CHAPTER III

ON WILLIAM THOMPSON
III.1 Thompson's Life and Works

III.1.1 William Thompson was born probably about 1783 in Country Cork. (Cf. Lowenthal, 1911, p. 15). Nothing much is known of his life. But from his own Preface to his pamphlet Labour Rewarded (1827), it is certain that he lived on the rent of an estate of Fourteen hundred acres. Except this, nothing is known about his other business and profession or if he had any at all. There is, however, evidence that he had been living with Bentham for several years as a guest, and also that he had involved himself in three months of debate with John Stuart Mill on the issue of Owenism. (Cf. Lowenthal, 1911, p. 16).

III.1.2 He was from birth very delicate in health and "passed more of his time in study than in society, and more with his own thoughts than with his books". (Morgan, 1834, pp. 318-319). He was fortyone when he published his first book - An Inquiry Into the Principles of the Distribution of Wealth (1824). This book was his only major work which in fact was written as an answer to a gentleman who in his speech in one of the literary societies of Cork defended the inequality of wealth as being to the social good. The Appeal of One-half of the Human Race. Women, appeared in 1825 as his second
book and in 1827 Thompson published *Labour Rewarded* in answer to Hodgskin’s pamphlet *Labour Defended* (1825). The issue on which Thompson crossed swords with Hodgskin was regarding productive and unproductive labour. He opposed the views of Hodgskin that productive labour should be taken to mean only manual labour and argued that any labour which created utility should be considered ‘productive labour’ even if the ‘labour’ was mental. In this work, he also discussed the ideal society he attempted to conceptualise throughout his life. In 1930, he published his last book – *Practical Directions for the Speedy and Economical Establishment of Communities*. Here he tried once again to describe his plans as well as the order of life in his ideal cooperative communities. However, his two books *An Inquiry into the Principles of Distribution of Wealth* and *Labour Rewarded* in fact, contain all that is of significance in his other two books.

**III.1.3** In 1830, Thompson made out his will according to which the bulk of his estate was to be used for the establishment of cooperative communities. Desiring to be of service to science, his will also said that his dead body should be publicly “examined by a lecturer in anatomy” on the condition that his bones be returned “… to be preserved in the Museum of Human and Comparative Anatomy.”
(cited in Lowenthal, 1911, pp. 16-17). He died at Clonkeen in 1833.

III.2 Thompson's Approach: Its Significance

III.2.1 Thompson's approach to his contemporary society (as he claimed explicitly) was different from the rest of his fellow-thinkers. This difference, he himself underlined before he entered into a long and serious discussion on the problem of poverty which he saw as being a result of an unequal distribution of wealth in society. Among his fellow-thinkers, he distinguished between the 'intellectual' and the 'mechanical' thinkers. The former group as represented by Godwin, looked at man from a theological perspective and hence believed that human happiness would depend upon morals and virtue and dismissed all "those homely physical agencies, on which the development of both mind and morals depends..." (Thompson, 1824, p. V). On the other hand, the latter group, headed by Malthus, taking an opposite position denied the intellectual power of man and looked at him as a 'mechanical agent, like the plough or the loom or the horses with whose motions he cooperates...' (Thompson, 1824, p. V). Thompson thought that those who call themselves pure political economists are those who can be placed in the latter class of 'mecha-
nical speculators". For, although they deal with the economic problems of the present time, their main object of research is however, to find out "how to raise the greatest produce and to ensure the greatest consumption or efficient demand". (Thompson, 1824, p. VI). Thus they do not concern themselves with the problem of poverty arising out of unjust social relations but concentrate instead upon pure economic problems like accumulation of capital, rate of production, etc. To Thompson creation of happiness was: the main object of any science, in the science of political economy the creation of happiness for the greatest number of individuals must be the central point of research. To him, accumulation of wealth by itself, for example, meant nothing. To him, it was not merely reproduction and accumulation, but reproduction and accumulation in whose benefit, was the main question. So, "it is not the mere possession of wealth, but the right distribution of it, that is important to a community". (Thompson, 1824, p. IX, emphasis in the original). Thus the entire discussion should be diverted into a new course - on what principles is wealth to be distributed?

III.2.2 Thompson initiates a fresh approach to the study of the economy of his time by tracing economic problems to contemporary social relations. Although it might be said that such ideas were put forward by Owen
before him, that can only be partially right for there is basically, a great difference between the two: While the idea of exploitation was the starting point to Thompson, it was totally neglected in the writings of Owen. In Owen's thoughts there was not only no place for the idea of exploitation, in fact his entire system hinged upon concealed exploitation. He started his business on a borrowed capital of £100 from his brother William and at the end of one year had made a net profit of £300. (See Morton, 1969, p. 89). This by itself illustrates the degree of exploitation to which Owen subjected his labourers. Owen was much taken up by the idea of good intentioned individuals being able to make communities happy and contented, and at the same level being able to change the nature of man. But the essential nexus of exploitation which made such individual experiments impractical on a general scale, escaped him, in part exploitation continued to exist even in his ideal communities, as we saw earlier. In reality, rather than Owen influencing Thompson, it was Thompson's Inquiry which had a great influence on Owenism between 1825-1830 - the years in which Owen had gone to America to manage his New Harmony. As a result of such an influence, following a serious debate with Thompson, Owen on his return from America had to admit to the validity of the idea of exploitation.
III.2.3 Thompson's pioneering work on socialism in England as reflected in *Inquiry* is an important landmark of the socialist movement in 1824 along with the repeal of the Combination Acts. Thompson was quite unscientific in his proposal to remove poverty in his society. Yet by his emphasis on poverty being caused by unequal distribution of wealth and exploitation he displayed concern about an extremely important social problem of his period.

