



UNIVERSITY OF LONDON

UNIVERSITY EXTENSION AND  
TUTORIAL CLASSES COUNCIL:  
TUTORIAL CLASSES COMMITTEE

SYLLABUS

FOR A SESSIONAL CLASS IN

**The Study of Human Institutions  
(Economic and Social)**

BY

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## METHOD OF CONDUCTING SESSIONAL CLASSES

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Sessional Classes are based upon the principle of comradeship in study, and students are expected to co-operate in every possible way to secure the success of the Class and of the educational movement of which it is a part.

Regularity of attendance is essential if full benefit is to be derived from the Class. The cause of any unavoidable absence should be notified to the Class Secretary.

The Class meets weekly twenty-four times. As a rule each meeting lasts two hours, at least half of the time being given to discussion, or other work, in which the students take an active share.

Regular practice in written work, normally every week or two, is part of the training offered by the course. This work varies according to the subject studied and the needs of different students, and may include simple exercises or the preparation of notes or diagrams as well as the writing of essays. Elaborate productions are not expected from beginners.

Sessional Classes are established to help working men and women to gain knowledge for themselves and their fellows on matters in which they are specially interested. The effort of the students as well as the tutor should be to consider disputed questions with calmness of tone and from every aspect in order that a scientific attitude and method may be acquired.

## PART I.—SOCIETY AND ECONOMIC LIFE.

Purposes and modes of governmental action in industry. *What is government and what is industry?* Producers and consumers; intervention, control and ownership. Broad definition of government and industry.

Institutions of a Western Melanesian community such as the canoe crew, the matrilineal family or the Kula trade show the manner in which economic institutions are usually embedded in social relations.

From small hunting tribes to vast ancient societies we find instances of collecting, storing and redistributing of goods, be it game or elaborate manufactures. The economy of the chief, the pharaoh, the temple or the feudal manor offer examples of the close connection between government and economic activities at all stages of human development.

The mercantile system which followed upon feudalism in Western Europe initiated a powerful development of economic life. The Middle Ages did not know indiscriminate trading between town and country, between town and town. Restrictions were removed by strong governments, and national markets were established. Such markets, however, were strictly regulated and did not include markets for labour and land, which retained their traditional organisation as part of the social fabric.

ASHLEY, W. J.: *An Introduction to English Economic History and Theory*.

BERNARDI, R.: *Patterns of Culture*.

BÜCHER, K.: *Industrial Evolution*.

CUNNINGHAM, W.: *Western European Civilization in its Economic Aspects*.

LITTLE, R.: *We, the Tikopia*.

FIRTH, R.: *Primitive Economics of the New Zealand Maoris*.

ILERSCHER, E.: *Mercantilism*.

MAILL, L. P.: *An African People in the Twentieth Century*.

MALINOWSKI, B.: *Argonauts of the Western Pacific*.

MALINOWSKI, B.: *Crime and Custom in Savage Society*.

PIRENNE, H.: *Economic and Social History of Medieval France*.

- PIERCE, H. : *Medieval Cities*.  
 WEBER, M. : *General Economic History*.  
 THURWALL, R. : *Economics in Primitive Communities*.  
 THURNWALT, R. : *White and Black in East Africa*.

## PART II.—THE STATE AND A SELF-ADJUSTING SYSTEM OF MARKETS (MARKET ECONOMY).

The use of elaborate and expensive plant in production is dependent upon the existence of organised markets, notably for the factors of production, labour and land. The consequent setting up of free markets for labour and land involved a complete change in the organisation of society. In England, the home of the Industrial Revolution, the Speenhamland "Law" of 1795 attempted to prevent the development of a free market for labour, with disastrous results.

In the change from mercantilism to market-economy the State played an important part. While, on the one hand, legal regulation of industry was abandoned, there was, on the other, an expansion of government activities in many fields. Central administration of the Poor Law, of the police, as well as supervision of the reform of the municipalities were responsible for considerable extension of the range of State administration.

Once a market-economy is established, industry seems to run all by itself. However, constant action on the part of the government and other agents is needed to ensure the functioning of free markets without fatal harm to the community. The protective measures mainly concerned labour and land, i.e., human beings and their habitat.

- BIERIE, A. : *An Economic History of Europe, 1780-1930*.  
 CLEGGINGHAM, W. : *The Case Against Free Trade*.  
 CUNNINGHAM, W. : *Growth of English Industry and Commerce in Modern Times : Laissez-faire*.  
 DICKEY, A. V. : *Law and Public Opinion in England*.  
 FLORENCE, S. : *Uplift in Economics*.  
 HAMMOND, J. L. AND J. : *The Rise of Industry*.  
 HOBSON, J. A. : *The New Protectionism*.

- LASKI, H. (ED.): *A Century of Municipal Progress, 1836-1935.*  
 MANTOUX, P.: *The Industrial Revolution in the Eighteenth Century in England.*  
 MARSHALL, D.: *The English Poor in the Eighteenth Century.*  
 MORLEY, J.: *The Life of Richard Cobden.*  
 REDFORD, A.: *Labour Migration in England, 1800-1850.*  
 STENCER, H.: *The Man versus The State.*  
 TOYNBEE, A.: *Lectures on the Industrial Revolution in the Eighteenth Century in England.*  
 WEBB, S. AND B.: *Local Government: History of the English Poor Law.*

### PART III.—THE PROTECTIVE MOVEMENT.

The Poor Law Reform Act of 1834 made a sudden end to Speenhamland conditions and established a free market for labour. Chartism was an abortive attempt to counteract the effects of market economy on the lives of the common people. With the Factory Movement, the trade unions and Christian Socialism protective action got under way.

