The Significance and Transcription of a Manuscript of Beatrice Potter: 
“The History of English Economics,” Part II

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Abstract

The former report of this, THE SIGNIFICANCE AND TRANSCRIPTION OF MANUSCRIPT OF BEATRICE POTTER: “THE HISTORY OF ENGLISH ECONOMICS,” PART I, discussed the significance of a manuscript of Beatrice Potter in Economic tradition. She studied the history of political economy in England from 18th century to 1880s and discussed it in her manuscript. Perhaps her secretary transcribed this manuscript into existing copy of 58 folios. The Part I made a typing of the transcription of 17 folios. This part II includes typed transcription of the rest of folios from 18 to 58.

Key Words : Beatrice Potter Webb, The History of English Economics, Transcription, Adam Smith, David Ricardo, Alfred Marshall

1. 本稿の意図とこの第2部について

本稿「ビアトリス・ポッターの1886年論文 The History of English Economics の原稿のトランスクリプションと解説（2）」では、（1）：第1部と（2）：第2部を通じて、ビアトリスの未公表の手書きの「歴史」論文を活字化して掲載した。それは、この論文が彼女の進化論的な社会学的経済学についての当初のアイディアを研究する基礎となるからである。

この本稿の第2部では、第1部の続きとして、若干の説明と清書稿を活字化したタイプ稿のFol.3:18の途中から最後まで掲載した。例えば、Fol.3:18は1箇から5箇まである清書稿の第3箇の第18葉を示す。なお、清書稿にはビアトリスの手による修正の書き込みがありその修正も活字化した。また、判読不明の単語は、l’enumeration(?)のように(?)を付して表記した。さらに、ビアトリスが書き込んだと思われる#や-----------などの記号もこうした類似の記号で再現し、単語の重複も再現している。

本稿の第1部は2010年11月発行の『長岡工業高等
佐藤 公俊

専門学校研究紀要、第46巻に掲載された1)。その際、
以下のように解説を加えた。

「本稿でトランスクリプトした手書き原稿は、ウ
ェップ夫人として有名なビアトリス・ポッター・ウ
ェップが、結婚前のビアトリス・ポッター時代に経
済学を研究し、イギリス経済学の歴史を1886年に自
筆で記した草稿を、投稿用に清書させたものである。
この原稿はThe History of English Economicsと題され、
Passfield 7/1/3 MS folios 1-582)と分類されて、
ロンドン大学政治経済学院 LSE の図書館の文書庫
にPassfield collectionの一部として保存されている。

この原稿は、A4より少し小さく縦長の用紙に清
書された後に、おそらくビアトリスにより誤点等を
加えられたもので、1枚に1行6〜12語、20行前後で
170語ほど書かれた用紙 folio 58枚からなっている。1
枚目から3:1, 3:2等と順に番号が振ってある（以下
ではFol.3:1, Fol.3:2等）。」1)

現時点では、以上のこと加えて二点、説明しな
られるべきではない。まず、前稿第1部では、「トランス
クリプションとは、手書き文字など読みづらい記号
を活字体などで読むやくに書き直すこと」1)として、
活字化したタイプ稿をトランスクリプションと呼んで
いたが、本稿では手書き清書稿をトランスクリプ
ションと呼ぶことに変更したのである。それは、
現代のトランスクリプションは、口述のテープを起
こして紙媒体などに文書化することに、原稿のメデ
ィア変換のことも意味するからである。従って、清
書稿が口述筆記であればそれもトランスクリプショ
ンである。以下でタイプ稿として活字化した手書き
清書稿は、おそらくビアトリスの悪筆の草稿を原書
が清書したのであると考えるが、ビアトリスが口述
した内容を原書が筆記した可能性もある。後者の場
合、前稿の定義では清書稿もタイプ稿もトランスク
リプションということになり、タイプ稿の意味と意
義が曖昧になる。清書稿がトランスクリプトされて
かどうかはビアトリスの日記等で検討したい。