III.3 Contemporary Society: Thompson's Understanding

III.3.1 Thompson's main concern in discussing the 'system' of his time is limited to practically showing the 'evils' emanating from the unequal distribution of wealth. He groups the 'evils' into three types: the Moral, economical and political. Of the 'moral evils', Thompson refers to the reduction of human enjoyment of the greatest number of individuals in society, because a small group (a 'minority') extracts the labour of the 'majority'. Moreover that 'minority' also does not feel really happy to the extent that it appears, as the roots of their happiness lies in the misery of the 'majority'. Of the 'economical evils' he says that inequality in the distribution of wealth will result in the annual loss of the production of national industry to the extent that annual increases go to unproductive members of society in the form of rent, interest
and profit. For, what the unproductive members of the society will consume can never be reproduced by them in an equivalent measure. Moreover, the 'inequality in the distribution of wealth will, unnecessarily, encourage the production of luxury goods as a result of which less attention will be paid to national welfare. Of the 'political evils ', Thompson refers to the capture of political power by those who are rich, irrespective of whether they are qualified by education or not. And this, he feared, would lead the society towards authoritarianism, bringing the society to that state of affairs in which the interest of the ruling minority stands against the general or national interest.

III.3.2 Thompson's discussions of the Contemporary system is confined mainly to a discussion of the outcomes of unequal distribution of wealth. Following this line of thought, Thompson unlike his predecessors, Ricardo and Smith, never tried to explain the mechanism of the capitalist economy of his time and hence unlike them he did not concern himself with the theoretical problems of the labour theory of value so much as to be able to develop a theory of any kind. He only referred occasionally to wages, profit and rent within the context of a simplified version of the labour theory of value. He did believe in the
'Subsistence wage rate',\(^1\) and that its variation depends upon the 'proportion of supply to demand' (Thompson, 1827, p. 33) in the labour market. Also he clearly referred to the source of profit as being the value added to the unwrought material by the labour guided by skill expended upon it ... then, the productive labourer is deprived of at least half the products of his labour by the capitalists\(^a\). (Thompson, 1824, p. 166), under the guise of profit and rent.

III.3.3 Thompson's originality therefore, does not lie in his understanding of the economy of his time by means of the labour theory of value, but in his arguments for an ideal society on the basis of the doctrine of "the right of labourer to the whole produce of labour".

III.4 Thompson's Use of the Labour Theory of Value

III.4.1 The idea of the 'right of labourer to the whole produce of his labour' was the basic idea from which

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1 The concept of a subsistence wage in the 'Ricardian Socialists' differs from that of Marx. For former, it represented the lowest wage rate that could ensure physical survival and reproduction. In Marx however, subsistence wage was historically and culturally determined and depended on the level of development of productive forces.
Thompson moved on to explain both the society of his time and the one which he visualized. Certainly he was influenced by Ricardo's Labour Theory of Value, though he did never mention his name. This influence can be seen particularly when Thompson refers to the source of profit and the inverse relation between profit and wages. Thompson, however did not adhere to Ricardo's framework and could not expand the labour theory of value in its right direction. He rather broke the scientific framework of Ricardo and gave a new normative direction to the labour theory of value - "the right of labourer to the whole produce of his labour".

III.4.2 Certainly to advance the idea that every labourer ought to have the full right over his labour without any deduction in favour of land or capital is not a rejection of the labour theory of value. But to think that it must be the starting point as well as the ending one as Thompson did, leaves nothing to be discussed in between and the whole labour theory of value will be reduced to a simple statement that as whatever is produced, is produced by labour alone, so the labourer ought to receive the whole of his produce. It is exactly because of such an approach to the labour theory of value that Thompson felt it to be enough if he had some idea about the source of profit and its inverse relation with wages and so on. Thus he felt
that further discussion on them would be a waste of time and would mean entering into pure academic discussions which would be of no use to society. Two points must be made at this stage. In the first place, the idea of the right of labour to its whole produce is only a slogan for a future utopian socialist society (i.e. to each a reward equal to his labour). Secondly, the idea of exploitation became transparent with the use of labour theory of value. But it was by no means sufficient to merely take exploitation as self-evident, as Thompson did. He cuts himself off from the analytical line of his predecessors, Ricardo and Smith and steps into the path of utopia to establish a 'new system' of distribution.