The extension of the market system to the soil and its wealth was a lengthy process. Sixteenth and Eighteenth Century enclosures mobilised the land to some degree. The marketing of grain was extended from local and regional to national and, later, to international markets. A generation later, agrarian tariffs had to protect the peasantry of the Continent from an avalanche of cheap overseas grain. In England and many overseas countries land laws offered security of tenure to the farmer.

Monopolies which often spring from competition are reinforced by the effect of protective action. Prices, including wages, tend to become rigid. The self-adjustment of the market is thus impaired. Further government action may then be needed to rectify the working of the market.

- BERLE, A. A. AND MEANS, G. C.: *The Modern Corporation and Private Property.*  
 CLAPHAM, J. H.: *Economic History of France and Germany, 1815-1914.*

- COLE, G. D. H. : *Robert Owen*.  
 DURLIN, F. V. M. : *The Politics of Democratic Socialism*.  
 HAMMOND, J. L. AND B. : *The Block Age*.  
 HAMMOND, J. L. AND B. : *The Village Labourer*.  
 HAMMOND, J. L. AND B. : *The Town Labourer*.  
 HAYES, C. J. H. : *A Political and Social History of Modern Europe*.  
 JOHNSON, A. H. : *The Disappearance of the Small Landowner*.  
 KINGSLEY, CH. : *Alton Locke*.  
 KNOWLES, T. C. A. : *Industrial and Commercial Revolutions in Great Britain*.  
 LEVY, H. : *Monopoly, Cartels, and Trusts*.  
 MACROSEY, H. W. : *The Trust Movement in British Industry : A Study of Business Organization*.  
 POTTARD, A. F. : *England Under Protector Somerset*.  
 POOR LAW COMMISSIONERS' REPORT, 1834.  
 TAWNEY, R. H. : *The Agrarian Problem in the Sixteenth Century*.

#### PART IV.— PROBLEMS OF INTERVENTIONISM.

Under a market-economy government and business are, in principle, separated. Yet two facts stand out : First, that such an economy can neither be established nor kept going without government action ; secondly, that interference with markets leads to destroy self-regulation. Thus government action, while inevitable, remains limited in scope.

Free trade extends the principle of self-adjustment to world economy. Both the advantages and the disadvantages of a free trade system are thereby greatly enhanced. The former consist in the improved division of labour, the latter in the dislocation of employment and habitation consequent upon rapid changes in the division of labour.

Full employment has been at all times one of the chief aims of governmental policy with regard to industry. Under a market-economy unemployment is apt to recur on a large scale, thus calling forth State intervention in the form of relief and public works, which, however, may tend to prolong the depression. In spite of this fact, some form of intervention is unavoidable for social reasons.

The maintenance of fixed foreign exchanges through a system of free-trade involves the recurrence of unemployment. Some management of currency by central agencies (in this case, by the Bank of Issue) is inevitable. Beyond a definite point, such intervention is incompatible with the international gold standard. Here, again, government action, while unavoidable, interferes with the working of market economy.

The protective movement in Europe was closely linked with the advance of popular government. Each social stratum demanded and gained protection, whether in the shape of factory laws, agrarian tariffs or duties on manufactured goods. Dislocations in industry thus might cause tensions in the sphere of government. Industrial conflicts spread over into politics.

Under a self-regulating market-system continuity of production largely depends upon conditions in distant regions. Government policy is thus inevitably influenced by the interests of both employers and employed in overseas territory, notably colonies. Protective tariffs, which were largely abandoned in the 1860's, were reintroduced in the 1880's. While free trade had worked for the prevention of general wars on account of their dislocating effect, imperialist rivalries, fostered by colonial and protectionist aspirations, made for general wars.

- BEVELIDGE, W.: *Unemployment: A Problem of Industry.*  
 CARR, E. H.: *Conditions of Peace.*  
 CARR, E. H.: *The Twenty Years' Crisis.*  
 CLAY, H.: *The Post-War Unemployment Problem.*  
 COLE, G. D. H.: *One of Work: An Introduction to the Study of Unemployment.*  
 COLE, G. D. H.: *Studies in Capital and Investment.*  
 COLE, G. D. H.: *What Everybody Wants to Know About Money.*  
 CROSSMAN, R. H. S.: *Government and the Governed.*  
 DERRIN, E. F. M.: *How to Pay for the War.*  
 FITS, H.: *Europe, the World's Broker, 1870-1914.*  
 FISH, H.: *The Changing Pattern of World Trade.*  
 FISHER, A. G. B.: *The Clash of Progress and Security.*  
 LAWRENCE, R. G.: *Formative Aspects of Sovereignty.*  
 HAWTREY, R. G.: *The Gold Standard in Theory and Practice.*

