads: 'ensue', although Hobson circled 'en' in pencil, presumably to indicate an error in the typescript, an error that has been corrected here.

5 The utilitarian philosophy of Jeremy Bentham (1748–1832) was based on 'the greatest happiness principle'. For Bentham's writings on political economy, see Jeremy Bentham, *Economic Writings*, 3 vols., ed. W. Stark, London: George Allen and Unwin, 1952–54.

6 MS orig.: 'normal'.

7 Thomas Carlyle (1795–1881), author and pamphleteer. John Ruskin (1819–1900), social and art critic.
8 His *Study of Sociology* was the first English work upon the subject. [Hobson's note. Herbert Spencer, *Study of Sociology,* seventh edition, London: Kegan Paul, 1878 [1873]. Auguste Comte (1798–1857), French sociologist and founder of positivism.]
9 Georg Wilhelm Friedrich Hegel (1770–1831), German absolute idealist philosopher. Karl Marx (1818–83), German social philosopher economic theorist and revolutionary.
0 Thomas Hill Green (1836–82) and his pupil Bernard Bosanquet (1848–1923) were British idealist philosophers.
1 In 1938, the British dominions were Australia, Canada, the Irish Free State, Newfoundland, New Zealand, South Africa and, effectively not constitutionally, Southern Rhodesia.
2 Welfare support in Britain was provided mostly on a charitable basis through a haphazard patchwork of local arrangements of varying quality and coverage, until the creation of the 'Welfare state' by Clement Atlee's 1945–51 Labour government.
3 Foremost amongst these was Herbert Spencer (1820–1903), who applied Lamarkist evolutionary theory to social analysis in order to justify a *laissez faire* economy and a minimal state.
4 William Shakespeare, *Julius Caesar,* act 4, scene 3, l.218.
5 This view is defended in different forms by Immanuel Kant (1724–1804), Johann Gottlieb Fichte (1762–1814) and Georg W.F. Hegel (1770–1831). See Colin Tyler, *Idealist Political Philosophy: Pluralism and conflict in the absolute idealist tradition*, London: Continuum, 2006, pp. 6–16.
6 Sir John Seeley, *The Expansion of England: Two Courses of Lectures*, London: Macmillan, 1920 [1883], p. 10.
7 MS orig.: 'thinks'.
8 Deuteronomy 8:3; Matthew 4:4; Luke 4:4.
9 MS orig.: 'bountiful'.
0 *Anarchy or Hierarchy*. [Hobson's note. Salvador de Madariaga (1886–1978), Spanish diplomat and author of *Anarchy or Hierarchy*, London: Allen and Unwin, 1937.]
1 The 'Means Test' was introduced in Britain by the National Economy Act of 1931 in response to the financial crisis of that year, and was administered by Public Assistance Committees or 'P.A.C.s'.
2 *Polities*, VII, 4. [Hobson's note. Aristotle, *Politics*, book VII, chapter iv, section 7.]
3 MS orig.: 'central'.
4 Switzerland was divided into nineteen cantons and six 'half cantons' at this time (with a twentieth canton, Jura, being created in 1979), based on a relatively high degree of direct adult male political participation. They enjoyed extensive powers over education, health, criminal law and social security, as well as having tax-raising powers. Switzerland gave the vote to all resident adult male citizens in 1848, although women had to wait until 1971 to be allowed to vote in federal elections.
5 MS orig.: 'world-communism'.
6 The creation of Neighbourhood Guilds in the USA owed much to the British settlement movement and not least to the work of Canon Samuel Augustus Barnett (1844–1913) of Toynbee Hall. The latter inspired Stanton Coit (1857–1944), American social reformer, who in turn exerted a profound influence over the South Place Ethical Society. Women's Institutes were created in Britain in 1915. Cooperative societies can be traced back in Britain to the seventeenth century, although they grew in number rapidly in the second half of the nineteenth century.
7 Deuteronomy 5:6–21.
8 Samuel Francis Smith, 'My Country, 'Tis of Thee', an American patriotic song.
9 *The Town Labourer*, p. 324. [Hobson's note. J.L. Hammond and B. Hammond, *Town Labourer 1760–1832: The New Civilisation*, second edition, London: Longmans, Green, 1925 [1917], p. 324. Hobson was the joint dedicatee of this book.]
0 The 'Luddities' was the name given to violent resisters against the introduction of mechanization into industry, after their mythical leader 'Ned', 'General', or 'King' Ludd.
1 MS del.: 'past and'.
2 F. Engels, *Die Lage der arbeitenden Klasse in England nach eigner Anschauung und authentischen Quellen [The Condition of the Working Class in England]* (1845). The English translation appeared in 1887.
3 Chartism was the agitation for the 'People's Charter' of democratic reforms which took place between ca.1838–48.
4 This cooperative movement was named after Robert Dale Owen (1801–77), socialist factory owner and reformer.
5 MS del.: 'highly'.
6 Richard Oastler (1789–1861), factory reformer. Michael Thomas Sadler (1780–1835), social reformer and political economist. Sir Robert Peel (1788–1850), Prime Minister 1834–35, 1841–46. Anthony Ashley-Cooper, 7th Earl of Shaftesbury (1801–85), politician and philanthropist.
7 John Bright (1811–89), radical politician and anti-Corn Law agitator. William Ewart Gladstone (1809–98), Prime Minister 1868–74, 1880–86, 1892–94.
8 Capital punishment for many offences against property was abolished in Britain between 1832 and 1837. Prison conditions were made more humane during the nineteenth century not least due to the campaigns of the utilitarian Philosophic Radicals and various religious groups including the Quakers. The Prison Commission took control of all British prisons in 1877, with the 1898 Prison Act continuing the humanising trend. There was a gradual shift in Britain from social control to medical treatment of the insane and mentally disabled throughout the nineteenth century. Elementary schooling was made compulsory for all British children by the 1876 and 1880 Elementary Education Acts.
9 Britain's first national pensions system was created by the 1908 Old Age Pensions Act, and improved in various ways under the provisions of the 1921 Finance Act and 1925 Contributory Pensions Act. The enforcement of minimum wages in Britain was strengthened considerably under the terms of the 1909 Trade Boards Act. The length of the working week in Britain was regulated increasingly, under the terms of various Factory Acts and other legislation of the nineteenth century, relating to various types of occupation, employees (especially children and women) and maximum length of the working day.
0 Hobson wrote about the problems of the League of Nations at length in many other places, not least in the other lectures in the present volume.
1 MS orig.: 'Ireland'.
2 MS del.: 'bad'.
3 MS orig.: 'Communism.'
4 Ephesians 4:25.