III.5 Thompson's New System of Distribution

III.5.1 The major effort of Thompson was to illustrate the structure of his 'ideal' society and its material as well as psychological basis. He was fully convinced that the 'happiness' or 'misery' of a society would solely depend upon the system of distribution of wealth. With such a belief, he laid his main emphasis on 'distribution' and tried to set out such 'principles of distribution' which would eradicate the roots of misery and replace it with 'happiness' in society.
III.5.2 Thompson states the main purpose of production and distribution of wealth as follows: "The only reason that can be given for the production of wealth at all, is that it adds to the means of happiness..." (and hence) the only reason that it should be distributed in one way more than another, is, that it tends more to produce, to add to the stock of happiness...? (Thompson, 1824, p.19, emphasis in the original). That is "The object to be aimed at the distribution of wealth... is to confer thereby the greatest possible quantity of happiness (i.e. PLEASURES, whether of the senses, or of a moral or intellectual nature) on the society producing it". (Thompson, 1824, p. 17, emphasis and capitals in the original).

By the greatest possible quantity of happiness, Thompson suggests a preference for the happiness of the 'greater number' over that of the lesser one, i.e. to prefer the happiness of the labourers to that of the masters, the reason being all men are basically equal and 'All members of society (cases of mal-confirmation excepted) ... are capable of enjoying equal portions of happiness' (Thompson, 1824, emphasis in the original). On moral grounds Thompson thus thought that the contemporary system of distribution was unjust as it favoured the landlords, capitalists and all those who lived on other's labour at the expense of the labourers themselves. This created conflicts in society
as it caused the happiness of the 'minority' of the owners at the cost of the 'majority' of the labourers.

III.5.3 Thompson's principles of distribution of wealth, though he never acknowledged it, is formulated only as an argument for utopian socialist society, a society in which there will be no exploitation of man by man and so no question of the existence of 'the lesser number' because of whom the happiness of 'the greater number' ought to be sacrificed. It will be a society in which 'force' as the motive of production would be replaced by voluntarily motivated labour; voluntarily motivated because labour would be pleasure as its entire produce would belong to the labourer. Thompson laid down, as a precondition for such a society, three principles of distribution of wealth. The first principle was: "all labour ought to be free and Voluntary as to its direction and continuance". (Thompson, 1824, p. 178, emphasis and capitals in the original). In other words, man in Thompson's utopia will not work under the compulsion of force. He will also be in a position to choose the form of labour freely. Further he will be free to work upon "unappropriated articles" like water, land, etc. He will also be the master of his own decisions as regards the length of his work. In this sense, a labourer is his own master in Thompson's utopia, and thus his labour is
free and voluntary as regards its direction and continuance. To make this 'principle' clearer, Thompson compares it with the system of his time. He argues that in such a system the labourer is forced to work for the mere needs of his existence; he is regarded as a slave and the fear of hunger and death sets him to continue his labour. So, in such a condition, if force were to be lifted for a moment, there would be no continuation of labour, for "to continue voluntary labour uncompelled, for the benefit of others would be a proof of insanity; and has in fact, on a national scale, never occurred". (Thompson, 1824, pp. 35-36).

III.5.4 The second of the three principles of distribution of wealth is "All the Products of labour ought to be secured to the Producers of them". (Thompson, 1824, p.178). This principle which contains the central idea in Thompson regarding the just distribution of wealth, conveys the practical application of the doctrine of the "right of labourer to the whole produce of labour". The system of distribution must be such that it can secure to the labourer whatever his labour produces. On the basis of such a principle, the whole society is divided into 'producers' and 'non-producers'. The former refers to
those who create 'utility', whether by means of manual labour or by mental labour. The latter, therefore, will consist of the rest of society who are not involved in either the manual or mental labour in the process of production - that is those who live on profits, interests and rent.

III.5.5 The 'principle of security' contains in fact two features of distribution the purpose of which is to confer "the greatest possible quantity of happiness on society". These two features consist on the one hand, of the preference of the happiness of the "majority" to that of the "minority" and on the other hand, of "the greatest stimulus" that it causes to production. For, this principle by securing to the labourer all his produce guarantees happiness to the greatest number ("the majority") and simultaneously by also eliminating the element of compulsion in labour gives "the greatest stimulus" to production among the labourers.

III.5.6 "Human being", says Thompson, "do not act as machines, but as rational beings". (Thompson, 1824, p. 59).

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2 'Utility' for Thompson is "the pursuit of the greatest possible sum of human happiness" (Thompson, 1824, p.1). This is directly related to the production of 'use values' which are products of manual and mental labour.
When the labour is forced to labour for those who do not themselves labour, the "immediate feeling" created in his mind will be the feeling of insecurity which ultimately will lead him to think why he is working at all? The only answer which he can find for the question is, for the mere needs of existence! It is in such a condition that there will be a total loss of "the spirit of industry in the industrious man". This loss is not only material but is much more connected "with his industrious habits, all those comforts, renewed through his life, which perseverance in industrious pursuits would, with security, have given him". (Thompson, 1824, p. 64). So, the created feelings of insecurity will reduce the place of the human being to that of the savage." For, "industry consists not in the production of what is merely necessary for the support of the lowest animal existence, but in supplying as many additional sources of physical enjoyment as possible". (Thompson, 1824, p. 65). What can serve the main purpose of production and hence create "industry" in the sense of Thompson's usage, is the practice of "security" which will set the labourer to labour voluntarily and "excited by motives of less urgency than the necessities of existence" (See, Thompson, 1824, p. 65). Until this takes place we have no industry, in fact. For 'industry' means voluntary labour and there will be no voluntary labour without the
'principle of security'. (see, Thompson, 1824, pp.64-65, emphasis in the original). Thus security will accomplish the twin objects of promoting the utmost possible equality of enjoyment and the utmost possible production. (See, Thompson, 1924, p. 90).

