CHAPTER IV

ON THOMAS HODGSKIN
IV.1 Hodgskin's Life

IV.1.1 Hodgskin lived a long life of 82 years (1787-1869) through one of the most eventful periods of human history - the Industrial Revolution. But his active concern for the contribution to the British Labour Movement was virtually confined to the ten years between 1823 and 1833.

IV.1.1 At the age of twelve (1799), impelled by his father, Hodgskin had to join the navy as a cadet. After twelve years of service, however, at the age of twenty-five, following a dispute with the Commander-in-Chief, he was put on the retired list at half-pay with the rank of Lieutenant. This event seems to have been a turning point in his life and in the formation of his ideas. He himself confessed: "Having received so deep an injury from these laws, it has become a positive duty in me to attempt to alter them through the medium of public opinion". (Cited in Halevy, 1956, p. 31). In this respect, the first attempt that he made was the publication of his first book entitled An Essay on Naval Discipline in 1813. Through this book, Hodgskin not only could vent his anger against governmental authority and unjust regulations and statutes, he could also find new friends among the prominent philosophers and economists of the time, like Francis Place,
James Mill, William Godwin and Bentham. His next work was a treatise, *On Mind*, which he passed on to Francis Place for publication. But Place failing to find any publisher, the book remained unpublished.

**IV.1.3** With the explicit wish to study social conditions in other countries, Hodgskin travelled in Europe, visiting France, Italy, Switzerland, and Germany and returning to Edinburgh in 1822, where he married and settled. In his extensive journeying of three years, Hodgskin tried to mix much more with the common people of these countries than with the writers and philosophers. His observations are recorded in his *Travels in the North of Germany* published in two volumes in 1820. This book, however, did not bring him money, which he direly needed to support his family. It was only by the end of 1822 that with the help of his friends James Mill and Place, he could get a job in London as a parliamentary reporter for a radical London newspaper called *Morning Chronicle*.

**IV.1.4** Direct contacts with the British Labour Movement formed part of Hodgskin's new life in London. He founded the *Mechanics Magazine* with the help of a Scotsman named Robertson and other radical friends. It soon grew into the *Mechanics' Institute*. For ten years, thereafter, (1823-
1833) Hodgskin wrote regularly in the magazine and lectured in the Institute to large audiences of workers. These lectures with some modifications appeared in his three important books; the first of these was *Labour Defended Against the Claims of Capital* (1825) in which he tried to defend the idea of "the right of labour to the whole produce of labour"; the second was *Popular Political Economy* (1827) where he discussed contemporary economic problems with an overall anarchistic tone. His last book was, *The Natural and Artificial Rights of Property Contrasted* (1832) in which he advocated social reorganisation from an extremely laissez-faire point of view. (Cf. Lowenthal, 1911, p. 63, emphasis in the original).

**IV.1.5** After the publication of his last book in 1832, Hodgskin virtually withdrew from the working class movement and consequently his name and influence gradually began to disappear. He finally found that his main interest lay in the study of Criminal Laws. His shift of interest was evident in his confession that his past studies were only an "episode of a much greater work on criminal law". (Cited in Halevy, 1956, p. 129). But to maintain his family of seven children he had to work as an active journalist. Hence, he worked not only for the *Morning Chronicle*, but also for the *Daily News*, the *Courier*, and the *Sun*. Till
the end of his life he also regularly sent a weekly article to the Brighton Guardian.

IV.1.6 In 1846, he joined the Economist as a reviewer of new books on social science and political economy. He wrote in the Economist till 1855 after which he stopped writing his critical notices. Instead, from November 1855 to April 1857, he wrote a series of articles on Criminal laws through which he tried to campaign for the reform of the penal laws. (Cf. Halevy, 1956, p. 148).

IV.1.7 After 1857, he wrote less and less as, by that time, his children had become not only self-supporting, but were capable of extending him financial support. He died in 1869, following a brief illness at the age of 82. His influence, if at all, had already waned: as Halevy (1956) records, "not one London newspaper published a notice on his life and works? (p. 165).

IV.2 Hodgskin's approach to the causes of poverty

IV.2.1 The social and economic ideas of Hodgskin originate in and are determined by his strong belief in the 'laws' established by 'nature'. Consequently, he attributes the existence of the prevailing poverty and misery in his
society to the ignorance of these 'laws of nature' - 'The laws which determine the prosperity of nations'. However, these 'laws', he quotes I.B. Say, "are not the work of men they are derived from the nature of things". (See, Hodgskin, 1827, title page). Hence Hodgskin strives to reach the 'nature of things' and discover their 'natural laws' - the laws which human beings do not establish but which are only discoverable by them.

