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Author(s): Aaron Levy

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## NOTE

### ECONOMIC VIEWS OF THOMAS HOBBS

BY AARON LEVY

Thomas Hobbes (1588–1679) was mainly interested in philosophy and political theory. His economic views are less well known, principally because he treats economic subjects rather briefly and almost incidentally, and that largely because of their political complexion. His lack of interest in economics as such is evident from the fact that it is not even mentioned by him in his classification of knowledge.<sup>1</sup>

At least one writer has characterized Hobbes' observations on economics as quaint.<sup>2</sup> Others have seen in these brief excursions into economics some affinities to mercantilism,<sup>3</sup> adumbrations of utilitarian doctrines,<sup>4</sup> and to some extent approbations of middle-class morality.<sup>5</sup> Undoubtedly, Hobbes shared some of the views of his contemporaries—be they mercantilists or of some other economic persuasion—and from his writings it is easy to glean intimations of later theories which on the whole would have been anathema to Hobbes. But while the attempt to assimilate Hobbes to the principal movements of economic and social thought may be a legitimate venture, the outstanding fact is that his economic views do not fit into a formal schematic arrangement but were determined exclusively by his political doctrines and by the conceptions of man upon which his political edifice was reared. To the extent that his economic thought may be viewed as dictated by considerations of statecraft, Hobbes may be regarded as rather close to Machiavelli; and if his relationship be projected into the future, he may be thought of as performing the services of an intellectual *agent provocateur*. For underlying his economic views are such problems as the meaning of natural law, the nature and origin of property, and the power of the state over economic enterprise—problems that were to occupy the attention of later political and economic theorists, such as the physiocrats and the advocates of laissez-faire. Of course these theorists disagreed fundamentally with Hobbes, but his premises and arguments, considered in the larger political context, presented a challenge they could not ignore and had to meet.

<sup>1</sup> See *Leviathan*, ch. 9. References throughout are to the edition by Michael Oakeshott, published by Basil Blackwell, Oxford.

<sup>2</sup> William A. Dunning, *A History of Political Theories from Luther to Montaigne* (New York, 1905), 292, fn. 3.

<sup>3</sup> Lewis H. Haney, *History of Economic Thought* (4th Ed., New York, 1949), 117, 130, 135, 137.

<sup>4</sup> Eric Roll, *A History of Economic Thought* (New York, 1946), 90.

<sup>5</sup> Leo Strauss, *Political Philosophy of Hobbes* (Chicago, 1952), 118ff.

## I

Hobbes' principal views are set forth in the *Leviathan*, published in 1651, and in *De Cive*.<sup>6</sup> These are concerned mainly with the origin of the state and the necessary conditions for assuring its stability. His economic views appear in fragments in these two major works and in chapter 24 of the *Leviathan*, entitled "Of the Nutrition and Procreation of a Commonwealth." This chapter contains some statements concerning the source of economic commodities, their distribution and conversion into money, the function of money, and a concluding paragraph on colonial settlements.<sup>7</sup> It offers no theoretical or practical insights into economic ideas and affairs, and one is justified in concluding that merely as economics Hobbes' observations appear rather pedestrian. The paltriness of his discussion is also emphasized by his failure to discuss or even to mention such basic economic concepts as price, rent, wages and interest.<sup>8</sup> What lends significance to his remarks are the political overtones regarding the function of the state and the juristic implications which his emphasis on politics has somewhat obscured.

The welfare of the commonwealth, Hobbes notes, depends upon the procurement of essential commodities, which either are available as the usufruct of nature or are produced by man's labor and industry.<sup>9</sup> Such commodities are produced within the state or are imported in exchange for domestic goods. Even where deficient in natural resources, the state may thrive "partly by the labor of trading from one place to another, and partly by selling the manufactures whereof the materials were brought in from other places."<sup>10</sup> He accordingly attaches great significance to commerce and trade, which as a source of wealth are more essential than the so-called bounties of nature.<sup>11</sup>

Since the desire for peace and the attainment of the necessities and comforts of life have led men to the organization of the state, it is the function of the state to promote these objectives. The sovereign "can conferre no more to their civill happinesse then that being preserved from for-

<sup>6</sup> The *De Cive* was originally published in Latin in 1642 and was rendered into English by Hobbes in 1651 under the title *Philosophical Rudiments concerning Government and Society*. A recent edition of the *De Cive* in modern English was prepared by Professor Sterling P. Lamprecht and published in 1949 by Appleton-Century Philosophy Source-Books.

<sup>7</sup> This chapter is discussed in James Bonar, *Philosophy and Political Economy* (2nd ed., London, 1909), 78-86.

<sup>8</sup> In another context he does deny the validity of the medieval notion of a "just price." He says (*Leviathan*, ch. 15, p. 98): "The value of all things contracted for is measured by the appetite of the contractors; and therefore the just value is that which they be contented to give."