III.5.7 There are, however, limits to the principle of security which cannot be avoided. That is if the principle (of security) were to be carried out to its logical end, and if the children and old people have the right to live, then "society would perish, for neither the young nor the old support themselves". (Cf. Lowenthal, 1911, p. 26).

Here, in fact, the concept of an equal distribution of wealth puts the limit to the principle of security. Equal distribution of wealth could imply either of two things:

(a) An average distribution of wealth among producers which would ignore differences in per-capita output. This means that every member in a society of only producers will desire an exactly equal amount of wealth, no matter what his own contribution is; or it could imply

(b) That each labourer gets the exact value of his labour. The former violates the "Principle of security" while the latter (being in conformity with the Principle) makes no provision for children and old people who have no producers to depend on.
III.5.8 Thompson has two different answers to this dilemma which has for its basis the classification of "articles" into two categories. One of these is "articles" that are not produced by labour such as land, mines, etc., which ought to be equally shared. "The demand of justice would seem ... to be, that the mass of wealth of society should be divided in equal portions amongst its members?" (Thompson, 1824, p. 91, emphasis in the original). That is, the rule of equality must always be followed where no labour is employed in production. This is thus a case in which the question of 'security' does not arise at all!

The second category is of the 'articles' for producing which labour is used. In fact, the crux of the problem lies here. In regard to this circumstance, Thompson's answer is not clear. He could have given a clear answer if he could have foreseen the ultimate phase of socialism, i.e., communism, as the future of his 'ideal' society. For it is only there that reasonably the 'principle of security' would coincide with the 'principle' of equal distribution of wealth, as to each would be given, rewards according to his labour as well as his need. But, Thompson seems to refer to this point only in a passing manner: "Whenever a departure is made (which ought scarcely ever, if ever, to occur) from the principle of 'securing to everyone the
free use of his labour and its products', the departure should always be in favour of equality; not to increase the necessary and unavoidable evils of inequality". (Thompson, 1824, p. 95, emphasis in the original). But this relaxation ceases almost immediately. For, he says "as far as concerns labour by individual competition ... security is not reconcilable with equality of distribution". (Thompson, 1824, p. 151). Still he tries to bring 'security' and 'equality' together and for this purpose he introduces his Third principle, that of voluntary exchange. He argues that the labourers by distribution on the basis of 'security' will have an 'excess'. What could they do with this 'excess'? The non-producers could be supplied the 'excess'. So, by means of 'voluntary exchange' this 'excess' can be redistributed among the non-producers. And this according to Thompson, reconciliation is possible between the principles of 'security' and 'equality'. The process by which this reconciliation takes place is best illustrated by a lengthy quotation from Thompson himself:

"The non-producer has two modes, apparently different, but in reality the same, of procuring from the productive labourer the excess of his industry. He may: either put his labour under the direction of the producer, the owner, of the article he wants, until he gives him an equivalent in labour; or he may apply his labour himself to the searching for, or preparation of, some article which the owner may deem a satisfactory equivalent. In both cases it is evident that the return which the labour-
rer gives is the same. In neither case can either he or his employer create any material thing: all that they can do is to find it out, and mould it or pót it in a way of being operated upon by natural influences, chemical, vegetative, and so forth. Working for an employer, his labour superadded to the article, land, wood, cotton, etc. given him to work upon, is the only addition or change made in or to that article. Working for himself on the same material, and bringing that material when wrought as an equivalent, the process is exactly the same. Labour, equally in both cases, is the article added. Where the employer supplies the material to work upon, it is true that more labour must be given. But why so? To supply the labour previously expended in rearing or procuring the article, or bringing it up even to that rude state in which it is given to the labourer to be worked upon. Had he procured himself this material, he must have devoted this extra labour to it, so that the quantity of labour on the whole is a real constituent of the value which forms the equivalent, as it was the real constituent of the article of wealth desired in exchange.

"The non-producer then possess the means of acquiring by labour and subsequent exchange what the producer has to spare. Having failed to produce it by his own industry, and not perhaps having the skill for the peculiar industry in question, he can in some other mode fix or materialise his labour so as to produce some article of desire to serve as an equivalent."