IV.2.2 Further, Hodgskin takes economics as the basis of society. His whole effort is, therefore, devoted in the first place to discovering the 'nature' of capital and labour - a relation in which he focusses as central to the economy. He then seeks to explain how far the established relationship between them as observed in the extant English society differs from what ought to be in terms of the 'laws of nature'. Further, he seeks to examine other man made economic laws, which being, altogether, against the 'natural laws' retard the progress of society, causing poverty and misery amongst large sections of the population.

IV.2(a). Capital

IV.2(a).1 Hodgskin lived in a period that was characterized by oppressive anti-labour legislation. Part of the ideological
and economic rationale behind such legislation was furnished by writers like Huskisson ("capital will be terrified out of the country, and misguided workmen, unless they are stopped in time, will bring ruin on themselves and on us"—Cited in Hodgskin, 1824, p. 25), and Malthus ("capital must be protected. If its operations be not left free, if they are to be controlled by bodies of workmen, it will leave this for some more favoured country"—Cited in Hodgskin, 1825, p. 25). With relatively free capital movements, the need to ensure hospitable conditions for domestic investment (as opposed to capital exports that were yet to begin in a big way) was a major consideration to justify the "oppressive laws".

IV.2(a).2 Underlying this was also the clear recognition that capital enabled productivity to be enhanced ("these accumulation and employment of both fixed and circulating capital is indispensably necessary to elevate any nation in the scale of civilisation. And it is only by their conjoined and powerful operation that wealth can be largely produced and universally diffused"—McCulloch, cited in Hodgskin, 1825, p. 25), and that the capitalist alone possessed capital, and profitably, he could demand a reward for its use ("the labourer has neither raw materials nor tools. These are provided for him by the capitalists. For making this provision the capitalist of course expects a reward"—Mill, cited in Hodgskin, 1825, p. 25). Thus in order
to repudiate notions that justified 'oppressive laws'
which were designed to defend and protect the claims of
capital, Hodgskin attacked the 'idea' of the 'productivity
of capital' itself.

IV.2(a).3 Hodgskin was partly justified in this pursuit
in-as-much-as the idea was common that wage-goods are
advanced by the capitalists and profits are a reward for
such advances or inducements to stimulate them. In order
to counter this notion Hodgskin makes use of the division
of capital into two forms, viz. 'circulating' and 'fixed'.

IV.2(a).4 He argues against the 'wage-advance' doctrine
by trying to prove that 'circulating capital' (i.e. wage-
goods) is the product of a continuous "coexisting labour"
caused by the division of labour and not of accumulated
products in the possession of the capitalists. The mate-
rial substance of labour is not a store or a fund antemur
to labour. The capitalists possess money and extend credit
to other capitalists which under the sanction of the law
enables them to purchase the labour of workers for wages
out of which the workers meet their needs of life. Hodgskin
holds that for production, therefore, what the labourer,
in fact, possesses is not a 'stock of commodities' or 'cir-
culating' capital' advanced by the capitalists, but a
'conviction' that while he is labouring in his particular field of industry, there are other labourers also who produce things which he does not produce but will be provided to him through an exchange with his labour as well as in exchange with the 'skill' which the labourer has previously got in the process of labouring. In other words, 'circulating capital' is continuously created by the labourers of the different industries and exchanged one with other in the market. Thus, concludes Hodgskin "it is by the command the capitalist possesses over the labour of some men, not by his possessing a stock of commodities, that HE is enabled to support and consequently employ other labourers". (Hodgskin, 1825, p. 52, emphasis and capital in the original). Thus the labourer is sustained through simultaneous labour of the others. In the sense of recognizing the capitalists' command over the labourers and using this to discount the 'wage-advance' hypotheses and thereby implicitly disputing the thesis that profits are a reward for abstinence, Hodgskin, in a significant sense, anticipates Marx.

