



STUDYDADDY

**Get Homework Help
From Expert Tutor**

Get Help

"Habitation versus Improvement"

Xt the heart of the Industrial Revolution of the eighteenth century there was an almost miraculous improvement in the tools of production, which was accompanied by a catastrophic dislocation of the lives of the common people.

We will attempt to disentangle the factors that determined the forms of this dislocation, as it appeared as its worst in England about a century ago. What "satanic mill" ground men into masses? How much was caused by the new physical conditions? How much by the economic dependencies, operating under the new conditions? And what was the mechanism through which the old social tissue was destroyed and a new integration of man and nature so unsuccessfully attempted?

Nowhere has liberal philosophy failed so conspicuously as in its understanding of the problem of change. Fired by an emotional faith in spontaneity, the common-sense attitude toward change was discarded in favor of a mystical readiness to accept the social consequences of economic improvement, whatever they might be. The elementary truths of political science and statecraft were first discredited then forgotten. It should need no elaboration that a process of undirected change, the pace of which is deemed too fast, should be slowed down, if possible, so as to safeguard the welfare of the community. Such household truths of traditional statesmanship, often merely reflecting the teachings of a social philosophy inherited from the ancients, were in the nineteenth century erased from the thoughts of the educated by the corrosive of a crude utilitarianism combined with an uncritical reliance on the alleged self-healing virtues of unconscious growth.

Economic liberalism misread the history of the Industrial Revolution because it insisted on judging social events from the economic

viewpoint. For an illustration of this we shall turn to what may at first seem a remote subject: to enclosures of open fields and conversions of arable land to pasture during the earlier Tudor period in England, when fields and commons were hedged by the lords, and whole counties were threatened by depopulation. Our purpose in thus evoking the plight of the people brought about by enclosures and conversions will be on the one hand to demonstrate the parallel between the devastations caused by the ultimately beneficial enclosures and those resulting from the Industrial Revolution, and on the other hand—and more broadly—to clarify the alternatives facing a community which is in the throes of unregulated economic improvement.

Enclosures were an obvious improvement *if* no conversion to pasture took place. Enclosed land was worth double and treble the unenclosed. Where tillage was maintained, employment did not fall off, and the food supply markedly increased. The yield of the land manifestly increased, especially where the land was let.

But even conversion of arable land to sheep runs was not altogether detrimental to the neighborhood in spite of the destruction of habitations and the restriction of employment it involved. Cottage industry was spreading by the second half of the fifteenth century, and a century later it began to be a feature of the countryside. The wool produced on the sheep farm gave employment to the small tenants and landless cottagers forced out of tillage, and the new centers of the woollen industry secured an income to a number of craftsmen.

But—this is the point—only in a market economy can such compensating effects be taken for granted. In the absence of such a system the highly profitable occupation of raising sheep and selling their wool might ruin the country. The sheep which "turned sand into gold" could well have turned the gold into sand as happened ultimately to the wealth of seventeenth-century Spain whose eroded soil never recovered from the overexpansion of sheep farming.

An official document of 1607, prepared for the use of the Lords of the Realm, set out the problem of change in one powerful phrase: "The poor man shall be satisfied in his end: Habitation; and the gentleman not hindered in his desire: Improvement." This formula appears to take for granted the essence of purely economic progress, which is to achieve improvement at the price of social dislocation. But it also hints at the tragic necessity by which the poor man clings to his hovel

doomed by the rich man's desire for a public improvement which profits him privately.

Enclosures have appropriately been called a revolution of the rich against the poor. The lords and nobles were upsetting the social order, breaking down ancient law and custom, sometimes by means of violence, often by pressure and intimidation. They were literally robbing the poor of their share in the common, tearing down the houses which, by the hitherto unbreakable force of custom, the poor had long regarded as theirs and their heirs'. The fabric of society was being disrupted; desolate villages and the ruins of human dwellings testified to the fierceness with which the revolution raged, endangering the defences of the country, wasting its towns, decimating its population, turning its overburdened soil into dust, harassing its people and turning them from decent husbandmen into a mob of beggars and thieves. Though this happened only in patches, the black spots threatened to melt into a uniform catastrophe.* The King and his Council, the Chancellors, and the Bishops were defending the welfare of the community and, indeed, the human and natural substance of society against this scourge. With hardly any intermittence, for a century and a half—from the 1490s, at the latest, to the 1640s they struggled against depopulation. Lord Protector Somerset lost his life at the hands of the counterrevolution which wiped the enclosure laws from the statute book and established the dictatorship of the grazier lords, after Rett's Rebellion was defeated with several thousand peasants slaughtered in the process. Somerset was accused, and not without truth, of having given encouragement to the rebellious peasants by his denunciation of enclosures.