"Thus we see that by means of the voluntary exchanges of labour or its products, we have a rule of action which reconciles and brings into harmonious operation the two principles of equality and security, of procuring the greatest mass of the materials of enjoyment, and of producing by means of them the greatest sum of happiness." (Thompson, 1824, pp. 96-97, emphasis in the original).
III.5.9 Thus in Thompson's ideal society 'surplus' is not the excess of 'value added' over wage but the 'excess' of value received ("which equals 'value added'") over the physical subsistence requirements. This 'excess' is available for exchange with the labour of 'non-producers'. This is not, however, to suggest that 'equality' and 'security' can exist simultaneously in an absolute sense. Rather, Thompson (1824) himself points out that "equality must be limited by security" (p. 145) suggesting that the rule of 'security' must not be violated in the search for 'equality'. However, the closest approximation to security under the circumstances is achieved via 'voluntary exchanges'; 'security' is not violated because utility comparisons on which exchange is based are cardinal; still 'equality' is achieved in some measure because redistribution of the 'excess' of the producers takes place.

III.5.10 Yet, the dilemma remains unanswered, because children and old men in society still cannot enter into the process of voluntary exchange. And thus Thompson in this part of his discussion remains far from to be clear.

III.5.11 Finally, the 'Third Principle' is the Principle which says, "All exchanges of these Products ought to be free and voluntary". (Thompson, 1824, p. 178, emphasis in the original). "Free" in the sense that all the exter-
hal constraints, i.e., the different laws (like taxes, etc.) must be removed from the process of exchange; and 'voluntary' in the sense that a labourer will involve himself in an exchange only if it satisfies him. In this process (the process of exchange) there should be no place for 'force' whatsoever. Force will violate the 'principle of security' and will impose a system such as the one in Thompson's time filled with misery and poverty. The "principle of security is not only for the protection of the products of labour but also for the process of free exchange of these products". (Thompson, 1824, pp. 51-52, emphasis in the original). It is only through such a system of exchange which is consistent with the principle of security that the twin aim of production and distribution can be achieved - to create the 'greatest possible happiness' and to act as the 'greatest stimulus' to production.

III.5.12 Thompson (1824) put these three 'principles' together and called them the 'natural laws of distribution'. He called them so because 'they require no artificial or factitious arrangements for their support' (p.178). That is to say, in a new system of distribution based on these 'laws', basically, force unlike as in the contemporary system of distribution would have no role to play at all. Production and distribution would have their own natural processes and society would reach its state of greatest production as well as happiness.

III.6 Thompson's 'Ideal' Society

III.6.1 Thompson's 'ideal' society passes through two phases - though he never divided it in this manner historically; he just referred to two kinds of system, believing the second form to be the ideal one. The first proposed system was to be called - the system of "free indi-
individual competition. To be regulated on the basis of the natural Laws of Distribution, this was to be a system in which the members of the society (if not all, at least most of them) are both producers as well as consumers, that is every labourer will himself be the owner too. By competition under this system will, therefore, be meant the effort of the individuals to raise the rate of production which in totality will serve the nation's interest. For, the principle of security will remove the class bias in accumulation and will cause capital to be accumulated in the hands of all instead of a minority of capitalists. (see, Thompson, 1824, p. 252, emphasis in the original). So, under such a competitive system, because of influence of 'security' no unhealthy competition amongst the producers will take place. (See, Thompson, 1824, p. 255). Thompson is however, quite aware of the defects of this system; he only prefers it to the competitive system of his time which only caused the capitalists to become stronger.

Thompson points out that this system even in the most perfect form would still retain 'the principle of selfishness ... as the leading motive to action, in all the ordinary affairs of life' (1824, p. 369). Moreover, it would obstruct 'the progress of useful physical and moral education by the prejudices and depotism of continued domestic control, rendered overwhelming by command of individual property' (Thompson, 1824, p. 376).
III.6.2 Thompson's final plan for an 'ideal' system was, however, a system of production based on 'labour by Mutual Cooperation', called "Voluntary Mutual Cooperation (System)" (Thompson, 1827, p. 99). This is a system which is one step ahead of the 'labour by competitive cooperation'; it can give effect to the 'natural laws of distribution' in its full scale without the creation of side effects unlike the former one. Here, Thompson outlines plans for a society in which there will be a number of agricultural and industrial associations each of which will be composed of a large number of agricultural and industrial labourers who have voluntarily come together. All the materials and implements necessary for production will be in common and the 'principle of security' to the whole produce of labour will be practised. Exchange will also voluntarily take place on the basis of mutual satisfaction. The application of the 'natural laws of distribution' by removing radically all the sources of 'force and fraud' and securing to the labourer his whole produce as well as freedom for its voluntary exchange, will cause "the strongest stimulus to production that the nature of things will permit" and hence production and as a result of which accumulation of capital will increase with a rapidity and to an extent hitherto unknown. (Cf. Lowenthal, 1911, p. 26).
III.6.3 Thompson is quite convinced of the practicability of his plans for an 'ideal' society. The source of this conviction lies in his Owen like perfectionist concept of man. He refers to Owen and his cooperative societies at Harmony in America (known as 'New Harmony') and points out that all those farmers and artisans who were used to drinking heavily (because of the cheapness of liquor) gave up their habits within four months after joining 'New Harmony'. Hence, man can be changed according to his environment. Thompson was, however, writing in 1827 and could not have known that in the same year New Harmony would come to an end, and that Owen would have to leave America and his New Harmony after a great loss and defeat, the main reason being Owen's oversimplified views about the effects of environment on character of man and so the penetration of opportunists and middle-class intellectuals who were incapable of working side by side with the working class. Yet it is noticeable that Thompson did never consider Owen's cooperative societies as being what he himself had in mind. He just took Owen's cooperative societies as a first step which required support and needed to be expanded throughout the country.
III.7 The System of Voluntary Mutual Cooperation -
Its Attainment