IV.2(a).5 To examine the 'nature and effects of fixed capital', Hodgskin begins with a definition of 'fixed capital' itself. He defines it as consisting of 'the tools and instruments the labourer works with, the machinery he makes and guides, and the buildings he uses either to facilitate his exertions
or to protect their produce? (Hodgskin, 1825, p. 52). He further admits that by means of these instruments and machines the labourer is able to perform the labour which he could not possibly perform without them. He then however, turns to question what, in the first place produces these instruments, and machines and, secondly to what degree do they aid production independent of the labourers? It is in answering these questions that Hodgskin tries to expose the 'nature' and 'effects' of capital. He says that it is admitted even by those who advocate the 'claims of capital' that all instruments and machines are the produce of labour. But they argue that as capitals are the produce of previous labour, on account of having been saved or stared up, they are entitled to profit. In order to refute this latter argument, Hodgskin takes up the second question and in answering it he tries to show that as "fixed capital" does not derive its utility from previous, but present labour . . . it does not bring its owner a profit because it has been stored up, but because it is a means of obtaining a command over labour? (Hodgskin, 1825, p.55). He argues that "fixed capital" is unproductive itself. Hodgskin is nearer to Marx's notion of 'surplus value' here and to the Marxian idea that 'constant capital' does not contribute to surplus value but transfers a 'constant' part to value, reimbursing its own cost.
IV.2(a).6 Also, the productivity of 'fixed capital' depends entirely on its manner of being used—whether or not it is used by some 'productive labourer'. Hodgskin further argues that the most perfect instruments, in the absence of the applied skill and labour of the labourers are doomed to rust and decay. Hence Hodgskin concludes that if "fixed capital" is the produce of skill and labour, and if it becomes at any point of time productive, it is entirely, due to skill and labour; so it is not comprehensible why except for a very small part (wages), all its benefits should be attributed to capital and be appropriated in the name of profit, by all those who have neither made it nor used it. This is the most direct attack on the justification of profits as reviewed for productivity of capital and a clear recognition that it is the system of property that gives the capitalists control over the use of labour and on the produce of labour.

IV.2(a).7 Thus Capital, be it 'circulating capital' or 'fixed capital', in the first place, is the produce of 'co-existing labour' and the skill of labourers, and secondly, the capitalists can not naturally demand any claim over it and if they have done so, it is entirely because of unjust man-made laws which are thus the main cause of poverty.
IV.2 (b)Labour

IV.2(b).1 The counterpart of Hodgskin's views on capital, is the theory of wages - 'the right of the labourer to the whole produce of his labour'. In his wage theory Hodgskin's main effort was devoted to prove that following the 'Natural principles' inherent in the saying 'he who sows shall reap' (Hodgskin, 1825, p. 104), the labourer is entitled to his whole produce. He argues that it is only labour either 'mental' or 'manual' which creates the whole value of the commodities. "It is not the instruments", he says for example "which grind corn, and spin cotton, but the labour of those who make, and the labour of those who use them" (Hodgskin, 1827, p. 247). Taking labour as the basis of value and of all created wealth and thus considering capital to be unproductive and infertile by itself, Hodgskin concludes that the labourers are entitled to the whole produce of their labour. On the basis of this reasoning he says that, then wages which are fixed only at the subsistence level, are paid out of the labourer's own produce and hence what goes to the capitalists in the name of profit is, in fact, the rest of the labourers' own products of labour. In his own way, Hodgskin therefore, intuitively asserts an inverse relationship between profit and wages which as he himself mentions was formerly formulated by Ricardo.
Amongst all the 'Ricardian Socialists' Hodgskin seems the only one to have taken cognizance of the contemporaneous debates in political economy at the analytical level.

IV.2(b).2 To the inverse relationship between the profits and wages, Hodgskin adds a further argument against the claims of capital. He argues that since the capitalists own capital and allow the labourers to use their capital, only if, they can get from them a profit over and above their subsistence, it is plain that the industry will not proceed by the force of the actual needs of society but by the magnitude of the profit of the capitalists. Thus profits constrain investment and in turn employment. In the midst of widespread unemployment and misery, Hodgskin considered this a powerful argument against the claims of capital. Hence, he concluded, profits check 'artificially' the progress of society and the increase of national wealth. This indeed was a significant insight in regard to the power of the capitalist class to control the pace of accumulation. ...

IV.2(b).3 Besides Hodgskin was extremely critical of political economists who believed in the Malthusian theory of population, relating poverty to population increases and leaving even subsistence wages at the mercy of capital and
Capitalists. In the context of population, Hodgskin disputes the wages-fund theory and believing in the natural laws, argues that birth and death are the laws of nature and if birth is at a higher rate than death, production will naturally be at a higher rate. Now if at present, the increase of population seems to be acting as a check to production it is not because it will have by nature to do so but precisely because the 'natural laws' are ignored in the present society - the laws according to which every able man ought to labour and receive the whole produce of his labour.