- HAWTREY, R. G. : *Economic Destiny.*  
 HAWTREY, R. G. : *The Economic Problem.*  
 HAYES, C. J. H. : *Historical Evolution of Modern Nationalism.*  
 LICKS, I. R. : *The Social Framework.*  
 HOBSON, J. A. : *Imperialism.*  
 KEYNES, J. M. : *The End of "Laissez-faire."*  
 LENIN, W. I. : *Imperialism.*  
 MAINS, H. S. : *Popular Government.*  
 MEADE, J. D. : *Economic Basis of a Durable Peace.*  
 MEADE, J. F. : *Outline of Economic Analysis and Policy.*  
 MOON, P. T. : *Imperialism and World Politics.*  
 MORISON, A. L. : *A People's History of England.*  
 ORWELL, G. : *The Road to Wigan Pier.*  
 POSTGATE, R. : *Revolution, from 1789 to 1906.*  
 R.I.A. : *Nationalism (Symposium).*  
 ROBBINS, L. : *The Economic Basis of Class Conflict.*  
 ROBBINS, L. : *Economic Causes of War.*  
 STALRY, E. : *War and the Private Investor.*  
 WOOLTON, B. : *Plan or No Plan.*

#### PART V.—LIBERALISM, FASCISM, SOCIALISM, NEW DEAL.

About 1800 regulationism was dropped, first in production, then in trade. Free markets were established for labour, corn and gold through the Poor Law Reform Bill (1834), the Anti-Corn Law Bill (1846), and the Bank Act (1844), respectively. A vast expansion of markets followed, with a corresponding increase of government activities.

England was the first country to discard *laissez-faire* and to introduce such measures as factory laws, national minima and trade unions. Other measures of protectionism followed. By the beginning of the 20th century the leading countries of Europe had passed from a liberal economy to a chaotic form of capitalism.

About the third decade of the 20th century fascist tendencies arose to solve the problems of a market-economy through the elimination of the institutions of popular government and with



the help of an exclusive autarchy. Under the fascist régime industrial corporations are entrusted with governmental functions, a change which is to be achieved by a one-party dictatorship. In the long run, no solution is offered, since an industrial society demands the activation of all individuals and the economic co-operation of national groups. In the short run, however, a reform of capitalism is achieved in three directions: (1) elimination of unemployment, (2) security of tenure for the worker, and (3) greater ease in the redistribution of purchasing power. Unless other means are found to attain these ends, fascist tendencies are bound to make themselves felt.

An opposite tendency in modern industrial societies is represented by socialism, which involves the solution of the problems of market economy by an expansion of democratic government to the field of industry. If fascism can be described as the ~~running~~ <sup>Control</sup> of government by industry, socialism <sup>Control</sup> broadly, comports the ~~running~~ of industry by government.

In spite of its very great importance as a successful experiment in a socialist economy, the relevance of the Russian experience is limited by the conditions under which it arose, namely the absence of an industrial society and of democratic traditions. Incidentally, the impression was created as if a socialist organisation of industry were bound to be linked to dictatorial forms of government.

The American constitution (1787) embodied the principle of the separation of government and industry in an extreme form. The introduction of effective federal government by the New Deal in 1933, coincided with the efforts of the central administration to restore the functioning of industry and to reform the organisation of market-economy.

ADAMS, J. T. : *The Epic of America.*

ARNOLD, TH. W. : *The Followers of Capitalism.*

BEARD, CH. : *American Government and Politics.*

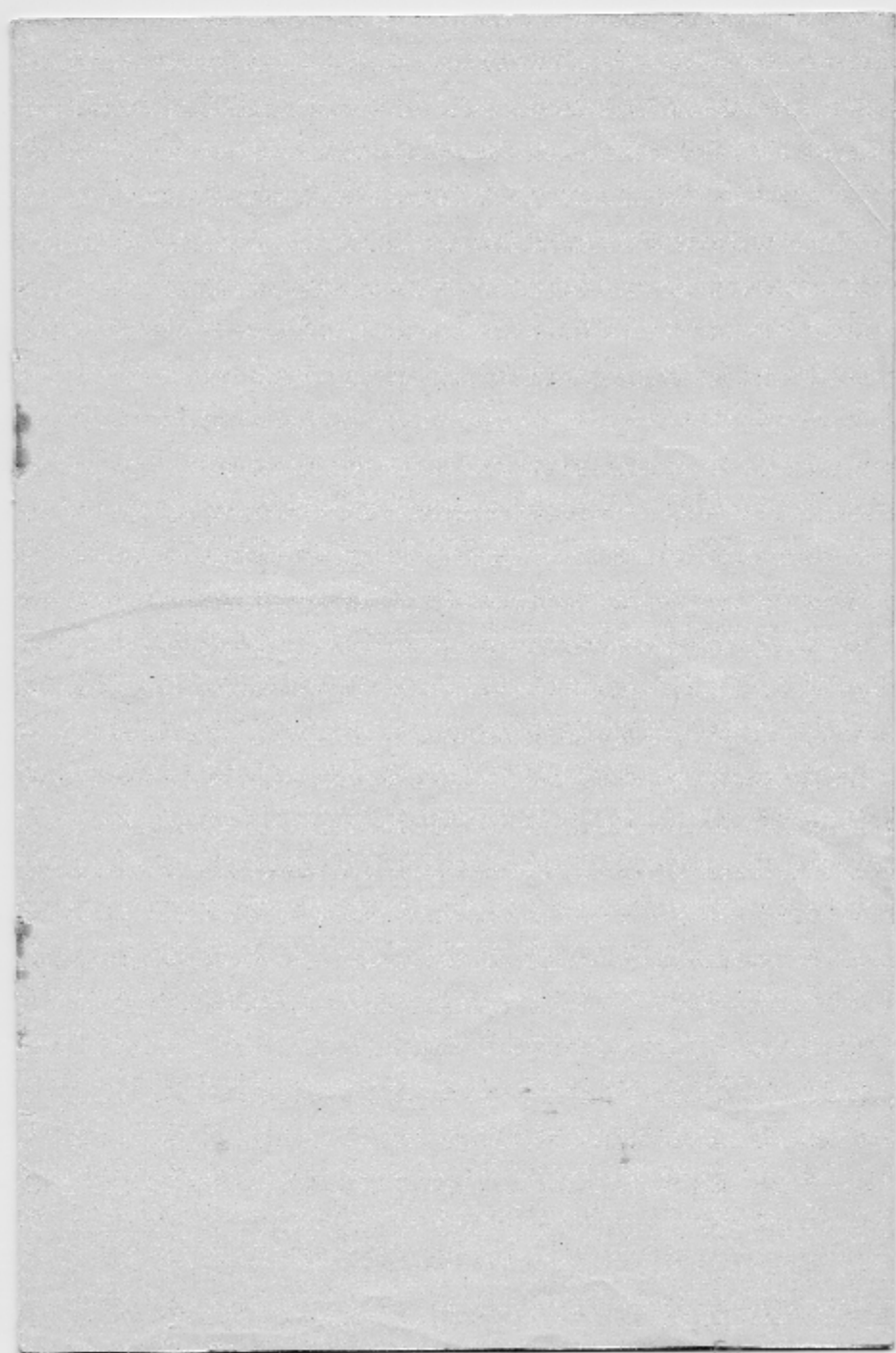
BEARD, CH. AND SMITH, G. H. E. : *The Old Deal and the New.*

