

empirical and factual, emphasizing the inexorable conditions of human life in society and the numerous ways in which a freedom gained in the name of religion could be perverted so as to endanger the stability of society itself. Far back in Christian thought the necessity of the state and its coercive authority had been explained by the Fall and the consequent sinfulness of man which necessitated a control more immediately drastic than the spiritual sanctions of religion could furnish. Gradually the sinful element of human nature was brought into the framework of a concept of natural law thought of as a set of inexorable necessities which could not be overcome by any spiritual power, at least any at man's disposal.

Thus when social thought became secularized about the seventeenth century its central problem was that of the basis of order in society, in the particular form of the sphere of individual freedom from authoritarian control in relation to the coercive authority of the state. The former sphere tended to be justified and protected by normative arguments, first from religious motives of the freedom of conscience, later in secularized form involving a *normative law of nature* the principal content of which was a set of ethically absolute natural rights.¹ Over against this the argument for authority tended to involve an attempted demonstration of the inexorable necessities of man's life in company with his fellows, above all in the form of the sinful "natural man" secularized into a deterministic human nature. Thus is seen the tendency to think deterministically in terms of the *conditions* of action. This tendency paralleled another—the seventeenth century was also the period of the first great systematization of modern physical science, it was the century of Newton. Hence there was a strong tendency to assimilate these deterministic laws of human nature, in logical type and in part also in content, to the current deterministic theories of physical nature—the scientific materialism of the classical physics. The

¹ On these two concepts of the law of nature and their relations in eighteenth and early nineteenth century thought, see the two articles by O. H. Taylor in *Quarterly Journal of Economics*, November, 1929, and February, 1930. The earlier history of the conception of natural law in the various phases of Christian thought and its antecedents in the thought of late antiquity is admirably discussed in E. Troeltsch, *Social Teaching of the Christian Churches*.

first great example of this type of deterministic thinking in the social field is Hobbes.¹

HOBBES AND THE PROBLEM OF ORDER

For present purposes the basis of Hobbes' social thinking lies in his famous concept of the state of nature as the war of all against all. Hobbes is almost entirely devoid of normative thinking. He sets up no ideal of what conduct should be, but merely investigates the ultimate conditions of social life. Man, he says, is guided by a plurality of passions. The good is simply that which any man desires.² But unfortunately there are very severe limitations on the extent to which these desires can be realized, limitations which according to Hobbes lie primarily in the nature of the relations of man to man.

Man is not devoid of reason. But reason is essentially a servant of the passions—it is the faculty of devising ways and means to secure what one desires. Desires are random, there is "no common rule of good and evil to be taken from the nature of the objects themselves."³ Hence since the passions, the ultimate ends of action, are diverse there is nothing to prevent their pursuit resulting in conflict.

In Hobbes' thinking, the reason for this danger of conflict is to be found in the part played by power. Since all men are seeking to realize their desires they must necessarily seek command over means to this realization. The power a man has is in Hobbes' own words⁴ simply "his present means to obtain some future apparent good." One very large element of power is the ability to command the recognition and services of other men. To Hobbes this is the most important among those means which, in the nature of things, are limited. The consequence is that what

¹ In this chapter there will be no attempt to discuss all authors in terms of their general importance. A selection will be made for discussion of a few concrete theories which conveniently bring out the different logical possibilities of the general system of thought with which we are concerned. In many cases others would do as well.

² THOMAS HOBBES, *The Leviathan*, Everyman ed., p. 24.

³ *Ibid.*, p. 24. In Hobbes' general philosophy there is a tendency to relate the passions, through a mechanistic psychology to a materialistic basis in the laws of motion. This tendency does not, however, play any substantive role in his analysis of social action and hence need not be considered here.

⁴ *Ibid.*, p. 43.

means to his ends one man commands another is necessarily shut off from. Hence power as a proximate end is inherently a source of division between men.

