

CHAPTER X

ETHICS AND ECONOMICS

"Equity is the fundamental concept of all moral science that is rational." — Patrick Edward Dove.

As already repeatedly emphasised, the physiological constitution of man impels him to live in social union with his fellows; and, manifestly, the first necessary condition of social life, of all association and co-operation, whether voluntary or enforced, is that each should know, not only what is expected of him, but also what he may expect of others. To provide this vital principle of social union, of all association and co-operation, is the essential function of social customs, laws, institutions, and constitutions, or briefly, of social polities. And the question with which we are now immediately concerned is to ascertain the alternative principles on which such polities can be based, and to determine the principle which, in the interest of civilisation and of further social progress, mankind would do well to accept as the basis of its future social polity, as the key-stone, test and touch-stone of all social customs, laws, and institutions.

As a matter of fact, in this respect the choice is very limited. Practically, mankind has but two alternatives. The prevailing polity can be based either on the recognition of the equal claims of all, or on the recognition of the special claims of some; it either recognises and enforces the equal claims of all to life, to liberty, and to the pursuit of happiness, and all that this involves, securing to all equal freedom, enforcing on all equal duties; or it recognises and enforces the special claims of some to certain advantages, securing to these certain privileges, which obviously can only be assured to some by ignoring the equal claims, trespassing on the liberty, and curtailing the freedom of the rest of the community. In other words, the prevailing polity can be based on justice or on privilege, on liberty or on license.

These two principles are the direct antithesis of each other, hence are irreconcilable. There is no possibility of an enduring compromise. Though they may yearn for it, there is no half-way house in which society can permanently abide. Privilege is infinite in the variety of its forms, according to the desires and aspirations of those who have the power to enforce it, and the patience and habits of those who have to endure its burthens. Liberty, on the other hand, is eternally the same; it has but one meaning; its nature is such that it can suffer no artificial limitations: attempt artificially to limit it, and it ceases to be. Yet it has its natural limitations, without which also it cannot exist, for Liberty involves Justice. To secure Liberty to all, the Liberty of each individual or community necessarily finds its limits when it tends to

encroach on the Liberty of his fellows. Without the strictest observance of this natural limitation, Liberty degenerates into License, Freedom degenerates into Slavery, Might usurps the throne of Right, and the claims of the weak are trampled under the hoofs of the strong. Equal Liberty can be secured to all. License or Privilege can only be secured to some; and can only be secured to these by infringing on the Equal Liberty, by trespassing on the Equal Freedom, of the rest of the community. This manifestly at once destroys the possibility of all enjoying the boon of Liberty, the advantages of Freedom, the inestimable blessings of Justice. License or Privilege is the direct offspring of the anti-social, predatory instincts of the race; it is the product of force, and can only be maintained by force. Liberty, on the other hand, is the offspring of the social, industrial instincts; it is the product of Reason, for it involves Justice; eternal vigilance may be its price, but force is only necessary to secure or to defend it, when its establishment is thwarted or its continuance is threatened by the upholders of License, Privilege, and Injustice.¹

1 As Frederic Bastiat well expresses it: "The question then comes back to this: What are the things which men have a right to impose upon each other by force? Now, I know but one thing in this situation, and that is Justice. I have no right to force anyone whatever to be religious, charitable, well-educated or industrious; but I have a right to force him to be just — this is a case of legitimate defence," — "Harmonies of Political Economy," p. 45.

The basic principle of Economics, of the art of ordering the social relations of mankind, may then be summed up in the one word Justice. Liberty, as we have seen, involves Justice, and Justice involves Liberty. To call down on all the blessings of Liberty, we must do Justice; for the blessings of Liberty are but the fruits of Justice; and Justice involves the recognition and enforcement of the equal claims of all to life, to liberty and to the pursuit of happiness. Thus, and thus alone, can Justice be done; thus, and thus alone, can Liberty be assured; thus, and thus alone, can the Golden Rule of Righteousness be made to rule the hearts and sway the destinies of mankind. For what has been variously designated the Law of Righteousness, the Law of Liberty, the Law of Equal Freedom, the Golden Rule, etc., however disguised by mental associations, are all involved and embraced in the Law of Justice, in the Law that demands that the equal claims of all to life, and all that this involves, shall be recognised and respected.