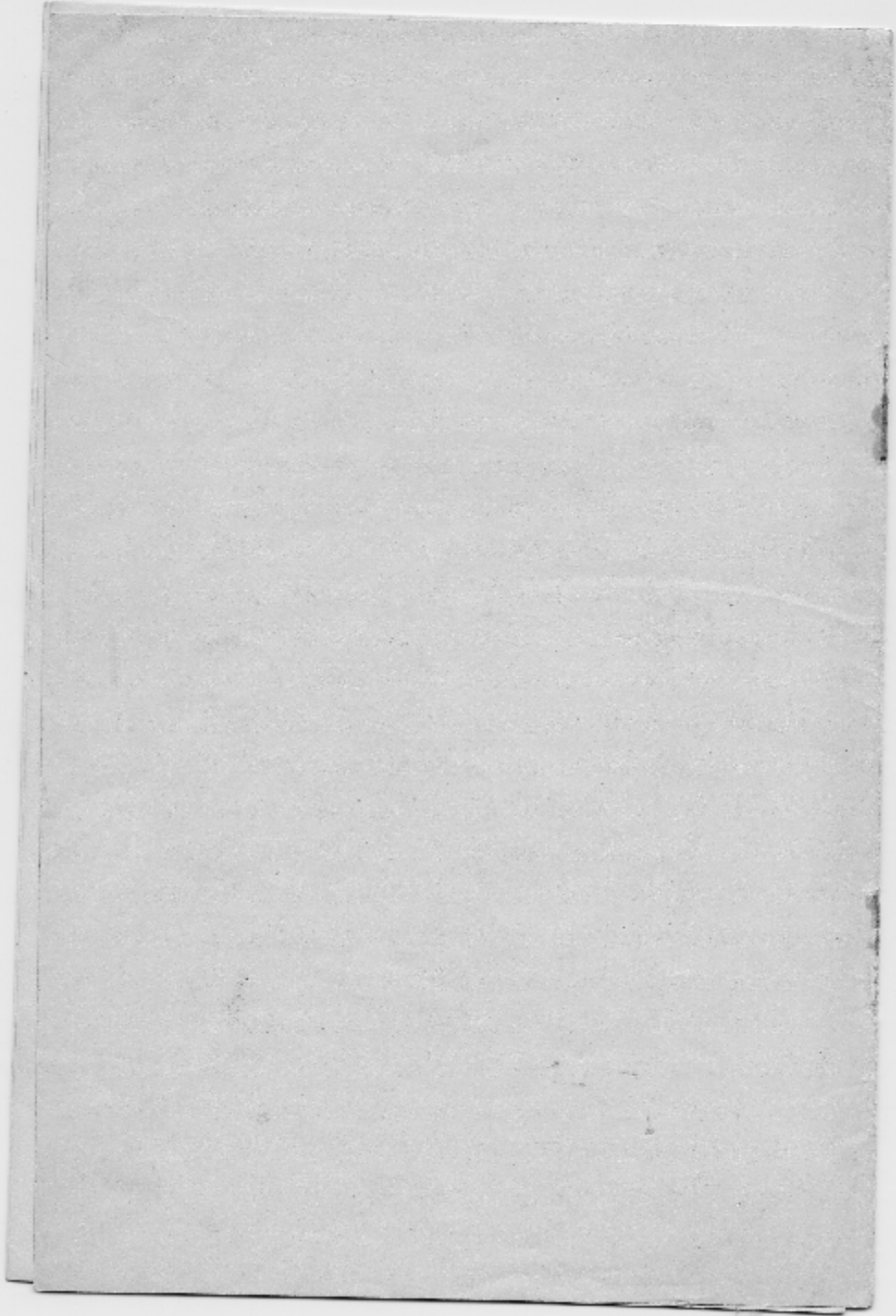
BERR, M. : *A History of British Socialism.*