<sup>9</sup> *Leviathan*, ch. 24, pp. 160-161.

<sup>10</sup> *Leviathan*, ch. 24, p. 161.

<sup>11</sup> *De Cive*, ch. 13, art. XIV.

raign and civill warres, they may quietly enjoy that wealth which they have purchased by their own industry.”<sup>12</sup> Indeed, it is the duty of the sovereign by positive legislation to promote those pursuits which are productive of wealth. Hobbes apparently did not envisage direct sovereign intervention in economic enterprises but rather the encouragement of the arts employed in husbandry, fishing, navigation, manufacture, and of the mathematical sciences, “the fountaines of navigatory and mechanick employments.”<sup>13</sup>

It is also the sovereign’s duty to enact “laws against idleness”;<sup>14</sup> stating that “for such as have strong bodies . . . they are to be forced to work,”<sup>15</sup> and “to avoid the excuse of not finding employment,” he again suggests the passage of laws to encourage “all manner of arts . . . and all manner of manufacture that requires labour.”<sup>16</sup> He also recognizes over-population as a cause of unemployment and advises that for “the multitude of poor, and yet strong people still increasing, they are to be transplanted into countries not sufficiently inhabited,” and with touching humaneness suggests that the colonists “are not to exterminate those they find there; but constrain them to inhabit closer together, and not to range a great deal of ground, to snatch what they find; but to court each little plot with art and labour, to give them their sustenance in due season.”<sup>17</sup> Of course, Hobbes’ conception of the colonists as an idyllic community of small farmers was never to materialize, and elsewhere he notes the evils of monopoly in connection with foreign and colonial trade.<sup>18</sup> He is also aware of the limitations of colonization as a remedy for surplus population, and apparently does not share the optimism of those who urged that increases in population promoted economic welfare. That would appear to be the significance of his concluding remark: “And when all the world is overcharged with inhabitants, then the last remedy of all is war; which provideth for every man, by victory, or death.”<sup>19</sup> This foreboding is no less than a reversion of man to a state of nature.<sup>20</sup>

For those who through misfortune or accident are unable to work, Hobbes prescribes public charity.<sup>21</sup> He not only denies that the care of the poor should be left to private charities, but by making it the responsibility of the state he also removes the poor from the jurisdiction of the Church, which had administered all forms of charity in the Middle Ages. To Hobbes care of the poor becomes a political matter, for poverty leads to unrest and, if sufficiently widespread, to sedition.<sup>22</sup> It is also apparent

<sup>12</sup> *De Cive*, ch. 13, arts. VI, XIV.

<sup>13</sup> *Ibid.*, art. XIV.   <sup>14</sup> *Ibid.*   <sup>15</sup> *Leviathan*, ch. 30, p. 227.   <sup>16</sup> *Ibid.*

<sup>17</sup> *Ibid.*

<sup>18</sup> *Leviathan*, ch. 22, pp. 151–152.

<sup>19</sup> *Leviathan*, ch. 30, p. 227.

<sup>20</sup> Compare his famous passage in *Leviathan*, ch. 13, pp. 82–83.

<sup>21</sup> *Leviathan*, ch. 30, p. 227.

<sup>22</sup> Cf. *De Cive*, ch. 12, art. IX.

that, in view of his other remedies for unemployment, he looked upon the poor laws as a relief measure and not as a device for the employment of those who, though able, could not find work. This was not the prevalent view in his day, at least as expressed in the Act of 1601, which like some of its predecessors reflected a fusion of relief and employment as part of the English Poor Laws.<sup>23</sup>

Hobbes' general political concern is evident also from his distrust of monopolies or undue concentration of wealth. "There is sometimes in a commonwealth," he says, "a disease, which resembleth the pleurisy . . . when the treasure of the commonwealth . . . is gathered together in too much abundance, in one, or a few private men, by monopolies, or by farms of the public revenues."<sup>24</sup> He is also distrustful of the great number of corporations, which he regards as rivals to the sovereign's authority, "lesser commonwealths in the bowels of a greater."<sup>25</sup> Even "the immoderate greatness of a town" is viewed by Hobbes as an "infirmity of a commonwealth . . . when it is able to furnish out of its own circuit, the number and expense of a great army."<sup>26</sup>

Hobbes also endorses restraints upon indulgence in luxury. In the Middle Ages luxury was considered sinful, and this attitude found its expression in the so-called sumptuary laws. In the seventeenth century economic attitudes predominated, and luxury was condemned as uneconomical, either because luxuries, which were largely imported, disturbed the national balance of trade or aided England's competitors, or because indulgence in luxury resulted in indolence and hence diminished production. It was the later writers who saw in luxury a stimulus to consumption and hence to an increase in production and trade.<sup>27</sup> Hobbes allied himself with the earlier views, although not on moral grounds.