III.7.1 Unlike the revolutionary plans for his 'ideal' society, Thompson provides peaceful means for reaching the system of 'voluntary Mutual Cooperation'. He totally rejects all kinds of force and although he attaches a great deal of importance to the 'workers unions' still he never agreed with them as far as their methods of agitation were concerned. He looked at them as associations which could help the workers to find jobs or keep the wage rates at the highest level that is in accordance with what the usual rate of profit would allow.³ (see, Thompson, 1827, p.84). But all this should be carried out without the use of force or strikes. At the same time he suggests that the Trade Unions should be centres for 'diffusion of knowledge' amongst the labourers. Diffusion of knowledge about 'statistics, political economy, legislation, (the reasons and effects of laws), general morals' (Thompson, 1827, p. 84), amongst the labourers would very soon convince the labourers of the fact that these subjects were not beyond their capacity to learn and hence would help them prepare themselves for a "system" which would be

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³ Here, Thompson does not seem to be aware of the Ricardian inverse relation between profits and wages. (Thompson, 1827, p. 84).
operated by them only and in their own benefit. Hence, 'diffusion of knowledge' is one of the best means by which the road to a cooperative society could be paved. To reach the 'ideal' society as quickly as possible and so, to be more practical, every member of a union would have also to become a member of 'mechanics' or 'agricultural institutions' where they would "become acquainted with physical knowledge, particularly the principles and processes of his own art, and all trade-crafts and mysteries". (Thompson, 1827, pp. 84-85), so that their fear of not knowing what to do can practically be removed. The 'intellectual improvement' of the labourers will necessarily be followed by the improvement of their moral habits and soon they would learn to live in a cooperative society. The next step in the plan was joining the 'London Cooperative Society' which was composed of 'communities of mutual cooperation', each community consisting of about 1000 to 2000 individuals. Thompson, then gives example of societies such as the one at Orbiston, near Glasgow. The building of this 'society' Thompson claimed was, in cooperation with Mr Combe of Edinburgh and a few other 'benevolent associates' in the process of completion. In this case, the whole land and capital would originally be belonging to a few and not to the whole community, but after some years the whole members would be "in possession of their respective establishments by
paying off to the proprietors the first cost (the original cost) out of the surplus products of their labour. (Thompson, 1827, p. 106). Thompson calls upon the whole labourers of the country to join the 'London Cooperative Society'. He tries to convince them that the process would be quite easy and by going through such an easy process once for ever their misery and poverty could come to an end. He tells them that it would be enough if they manage to save or borrow £10, 40£ or 100£. This would form a fund of 20000£ to 200000£ as each community would be composed of 2000 individuals. The small amounts borrowed from the rich would in course of time, be paid back out of the surplus products of their labour; and "the idle (non-producers) will ultimately join the industrious; and misery will become the exception instead of being the rule of human life". (Thompson, 1827, p. 106).

III.7.2 Thus what Thompson (1827) proposes is that all the 'Trade Unions' should join each other and form a 'central union of all the general unions of all the trades of the country' (p. 10), diffuse knowledge amongst the labourers about their 'art' and 'rights', then the labourers should become the members of 'mechanics' or 'agricultural associations' for higher education and acquaintance with the cooperative societies, and finally should join the
'London Cooperative Society' where they would work under a 'mutual cooperative system'. In this process some capitalists and landlords would voluntarily join the cooperative societies, right in the beginning and some others later on by the force of 'reason' and all the others eventually, when they see there is no other way out for them. When the Cooperative Societies would have expanded to the extent that they cover the greater part of the society, then the time would be ripe for the labourers to establish their own government. This would be a 'representative government' composed of the representatives of all the cooperative societies who would "carry with them the voices of the majority of their respective constituents, and the acts of this majority (the united representatives) will become the acts of all the individuals of the community". (Thompson, 1824, p. 226). The 'representative government' will generate 'the greatest possible degree of equality and happiness' (Thompson, 1824, p. 225), to every member of society by following the principle of security and being the representative of millions or tens of millions of members of the cooperative societies.

III.7.3 Thompson rested his whole argument on his idealist conception of man; while history by taking its own course proved it once again that as pessimism is unrealistic so is optimism. The cooperative societies before they
could enter into their full operation came to an end. They not only were not supported by capitalists and landlords, but were crushed by the very capitalists and landlords in some cases by even setting them on fire.