Nature hath made men so equal in the faculties of body and mind, that though there be found one man sometimes manifestly stronger in body or of quicker mind than another, yet when all is reckoned together the difference between man and man is not so considerable as that one man can thereupon claim to himself any benefit, to which another may not pretend as well as he. . . . From this equality of ability ariseth equality of hope in the attaining of our ends. And therefore if any two men desire the same thing which nevertheless they cannot both enjoy, they become enemies; and in the way to their end endeavor to destroy or subdue one another.¹

In the absence of any restraining control men will adopt to this immediate end the most efficient available means. These means are found in the last analysis to be force and fraud.² Hence a situation where every man is the enemy of every other, endeavoring to destroy or subdue him by force or fraud or both. This is nothing but a state of war.

But such a state is even less in conformity with human desires than what most of us know. It is in Hobbes' famous words a state where the life of man is "solitary, poor, nasty, brutish and short."³ The fear of such a state of things calls into action, as a servant of the most fundamental of all the passions, that of self-preservation, at least a modicum of reason which finds a solution of the difficulty in the social contract. By its terms men agreed to give up their natural liberty to a sovereign authority which in turn guarantees them security, that is immunity from aggression by the force or fraud of others. It is only through the authority of this sovereign that the war of all against all is held in check and order and security maintained.

Hobbes' system of social theory is almost a pure case of utilitarianism, according to the definition of the preceding chapter. The basis of human action lies in the "passions." These are discrete, randomly variant ends of action, "There is no common rule of good and evil to be taken from the nature of the objects themselves." In the pursuit of these ends men act rationally,

¹ *Ibid.*, p. 63.

² *Ibid.*, p. 66.

³ *Ibid.*, p. 65.

choosing, within the limitations of the situation, the most efficient means. But this rationality is strictly limited, reason is the "servant of the passions," it is concerned only with questions of ways and means.

But Hobbes went much farther than merely defining with extraordinary precision the basic units of a utilitarian system of action. He went on to deduce the character of the concrete system which would result if its units were in fact as defined. And in so doing he became involved in an empirical problem which has not yet been encountered, as the present discussion so far has been confined to defining units and noting merely their logical relations in utilitarian thought—the problem of *order*. This problem, in the sense in which Hobbes posed it, constitutes the most fundamental empirical difficulty of utilitarian thought.¹ It will form the main thread of the historical discussion of the utilitarian system and its outcome.

Before taking up his experience with it, two meanings of the term which may easily become confused should be distinguished. They may be called normative order and factual order respectively. The antithesis of the latter is randomness or chance in the strict sense of phenomena conforming to the statistical laws of probability. Factual order, then, connotes essentially accessibility to understanding in terms of logical theory, especially of science. Chance variations are in these terms impossible to understand or to reduce to law. Chance or randomness is the name for that which is incomprehensible, not capable of intelligible analysis.²

Normative order, on the other hand, is always relative to a given system of norms or normative elements, whether ends, rules or other norms. Order in this sense means that process takes place in conformity with the paths laid down in the normative system. Two further points should, however, be noted in this connection. One is that the breakdown of any given normative order, that is a state of chaos from a normative point of view,

¹ Its main competitor is that of rationality as empirically adequate. That of order is the more strategic for the present analytical purposes.

² Only on a positivistic basis is intelligibility confined to empirical science. This yields the rigid dilemma: either scientifically understandable or random chaos. The limits of science are, then, to the positivist the absolute limits of human comprehension.

may well result in an order in the factual sense, that is a state of affairs susceptible of scientific analysis. Thus the "struggle for existence" is chaotic from the point of view of Christian ethics, but that does not in the least mean that it is not subject to law in the scientific sense, that is to uniformities of process in the phenomena. Secondly, in spite of the logically inherent possibility that any normative order may break down into a "chaos" under certain conditions, it may still be true that the normative elements are essential to the maintenance of the *particular* factual order which exists when processes are to a degree in conformity with them. Thus a social order is always a factual order in so far as it is susceptible of scientific analysis but, as will be later maintained, it is one which cannot have stability without the effective functioning of certain normative elements.