Here it may be well to point out that, left free to follow the promptings of the industrial or social instincts, of those instincts impelling them to enter into voluntary association with their fellows, necessity enforces on men the recognition of the great truth that society between equals can only exist on the understanding that the freedom of each is to be equally respected, the interests of each equally considered. Hence it is that all those little States within the State, Societies within Society, which exist and

nourish in every civilised country, in every modern town, are impelled to adopt a policy or constitution which leaves the advantages they offer equally available to all, which coerce none and secure special privileges to none, but which, to use a popular and expressive phrase, secures equal opportunities to all, favours to none. Thus, Mutual Insurance Societies and Co-operative Associations of every description open their doors to all eligible on equal terms; they offer equal opportunities to all, leaving each free to avail himself of the opportunities offered according to their desire or ability; and they benefit each member either equally or in exact proportion to services rendered, to the amount of his contribution to the common fund. The same may be said of all the other numberless voluntary associations, of Footballers, Cricketers, Doctors, Chemists, Journalists, etc. Examine their polities, their various constitutions, and this one principle of equality of rights and duties will be found common to all. It may not be expressed, nor formulated as an abstract proposition, but, what is of far greater moment, practical recognition is given to it in all their rules and regulations. Whatever opportunities they offer, they offer to all; whatever advantages they confer, they confer on all; whatever sacrifice they demand, they demand of all; whilst those occupying the highest positions are but the servants of the rest, the men selected to carry out the objects of their association, the common aims of all.

Moreover, this Law of Equal Freedom, the unreserved acknowledgment of the truth that, as all men are similarly born into the world, all have equal claims to life, liberty and the pursuit of happiness, has been accepted as the key-stone, the corner-stone, the foundation-stone of their national polity by the most industrial, the most enlightened, and the most progressive nation in the world. Unfortunately for humanity, for the progress of freedom, and for the peace and glory of their country, they accepted it in name only, making no attempt to ascertain all that it involved, nor to shape their individual actions or to frame their social institutions in conformity therewith. They remained content with its admission as an abstract principle. Hence it was that, despite this glorious declaration of principle, in a country destined by its founders, as well as by circumstances, to Freedom, in the very shadow of the Temple of Freedom, that institution of all others the very embodiment of Tyranny was established, only to be wiped out in a sea of blood; and that even today social institutions are maintained which divide its inhabitants into two distinct and antagonistic classes, the Rich and the Poor, the Privileged and the Disinherited.

As mankind have learned in every other department of human activity, it is not sufficient to accept a principle in the abstract; to avail ourselves of it, to enjoy the advantages and blessings obedience to it may secure, to avoid the dangers and ills disobedience to it may entail, our actions must be shaped in conformity therewith. From the consequences of our actions, whether as individuals or as nations, there is no escape. Human beings, whether acting singly or collectively, may be able to control

their own actions, but not the consequences of their actions either to themselves or to others. As we sow, so we shall reap, is universally true. It is true of social as of individual actions; and if a community would reap a harvest of general peace and social contentment, it must sow the necessary seed, establish the necessary conditions, the most essential of which is Justice. Our social life must be shaped in accordance with the dictates of Liberty, or in accordance with the dictates of Privilege. We must choose one or the other. The two are incompatible. Strive we ever so strenuously, we cannot reconcile the one with the other. Nor can we avoid the consequences of our choice by admitting that, in the abstract, in accordance with the dictates of Reason and Justice, in accordance with the promptings of the social instincts, of those instincts which impel us to peaceful co-operation with our fellowmen, we should have chosen differently.

Justice, however, is not so much a political as an ethical conception; for, in the words of Aristotle, "it is the very criterion of what is right," and to supply this criterion is the function of Ethics. As one of the clearest and most luminous writers of our own times, Professor Huxley, expresses it: "The Science of Ethics professes to furnish us with a reasoned rule of life; to tell us what is right action and why it is so." ¹ Hence, as it seems to us, it is necessarily in the Science of Ethics that we have to seek the principles of the Art of Economics, of the art of ordering and shaping the social relations of mankind. In other words, the Art of Economics consists solely in giving practical application to the dictates, or principles, of the Science of Ethics.

¹"Evolution and Ethics," p. vii. (The Romanes Lecture, 1893).

To designate the enforcement of prevailing customs, or the administration of existing laws, as Justice, is but an abuse of language, which can only tend to the debasement of the moral currency, and to leave mankind without any valid criterion of right and wrong. As Montesquieu expresses it:¹ "Before laws were made there were relations of possible Justice. To say that there is nothing just or unjust but what is commanded or forbidden by positive laws, is the same as saying that before the describing of a circle, all the radii were not equal." Human customs, laws, and institutions may be just, or they may be unjust. If absolutely just, they would require no alteration; for Justice is the very criterion, the ultimate judge, the only valid test and touch-stone of all human customs, laws, and institutions: these, however, can never be made any criterion or test of Justice. As all attentive to the subject must realise, and as the very derivation of the word denotes, Justice is that which is obligatory and binding on all, irrespective of local customs and laws: it is that which every man may demand, not as a favour, but as a right; it is that which should form the basis of all Civil Law² — using this term in its broadest sense — and forever

remains the ultimate criterion of all human customs, laws, and institutions.³

1 "The Spirit of Laws," Book I., chap. i.