BOCKENAU, F. : *The Totalitarian Enemy.*

BURLEIGH, J. : *The Managerial Revolution.*

- CLAMBERLIN, W. H. : *The Russian Revolution, 1917-1921.*
- CLAY, H. : *The Problem of Industrial Relations, and other Essays.*
- COLE, G. D. H. : *A Short History of the British Working Class Movement, 3 Vols.*
- DORB, M. : *Soviet Planning and Labour in Peace and War.*
- DRECKER, P. F. : *The Future of Industrial Man.*
- DRECKER, P. F. : *The End of Economic Man.*
- Encyclopaedia "Quadragesimo Anno" (1931).
- ENGELS, F. : *The Condition of the Working Class in England in 1844.*
- GORKY, M. (ed.) : *History of the Civil War in U.S.S.R.*
- GUTENBERG, C. W. : *The Economic Recovery of Germany.*
- HITLER, A. : *Mein Kampf* (unexpurgated edition).
- HOBHOUSE, L. T. : *Liberatism.*
- JOHNSON, H. : *The Socialist Sixth of the World.*
- JONES, E. M. AND RAJICE, F. A. : *An American Experiment.*
- LASKI, H. : *The Rise of European Liberalism.*
- LITTMANN, W. : *The Good Society.*
- MACMURRAY, J. : *Freedom in the Modern World.*
- MANNHEIM, K. : *Man and Society in the Age of Reconstruction.*
- MISES, L. V. : *Socialism.*
- MODLER VAN DER BRUCK, A. : *Germany's Third Empire.*
- MUSFOLINI, B. : *The Political and Social Doctrine of Fascism.*
- NEUMANN, F. : *Rebirth.*
- NIRBUND, R. : *Moral Man, Immortal Society.*
- OWEN, R. : *A New View of Society.*
- RACALPHING, L. : *Make and Break With the Nazis.*
- REED, J. : *Ten Days that Shock the World.*
- ROOSEVELT, W. D. : *On Our Way.*
- SATTER, A. : *Security : Can We Retain It?*
- SALVEMING, G. : *Under the Aegis of Fascism.*
- SCHLESINGER, A. M. : *The New Deal in Action.*
- SORBI, C. : *Reflections on Violence.*
- STRACHEY, J. : *The Theory and Practice of Socialism.*
- TRUBSKY, L. : *The History of the Russian Revolution.*
- WEBB, S. AND B. : *Soviet Communism.*
- YUDOW, A. : *Russia's Economic Front for War or Peace.*





# NOTES

## Introduction to

Three phases in the establishment of a free labour market in England

1. The ~~damned~~ period of welfare policy in this country ~~1590-1640.~~ 1590-1640.
2. The decay of the protective system. 1662-1795. (Act of Settlement).

### 1. The Statute of Artificers, 1563.

Protection of the free labourer in respect to wages, hours, terms of a contract.  
 apprenticeship and Maximum wages

- a. regularity of employment, , prevent vagrancy
- b. remove the advantages of country employment
- c. adjust wages to the cost of living,

Decay caused by

- a. crafts go out of fashion
- b, restricting employment. ( max. wages)
- c. restricting supply of labour ( apprenticeship)
- d. unskilled occupations coming up ( cotton industry).

### 2. Poor Law.

Elaborate Poor Law impracticable burden to parishes.

Saved by expanding trade.

By 1640 mobility complete. Even more so by 1660...

1662 inevitable. Reactionary restriction of mobility.

Decay : consequence of Industrial Revolution,

~~Finally~~

## NOTES

### 2. The reasons for the Poor Law Amendment Act, 1834.

- a. The need for a labouring class, i.e. a wage earning class (not labouring poor).

Harriet Martineau saw the point: The distinction between sovereign and people....

The conversation between her hero and the 'boondoggler' in rates.

- b. The increase ~~in rates~~. Clapham's argument...

- c. The spread to the towns. Not Speenhamland specifically (aid in wages) but indiscriminate aid of the unemployed... The North refused to put the 1834 Act in force. How could/mass unemployment be dealt with under the Poor Law? This was impossible.

The degeneration of the working class.

- d. The moral effects of the operation. Confer H.M. 'Hamlet!'

- e.
  1. No church bells for the funeral.
  2. tremendous fall in rates.
  3. great success of the operation.
  4. at what price? The almost complete dehumanisation of the middle classes?
  5. The smug hypocrisy of the Victorian middle class derived from here.
  6. Good's & Sidney's funeral.

# NOTES

Fincham.

The three ~~stages~~ <sup>phases in</sup> the establishment of a free labour market in England.

1. Speenhamland (Preventing the <sup>and protecting soc. against its coming.</sup> establishment of a free lab. market).
2. The Poor Law Reform Act, 1834. (Establishment of a free l.m.)
3. The long-run effects of a free labour market-

## 1. The reasons which led to MM Sp?

The introduction of the 'right to live' <sup>was</sup> /not a step towards the labor market as exemplified in the 1795 loosening of the Law of Settlement and Removal, *but in the opposite direction.*

Assessment of wages had actually gone out of practice; the apprenticeship clauses of the Statute of Artificers even more so.

Whitbread suggested that a wage minimum should be introduced, since the S. of Art. worked as a wage maximum law. Pitt opposed it as a return to regulationism, and all its drawbacks.

There was a big difference between minimum wages and Speenhamland. The latter did not interfere with the development of a labour market in the towns, while protecting the rural scene in which the squire was interested.

1. violent fluctuation of the prices of bread (assizes of bread and ale were unable to prevent it.) This was due to the partially open markets. No bread was sold in the countryside upto 1800; this was a town problem. In the countryside corn was sold, and that was not regulated by the Assizes of Bread and Ale.