Hobbes not only regards thrift and moderate living "expedient for the enriching of subjects," but he also makes it the duty of the state to forbid "all inordinate expence, as well as in meats as in clothes, and universally in all things which are consumed with use."<sup>28</sup> These emphatic views suggest more than counsels of prudence or strictly economic considerations. To Hobbes frugality, while a virtue among the poor, is also a political matter, and is to be encouraged and rewarded because of its inhibiting effect on the assertion of power.<sup>29</sup> He declares that employment of servants in excess of what a man's estate requires—a form of luxurious ostentation—is unlawful because it might encourage factional disputes.<sup>30</sup>

<sup>23</sup> See L. J. and Barbara Hammond, *The Age of the Chartists* (London, 1930), 56ff.

<sup>24</sup> *Leviathan*, ch. 29, p. 217.

<sup>25</sup> *Leviathan*, ch. 29, p. 218. <sup>26</sup> *Ibid.*

<sup>27</sup> Cf. E. A. J. Johnson, *Predecessors of Adam Smith* (New York, 1937), 289–97.

<sup>28</sup> *De Cive*, ch. 13, art. XIV.

<sup>29</sup> *Leviathan*, ch. 11, p. 66. <sup>30</sup> *Ibid.*, ch. 22, p. 155.

So too, according to Hobbes, ostentation through wealth may serve as a means of enhancing one's popularity with the multitude, and in the absence of assurances as to intent is politically suspect as a source of public disaffection.<sup>31</sup> He adds with a terseness that is epigrammatic: "The same may be said of private wealth, if it exceed, because all things obey money."<sup>32</sup> He also notes that men of excessive wealth may become presumptuous and may believe that they can escape punishment for their crimes "by corrupting public justice, or obtaining pardon by money, or other rewards," as though the rigor of the law was designed only for "poor, obscure, and simple men, comprehended under the name of the *vulgar*."<sup>33</sup>

Hobbes' views on luxury and frugality played a dominant rôle in his theory of the function of taxation. He is opposed to the setting aside of public lands to support the commonwealth. "The nature of men being as it is," he says, "the setting forth of public land, or of certain revenues for the commonwealth, is in vain."<sup>34</sup> This source of public revenue is "subject to alienation and diminution," and in the final analysis recourse will be had to a levy on the subjects in order to replenish the public treasury.<sup>35</sup> Taxes, however, must be equally apportioned, for taxes are "nothing else but the wages, due to them that hold the public sword, to defend private men in the exercise of their trades, and callings."<sup>36</sup> To Hobbes the proration of taxes in accordance with benefits received is obtained by a tax on expenditures or on things consumed, rather than a tax on "the riches of the persons that consume them."<sup>37</sup> A tax on property as such, he says, would penalize the man of industry and frugality and would work to the advantage of the profligate who has dissipated his fortune in riotous living, although both were receiving the same protective benefits from the commonwealth.<sup>38</sup> On the other hand, under a tax measured by what is spent on consumption, "every man payeth equally for what he useth."<sup>39</sup> Such a tax also promotes frugality and is a deterrent to luxurious waste and to the political dangers of conspicuous consumption.<sup>40</sup>

<sup>31</sup> *Leviathan*, ch. 29, p. 217; *De Cive*, ch. 13, art. XIII.

<sup>32</sup> *De Cive*, ch. 13, art. XIII.

<sup>33</sup> *Leviathan*, ch. 27, pp. 193-194. <sup>34</sup> *Ibid.*, ch. 24, p. 163. <sup>35</sup> *Ibid.*

<sup>36</sup> *Leviathan*, ch. 30, p. 226. <sup>37</sup> *Ibid.*

<sup>38</sup> *Ibid.* See also *De Cive*, ch. 13, art. XI. <sup>39</sup> *Leviathan*, ch. 30, p. 226.

<sup>40</sup> Hobbes' contemporary, William Petty, also supported a tax on consumption. See Johnson, *op. cit.*, 107-108. The possibility of an equitable tax proportionate to income did not occur to Hobbes, the term "wealth" apparently comprehending both capital and income; and it may be doubted whether Hobbes was even aware of the distinction in this particular context. Indeed, John Stuart Mill, writing almost two hundred years after Hobbes, suggests that a tax on income is in part at least a tax on capital. See his *Principles of Political Economy*, Bk. V, ch. II, § 7.

## II

In relation to economic doctrine, Hobbes is most challenging in the analysis of property, wherein he struck, and struck hard, at certain assumptions that were to gain currency in later years. He denies the validity of the concept of natural law, which is supposed to obtain among men in a state of nature and logically precede the constitution of government, and is most insistent that property originates in, and is defined by, the law which issues from the authority of the sovereign.

