

Wright
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Marc./Methodology

Rauch at all times projects Cuba against the American background. With him the Cuban issue is in the halls of Congress, the pages of the press, the mind of the public, and not merely in the portfolio of a diplomat in Madrid or in the plans of a filibuster on the Gulf Coast. The author is best not in those chapters in which he makes brilliant summations which are heavily predicated on earlier scholarship but rather in chapters such as "Economic Considerations," "Cuba and the Campaign of 1852," and "The Triumph of Young America." The relationship of Cuba to Kansas and Nebraska is well put, and welcome, too, is the expanded view of John A. Quitman in Cuban affairs.

Washington University

CLINTON HARVEY GARDINER

MARXIST ECONOMIC THOUGHT

Studies in the Development of Capitalism. By Maurice H. Dobb. New York: International Publishers Company, 1947. Pp. ix, 396. \$3.50.

He would be a rare economic historian who cared to deny that Marxism in the past has made a positive contribution to his science. Whether this still holds for the present might well be put to the test by this representative work of a Cambridge economist of Marxist persuasion, as the author himself wants to be referred to. For, to be brief, it deviates from Marxism, in the wrong direction. It upholds its weak points, while jeopardizing its valuable contributions.

Mr. Dobb offers his apologies in the Preface for having undertaken a job which he declares to be outside the range of economic analysis. No apology is required. Mr. Dobb has produced a scholarly and original volume on the decline of feudalism, on mercantilism, the industrial revolution, and the nineteenth century, the period between the two wars, in effect, the whole history of Western capitalism short of the Marshall Plan. The presentation is clear and balanced throughout. Central problems of roughly five centuries are covered by careful essays. Stimulating interpretations and striking remarks abound. And though the work represents a collection of studies which, as Mr. Dobb says, has grown discontinuously over a period of twenty years, he has nevertheless succeeded in maintaining the essential unity of his argument: he offers an exploitation theory of feudalism and capitalism in all stages of their development. This is no more than was to be expected, for labor theory of value, the theory of "surplus labor," and exploitation theory go hand in hand.

The entirely novel trait lies in the suggested mechanism of exploitation, which involves the introduction into precapitalistic economy of the concept of a labor market. The introductory chapter announces: "In the chapters which follow, the influence exerted by changing states of the labor market will, rightly or wrongly, be a recurrent theme" (p. 23). That such an attempt at an extension of the scope of market laws into nonmarket economies should have come from the Marxist side, is indeed sensational. Such a thesis amounts to a reversal of the view that no supply-demand-price mechanism can be effective outside of a market system, a position shared by the institutionalist school of economic history ever since Richard Jones's critique of Ricardo.

The bulk of Dobb's book consists of examples adduced to establish the fruitfulness of his thesis. Feudalism, for example, is known to have shifted from serfdom and near-slavery to wage labor, and sometimes back again. Mr. Dobb reduces these shifts to a mere function of changing situations of labor supply, using the formula: from supply depends price, from the price of labor the existence of "surplus labor," from the amount of surplus labor the margin of exploitation. Accumulation of capital by the nascent *bourgeoisie* is another instance. Mr. Dobb tries to show how bourgeois capital might have been accumulated without infringement of market laws. This, he rightly says, seems impossible, since saving out of income would have been self-defeating. For the efforts of the *bourgeoisie* to acquire certain types of property, for example, land, would exert an upward pressure on the value of that particular object. And the subsequent attempt of the *bourgeoisie* to dispose of its land in order to invest in industry would exert a downward pressure on its value to their detriment. Only through a double act of exchange, he insists, could the *bourgeoisie* have acquired a larger proportion of the total wealth of the community, without an infringement of market laws. Now, for such "an increment in the capital value" to occur on any extensive scale, very special circumstances must intervene and that *twice*, namely, at purchase and at sale: these were, he suggests, disintegration of feudalism on the one hand; and dispossession of a substantial class of owners on the other. The first made the acquisition of land on favorable terms possible; the second permitted investment in cheap labor of the increment in capital value. Thus, the historical battles of the *bourgeoisie*, won by means fair and foul, appear in Dobb's constructions reduced to the interplay of two very special market situations.