2 "The Romans described their legal system as consisting of two ingredients. 'All nations,' says the Institutional Treatise published under the authority of the Emperor Justinian, 'who are ruled by laws and customs, are governed partly by their own particular laws, and partly by those laws which are common to all mankind. The law which a people enacts is called the Civil Law of that people, but that which natural reason appoints for all mankind is called the Law of Nations, because all nations use it.' The part of the law 'which natural reason appoints for all mankind' was the element which the edict of the Praetor was supposed to have worked into Roman Jurisprudence. Elsewhere it is styled more simply Jus Naturale, or the Law of Nature; and its ordinances are said to be dictated by Natural Equity (Naturalis JEquitas), as well as by natural reason." — "Ancient Law," p. 46 (Henry Sumner Maine).

3 This thought is splendidly treated by the great John Locke in his classic essay "Of Civil Government." He says: "The state of nature [by which term he denotes the absence of all Civil Law or Government] has a law of nature to govern it, which obliges [is binding on] everyone; and reason, which is that law, teaches all mankind, who will but consult it, that being all equal and independent, no one ought to harm another in his life, health, liberty, or possessions." By "equal," as he specially warns us, Locke does not mean "all sorts of equality — but that equal right that every man hath to his natural freedom, without being subjected to the will or authority of any other man." Speaking of what he terms "the municipal laws of countries " he distinctly affirms his conviction that they "are only so far right as they are founded on the law of nature, by which they are to be regulated and interpreted." For, as he beautifully expresses it, "the end of law is not to abolish or restrain, but to preserve and enlarge freedom."

Here, however, it seems to us necessary to point out that today the terms "ethics," "ethical," etc., are used to convey an idea very different from the original etymological meaning. The Science of Ethics is used as synonymous with the Science of Morals; ethical is used as synonymous with moral, and so on. And it is a significant and noteworthy fact that "ethics" and "morals" are both derived from words denoting usage, habits, manners, and customs; the one from the Greek, ethos; the other from the Latin, mores. In every community, however primitive or however advanced, according to its antecedents, its physical and social conditions, and its stage of intellectual development, certain customs, habits, manners, and views of life become established, are regarded as necessary to the wellbeing and preservation of the community as a whole, and are made more or less obligatory on all. In accordance with the original meaning of the word, all actions in conformity with such established habits would be regarded as "moral" or "ethical"; and the man who shaped his life and actions consistently therewith would be regarded as a "moral" or "ethical" man. In

truth, in a primitive community established custom would be the only available criterion of "right" or "wrong," "moral" or "immoral"; and so long as this criterion prevailed there would be bitter truth in the somewhat cynical epigram that Morality is entirely a question of time and place. Intellectual development, however, brings with it changes in the accepted conception of "morals"; gradually, very gradually, mankind have commenced to realise that they "ought to follow what is right, not what is established"; and today, though there may still be the greatest divergence of opinion as to what actions are right, yet the terms "moral" and "ethical" are used to denote, not actions in accordance with accepted habits or beliefs, but actions in themselves right, praiseworthy, and commendable, irrespective of prevailing customs or superstitions, irrespective of whether they are inculcated or enforced by existing customs, laws, and institutions. This of course is, consciously or unconsciously, to set up and accept some standard, some principle of action, other than mere use and wont; and it is such a standard, such principle or principles, applicable at all times and to all cases, which the Science of Ethics, when formulated, will be called upon to furnish mankind.

That it is in the Science of Ethics that we have to seek the principles of Economics, is still further confirmed by the fact that just as if each one of us lived and worked isolated and unrelated, without association or co-operation with our fellows, there would be no economic questions to consider; so, too, under such conditions there would be no ethical problems to solve. A man thus living and working, isolated and unrelated, might characterise things external to himself as "good" or "bad," according as they were conducive or detrimental to his individual well-being; and an onlooker might characterise his actions as "good" or "bad," "wise" or "foolish," "prudent" or "rash," "correct" or "incorrect," according as they tended to promote, or failed to promote, this end. If he worked hard, lived temperately, and so on, we might say that he was "wise" or "prudent"; if he yielded to every sensual impulse, we might say that he was "foolish"; but under such conditions his actions could not correctly be characterised as "right" or "wrong," "virtuous" or "wicked," in the ethical or moral sense of these terms. Only when he enters into relations with his fellow-man can his actions be spoken of as "right" or "wrong" in the moral or ethical sense. Morality, in truth, arises out of human relationship; it is a question of right-doing, of equitable dealings and relations between man and man. Actions conducive to the well-being of the individual only may be characterised as "wise" or "prudent"; those conducive to the well-being of others, of the family, tribe, nation or race, can alone be characterised as virtuous or moral.¹ The idea of Duty, which lies at the root of all ideas of Morality, arises solely out of our relations, our obligations, and our responsibilities towards our fellows; and the sense of Duty, of moral responsibility, owes its origin to social life, of which indeed it is but the necessary outcome and consequence. As already pointed out, association and co-operation, the constituent elements of all social life, are alike impossible without the observance of some rule of conduct, some code of social