Land Hobbes treats partly as a special case. In the distribution of land, he says, "the sovereign assigneth to every man a portion, according as he, and not according as any subject, or any number of them, shall judge agreeable to equity and the common good," pointing by way of historic precedent to the division of the land among the Hebrews by the command of Joshua and the distribution of the landed estates in England by William the Conqueror.<sup>41</sup> His conception of property, however, is based upon more fundamental considerations. In a state of nature, or prior to the constitution of the commonwealth, there was "no *mine* and *thine* distinct; but only that to be every man's, that he can get; and for so long, as he can keep it."<sup>42</sup> It is the duty of the sovereign to prescribe the necessary rules—laws—by which the property of each is defined and distributed;<sup>43</sup> and accordingly dominion over things and the exclusion of others, which are vouchsafed by law, cannot exclude or foreclose interference by the sovereign.<sup>44</sup> Those who argue to the contrary "destroy the frame" of the commonwealth.<sup>45</sup>

Hobbes, to be sure, recognizes that the vast diversity of human actions must leave an area of freedom for the subject. Indeed, "subjects, if they might do nothing without the commands of the Law would grow dull, and unwildly."<sup>46</sup> Laws "were not invented to take away, but to direct men's actions," and "there should be no more lawes than necessarily serve for good of the Magistrate and his subjects."<sup>47</sup> But this is not to suggest that there is an area of economic activity beyond the reach of the commonwealth. The liberty of the subject—including "the liberty to buy and sell, and otherwise contract with one another; to choose their own abode, their own diet, their own trade of life"—is not derived from the prescriptions of nature but reflects only the extent to which the "sovereign hath praetermitted," and "depend on the silence of the law." Accordingly, the range of the sovereign's authority is not theoretically pre-determinate, and the subject's liberty "is in some places more, and in some less; and in some

<sup>41</sup> *Leviathan*, ch. 24, p. 162.    <sup>42</sup> *Ibid.*, ch. 13, p. 83; see also ch. 15, p. 94.

<sup>43</sup> *Leviathan*, ch. 18, p. 117.    <sup>44</sup> *Ibid.*, ch. 29, p. 213.

<sup>45</sup> *De Cive*, ch. 12, art. VII.    <sup>46</sup> *Ibid.*, ch. 13, art. XV.

<sup>47</sup> *Ibid.* See also *Leviathan*, ch. 21, p. 138.

times more, in other times less, according as they that have the sovereignty shall think most convenient.”<sup>48</sup>

Hobbes' view of property is opposed to the classic theory which defined property in terms of such concepts as *ius utendi* and *ius disponendi*. But the law does not guarantee the use and enjoyment of things, but deals rather with rights. Property is thus a term denoting a legal relationship in that, as Hobbes says, it “excludes the right of every other subject” in the things which by rules of law are assigned to one subject.<sup>49</sup> Nor is property a relation of a person to a thing, but a relation among persons in respect of things, or, as Hobbes puts it, it is one of the “qualities, that relate to men in society, not in solitude,” and “consisteth in the laws, which none can make that have not the sovereign power.”<sup>50</sup> Further, property is concerned not only with things in being at a particular moment in time but also with such things as may be created in the future, which the law defines by rules of distribution, such as “buying, selling, exchanging, borrowing, lending, letting, taking to hire.” A law, for example, which prohibits usury, not only limits the use to which a man may put his money but also determines the portion of the future social product or income he may command. Property, in short, is not something static but must be rendered mobile—and that in Hobbes' view is the function of money<sup>51</sup>—and its significance is derived in part from the power to implement future expectations.

Unfortunately, these two basic aspects of property are not systematically delineated or explored by Hobbes. Rather they are somewhat obscured and even rendered unattractive because they are linked to his views on the state of nature and to his political absolutism. Of course the doctrinaire advocates of laissez-faire took a radically different view of property on the basis of diametrically opposite assumptions: a natural harmonious order and a set of “natural” rights and liberties that the state must recognize and protect.<sup>52</sup> Yet Hobbes's conception of property is analytically sound and susceptible of independent demonstration, without the support of his psychological and political premises.<sup>53</sup>

New York City.

<sup>48</sup> *Leviathan*, ch. 21, pp. 139, 143.   <sup>49</sup> *Ibid.*, ch. 29, p. 213.

<sup>50</sup> *Ibid.*, ch. 13, p. 83; ch. 24, p. 161.   <sup>51</sup> *Ibid.*, ch. 24, pp. 164–165.

<sup>52</sup> The intellectual origins and assumptions of laissez-faire and individualism are discussed in John M. Keynes, *Laissez-faire and Communism* (New York, 1926), 5–53.

<sup>53</sup> See, for example, Morris R. Cohen, *Property and Sovereignty*, 13 *Cornell Law Quarterly* 8ff. (1927).