IV.2(b).4 Two points must be made at this stage. Firstly, Hodgskin hints at the control over the labourer that is held by the Capitalists, which derives from the latter's control over accumulation. This was a major point especially because the post-Ricardians only mentioned accumulation activity in a positive light to indicate how it supported labour and generated employment. Secondly, Hodgskin shows his originality in challenging the then...

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1 Hodgskin in 1813 when writing his Essays on Naval Discipline was in total agreement with Malthus on the issue of 'Population'. He even called Malthus's Essay on Population an 'admirable' essay which could not be controverted. Thus his views changed radically later. (Cf. Lowenthal, 1911, p. 99).
universally accepted population doctrine to suggest that population is not an autonomous phenomenon but connected with property relations and distribution.

IV.2(b).5 Thus, Hodgskin tries to argue that the laws and regulations of the extant society do not coincide with the nature of both capital and labour and that, instead of bringing them together, these laws, etc, pit their claims against each other and thence arises the main cause of poverty. In other words, Hodgskin's attempt was to establish the main cause of poverty in the negligence of social nature of capital as well as labour. Contradiction arises because the process of production is carried on by capitalists who regard capital as a private means, while it becomes growingly social as reflected in the division and social allocation of labour. In his view, it is this social nature of labour contradicting with the private ownership of capital that results in the disastrous condition of life of the labourers.

IV.2 (c) Rent

IV.2(c).1 Hodgskin upholds the Ricardian theory of rent.²

² To define Rent, Hodgskin quotes Ricardo: "Land is of different degrees of fertility. When in the progress of society, land of the second quality (or an inferior degree of fertility to land before cultivated)
However, to accept the theory of differential rent and thereby acknowledging that the land was also productive (in the sense that the produce depended also on the fertility of soil), and at the same time to interpret the labor theory of value as 'labour produces all' must involve for Hodgskin a logical inconsistency. But if this inconsistency is not much noticeable, it is precisely because he does not concern himself with a theoretical discussion of rent and in fact pays little attention to the role of landlords in English society on the ground that it was the capitalists and not the landlords who were responsible for contemporary poverty. On the basis of his understanding that rent was the difference of surplus between the most fertile and the less fertile land, Hodgskin (1825) argues that "to produce this surplus would not break the back, and to give it up would not break the heart of the labourer. The landlord's share, therefore, does not keep the labourer poor". (pp. 30-31). Hodgskin thus marks a clear shift of the basic contradiction in society from one between the landlords and the rent of the society (most explicitly articulated by Ricardo) to that between the capitalist and workers. In his preoccupation with the latter

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Footnote No.2 cont.:

is taken into cultivation, rent immediately commences on that of the first quality, and the amount of that rent will depend on the difference in the quality of these two portions of land" (See, Hodgskin, 1825, p. 30).
contradiction, as we have pointed out earlier, Hodgskin neglects the study of agricultural categories as well as land relations.

IV.2(c).2 To procure the whole produce of labour to the labourer, Hodgskin defends private ownership of land subject to the limit, that the size should conform to the ability of the labourer to cultivate it. However, he does not stress this aspect of 'land reform' as he did not believe that the landlords could be in a position to play a strategic role in society. Hodgskin thus, just overlooks them and concentrates on the issues of the claims of capital and other constraints (such as man-made laws) to the natural progress of society; central, therefore, to his thinking was "that the exactions of the capitalists cause the poverty of labourers" (Hodgskin, 1825, pp. 80-81).

IV.2 (d) The Other Restraints

IV.2(d).1 Analyzing the function of society from a staunch laissez faire point of view, led Hodgskin to dispute almost all man-made laws and consider them to be in conflict with the 'laws of nature' and as retarding the progress of society. He argues that the 'governmental laws' are established in order to concentrate all the political power in the hands of
one class which is pitted against the other. By establishing the existing 'artificial right of property' in general and laws such as these in respect of taxes, tariffs, etc., in particular, it enables one class to alter the production of wealth and its distribution in its own favour, and against the rest of the society. Hence, instead of the 'natural production of wealth' and 'natural distribution of wealth' that should prevail in society, i.e. instead of every member of society working and receiving (freely without any tax) the whole of his labour, such artificial laws force the greater number of the population to labour for a small number of rulers; the former is entitled to a share of their own produce, equal to a mere subsistence wage, while the latter is entitled to all of what remains.