III.8 Summary and Criticism

III.8.1 Thompson is, without any doubt, the pioneer of the economy of an Utopian socialist society. He sees the misery and poverty of the society of his time and thinks of a radical remedy for it. What he believed to be the main factor responsible for all kinds of misery and poverty was the then prevalent unequal distribution of wealth. Realizing this fact makes him think of an 'ideal society' and the principles of distribution of wealth in that society much more than the very society in which he lived. Hence his main attention is diverted from his present society to that of his 'ideal' one and setting the 'principles' upon which that society would be operated. Such an approach to the social problem makes Thompson's study of the prevailing system of his time quite an easy one. For, even a little knowledge about the mechanism of his economy would have given enough reason to evolve a 'new system' in idea, and think of its 'principles'. It is, for this reason that Thompson takes the study of his society very lightly and so
throughout his books again and again refers to only the two points of 'force and fraud' which becomes the sole reason why a 'minority' owning 'capital' and 'land' ruled over the 'majority' of the society - the labourers. Hence the unequal distribution of wealth and extraction of the toils of the labourers by those who do not labour. It seems that so little analysis of the system and his society satisfies Thompson, and makes him think of its remedy as well as criticize all his fellow-thinkers on the grounds that either they had lost themselves in the pure economic problems of their society (he called them 'mechanical speculators - a term which included the contemporary political economists like Malthus) or they merely preached and made man 'all thought'. He called this latter category, 'intellectual philosophers' and included Godwin in it. He further criticizes both groups, as each in its own way only explained the current problems of society and none of them was able to find out a radical and permanent remedy for them.

Thompson's central idea is naturally hinged upon the removal of 'force and fraud' and illustrating of the 'New System' and the 'ideal society.'

III.8.2 To remove 'Force and Fraud', Thompson looks at society from the viewpoint of 'producers' and 'nonproducers'. This itself was one of the most controversial issues amongst
the 'Ricardian Socialists'. In fact, Thompson wrote, *Labour Rewarded* in 1827 on this issue as an answer to Hodgskin. Unlike Hodgskin who took only 'manual labour' to be productive, Thompson considered both manual as well as mental labour as producing utility either in the form of material wealth or in its 'spiritual' form. Thompson thus considered both manual and mental labourers as 'producers' or 'productive labourers' while the rest were 'non-producers' or the 'idle class'. The central distinction in Thompson was not between 'mental' and 'manual' labour but that between 'producers' and 'non-producers'. He was quite clear that non-producers were capitalists, landlords and their political representatives in the government — "about three hundred individuals of the idle classes (who) insolently and ridiculously calling themselves 'noble'..." (Thompson, 1827, p. 42, emphasis in the original).

Removal of "force and fraud" together with guaranteed justice to producers depended on a new system of wealth distribution.

### III.8.3 The formulation of the 'natural laws of distribution' is intended to serve the main aims of Thompson — the removal of 'force and fraud' and establishment of justice amongst the producers of society. Here Thompson,

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4 For example, 'spiritual' wealth could be the products of the labour of teachers, writers, etc.
however slips into a serious theoretical vagueness apart from his idealism. In his first law of distribution of wealth, Thompson (1824) says that "all labour ought to be free and voluntary, as to its direction and continuance" (p. 6). To the extent that all labour ought to be free from all kinds of the 'compulsions' such as the ones imposed by the capitalists and landlords in the forms of profit, rent, taxes, etc., and thus labour ought to be free as its direction, the first law is understandable. But the whole concept built around voluntariness of labour in its direction and pursuit is not only vague, but makes a meaningful analysis of Thompson's society quite impossible. To Thompson, all force restricts 'freedom' and 'voluntariness' of labour regardless of its basis. Reason eliminates the need to use force in Thompson's opinion. Not only in this a highly anarchic principle of organization, but it is also not clear how the government would help organizing production in terms of the objective of the "greatest happiness to the greatest number".

III.8.4 The Second Principle, that is, "All products of labour to be secured to the producers of them", which lays down the basis of Thompson's theoretical ideas reveals his limited understanding of the "labour theory of value". At first, the point which must be clear here is that
Thompson's limitation in understanding of the labour theory of value, unlike what the title of the doctrine of "the right of labour to whole produce of his labour" may imply, never meant that Thompson denied the "productiveness" of capital and so its share in the process of production. Rather, by eliminating the class of capitalist he wishes that every labourer would himself become a capitalist (in the sense that he would own his own means of production) and thus the whole produce of his labour which intuitively means the share of his manual labour as well as his capital would all be his. "The natural course of things should seem to be, that every productive labourer should possess his own materials, his own supply of food while working his own tools, his own dwelling, with appropriate skill and knowledge to guide these elements of production". (Thompson, 1824, p. 242). In other words Thompson presents a formula for a return to simple commodity production regulated on the basis of basically anarchial petty bourgeois conceptions of 'freedom' and 'property'.