そこでとりあげずの措置として、この第2部では、
トランスクリプションの定義を狭めて手書き清書稿
をトランスクリプションと呼ぶ、以下はタイプ稿へ
の活字化を「トランスクリプト」とした。タイトル
の意味あいがやや変わってい、また、本稿の説
明と前稿第1部の解説部分との整合性が悪くなって
具合が悪いが、内容的にはより具体的事実を把握し
てゆく改善につながるので、ご容赦願いたい。

もう一部述べなければならないことは、この第2
部の掲載が大幅に遅れたことの理由である。本来は
昨年9月に提出・掲載の予定であったが、昨年3月11
日以後の東日本大震災と原発事故との被害者への支
援活動に時間を割いたため掲載が大幅に遅れてしま
った。続編を期待されていた読者諸氏に大きなご迷
惑をおかけしたことを深くお詫びしたい。

2. 手書き清書稿（トランスクリプション）
を活字化したタイプ稿（Fol.3:18〜
Fol.3:58）

Fol.3:18（continued）

These were the days when capitalists believed
that men were created to supplement the still
existing imperfections of machinery, and indulged
in dreams of a wheel of perpetual motion, which
would dispense with all necessity for wage labour.

The decennial increase of the population which is
calculated to have been 3 per cent during the first
fifty years of the 18th century rose progressively to
18 per cent in the decade of 1811 to 1821.

Old classes sank, new classes rose. The small
agriculturalist, and the half agriculturalist,
disappeared before the rapid enclosure of common
lands, the concentration of small into large farms,
the accumulation of land in the hands of rich men
for social and political purposes. In heaping up
population in large towns necessitated a new middle
class—the wholesale and retail trader, the
incarnation of the money making instinct apart
from the faculty for production; the embodiment
of the maxim to “buy in the cheapest, and sell in the
dearnest, market.”

Fol.3:19

The face of the century was rapidly intersected
with improved highways, canals, iron and wooden
rail roads, and , barring the use of steam for
locomotive purpose; the means of communication
were perfected.

The credit system with it’s huge possibilities for
good and for evil was elaborated.

Before the middle of the 18th century only twelve
“Banking Shops” exists, exclusive of the Bank of
England, and this Bank issued no notes under Aro.
Payments were made in each. But in 1797
country Bank had already multiplied to the number
of 280. The suspension of each payments by the
Bank of England in this year, under the stress of
war expenses, and the substitution for the space
of twenty years, of a paper, for a metallic currency,
finally uprooted the theory that “Wealth is Money.”
“Wealth is Credit” because the practical maxim of
the trading world, and with credit they rushed into
new inventing, built towns, explored the commercial
possibilities of the earth, and created whole nature
of producers

Fol.3:20
and consumers. Classes were more and more
sharply divided- the manual worker became
dependent on the capitalist, the agricultural
labourer, on the landowner. All restrictions
unfavoured to the capitalist producer were swept
away. The consumer was still uncared for; and
through the joint operation of the corn laws and of
the war the price of wheat rose in 180 and 1801 to
127/ a quarter. The darkest shadows of
competitive civilization were dashed into English life.
Periods of overproduction, and stagnation, followed
years of brisk trade, and large profits. Starvation
prices of the necessaries of life reduced numbers of
men and women to a desperate condition. The
horizon of the wage-earner was blurred and
indistinct; his financial future dependent on
conditions of which he had no knowledge, and over
which, he had no control. In good times the
“labouring poor” multiplies recklessly. Lory
socialism, representing the uneasy conscience of
the enriched landowner, employer, and farmer, held
out a degrading poor law as relief. The poor rate
jumped from 3/7 per head in 1760 to 13/3 in 1818.

Fol.3:21
The great war accentuated all these tendencies.
Pitt understood that England’s mission was
commercial supremacy. He needed for his war
policy, a great national acquisition of Wealth, and
for his standing armies, an indefinite increase of the
population. He favoured the commercial classes,
and laid open before them, political power and
social prestige. The passion for wealth seized the
English people both as individuals, and as a nation.
The English became a “nation of shop-keeper” but
shop-keeping was a means to all end – the conscious
aim was personal power and national supremacy –
the unlocked for result of all this tumultuous
struggling and suffering, was an immortality in her
children, the creation of A Greater Britain.