IV.2(d).2 Hodgskin, however, never changed his critical approach to 'governmental laws' and till the end of his life, continuously wrote against such man-made laws and in favour of 'natural laws'. He pursued these opinions by defending 'free trade' and taking part in the 'Anti-Corn Law' movements. In 1843, he delivered a lecture on free trade with reference to the corn laws. This was also published the same year in the form of a pamphlet entitled A Lecture on Free Trade, in Connection with the Corn Laws. In this lecture he once again tried to extend his ideas
on the 'natural laws' and tried to show that even 'the best meant laws may inflict, as is well known, only misery on the whole society..." (Hodgskin, 1843, p.5).

IV.2(d).3 It is clear then that for Hodgskin, the prevailing 'governmental laws' must also count as a cause of poverty in society. Hodgskin concludes thus, and remains through his whole career a great advocate and defender of 'free trade': "... the original condition of man-free to buy and sell as he lists - is at all times agreeable to nature; and they justify by experience, the assertion that to place RESTRICTIONS ON TRADE and industry is to violate HER commands" (Hodgskin, 1843, pp. 11-12, emphasis and capital in the original).

IV.3 Hodgskin's 'ideal' society

IV.3.1 Hodgskin's 'ideal' society rests on the basis of an economy, the main object of which "is to discover ALL the natural laws and circumstances which influence and regulate the production of wealth" (Hodgskin, 1827, p. 42). Once the laws are discovered/acted upon, then society will function within a 'natural circumstance', the reflection of which is to be seen in the function of a government safeguarding the 'natural laws'. Hence, in Hodgskin's 'ideal' society the 'natural circumstance' (i.e. the circumstance
which is independent of all governments and is only the result of the function of the laws of nature itself) in accordance with the 'social circumstance' (i.e., a circumstance created in society by its government) will direct the production and the distribution of wealth.

IV.3.2 The fundamental principle upon which the whole idea of the 'natural circumstance' rests is the principle of universal labour, i.e. every man ought to labour in society - whether manually or mentally. On the basis of the equal rights of man, Hodgskin finds no reason that labour should not be universal. However, the sole motive for labour to which he refers is, totally based on the 'principle of self-love'. He believed that the 'principle of self-love', leading to competition between individuals for their own interest, will bring about social harmony in society. Maintaining the doctrine of the 'similarity of men' (Cf. Lowenthal, 1911, p. 69), he thought that as men are all of 'equal power', their free competition not only would not lead any of them to overcome the others and exploit the losers, but it would rather cause a higher rate of production and expansion of industries. In this society, therefore, every able-bodied member ought to labour under the free competitive system, and with no interference whatsoever from the government. There would
exist a government, but it would not be the representative of any privileged classes as there would not be any classes at all. The government would exist only to "preserve peace, see justice done between man and man, enforce obedience to the laws, and give security to property and life". (Hodgskin, 1848, p. 1191).

IV.3.3 The distribution of wealth in this society is entirely based on the doctrine of "the right of labourer to the whole produce of labour". There is no profit, nor rent, and whatever is produced belongs to its producer (See, Hodgskin, 1825, pp. 82-83). However, Hodgskin faces a practical difficulty here of finding a way to measure the share of each producer while the production of wealth increasingly is carried on, on the basis of the division of labour. Trying to solve this problem, Hodgskin finds no solution except to confess and say that "there is no principle or rule, as far as I know for dividing the produce of joint labour among the different individuals who are concerned in production, but the judgement of the individuals themselves; that judgement depending on the value men may set on different species of labour can never be known, nor can any rule be given for its application by any single person". (Hodgskin, 1825, p. 83). Consequently, Hodgskin constructs his system of distribution on the basis of the principle
of "utility" according to which as in the 'ideal' society, labour would be perfectly free, "the wages of individual labour would be justly settled by what Dr Smith calls the "higgling of the market". (Hodgskin, 1825, p.86). Thus the 'ideal' society of Hodgskin functions, basically on the basis of the 'natural laws'; laws which are derived from nature and so are beyond the control of man -- though they are not logically against the interest of man who can easily adapt himself to them. Labour is perfectly free and receives the whole of its produce and the government acts only as an umpire to see if 'justice' is done.