III.8.5 The whole limitation in the understanding of the labour theory of value by Thompson as well as by the other "Ricardian Socialists" and so advancing the concept of the "right to the whole produce of labour" lies, therefore, in their failure to expanding this theory in its
right direction so as to finding the exact source of profit, the process of determination of the value of a commodity and thus the secret of the whole mechanism of free competitive capitalism. In fact, it is precisely for these reasons that neither Thompson nor his fellow-thinkers could provide any theory of distribution for their present society. What Thompson and other Ricardian Socialists took mainly from Ricardo's labour theory of Value was the concept of confrontation of 'labour' and 'capital' and the exploitation of the labourers by the capitalists. It was because of such a limited knowledge of the relation of the labour theory of value to the working of contemporary capitalism that, this theory until Marx came to revive it had ceased to develop and it was exactly for the same reason that when Thompson himself had to grapple with the problem of exchange, he failed to follow the labour embodied theory of exchange; and thus as we saw in his Third Principle, Thompson's whole argument on exchange would hinge upon the notion of 'utility'. Further, it is again precisely for the same reason that he fails to give a theory of value that he advocates the principle of utility and clearly confeses that as ascertainment of value of the products of the labourer is impossible, 'mutual cooperation' will help the producers to distribute their collectively produced
products amongst themselves in such a manner that every labourer gets the whole produce of his labour. Concretely, the lack of understanding pertains to the full context and content of the labour theory of value: the context being the basis of and the functioning of the capitalist mode and the content being the whole nature of 'profit' as exploitation based on the capitalists' control over the labour process, and the labour theory of value as a particular form of exchange value under capitalist production. Thompson's intellectual failing thus led him like all other 'Ricardian Socialists' to a confusion between 'what is' and 'what ought to be'. Not being clear about the former, and how it developed in history, they came out with wrong prescriptions in regard to the latter as well. Thus Thompson proposed a form of organization of production which implied a reversion to simple commodity production - under the circumstances, a historical anachronism.

III.8.6 One more problem which confronts Thompson's mind and remains unanswered is that of reconciling his 'principle of security' with that of 'equality' in the distribution of wealth. If every producer were to receive what he produces, then what would happen to those who are either too young or too old to work? Or if equal distribution of wealth is to take
place, then it would be a violation of the 'security principle' because then, though entitled, each labourer would not be able to receive the whole produce of his labour. Thomspn, we have earlier seen, is unable to reconcile these twin principles. Further, although he, time and again, said that 'equality must be limited by security' but in fact after 1830, his major effort was devoted to the advocacy of communistic societies and therefore, he had finally to abandon the 'principle of security' in favour of the 'principle of equality' (Cf. Foxwell's Introduction in Menger, 1962, p. xlvii).

III,6.7 Thompson in his Third Principle elaborates upon the idea that "all exchange of these products ought to be free and voluntary"; as a result he moves towards a utility based explanation of exchange. He certainly could not have any other choice than this, for the simple reason that he did not try to elaborate the scientific labour theory of value of Ricardo. Although, he takes the position that exchange takes place on the basis of exchange of equal labour, to be measured by the factor of time, when he talks about exchange in detail and in reference to his Third Principle the criteria for the measurement of value turns out to be 'utility'. The Third Principle clearly says that exchange ought to be voluntary which means believing in the Principle of exchange of equal utility values for
both parties of the exchange.’

III.8.8 As far as these Principles are supposed to create "the greatest stimulus to production" and also "the greatest quantity of happiness" in society, Thompson can not be called optimistic or idealistic. His Principles were, after all, for a 'socialist' development of human societies. Thompson's idealism as well as his optimism lie, however, in the means that he provides for achieving his cooperative kind of society. In fact, the source of his utopianism lies where he replaces class-struggle with 'reason' and good intentions. Being a perfectionist by nature and seeing all 'benevolent capitalists and landlords' around him (like his close friends Owen, Combe etc), he thought that the other Capitalists and landlords could be changed into 'benevolent associates' through 'reasoning' and persuasion. Though he could quite clearly see the different classes with their different class-interest, he could never see the engine of the class-struggle behind the class-interest or the ceaseless pressure on the capitalists as a class. Seeing the result of force in such unbelievable poverty and misery he was strangely afraid of force in its clear meaning of the struggle of labourers for their bread and liberation. He, therefore, makes an appeal to them either to save some small money of 10£, 20£, etc., or to
borrow it from the 'benevolent capitalists' for joining the 'London Cooperative Society'. Thompson quite ideally thinks that the power of reason as well as the diffusion of knowledge will on the one hand convince the capitalists to come and cooperate with the labourers in the cooperative societies and on the other hand the labourers will, very soon, be in the position of fitting themselves into the 'New System'. Hence, Thompson's perfectionism induces him to think of all individuals as being the same and interests of individuals at bottom, identical.

III.8.9 Thus, Thompson, without analysing the complicated mechanism of the competitive capitalism of his time tries to build up an ideal society for which he fails to provide a theory of distribution. Hence his principles of distribution rest on the vague idea of the 'right of labourer to the whole produce of his labour' and exchange on the 'utility' concept of value. Though his discussions on the Principles of 'New System' are comprehensive, he failed to analyse the capitalist system of his own time and took idealist stands. Thompson gives primary and sole importance to the power of decision of man, reason, diffusion of knowledge, etc., in his prescription for achieving the 'ideal' society. As such he remains a pioneer of "Utopian Socialism".