5 Genesis 4:9.
6 *Religion and the Rise of Capitalism*, p. 40. [Hobson's note. R.H. Tawney, *Religion and the Rise of Capitalism: A Historical Study*, London: John Murray, 1926, pp. 39–40.]
7 St. Antonino (rather than 'St. Antonio') quoted from his *Summa Theologica*, pars ii, tit. I, sec. 1, and cap. xvi, sec. 3, at Tawney, *Religion and the Rise of Capitalism*, p. 40.
8 Op. cit., p. 63. [Hobson's note. The quoted passage appears at Tawney, *Religion and the Rise of Capitalism*, p. 60.]
9 *God and Mammon: the relations of religion and economics*, p. 26, by J.A. Hobson (Watts & Co.). [Hobson's note. J.A. Hobson, *God and Mammon: Relations of Religion and Economics,* London: Watts & Co., 1931, p. 27.]
10 John Wesley (1703–91), founder of Methodism. The following discussion of Wesley seems to be based on his 'On the Use of Money' (see Albert C. Outler et al., eds., *Works of John Wesley*, 26 vols., Oxford: Clarendon, 1982–2003, vol. 2 , pp. 263–80) which Tawney also cites (*Religion and the Rise of Capitalism*, p. 191).
11 The key political economists here were Thomas Robert Malthus (1766–1834), author of *Essay on the Principles of Population as it Affects the Future Improvement of Society* (1798) and David Ricardo (1772–1823), author of *Principles of Political Economy and Taxation* (1817).
12 Matthew 5–7.
13 The first generation of Christian Socialists were John Malcolm Forbes Ludlow (1821–1911), (John) Frederick Denison Maurice (1805–72) Charles Kingsley (1819–75), Charles Blachford Mansfield (1819–55) and others who were particularly active in the 1840s and 1850s. The movement continued to exert a significant influence over the Independent Labour Party in Hobson's day.
14 Famously Karl Marx referred to religion as the 'opium of the masses', in his *Contribution to the Critique of Hegel's Philosophy of Right* (1843–44).
15 The Labour Party, led by Clement Atlee, adopted 'shorter working hours' as one of the 'aims of [a] "Socialist Commonwealth"', at its annual conference on 6 October 1937 (see 7 October 1937, *The Times*, p. 70).
16 Daniel Defoe, *Robinson Crusoe* (1719).
17 The phrase 'competitive theory' covers both classical economists such as Adam Smith and David Ricardo, and neo-classical economists such as Alfred Marshall.
18 Henry Ford (1863–1947) set up the Ford Motor Company in 1903, using mass assembly line production. See H.G. Wells, *Work, Wealth and the Happiness of Mankind*, London: William Heinemann, 1932 [1931], pp. 460–67.
19 Ms orig.: 'primarily'.
20 MS orig.: 'consent'.
21 MS orig.: 'consciously interested'.
22 Joseph Arch (1826–1919) founded the National Agricultural Labourers Union in May 1872.
23 The Labour Representation Committee (eventually renamed the Labour Party) was founded in February 1900, at a Conference on Labour Representation organised by the Trades Union Congress. It formed its first government in 1924 under Ramsay MacDonald, and returned to power in 1929 under MacDonald, although its leadership split from the Labour Party in 1931 to form the first National Government with the other major parties.
24 The British guild socialists included George Douglas Howard Cole (1889–1959), while British corporatism was associated usually with national socialists such as Oswald Mosley (1896–1980), leader of the British Union of Fascists (1932–40).
25 Leo Nikolaevitch Tolstoy (1828–1910), Russian author and social critic.
26 MS orig.: 'humanising'.
27 Most prominent among these was Germany's Hitler Youth (1922–45), although similar organisations existed in fascist Italy and Spain.
28 MS orig.: 'modernisation'.
29 MS orig.: 'restate'.
30 MS orig.: 'rational'.
31 MS orig.: 'position of'.