IV.4 Means to achieve the 'Ideal' Society

IV.4.1 The means that Hodgskin advocates to achieve his 'ideal' society is one of those peaceful, optimistic reformist ones. He strongly believed in the role that the "knowledge" of the labourers could play in overthrowing the then government through the channel of 'disputation' and 'reasoning'. It was this belief that made him the pioneer of the idea of

3 Here, the 'higgling in the Market' is to be distinguished from the utility - disutility calculus of marginalism. In Hodgskin's ideal society, wages do not for example depend on the marginal productivity of labour.
"independent working class education", and to take the initiative to found the Mechanics Magazine and the Mechanics Institute with a view to equip labour with the knowledge of modern science, technology, and the techniques of self-help and self-organization. He said "it would be better for men to be deprived of education than to receive their education from their masters; for education, in that sense is no better than the training of the cattle that are broken to the yoke ... the workers of London must proceed, like those of Glasgow, and found the new institution at their own expense ..." so that they can "learn all that is really indispensable for a worker to know in chemistry, in mechanics, and in the science of the production and distribution of wealth". (See, Cole's Introduction in Hodgskin, 1825, p. 10). Thus Hodgskin recognizes that 'education' is a double edged weapon. This recognition was supported by McCulloch, Richard Whately and others precisely to wear them away from opposition to capital. (see, Blaug, 1958, p.145).

IV.4.2 Although, Hodgskin strongly stood for the 'combination law' and wrote in defence of the Trade Unions, he however, did not mean that the labourers would overthrow the government by the force of their actions. He defended the combination law, because he believed that it would help the labourers to recognize their rights and would
unify them in their demands. He urges that their victory depends upon the degree of their knowledge and the extent that their "argument" and "reason", (through, for example the Press) may "convince the public of the justice of their demands". (Hodgskin, 1825, p. 21) Hence, to Hodgskin Reason is the key to the victory of labourers for by 'physical endurance' and force "they may possibly terrify their masters, but they can only obtain the support of any influential persons by an appeal to reason" (Hodgskin, 1825, p. 22). This even formed the chief motive for the publication of his Labour Defended Against the Claims of Capital which would furnish the workers some more arguments in favour of 'labour' and against 'capital'. (See, Hodgskin, 1825, p.22)

IV.4.3 Thus, Hodgskin believed that as the labourers would be taught the 'moral' as well as the 'physical science' through the 'mechanics Institute' an unprecedented change would appear in the 'frame of society'. As the roots of this change is injustice, it cannot be resisted by any force of any 'Holy Alliance' and consequently he hopes that this change would lead to the final success of labour in the current dispute between the capitalists and labourers. (See Hodgskin, 1825, p. 104).
IV.5 Summary and Criticism

IV.5.1 Hodgskin approached the main cause of poverty in society on the basis of the philosophy of Natural Laws. This philosophy led him, on the one hand, to believe in the fundamental law of 'nature' that every man ought to labour, and on the other hand, that every man is also entitled to receive the whole produce of his labour. Hodgskin then tries to prove that the roots of poverty in society must be seen in the fact that these two fundamental 'laws of nature' are disregarded and accordingly the government and established laws do not pursue the 'natural order'. To prove it, he has to show that some members of society do not labour, while those who labour do not receive all of what they produce. For the first case, he does not need to argue as the existence of the capitalists and landlords besides the labourers is itself a proof of the fact that some members of society labour and some do not. Hodgskin thinks that the landlords do not occupy an important place in the exploitation of labour; hence his main effort is to give reasons for the unjustness of the 'claims of capital' and for the justness of the proposition that the labourer should receive the whole produce of his labour.
IV.5.2 Hodgskin's neglect of landlords and consequently of their income share, i.e. rent, owes to his belief in differential rent which conceals the exploitative character of rent. For, this belief led him to think of rent only as the difference between the products of the superior and inferior lands; so to him rent appeared to originate from not merely labour, but "the surplus produce of fertile land" as well. (Hodgskin, 1825, p. 31). This made him conclude that its appropriation by the landlords "would not break the heart of the labourers", (Hodgskin, 1825, p. 30), and to believe that "the landlords' share, therefore, does not keep the labour-poor". (Hodgskin, 1825, p. 31). Hodgskin thus in his analysis of the class-structure of society fails to recognize the real place of the landlords and the fact that "differential rent" is only a small part of "ground rent" through which the landlords exploit the peasants. This failure leads him, therefore to think of poverty, only in terms of the conflict between capital and labour.