Malthus published his essay on population in
various editions throughout these years. It is not
properly speaking a treaties on Economic

Fol.3:22
science. It deals, from a sociological point of views,
with that part of man’s nature, which is most in
conflict with the free developmnt of the Economic
nature of the individual. Mr Herbert Spencer in his
Biology, has traced the Desire for Reproduction
through the various orders of animal life, and
demonstrated that it varies inversely with the
evolution of nervous organization. Malthus tried to
prove by the Historical method, that the lower
orders of man will increase at a geometrical ratio
and that the “positive checks” of war, famine, and
premature death, are the only checks which operate
in regulating the relation of certain classes of the
population to the amount of food furnished them by
the circulating capital actually devoted to the
payment of wages. The theory of a wage-fund, which
briefly stated, is limitation through Economic
necessities, of this to a fixed amount is not
necessarily connected with Malthus’s law, though it
is popularly associated with it. Malthus also
originated an Economic hypothesis

Fol.3:23
regarding agriculture namely the Diminishing
returns from cultivation of Land.

The foregoing is a brief summary of the industrial
and intellectual condition, in the presence of which,
Ricardo developed his abstracr principles of
Economic Life. He was in no way a scientific
investigator. He adopted Adam Smith’s discovery of
the Economic nature of man, and by the light of the
events of his own time, he gave to that part of man’s
nature a purely ideal form. The great mental
characteristic of his age, was the Passion for Wealth, and the keen competition in the acquisition of Wealth, which this introduced. Ricardo regarded this characteristic, as an absolute, and universal, tendency of man's nature, extending with an ever increasing intensity throughout all time, and excluding in all industrial operations the presence of any other faculties.

Society was to him a collection of gold-seeking animals. Each individual of which was endowed

with a commercial omniscience, and all of whom were too intent on the acquisition of wealth to allow of combination among them for common objects. He accepted Malthus's "Law of Population" as the only limit, and qualification, of the money making instinct; and he adopted Malthus's minor hypothesis of "Diminishing" Returns. From a combination of these assumptions he deduced the doctrines which were the distinguishing features of his work; namely, the actual existence of pure competition, and the consequent possibility of free contract between all individuals and all classes. He introduced into the treatment of Economic subjects the exclusive use of the Deductive Method, and in nearly all instance, he discarded verification.

We may prove these assertion by a brief examination of the leading theory of his work – the theory by which he accounts for the distribution of the produce of land and labour into these forms of enumeration (?), namely, Rent, Wages, Profits; belonging respectively

to the three wealth gaining classes of a community, Landlords, Labourer, Capitalists. It is superfluous (?) to point out that throughout his argument he assumes the necessary existence of Private Property in all things and to any extent.

Indeed he seems (perhaps owing to his Semetic origin) naively unconscious of the possibility of any deviation from this convention; of any change in the present (or passing?) conception of Property Law. Deny the necessity for private ownership in all, or in any Kind of property, add full realization of the misery endured under our social system, and Ricardo's teaching, or rather selected parts of his teaching, become the natural bases for various schemes of socialistic reform, and furnish a foundation to the elaborated socialism of Karl Marx, as well as a starting point to Henry Gerorge's rhetorically expressed panacea of land nationalization.

According to Ricardo, Rent is that part of the produce of Land which remains after allowing

current return on the capital employed, and after Subtracting the Wages of Labourer, including within this term the farmer's wage of superintendence. He assumes; (1) Pure Competition; meaning in this case, the existence in all men to an equal extent of an enlightened commercial self interest absolutely controlling action, (2) a practical limitation of the amount of land yielding produce; (3) Diminishing returns from Agriculture, (4) Private ownership of land.

If we grant these assumptions we may deduce Ricardo's theory of Rent, stated thus by Professor Fawcett "the rent of any particular land may be estimated as the difference between the amount it produces and the amount raised from the worst land in cultivation."

Wages are the remuneration of Labour.

Labour is synonimous with "toil and trouble" and allowing for the degree of skill, capacity, and length of training, required in different occupations

is incapable of variation in quality and is uninfluenced by the presence of moral characteristics.