It was almost a hundred years later when a second trial of strength came between the same opponents, but by that time the enclosers were much more frequently wealthy country gentlemen and merchants rather than lords and nobles. High politics, lay and ecclesiastical, were now involved in the Crown's deliberate use of its prerogative to prevent enclosures and in its no less deliberate use of the enclosure issue to strengthen its position against the gentry in a constitutional struggle, which brought death to Strafford and Laud at the hands of Parliament. But their policy was not only industrially but politically reactionary; furthermore, enclosures were now much more often than

* Tawney, R. H., *The Agrarian Problem in the Sixteenth Century*, 1912.

before intended for tillage, and not for pasture. Presently the tide of the Civil War engulfed Tudor and early Stuart public policy forever.

Nineteenth-century historians were unanimous in condemning Tudor and early Stuart policy as demagogic, if not as outright reactionary. Their sympathies lay, naturally, with Parliament, and that body had been on the side of the enclosers. H. de B. Gibbins, though an ardent friend of the common people, wrote: "Such protective enactments were, however, as protective enactments generally be, utterly vain."* Innes was even more definite: "The usual remedies of punishing vagabondage and attempting to force industry into unsuited fields and to drive capital into less lucrative investments in order to provide employment failed—as usual."¹ Gairdner had no hesitation in appealing to free trade notions as "economic law": "Economic laws were, of course, not understood," he wrote, "and attempts were made by legislation to prevent husbandmen's dwellings from being thrown down by landlords, who found it profitable to devote arable land to pasture to increase the growth of wool. The frequent repetition of these Acts only show how ineffective they were in practice."* Recently an economist like Heckscher emphasized his conviction that mercantilism should, in the main, be explained by an insufficient understanding of the complexities of economic phenomena, a subject which the human mind obviously needed another few centuries to master.* In effect, anti-enclosure legislation never seemed to have stopped the course of the enclosure movement, nor even to have obstructed it seriously. John Hales, second to none in his fervor for the principles of the Commonwealth men, admitted that it proved impossible to collect evidence against the enclosers, who often had their servants sworn upon the juries, and such was the number "of their retainers and hangers-on that no jury could be made without them." Sometimes the simple expedient of driving a single furrow across the field would save the offending lord from a penalty.

Such an easy prevailing of private interests over justice is often regarded as a certain sign of the ineffectiveness of legislation, and the victory of the vainly obstructed trend is subsequently adduced as conclusive evidence of the alleged futility of "a reactionary intervention -

* Gibbins, H. deB., *The Industrial History of England*, 1895.

t Innes, A. D., *England under the Tudors*, 1932.

t Gairdner, J., "Henry VIII," in *Cambridge Modern History*, Vol. II, 1918.

§ Heckscher, E. F., *Mercantilism*, 1935, Vol. II, p. 104.

ism." Yet such a view seems to miss the point altogether. Why should the ultimate victory of a trend be taken as a proof of the ineffectiveness of the efforts to slow down its progress? And why should the purpose of these measures not be seen precisely in that which they achieved, i.e., in the slowing down of the rate of change? That which is ineffectual in stopping a line of development altogether is not, on that account, altogether ineffectual. The rate of change is often of no less importance than the direction of the change itself; but while the latter frequently does not depend upon our volition, it is the rate at which we allow change to take place which well may depend upon us.

A belief in spontaneous progress must make us blind to the role of government in economic life. This role consists often in altering the rate of change, speeding it up or slowing it down as the case may be; if we believe that rate to be unalterable—or even worse, if we deem it a sacrilege to interfere with it—then, of course, no room is left for intervention. Enclosures offer an example. In retrospect nothing could be clearer than the Western European trend of economic progress which aimed at eliminating an artificially maintained uniformity of agricultural technique, intermixed strips, and the primitive institution of the common. As to England, it is certain that the development of the woollen industry was an asset to the country, leading, as it did, to the establishment of the cotton industry—that vehicle of the Industrial Revolution. Furthermore, it is clear that the increase of domestic weaving depended upon the increase of a home supply of wool. These facts suffice to identify the change from arable land to pasture and the accompanying enclosure movement as the trend of economic progress. Yet, but for the consistently maintained policy of the Tudor and early Stuart statesmen, the rate of that progress might have been ruinous, and have turned the process itself into a degenerative instead of a constructive event. For upon this rate, mainly, depended whether the dispossessed could adjust themselves to changed conditions without fatally damaging their substance, human and economic, physical and moral; whether they would find new employment in the fields of opportunity indirectly connected with the change; and whether the effects of increased imports induced by increased exports would enable those who lost their employment through the change to find new sources of sustenance.