IV.5.3 On the basis of the labour theory of value, Hodgskin, tries to show that capital in both its forms of 'fixed' and 'circulating capital' is only the product of labour. Labour produces all and hence whatever goes to capital is, in fact, the share of labour. Therefore, there exists an inverse relationship between "wages" and
"profits." Justice, concludes Hodgskin, says that the capitalists cannot have any claim over capital, while the labourers will own the whole produce of their labour. However, the interpretation of the labour theory of value in terms of the doctrine of the "right of labourer to the whole produce of labour" leads Hodgskin to commit several fallacies in his theoretical as well as practical study of the socio-economic issues in the society of his time. In the first place, although it is true that "fixed capital" is not productive of value, still in the process of production it does transfer a part of its value to the commodity. However, Hodgskin's analysis of 'fixed capital' in relation to labour is such that all productivity with 'fixed capital' is attributed to labour and thus he concludes that the whole produce ought to belong to labour. Secondly, he is neither able to study the wage-system of his contemporary society nor give a theory of wage-shares for his own 'ideal' society. In regard to the latter, he himself confesses that he knows no way (see, Hodgskin, 1825, p. 85) except as "the labour is theirs, the produce ought to be theirs, and they alone ought to decide how much each deserves of produce of all" (Hodgskin, 1825, p. 90). Thirdly, Hodgskin believes that the roots of poverty are to be found in the conflict between the private ownership of capital and the social character of labour. But in upholding the doctrine
of the "right of labour to its whole produce," Hodgskin misses the very social character of production itself. Against the social character of commodities in production, the doctrine of "all produce to labour" would perpetuate a high individualistic (i.e. subjective) concept of distribution.

IV.5.4 Further, once the right of property is given to all men together with the freedom of its use, and once competition is considered as the spur to production, Hodgskin's "natural laws" will immediately stand violated. Right to property together with competition will bring into operation objective laws of capitalism which while being contrary to his 'natural laws' nevertheless would soon lead the way to exploitation of 'labour' by 'capital' and thus poverty. In sum, what Hodgskin seeks, is, a reversion to the system of simple commodity production, i.e. the very system out of which Hodgskin's contemporary system had developed historically. In consequence, either misery would have remained or would have soon be restored.

IV.5.5 Fourthly, Hodgskin's utopian society makes no provision for rewarding mental labour, nor any for the upkeep of the elderly and the adolescents. Further, in the absence of a central regulatory authority or the rate of
profit, there is no way of regulating investment in accordance with social needs; since it is then possible that investment has actually taken place in the production of commodities for which no demand exists, there is no guarantee of realization, accumulation and future investment. Thus as we have pointed out earlier, it involves in a sense a regression to petty commodity production. Hodgskin considers knowledge (namely for invention of machines), skill (for carrying invention into execution), and labour (to use the instruments) as the three factors necessary for a nation to possess sufficient 'fixed capital'. (See, Hodgskin, 1825, pp. 63-64). But, in the absence of cooperative mechanisms of channelizing savings and making investments, none of these factors can generate investment on a scale necessary for growth.

IV.5.6 Thus, although from a socialistic point of view, Hodgskin tried hard to study labour problems, his individualism, however, blinded his sight, causing not only a failure in his attempt to offer a practical solution to the problem, but also leading him gradually towards a position which finally pitched him against communists, socialists and even "combining workmen" and considering them all to be
These substantial changes in his ideas began after the publication of his last book in 1832, and with his severe attacks on Ricardo precisely on those conclusions with which he himself was once in complete agreement. In 1846, for example, he stubbornly refused to accept the existence of the inverse relationship between profits and wages — which in fact had been one of his main arguments in his Defence of Labour against Capital and about which he lectured for, at least, ten years — and criticised Ricardo for believing in such a "fatal error": "... he [Ricardo] puts the wages of the labourer and the profits of the capitalists in opposition; and regards the one as a deduction from the other. These are fatal errors." (See, Halevy, 1956, p. 144). This deviation from his earlier ideas, is itself an introduction to new ones. Hodgskin, the radical defender of labour, finally comes down to advocate pure reformism and the unification of labour and capital as an "easy solution" to poverty, which for Hodgskin ceases to be a 'problem' but becomes a mere 'difficulty' - "The gradual progress of society, by which capital and labour seem more and more to become united in the same hands is perhaps the more appropriate, just and easy solution of the difficulty." (Cited in Halevy, 1956, p. 146).