observances, some system of Ethics. And the fundamental element of all such rules, of all such codes, of all such systems, is the conception of Justice, the recognition of the claims of others. Without some conception of Justice, some recognition of the claims of others, however elementary, social union is, indeed, impossible; and the development and expansion of social life necessitates a wider and truer conception of this primary basic social principle.

1 However "wise" or "prudent" a man's actions may be, so long as they are conducive to his own individual well-being only, they cannot be regarded as ethical or moral. It is only when they tend to benefit others, when they tend to make him a better citizen, as well as a better, happier, or more prosperous man, that the element of morality comes into play. From this point of view, actions are either moral or immoral in so far as they tend and are intended to benefit or to injure others; whilst the ethical or moral man is the man the mainspring of whose activities is consideration for the welfare of others. As a matter of fact, the only rational meaning of "moral" is social, of "immoral," anti-social.

For our part, then, we unhesitatingly and unreservedly accept Justice, or the Law of Equal Freedom, as the first principle of all Social Ethics, as the key-stone of all rational Economics, as the only sound foundation of all peaceful voluntary association and co-operation, of all social life. And "since Nature is not conquered save by obedience," we regard the strictest obedience to its behests as the necessary condition of the full harvest of the possibilities of social life. Of course, like all other first principles, its validity may be denied; and it is likely to be questioned by supporters of things as they are, by upholders of the special claims of some to dominion over their fellows, as well as by those "practical" politicians, the "wise men" of their generation, who would have all social and political questions decided by expediency and compromise, according to the prevailing hazy notions as to what is in the interests of a nation, or more generally of the ruling classes, and without reference to any principle. With such men we have no desire to enter into controversy, nor do we hope to convince them, but would content ourselves with reminding them that the Only alternative is License or Privilege; that Privilege involves Injustice and the sacrifice of Liberty, since the two cannot co-exist; and that it is based on and, once challenged, can only be maintained by force or fraud. Against force, argument is powerless; physical-force reformers are the inevitable product and accompaniment of physical-force rule. Against fraud, on the other hand, argument is all-powerful; for the continuance of the triumph of fraud is dependent on the continuance of ignorance. Today, in constitutionally governed countries at least, the special claims of the few are maintained only by the apathy, tolerance, and ignorance of the many. Already these are impatient of the conditions to which existing social institutions condemn them. With increasing knowledge of the causes of their troubles, their apathy and tolerance

will vanish; all Privileges, however hallowed by time or sanctified by custom, will be swept away; Reason will triumph over Habit; and Justice will be instituted as sole judge and arbiter of all social laws and institutions.

To avoid misunderstanding, we would point out that we are not here contending for what have been called "natural rights," but rather for equal or equitable civic rights. What we desire to emphasise is, that Society's choice is between recognising and respecting the equal claims of all to life, and recognising and respecting the special claims of some; between equality or inequality of opportunities; between Liberty and License; between Justice and Privilege. And what we have endeavoured to show is, that the former alone is in accord with the dictates of Ethics and with the requirements of our industrial civilisation; that it alone is in harmony with those peaceful industrial instincts which today are everywhere slowly triumphing over the more primitive, predatory instincts of the race. But a comparatively few years ago the social problem was, how to reconcile the welfare of the Many with the established privileges of the Few; today it is how to reconcile the privileges of the Few with the welfare of the Many; and when this has been found impossible, as it soon must be, the problem will be how most speedily and effectively to destroy all such privileges, and secure, as far as possible, equal opportunities to all, favours to none. The whole history of our modern civilisation is, in truth, but the record of the continuous struggle to place political and social institutions on a rational and equitable basis, to depose

Privilege and inaugurate Justice, to suppress License and establish Liberty, to dethrone Might and enthrone Right. And to aid mankind to triumph in this endeavour is the sacred mission of the Science of Ethics and the Art of Economics.