An even more comprehensive use of the new theory of labor supply is made in regard to so-called "interventionism." Scarcity of labor supply, Mr. Dobb says, produced "state intervention" in fourteenth-century England as in seventeenth-century France and twentieth-century Italy and Germany. Whenever labor supply was short, capitalist exploitation was bolstered by state intervention. (Mr. Dobb, incidentally, finds it difficult to square this thesis with the out-of-work myriads on whose shoulders Hitler rose to power as a superinterventionist.) Of course, this rule also works in reverse: in nineteenth-century England, superabundance of labor produced nonintervention, that is, the policy of *laissez faire*. Thus, from the Statute of Laborers, 1351, to the fascism of the 1930's, one and the same law operated.

Non-Marxists among the representatives of institutionalist methods in economic history cannot help feeling that with this book Marxism deserts its traditional place on their left wing. They will feel that Mr. Dobb is keeping what is bad and discarding what is good in Marxism. Instead of loosening its dependence on economic orthodoxies such as the labor theory of value, it is drifting away from its fundamental insight into the historically limited nature of market organization. Adherents of institutionalism as represented by Cunningham, Weber, and Pirenne may well be disappointed. Verily from unexpected quarters aid and comfort has come to the enemy. Through Dobb's suggestion that "supply and demand" and "intervention" be accepted as dominant categories in nonmarket economies, Mises and Hayek have, in the last analysis, scored a surprising success.

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mechanism of the exploitation; ^{which involves} ~~The entirely novel trait~~ is the introduction of the labor market concept into pre-capitalistic economy. His introductory chapter announces: "In the chapters which follow, the influence exerted by changing states of the labor market will, rightly or wrongly be a recurrent theme". (p. 23) That such an attempt at an extension of the scope of market laws should have come from the Marxist side, is indeed sensational. Such a thesis amounts to a reversal of the view that no supply-demand-price mechanism can be effective outside of a market system, ^{the} ~~is~~ a position shared by ^{school of economic history} institutionalists, ever since Richard Jones's critique of Ricardo. The bulk of Dobb's book consists of examples adduced to establish the fruitfulness of his thesis as an instrument of inquiry. Feudalism e.g., is known to have shifted from serfdom and near-slavery to wage-labor, and sometimes back again. Mr. Dobb reduces these shifts to a mere function of changing situations of labor supply with the help of the formula: ~~from~~ supply depends price, from the price of labor the existence of 'surplus labor', from the amount of surplus labor the margin of exploitation.

Accumulation of capital by the nascent bourgeoisie is an other instance. Mr. Dobb tries to show how bourgeois capital might have been accumulated without infringement of market laws. Theoretically this seems impossible, since saving out of income would have been self defeating. For the efforts of the bourgeoisie to acquire certain types of property, for example, land, would exert an upward pressure on the value of that particular object, and the subsequent attempt of the bourgeoisie to dispose of its land in order to invest in industry would exert a down-

ward pressure on its value to their detriment. Only through a double act of exchange, he insists, could the bourgeoisie have acquired a larger proportion of the total wealth of the community, without an infringement of market laws. Now, for such 'an increment in the capital value' to occur on any extensive scale very special circumstances must intervene and that twice, viz., at purchase and at sale. Eventually, he identifies these circumstances, firstly, with the disintegration of feudalism, on the one hand, secondly, with the dispossession of a substantial class of owners, on the other. The first made the acquisition of land on favorable terms possible, the second permitted investment of the increment in capital value into cheap labor. Thus, the historical battles of the bourgeoisie, won by means fair and foul, are reduced to the interplay of two very special market situations. An even more comprehensive use of the new theory of labor supply is made in regard to so-called 'interventionism'. Scarcity of labor supply, Mr. Dobb says, produced 'state intervention' in fourteenth century England as in seventeenth century France and twentieth century Italy and Germany. Whenever labor supply was short, capitalist exploitation was bolstered by state intervention. (Mr. Dobb, incidentally, finds it difficult to square this thesis with the out-of-work myriads on whose shoulders Hitler rose to power as a super interventionist.) This ^{rule} ~~law~~ works, of course, also in reverse: in nineteenth century England, the super abundance of labor produced non-intervention, that is laisse-faire policy of the state. Thus, from the Statute of Laborers (1351) to the fascism of the 1930s one ^{and} ~~is~~ ^{market} the same law operated. Non-marxists among the representatives of

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Would add in the last
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