The answer depended in every case on the relative rates of change and adjustment. The usual "long-run" considerations of economic

theory are inadmissible; they would prejudge the issue by assuming that the event took place under a market system. However natural it may appear to us to make that assumption, it is unjustified: such a system is an institutional structure which, as we all too easily forget, has been present at no time except our own, and even then it was only partially present. Yet apart from this assumption "long-run" considerations are meaningless. If the immediate effect of a change is deleterious, then, until proof to the contrary, the final effect is deleterious. If conversion of arable land to pasture involves the destruction of a definite number of houses, the scrapping of a definite amount of employment, and the diminution of the supplies of locally available food provisions, then these effects must be regarded as final, until evidence to the contrary is produced. This does not exclude the consideration of the possible effects of increased exports on the income of the landowners; of the possible chances of employment created by an eventual increase in the local wool supply; or of the uses to which the landowners might put their increased incomes, whether in the way of further investments or of luxury expenditure. The time-rate of change compared with the time-rate of adjustment will decide what is to be regarded as the net effect of the change. But in no case can we assume the functioning of market laws unless a self-regulating market is shown to exist. Only in the institutional setting of market economy are market laws relevant; it was not the statesmen of Tudor England who strayed from the facts, but the modern economists, whose strictures upon them implied the prior existence of a market system.

England withstood without grave damage the calamity of the enclosures only because the Tudors and the early Stuarts used the power of the Crown to slow down the process of economic improvement until it became socially bearable—employing the power of the central government to relieve the victims of the transformation, and attempting to canalize the process of change so as to make its course less devastating. Their chancelleries and courts of prerogative were anything but conservative in outlook; they represented the scientific spirit of the new statecraft, favoring the immigration of foreign craftsmen, eagerly implanting new techniques, adopting statistical methods and precise habits of reporting, flouting custom and tradition, opposing prescriptive rights, curtailing ecclesiastical prerogatives, ignoring Common Law. If innovation makes the revolutionary, they were the revolutionaries of the age. Their commitment was to the welfare of the

commonalty, glorified in the power and grandeur of the sovereign; yet the future belonged to constitutionalism and Parliament. The government of the Crown gave place to government by a class—the class which led in industrial and commercial progress. The great principle of constitutionalism became wedded to the political revolution that dispossessed the Crown, which by that time had shed almost all its creative faculties, while its protective function was no longer vital to a country that had weathered the storm of transition. The financial policy of the Crown now restricted the power of the country unduly, and began to constrain its trade; in order to maintain its prerogatives the Crown abused them more and more, and thereby harmed the resources of the nation. Its brilliant administration of labor and industry, its circumspect control of the enclosure movement, remained its last achievement. But it was the more easily forgotten as the capitalists and employers of the rising middle class were the chief victims of its protective activities. Not till another two centuries had passed did England enjoy again a social administration as effective and well ordered as that which the Commonwealth destroyed. Admittedly, an administration of this paternalistic kind was now less needed. But in one respect the break wrought infinite harm, for it helped to obliterate from the memory of the nation the horrors of the enclosure period and the achievements of government in overcoming the peril of depopulation. Perhaps this helps to explain why the real nature of the crisis was not realized when, some 150 years later, a similar catastrophe in the shape of the Industrial Revolution threatened the life and well-being of the country.

This time also the event was peculiar to England; this time also seaborne trade was the source of a movement which affected the country as a whole; and this time again it was improvement on the grandest scale which wrought unprecedented havoc with the habitation of the common people. Before the process had advanced very far, the laboring people had been crowded together in new places of desolation, the so-called industrial towns of England; the country folk had been dehumanized into slum dwellers; the family was on the road to perdition; and large parts of the country were rapidly disappearing under the slack and scrap heaps vomited forth from the "satanic mills." Writers of all views and parties, conservatives and liberals, capitalists and socialists, invariably referred to social conditions under the Industrial Revolution as a veritable abyss of human degradation.

No quite satisfactory explanation of the event has yet been put forward. Contemporaries imagined they had discovered the key to damnation in the iron regularities governing wealth and poverty, which they called the law of wages and the law of population; they have been disproved. Exploitation was put forth as another explanation both of wealth and of poverty; but this was unable to account for the fact that wages on the whole continued to rise for another century. More often a convolute of causes was adduced, which again was hardly satisfactory.