2. great increase of unemployment because ~~indian~~ manufactures were a ~~masses~~ <sup>masses</sup> thrown out of work in every slump. The reserves of labour were accumulating more quickly than the mass of employment.

3. domestic industries were now disappearing which gave employment to rural labour in slack times.

4. capitalist farming i.e., with hired labour needed bigger reserves of ~~labour~~ labour than smaller farms. The latter has less advantage from Sp. than the large farmers. Overpopulation of the countryside was merely apparent.

But the Industrial Revolution had fed on this state of affairs. In 1836 Townsend declared that it would take ten years, and in 1817 this was regarded as much too short a period of time. Ricardo in the same year argued that it would need be done very gradually only. Peel refused to envisage its change for it was so ingrained. Disraeli called it an 'inconceivable revolution'; These were the basic constitutional rights of the people. Care for the poor had been on the Statute Book for 800 years. It was older than any institution ~~except~~ except for the Throne.

4. ~~NOTES~~  
Fingley  
Lectures

Medieval trade and markets.  
( continued ).

Uniformity of agricultural conditions in the whole of Europe West of East -Elbia.

Nabholz  
C.E. H.

' an astonishing uniformity of medieval agricultural conditions throughout the whole of the region, has been pointed out again and again' 493 Further there was an agricultural technique common to all countries. 499

' in medieval times the economies of the various countries had a common plan and went approximately through the same manifestations and transformations, in the age of transition to modern times, countries begin to go their own particular ways...



Medieval trade and markets (cont)

Michael  
Lecture

The merchant must be a free man-- the medieval craftsman was a villein and could not move about freely. That's why the development of the town does not start with the craftsman but with the merchant--the trader, even though he was not a burgess (ratshägig) for lack of settlement! Absenteeism.

- Townpeople were
1. ministerialists ( i.e. employees of the manor)
  2. villeins ( serfs )
  3. clericals ( priests ).

Merchant allowed to ~~man~~ wear a sword, but ~~he~~ should dangle it from the saddle ? or be kept in the cart... Also a shield. ...

Knives, longer than an ell, were forbidden in the Arthurshof at Danzig. ( American bowie knife, German in Vienna in 1931)

# NOTES

Pinchely

## Free Trade.

Foreign trade under the mercantile system was one of the chief concerns of the State.

- a. Only a Navy can ensure the safety of the merchant fleet.
- b. The organisation of the imports is the main concern. The natural concern of trade was supply (spices, finery, jewels, fine tissues, from the Oriental world). Europe was a colonial raw material territory with nothing to offer to India, China, Persia or Egypt. Hides, timber, metals? Consequently only metals could pay, and there was a continuous drain on the gold and silver supplies of the West. Mines in Germany and Hungary and Spain exploited. Overseas drive for gold and silver was a reasonable and natural response....
- c. Points of organised supply were limited. Thus investments in shipping and plantations (Plus government and bribery) were valuable. Regulated trade was the ideal of trade.... The interloper was the enemy.. Very much the same as the unorganised worker benefiting from the trade union rates...
- d. Slow transport meant independence of plantations from mother country...

*precious*

*military losses*

Regulated foreign trade breaks down      The passing of the old colonial system.

- a. Trade becomes bilateral... Slaves the biggest article of export Jamaica run for the USA Export of textiles to the colonies.
- b. Shipping becomes swift
- c. Exports are manufactures and export becomes the spearhead of trade (The consumer has never any say: that's why the 19th century was manufacturers run, although the consumer benefited more than also..)
- d. Payments are made with the help of instruments produced by bilateral trade.

Free trade was the ideal of the most efficiently producing country. This ideal is of great importance for it embodies a simple proposition which could be exploited to the full.

- a. International division of labour
- b. Peace trade
- c. Multilateral ~~paranannwintntnan~~ carried on with the help of payments on the gold standard.

The danger of this system is that if it proceeds at a great rate, the dislocation caused may become unbearable.

NOTES  
as other example, as

courts of law and the ~~other~~ paraphernalia of the judicial system.

The purpose of these institutions is to safeguard the rule of law and justice. But the motives of the individuals participating in these institutions need not be for that the passion of justice or the thirst for law. They might be compelled to serve, like the jurymen, they may be appointed for life like ~~the~~ <sup>our</sup> Judges, they might be elected for a <sup>period of</sup> time, they may have volunteered ~~themselves~~ out of a sense of duty, they might have done so for the sake of <sup>personal</sup> social advantage or ~~interests~~ <sup>are</sup> ~~social~~ service. ~~These~~ <sup>are</sup> instances of all these on record.

for the sake of ~~public~~ <sup>unselfish</sup> ~~social~~ service

Against the moral is ~~assumed~~ <sup>assumed</sup> that the purpose of the institution is one thing, ~~but~~ the motives -- immediate or ulterior -- ~~is~~ another ~~thing~~.

(Incidentally, with most human institutions there is a <sup>link</sup> ~~connection~~, - a more or less close <sup>one</sup> -- between the purpose of the institution and the motives inspiring people to establish them and run them, but the <sup>link</sup> ~~connection~~ does not <sup>in itself</sup> ~~sufficiently~~ explain the actual running of the institution. Examples: Take a community deciding whether it should <sup>if not</sup> ~~provide~~ <sup>provide</sup> for courts... Actually, <sup>the courts</sup> ~~they~~ might exist, with <sup>even</sup> ~~out~~ any conscious decision ever having been taken... The same in respect to ~~the~~ <sup>army</sup> ~~army~~. The motive will certainly not be fear (which is the passion most immediately affected by lack of defence, but duty or other more complex motivations like the urge to make a living).