He assumes: (1) The universal and eternal nature of Malthus Law of Population; (2) Pure competition involving here on the one hand, the denial of the efficacy of combination among labourers to restraint the supply of Labour, and on the other hand, the assertion of the possibility of free contract between the employer and the isolated workman. Accepting his definition of labour, and agreeing to his two
assumptions, we have his theory of wages; That wages in the long run adjust themselves to the natural price of labour, or as he expresses it “that price which is necessary to enable the labourers one with another to subject and perpetuate(?) their race.”

It would however be unfair not to notice a qualification which appears in his discussion on wages, though omitted in his theory,, and which is practically a limitation of the Malthusian doctrines, namely, “that the natural price of labour eventually depends on the habits and customs of the people, i.e. on the development in them of tastes for the comforts and luxuries of life, or in other words on the presence of the higher forms of Economic Desire, seeking(?) the Desire for Reproduction. But this qualification does not appear as a factor determining his conclusion.

Profits are the net return on capital, after replacing the circulating capital destroyed, and after allowing for the decreasing value of the fixed capital. He assumes (1) the existence in all men of commercial omniscience and the equal distribution among them of Economic Faculty. (2) Pure competition, in the case implying the non-existence of the specific power of capital, shown in the familiar phenomenon of the destruction of small concerns by large concerns through an unprofitable underselling; and ignoring the presence of class spirit which leads to agreements between capitalists antagonistic to the Public Interest, and to unopposed tradesunionism in those professions which depend on the presence of brain-power;

and lastly, omitting from consideration the compulsory powers and trade monopolies conferred on the grown of public convenience upon certain commercial undertakings such as Railway Companies etc.

If we grant these assumptions, and also accept his theories of Rent and Wages, we deduce his theory of Profits; “that they depend in all countries and at all times on the quantity of labour requisite to provide the necessaries for labourers on that land, or with that capital, which yields no rent,” or to state it more simply, Profit vary inversely with the wages of labour (owing to his purely mechanical view of labour he confusion the wages, with the cost, of labour, a mistake quickly rectified by his followers).

Profits therefore will in the long run fall to that level of remuneration below which it will not be worth a man’s while to save.

Combining these theories of Rent, Wages, Profit we deduce his formula of industrial progress. – Rents will rise not only in money value but in true value, absorbing an ever increasing proportion of the produce of land and labour.

Wages will rise in money value but will remain stationary at the level of bare substitution as measured in the necessaries of life. Profits will fall to that point below which they cease to be an efficient inducement to save.

We are not concerned here to prove the truth or untruth of any of these assumptions; we would only point out that deny any one of them, that part of the theoretic superstructure, to which it forms the foundation, falls to the ground. His theories of “Value” and of the influence of the “ Extention of Trade” on the wealth of nation, though they contain many of these assumptions, rest more especially, on the characteristic proportion, that, given a certain number of individuals Economic Faculty and Economic Desire are fixed both in quality and quantity.

The scientific observation which distinguished the work of Adam Smith, was therefore useless to the Ricardian Economics. Political Economy ceased to be the Science of the Economic Nature of man and became as Bagehot defines it, the “Science of Business”. For Ricardo developed Economics as far as they deal with the material factors involved in the Production, Distribution, and Exchange of Wealth; and curiously enough, it is in this, the financial part of his work, that we find him using
the Historical Method to verify his “apriori” Deductions.

He describes lucidly the distinction between Circulating and Fixed Capital, calculates the relative amount of return necessary to support each, and in his delicate analysis of their varying degree of durability, lays the foundation to Professor Jevons’ Mathematical of capital. He formulates more sound precepts of Finance, to his advocacy of which we owe the final Repeal of the “Bank Restriction Act” in 1819; and the consequent resumption within a few years of each payments by the Bank of England. And though owing to his peculiar system the theoretic part of Political Economy became crystalised

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and – in so far as his followers accepted his assumptions without verification – incapable of growth, the practical branch was still animated by the spirit of social reform. The Economic principle of Laisser faire which we must distinguish both in origin and function from the sociological deduction of non-state interference was the embodiment in precept of the two cardinal doctrines of Ricardo’s work the Actual Existence of Pure Competition and the Possibilities of Free Contract.