Our own solution is anything but simple; it actually fills the better part of this book. We submit that an avalanche of social dislocation, surpassing by far that of the enclosure period, came down upon England; that this catastrophe was the accompaniment of a vast movement of economic improvement; that an entirely new institutional mechanism was starting to act on Western society; that its dangers, which cut to the quick when they first appeared, were never really overcome; and that the history of nineteenth-century civilization consisted largely in attempts to protect society against the ravages of such a mechanism. The Industrial Revolution was merely the beginning of a revolution as extreme and radical as ever inflamed the minds of sectarians, but the new creed was utterly materialistic and believed that all human problems could be resolved given an unlimited amount of material commodities.

The story has been told innumerable times: how the expansion of markets, the presence of coal and iron as well as a humid climate favorable to the cotton industry, the multitude of people dispossessed by the new eighteenth-century enclosures, the existence of free institutions, the invention of the machines, and other causes interacted in such a manner as to bring about the Industrial Revolution. It has been shown conclusively that no one single cause deserves to be lifted out of the chain and set apart as *the* cause of that sudden and unexpected event.

But how shall this revolution itself be defined? What was its basic characteristic? Was it the rise of the factory towns, the emergence of slums, the long working hours of children, the low wages of certain categories of workers, the rise in the rate of population increase, or the concentration of industries? We submit that all these were merely incidental to one basic change, the establishment of market economy, and that the nature of this institution cannot be fully grasped unless the

impact of the machine on a commercial society is realized. We do not intend to assert that the machine caused that which happened, but we insist that once elaborate machines and plant were used for production in a commercial society, the idea of a self-regulating market system was bound to take shape.

The use of specialized machines in an agrarian and commercial society must produce typical effects. Such a society consists of agriculturalists and of merchants who buy and sell the produce of the land. Production with the help of specialized, elaborate, expensive tools and plants can be fitted into such a society only by making it incidental to buying and selling. The merchant is the only person available for the undertaking of this, and he is fitted to do so as long as this activity will not involve him in a loss. He will sell the goods in the same manner in which he would otherwise sell goods to those who demand them; but he will procure them in a different way, namely, not by buying them ready-made, but by purchasing the necessary labor and raw material. The two put together according to the merchant's instructions, plus some waiting which he might have to undertake, amount to the new product. This is not a description of domestic industry or "putting out" only, but of any kind of industrial capitalism, including that of our own time. Important consequences for the social system follow.

Since elaborate machines are expensive, they do not pay unless large amounts of goods are produced.* They can be worked without a loss only if the vent of the goods is reasonably assured and if production need not be interrupted for want of the primary goods necessary to feed the machines. For the merchant this means that all factors involved must be on sale, that is, they must be available in the needed quantities to anybody who is prepared to pay for them. Unless this condition is fulfilled, production with the help of specialized machines is too risky to be undertaken both from the point of view of the merchant who stakes his money and of the community as a whole which comes to depend upon continuous production for incomes, employment, and provisions.

Now, in an agricultural society such conditions would not naturally be given; they would have to be created. That they would be created gradually in no way affects the startling nature of the changes involved. The transformation implies a change in the motive of action

* Clapham, J. H., *Economic History of Modern Britain*, Vol. III.

on the part of the members of society; for the motive of subsistence that of gain must be substituted. All transactions are turned into money transactions, and these in turn require that a medium of exchange be introduced into every articulation of industrial life. All incomes must derive from the sale of something or other, and whatever the actual source of a person's income, it must be regarded as resulting from sale. No less is implied in the simple term "market system," by which we designate the institutional pattern described. But the most startling peculiarity of the system lies in the fact that, once it is established, it must be allowed to function without outside interference. Profits are not any more guaranteed, and the merchant must make his profits on the market. Prices must be allowed to regulate themselves. Such a self-regulating system of markets is what we mean by a market economy.

The transformation to this system from the earlier economy is so complete that it resembles more the metamorphosis of the caterpillar than any alteration that can be expressed in terms of continuous growth and development. Contrast, for example, the merchant-producer's selling activities with his buying activities; his sales concern only artifacts; whether he succeeds or not in finding purchasers, the fabric of society need not be affected. But what he fowys is raw materials and labor—nature and man. Machine production in a commercial society involves, in effect, no less a transformation than that of the natural and human substance of society into commodities. The conclusion, though weird, is inevitable; nothing less will serve the purpose: obviously, the dislocation caused by such devices must disjoint man's relationships and threaten his natural habitat with annihilation.

Such a danger was, in fact, imminent. We shall perceive its true character if we examine the laws which govern the mechanism of a self-regulating market.



STUDYDADDY

**Get Homework Help
From Expert Tutor**

Get Help