Let us now pass on to the economic system. The purpose of the system is clear. Its absence would arouse passions of the most elementary kind. And yet we find that the economic system is organized in different societies at different times, in very different ways. The motives range from duty, compulsion, love of activity, joy of competition, social conformity, vanity, to the thirst of gain and pursuit

# NOTES

of profit. In the various societies these motives will be present in various combinations.

The fear of hunger, - the ~~most~~ strongest motive aroused by the lack of an economic system or its failure to function - <sup>prominent</sup> need not be a ~~single~~ motive at all. Instances: The Kaffir tribes according to Mrs. Gerturde Millin's books - The same ~~is~~ borne out by Thurnwals books on the White and Black in East Africa. or his book: Economics in primitive communities. Similary Melville Herskovits on Primitive Economics or on the Kwakiutl ( the same ~~author~~ author). While the purpose of these institutions is to protect the community from hunger, - and ~~it~~ it is no exaggeration to say that this concern dominates the lives of many savage communities, ( ~~it~~ though not of all) it is not the fear of hunger which is the motive on which participation is built.

MAIR

Instances: Hunting: Compulsion, custom, love of hunting, social contact, ~~big~~ bigger ~~share~~ share and of the game.... Fishing: ditto. Gardening: Custom. familial obligations, prestige, love of gardening, emulation, vanity and so on. Labour: Never performed for gain. Even when compensated the recompense is not proportionate to the effort. ~~Hard~~ ~~red~~ other reason for working assiduously. ~~Let~~ ~~savage~~ <sup>it</sup> No, they refuse to labour for incentives.

We will therefore make <sup>it</sup> our task to inquire into the various ways in which government and the ~~economic system~~ <sup>are</sup> ~~interconnected~~. And then we will inquire into the relations of government and the system of production.

## Why are we going to do this?

One of the most fascinating problems of our time are the problem of ~~government~~ <sup>State</sup> and business, of ~~State~~ <sup>Government</sup> and Industry. This is clearly only an other word for politics and economics. For our political system

*Wanderer*

Socialism.

Fascism is a reform of the capitalist system at the price of the destruction of democracy, politically and industrially.

Unemployment is abolished, security of tenure is given, purchasing power is redistributed, -- in a society in which the property owners and their industry ~~managers~~ are the political rulers, by help of a one party dictatorship. The continuity of titles to property is maintained.

The taking over of industry by the State- is socialism. The ownership of the means of production passes to the State. That does not mean that the State needs run industry itself, but it is certainly not run for private profit anymore. This, carried through by the democratic will of the population, is socialism.

- The advantages of such a solution:
1. Unemployment can be abolished
  2. Security of tenure can be given
  3. Incomes can be redistributed.

The motive of work changes. The profit motive has been artificially generalised. The workers all accept that they act on it, which is untrue.

Take coal mining! The efficiency of production becomes very much greater. Large scale production and distribution. The price of goods might be often 1/3 or 1/4- the rest being the price of monopolies. The standard of life might be raised considerably. Hours shortened. ~~MINUTE~~ Leisure increased. The cheapening of goods at the end of the 18th Cty might be repeated! Capitalist production in England to-day scandalously inefficient and wasteful. Compare Prof. Kaldor's figures on the Morris works. Textile and other example.

- The waste of advertisements. High pressure salesmanah
- The waste of misdirection of consumption. Artificial
- ~~and~~ utility
- The waste of ~~unnecessary~~ reproduction. Adding gaets to make it sellable Adding to cost in order to monopolise sales.

The producers life. Should be planned from the point of view of his life health and happiness.

Some of it may be necessarily dreary. It might have to be shared or shortened. But most of it might be enjoyable. This is truer of physical labour than of office work.

Increasing responsibility.

Thus the socialist working class movement derived its ideas from very different philanthropic and philosophic sources.

The practical issues involved much broader ones: reform of life, love, and our attitude to nature, art and religion.

- C. Many of their ideas became effective only generations later. Indeed, endeavours as recent as industrial psychology or socialist competition hark back to their initiatives.- Delayed action thoughts...

### I. Robert Owen. (1771-1858)

We have been dealing with Owen's movement before. I need only remind you of the main subjects:

The profit motive countered by co-operation or union  
 separation of town and country by villages of Union  
 specialisation by uniting of agricultural and industry  
 squalor of factory conditions by new aesthetics etc.  
 reform of attire, of attitude to nature, to recreation  
 peace  
 marriage (reform of marriage laws)  
 anti-individualism led to environmentalism, and that to secularism.  
 scientific attitude to society  
 machinery accepted.

His socialism was anti-political and anti-revolutionary  
Educationalist. (which they ever since Plato tend to overdo...)

### II. Charles Fourier. (1772-1837.)

Fourier was an unsuccessful trader, spent his life as a commercial traveller. His last 30 years of his life he expected the man at 12 p.m. who would give him the 8 million francs.

Newtonism. MMH Theories des quatre mouvements.

Government  
is needed by the ~~MINUS~~, and our economic system is what we mean by  
Industry. We might have spoken of the Industry of the Kaffir or of  
Industry in ancient Egypt, although it might have sounded somewhat  
strained. ~~xxxxxxxx~~

The second part of tod-ays lecture is devoted to the development of the  
great importance of the ~~subject~~ topic Government and Industry. - a

field of American experience.