As a legislative principle, quickly elevated into a moral axiom, it powerfully stimulated the middle and working class agitation against the Corn Laws culminating in their Repeal in 1846. It succeeded in removing, one by one, all the restrictions imposed on the extention of Trade for the benefit of a limited number of Producers, to the detriment of the great mass of Consumers. It inspired the repeal in 1824 of the laws against the combination of workmen for trade purposes, and by a strange irony of fate it lent its

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dying influence towards the legalization of Traders Unions, though it is the success of those societies, that has most contributed to discredit the doctrines of Pure Competition and Free Contract in the Public Mind. But the noblest monument of the legislative effect of Political Economy during this period was the reform of the Poor Law in 1834 and 1836. The Report of the Poor Law Commissions in 1834, is a masterpiece of Economic Science – a direct emanation from the spirit of Adam Smith, not an application of the principles of David Ricardo. If we may so express it, it is the leading treatise on Economic Pathology, dealing with the deterioration of Economic Faculty and Economic Desire, and graphically describing a state of Economic Desease in which Faculty was rapidly dying and Desire was reduced to that lowest form of life which is least antagonistic to the licentivus action of the Desire for Reproduction. Possibly it was this great achievement joined

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with the immense success of Free Trade as an experimental proof of the current doctrines of “Laisser faire” that induced the self complacent dogmatism that overcame the minds of the Political Economists of the first half of this century.

A re-action however, practical, moral and intellectual, was gradually gaining ground.

The contrary principle to Laisser faire – the principle of the State protection of the masses against the selfish action of individuals and small societies – had been silently at work from the beginning of the century.

An alarming outbreak of a specific disease in Manchester and other north country towns, originating in the unhealthy conditions of factory life had led to the first Factory Legislation in 1802. The successive legislation throughout the first half of the century, protecting the manual form of Economic Faculty, from the deteriorating effects of premature use, overwork, and unsanitary

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condition was sufficiently justified by results to encouraged the philanthropic politician in state interference. The change in Public Opinion and the gradual loosening of dogmatic principle is well expressed by the famous Lord Shaftesbury (then Lord Ashley) in his speech introducing the “Common Lodging House Bill” into the House of Common in 1851: “Twenty years ago it would have been necessary to state many principles and urge many arguments, now I believe it is only necessary
to state an evil and indicate a remedy." And it is needless to insist on the truism that the demand for state interference has become in recent and present days an over-powering force in English Political life.

The moral reaction against Benthamian and Political Economy was inaugurated by the great moralist of this century. Thomas Carlyle in 1844, benemently denounced "the gospel of free trade, competition, and Devil take the hindmost" and ridiculed the theory of society represented by the idea of "each payment as the one nexus of man to man." True government and guidance not no government and laisser-faire is the keynote to "Past and Present". Labour which had signified to the Economist toilsome exertion never undertaken except for material reward meant to Carlyle's idealistic mind "God-like labour truest emblem there is of God the world worker". Be foresaw that the time was rapidly approaching when the "Passion for Wealth" would give way in many minds to the "Passion for Work".

And in the hearts of the people the Economic principle of Laisser-Faire having ended its active life, had become an "altogether detestable thing". Competition and the Possibility of Free Contract, may be pretty subjective for amiable discussion among the well to do, but to the poor, and to those who live with the poor, they are cruel, mocking, lies. Setting one one side, the complications inherited from past restrictions, and the manifold complexity of our industrial growth, where is the Free Contract in a country in which Civil Justice is the exclusive prerogative of the rich?

If so but the god believes that clams claims will be allowed that cannot be enforced. ! Masses of our countrymen are practically outlawed through their poverty and ignorance in all questions concerning property and the fulfillment of contract. Our Factory Legislation, Employer's Liability Acts, Adulternatin Acts, Sanitary regulations, Compulsory Registerarion of Friendly Societies, Merchants Shipping Bill, Charity commissions, Societies for the prevention of the enclosure of commons de,de, are so many attempts to mitigate this one great injustice.