A. Industrial policy.

# NOTES

a2a

- a. iron ships can carry bulky raw materials.
- b. The steam locomotive can open up the interior of continents.
- c. The exports grow at a rate that it becomes pressing to ensure continuously growing markets..  
protectionism and  
Hence imperialism, in all its forms.

The gold standard becomes a very great danger.

This is an excellent device to keep currencies stable without government interference in foreign ~~economic~~ economy.

What is foreign economy? The movement of goods, loans and payments across the borders..

The gold standard means stable value of the currency abroad; this achieved through changes in the price level at home. When too great, unemployment unbearable. Then it must go..

Once the gold standard has been dropped, government must take a hand in foreign economy ( eventhough not in home economy... )

The Bretton Woods agreement therefore basic.

.....



Institutions

Primitive economics.

Institutions: Recognisable patterns of law, custom or habit which can be associated with some purpose or function

Explaining Explaining an institution means ~~being~~ being able to point to the motives which make individuals participate in an institution

Purpose or function The purpose or function of an institution is ~~that~~ what it achieves from the point of view of the community in other words the service which it renders to the community. Examples: Army, courts of law economic system.

The purpose does not define the motive The purpose of the army is to allay fear. But the motive of participating in it is not directly fear of the enemy. The purpose of lawcourts is to prevent injustice. But that is not the immediate motive of the participants in it.

Remarks: With a golf club or a trade union the distinction does not hold, since the purpose of the institution does very directly determine the motive of the club or association or union.

Economic system. Economic life is about the production and distribution of goods. The purpose is to ~~keep~~ keep the community from want, from hunger and even starvation.

But the motive for participation may be very different e.g., compulsion, as with a slave or the foreign workers working in Germany on a large scale. Enthusiasm as with the subotnik-s of the Russians. It may be custom and habit, or social pressure. It may be gain (the joy of an increased money ~~in~~ income) it may be the fear of starvation or at least of want

Market-economy includes a labour market Under a market-economy the motive of work is fear of want. This is far from being a general motive in the various societies. On the contrary: To work for payment is practically unknown in most societies. Not before 1834 was it introduced into England. Compulsion to work existed under the Elisbaethan Law, but labour was enforced ~~upon~~ through the threat of corporal punishment, not through the silent threat of hunger.

Notes

Finchley 2a

(Primitive economics)

Types of primitive economics.

1. Reciprocity principle based on symmetry.
2. Redistribution principle based on centralization.
3. Householding principle based on autarchy
4. Barter or exchange principle based on markets.

1. Reciprocity

1. Matrilineal family.

Obligations towards the sisters family.

Ceremonial display of fruit and vegetable.--Twice.

Enforcement through custom.

Premium on generosity.

Work done on the same basis. Subsistence given or luxuries.

Only he who has an obligation is supposed to work and may accept subsistence etc as counterobligation. (but not payment). He who has no obligation is expected to work gratis (Odysseus at Alkinoos palace). Medieval minstrels were supposed to sing for nothing because they had no obligation to do so... (Paradox way of thinking, to us).

2. Kula trade.

*mwabi red spondylus disks armbands - white -  
sculava white armbands - necklace, red disks - 5 yrs*

3. Visiting parties. Kpelle.

2. Redistribution. and centralisation.

The economic life of large ancient communities.

1. Hunting communities.
2. Taxation and ceremonial redistribution.
3. Central storage and public works.

3. House holding and autarchy.

No individual collecting of food. (*Bueche*)

Greek oikonomia. Aristotle on money making and householding.

*The old 'natural' economy. Not unlimited use*

Manor, village, family big or small

power settlement sex

*Manorial system. Regulated by custom & manorial law (customary law)*

NOTES  
Finchley.

Human institutions - political and economic.

Problems of interventionism.

Economic liberalism is the doctrine of which regulates the setting up and the running of a market economy, i.e. a self-regulating market system including markets for labour and land.

a. The development of this doctrine. 1750 ies.  
The French Physiocrats: Francois Quesnay, Turgot, and others  
Ordre naturel. Tableau economique. (Single taxers)  
Adam Smith: Wealth of Nations. 1776. LAND only productive.  
'The ~~invisible~~ hidden hand'  
Not land only productive. from  
Supported Navigation Acts. Europe  
Asia Africa, America

Jo Townsend (1861)

Ricardo: Malthus 1798 1818  
Abolishment of Poor Laws.  
Why? Iron Law of wages.  
Populations laws  
Rent, the enemy,  
How to help the working classes: Raise their standards. (Speenhamland conditions)

James Mill, John Stuart Mill. 1834. 1846  
POOR LAW REFORM ANTI-CORN LAW (Free Trade)  
Herbert Spencer 1851 Doctrine of non-intervention...  
'Argued the impossibility of useful intervention.  
Status and contractus.  
Industrial and military state...  
Fancical individualism...

'Social states..'

Be nn  
Lippman COLLECTIVIST CONSPIRACY. 1. Factory laws. R Trade Unions  
Hayek 2. Tariffs and corn laws. (Protectionism).  
etc. Not ture. 1. All countries.  
2. Over night  
3. All parties.  
4. Even liberals intervenes...

The Industrial Revolution and the supply of agricultural labour.

... the supply of agricultural labour...  
... the demand for labour...  
... the effect of the industrial revolution...

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