And it is significant that the greatest thinker of modern times in his attempt to work out through a sociological deduction a complete theory of the Function of Government, has made "Free Justice" on indispensabel part of a system founded on the principle of non state-interference. It is therefore not surprizing that the Economic precept of Laisser Faire and with it --- through a misapprehension in the public mind --- the whole teaching of Public Economy should have sunk in popular estimation to the moral importance of an "Employer's Gospel".

But Public Opinion has done and is doing the Economists a great injustice.

They have long ago deserted the lifeless body of Ricardian Economics. Indeed it seems doubtful whether there has been any Economist of importance who has looked upon Ricardo's abstract man, as more than a lay-figure whereon to hang those of the Ricardian assumptions which were especially sympathetic to his individual mind. Leaving on one side the long live of thinkers on Economic subjects, from Malthus to Cliffe Leslie and Arnold Toynbee who have objected to the exclusive use of the deductive method, without the verification of the premises and conclusions by inductive reasoning, or historical investigation; we find even in the straight line of the orthordox, a serious divergence growing every day more marked. One by one Ricardo's assumptions have been restricted in their bearing modified in their nature, or altogether rejected; and in the present day as Professor Sidgwick has recently told us, the orthordox Political Economy is in the queer position of being refuted by the best accredited teachers of the Science. As far that "altogether detestable
thing that monstrous twin of the actual existence of Pure Competition and the Possibility of Free Contract, it received its quietus in the world of Economic thought when two unexceptional Economists, Professor Fawcett and Mr. Leonard Courtney voted for Mr. Gladstone's Irish land Act of 1881.

Where then shall we find the salvation of the orthodox? We think Professor Marshall (Professor Fawcett's successor in the chair of Political Economy at Cambridge) in his admirable pamphlet on "The Present Aspect of Economics" has defined the true nature of Economic science. In this essay he tells us that the Science of Economics is not a "body of concrete truth" but an "organ of research" dealing with that part of human nature which has an Exchange value and which is therefore measurable in terms of money.

We venture to develop this idea. We conceive that the Economic phenomenon of social life should be classified under three headings;

I The psychical phenomena of Economics.
II The physical phenomena.
III The phenomena containing both physical and psychical elements.

The first section will therefore consist of the laws determining the Economic nature of man.

We define the Economic nature to be those faculties and desires that can be "weighed and balanced" by means of money. Thus Economic Faculty will be measured according to its Exchange value to Economic Desire. This measurement however, will not necessarily correspond to the remuneration it actually receives --- for the social conditions surrounding it may prevent the full realization of its reward.

National and local customs, trade restrictions, monopolies, (whether legislative or the result of the mass-power of capital) the non-fulfilment of contract, the various forms of confiscation, are so many "disturbing causes" which operate on the price of any given Economic Faculty but not on its real value to Economic Desire. To take a simple instance the work of an English author in America has an Exchange value representing the state of Economic desire for such a literary or scientific production in that country; but owing to the absence of international copyright the faculty of the English author receives no remuneration beyond that granted to him by the courtesy of the American publisher, or falling to him through the exigencies of competition in the American publishing trade.

Again we have Economic Faculty which refuses to accept its Exchange value, this from lack of a better word we shall term amateur, using the word in its original signification ie, "work undertaken from love of the pursuit" and not with its acquired connotation of unthorough. It is asserted that this form of faculty has definite characteristics in which it is engaged. Specific peculiarities are also attributed to state-paid faculty, ie. Officialism; it is the function of Economic science to discover and define these characteristics, and if possible to explain their universal presence, under like conditions, by deducting them from psychological laws. We must also include under Economic faculty, those money---making qualities which extort remuneration from society without possessing Exchange value to Economic Desire; such es as all kinds of gambling an pure speculation. These however we shall distinguish as spurious Economic Faculty; the evil outcome of our elaborated credit system. The individuals who subsist by the exercise of these faculties, are rightly
regarded as the most mischievous of our

social parasite. For they are not only, worthless particles, economically considered, but they are akin in the vicious nature of their activity, to the physiological parasite, in which, it is said, cancerous growth originates; for like it, they deteriorate the living substance surrounding them.

We shall classify Economic desire, into efficient, inefficient, and artificially efficient. We define efficient desire, as that which coexists in the individual or in the race, with the necessary quantity and quality of Economic Faculty, whereby the means of gratification can be obtained. We define inefficient desire as that which exists, without the means, or the power of obtaining the means, of gratification. Lastly we define artificially efficient desire as that existing in an individual, or a class, which possesses, through gift; inheritance or theft, the means of gratification without exercising having

or having exercise any form of Economic Faculty whereby the community is compensated for their consumption. Thus, these two latter classes, are economically considered, parasite. But we would remind the reader of the existence and extensive use of amateur Faculty; we would also earnestly insist on the presence in human nature of Faculties of the noblest order which are not and may never become Economie, and which seem to require for their development a certain freedom from Economic effort. And further we would notice, that it is alike the aim and the safe-guard, of civilization, to stimulate through full and immediate gratification, those higher forms of Economic desire which most directly check the improvident gratification of the Desire for Reproduction; and which depend for their development on the presence in the community of faculties, which therefore cannot have been in the first instance Economic, but which so with the growth of the

It will be obvious from the foregoing, that the action and re-action of faculty and desire, in all their manifestations, in birth, growth, disease and death, will be manifold and of infinite complexity. Any disturbance through the action of other forces (whether natural or artificial) of the correspondence between the two, will produce the suffering, sometimes the exquisite along, unused, and the desires unsatisfied. Generally speaking therefore, this section of Economic science will deal with the origin, development, decay, and death, of Economic Faculty and Economic desire; both in the individual and in the race; with the action and re-action of the one upon the other whether manual, mental, amateur, state-paid, and spurious, faculty, or of efficient, inefficient, and artificial efficient, desire.

II The physical section of Economic Science will deal with the laws regulating the available supply of natural substances used directly or indirectly in production of Wealth; and will include the relation of to Economic Science of all the phenomena dealt with by the Physical sciences. Thus, the hypothesis of the Diminishing returns from “Extractive” industries will be discussed in this section; as well as the

properties of the natural forces employed in the production industries and in trade communications.

III The third section of Economics will deal with those problems in which the physical and physical phenomena of the preceding sections are combined.
In this section therefore, we shall have all questions relating to the Exchange value of commodities including the delicate questions of currency.

Professor Fawcett in his “Manual of Political Economy” defines value as consisting of two elements: namely the Use which the individual may have for an article, and the Difficulty he may have in obtaining it, and he symbolizes these two elements by the letters \( U \) and \( D \).

Now it is evident, tha according to our organon, the “\( U \)” element will be he result of the state of Economic Desire in the individual, in the community, and in the world at large. But the \( D \) element of the Exchange value of any given article, is the joint effect of the laws determining the presence of the necessary quantity, and quality, of Economic Faculty in in the community; and of the laws governing the available supply of natural substances. The proportionalan influence of the psychical and physical phenomena, in the \( D \) element of Exchange value, will vary enormously in different commodities. Thus in manufactured articles (still more in works of art) the psychical, and in raw produce, the physical, element predominates. The explanation and illustration however of this section of Economics would require an elaboration of detail which could hardly be compressed into a single essay; neither have we the requisite practical knowledge of commercial and financial matters to undertake it.

// We have ventured to give this slight, and wholly inadequate, sketch of what we conceive to be the biological and positive theory of Economic science, as distinguished from the mechanical and metaphysical method of Economics, not only because we believe it is truer scientifically, but because we think it has superior practical utility. The assumptions upon which the various shades of Ricardian Economics are based, are at the best, only the laws of ideally perfect health and full development. We confess we cannot see, even the scientific value, of theories which having as their subject matter one aspect of human nature, and therefore the most highly evoluted of organic substance, treat the phenomena of origin development, decay and death as “disturbing causes”. We think that in using the analogy of the mechanical sciences as a basis of reasoning the Economists have been guilty of what Auguste Comte defines as materialism—applying the laws and methods of a lower, to the subject matter of a higher science.

And from a practical point of view, in face of the social questions immediately before us, any theory of Economic Science which ignores pathology, is useless. For of the two problems --- on the right solution of which possibly our continued existence as a great nation depends --- one is partially (some would say principally) and the other entirely, a question of Economic disease. Our statesmen are every day more closely recognising the pressure of inefficient Economic desire as one of the factors of Irish political discontent. We are told that in America every Irishman is moved by efficient desire and quickly develops Economic Faculty. If this be true, it is for the Economist to discover through the most delicate analysis and comparison of Irish and American Economic conditions the cause of this difference. Unfortunately the Economists of the older school, have contented themselves with the easier task of lecturing politicians on the worn out text of the Economic precept of laisser-faire. They forget they are scientific men, and will imagine themselves to be the schoolmasters of the universe.

And in dealing with that greater problem which contains within itself a no inconsiderable fraction of the Irish question namely --- the accumulation of demoralized labour in our big towns and notably in our metropolis, the mechanical doctorines of the elder Economists are
waste words. The principle that “labour goes where it is best paid” one of the many deductions from the metaphysical theory, of the “Actual existence of Pure Competition” is here glaringly falsified by events. Taking this class as a whole, we observe that Economic Faculty is intermittent, i.e., that the individuals who compose it class are mentally, or physically, unfit for persistent work. The attractions of the big towns is obvious --- the distributive trades, and industries of construction, offer more add jobs and short jobs, than the productive industries, and the conditions of metropolitan life (taken as an extreme instance) give more excuse for idleness and yield greater amusement for leisure hours; attractions however which are not peculiar to the East End of London. And we doubt, whether those who rightly belong, either by birth or temperament to this class, suffer much discontent with their condition. For their Economic desire besides being inefficient, has sunk to the lowest level of subjective quality. In spite of physical misery, they prefer leisure life in the midst of the strange excitement of big town to a working life with comparative comfort in monotonous conditions. They enjoy to its full or social intercourse unshackled by moral conventions, and unrestrained by the Public Opinion of a middle community --- and unlike the social life of the analogous class in “good society”, inspired by a most genuine spirit of worm-hearted generousity. They are an attractive people with all the charms of a leisurely and cosmopolitan view of life, free from intellectual and moral prejudices, and as different from the true working-class as are the individuals who compose the leisure class of “London Society” from the professional class in London and from the higher middle class of our provincial towns. But they are essentially parasite, and like other parasitic growths, they tend to reduce the substance they feed on to their own condition. For they are practically supported by working people; and and above them, and everywhere in contact with them, are the large, and we fear increasing class of the “Unemployed”. Un-used Economic Faculty rapidly deteriorates into the intermittent state --- and efficient Economic desire, if satisfied artificially, quickly becomes inefficient.

Lord Mayor’s Funds, lavish out-door relief, in fact any wholesales charity administered without the sternest application of the labour test to the able-bodied, or given within the vicious circle of the poor quarter of a big town are Economic poisons --- which unhappily for the victims of this thoughtless cruelty, do not result in immediate death, but in long and terrible suffering to themselves and others. It is therefore clearly the function of the Economist to diagnose this specific disease of intermittent faculty, and inefficient faculty, and inefficient desire; and I possible trace it to one or other, or to many, of our social conditions --- for there are many among us, who think the evil is every day increasing, and threatens to deteriorate large sections of our working-class. This means national decay. Surely in this investigation of paramount importance there is work for many life-time ! /////

But, perhaps fortunately for the national well-fare, these depressing Economic facts are not the only signs of the time.

In those strata of society most keenly sensitive to intellectual and moral influences the “Passion for Wealth” has given way to the “Passion for Work”. Loss of religious faith, has taken all charm from the lives of thousands of men and women. Love of gain, pursuit of power, are meaningless to those who are careless, because hopeless, of personal happiness. They know no rest and graph desperately at the oblivion work. And possibly even in our faithlessness future generations will see the working of a Higher Power.

For the times are dark before us; and in our struggle with deepening misery and growing discontent, we shall need the courage, and
persistency, the fearless truthfulness, and absolute self-devotion --- the union of all those somewhat sombre

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birtues --- which are implied in the “Passion for Work” and which originate in the consciousness of suffering in ourselves and others, that underlie it.

Beatrice Potter.