As has been shown, two normative features play an essential role in the utilitarian scheme, ends and rationality. Thus, for Hobbes, given the fact that men have passions and seek to pursue them rationally, the problem arises of whether, or under what conditions, this is possible in a social situation where there is a plurality of men acting in relation to one another. Given one other fact, which Hobbes refers to as the "equality of hope," the problem of order in the normative sense of a degree of attainability of ends, of satisfaction of the passions, becomes crucial. For under the assumption of rationality men will seek to attain their ends by the most efficient means available. Among their ends is empirically found to be attainment of the recognition of others. And to them under social conditions the services of others are always and necessarily to be found among the potential means to their ends. To securing both these, recognition and service, whether as ultimate or as proximate ends, the most immediately efficient means, in the last analysis, are force and fraud. In the utilitarian postulate of rationality there is nothing whatever to exclude the employment of these means. But the effect of their unlimited employment is that men will "endeavor to destroy or subdue one another." That is, according to the strictest utilitarian assumptions, under social conditions, a complete system of action will turn out to be a "state of war" as Hobbes says, that is, from the normative point of view of the attainment of human ends, which is itself the utilitarian starting

point, not an order at all, but chaos.¹ It is the state where any appreciable degree of such attainment becomes impossible, where the life of man is "solitary, poor, nasty, brutish and short."

The point under discussion here is not Hobbes' own solution of this crucial problem, by means of the idea of a social contract. This solution really involves stretching, at a critical point, the conception of rationality beyond its scope in the rest of the theory, to a point where the actors come to realize the situation as a whole instead of pursuing their own ends in terms of their immediate situation, and then take the action necessary to eliminate force and fraud, and, purchasing security at the sacrifice of the advantages to be gained by their future employment. This is not the solution in which the present study will be interested. But Hobbes saw the problem with a clarity which has never been surpassed, and his statement of it remains valid today. It is so fundamental that a genuine solution of it has never been attained on a strictly utilitarian basis, but has entailed either recourse to a radical positivistic expedient, or breakdown of the whole positivistic framework.

Before leaving Hobbes it is important to elaborate a little further the reasons for the precariousness of order so far as the utilitarian elements actually dominate action. This precariousness rests, in the last analysis, on the existence of classes of things which are scarce, relative to the demand for them, which, as Hobbes says, "two [or more] men desire" but "which nevertheless they cannot both enjoy." Reflection will show that there are many such things desired by men either as ends in themselves or as means to other ends. But Hobbes, with his characteristic penetration, saw that it was not necessary to enumerate and catalogue them and to rest the argument on such a detailed consideration, but that their crucial importance was inherent in the very existence of social relations themselves. For it is inherent in the latter that the actions of men should be potential means to each other's ends. Hence as a proximate end it is a direct corollary of the postulate of rationality that all men should desire and seek power over one another. Thus the concept of power comes to occupy a central position in the analysis of the problem of order. A purely utilitarian society is chaotic and

¹ Seen as a factual order a purely utilitarian system would then be an inherently unstable phenomenon, incapable of empirical subsistence.

unstable, because in the absence of limitations on the use of means, particularly force and fraud, it must, in the nature of the case, resolve itself into an unlimited struggle for power; and in the struggle for the immediate end, power, all prospect of attainment of the ultimate, of what Hobbes called the diverse passions, is irreparably lost.

If the above analysis is correct one might suppose that Hobbes' early experiments with logical thinking on a utilitarian basis would have brought that type of social thought to a rapid and deserved demise. But such was very far from being the case, indeed in the eighteenth and nineteenth centuries it enjoyed a period of such vogue as to be considered almost among the eternal verities themselves. But this was not because the Hobbesian problem was satisfactorily solved. On the contrary, as so often happens in the history of thought, it was blithely ignored and covered up by implicit assumptions. How did this happen?

It is significant that the immediate practical animus of Hobbes' social thought lay in the defense of political authority on a secular basis. A strong government, justified by the social contract, was necessary bulwark of the security of the commonwealth, threatened as it was by the imminent danger of the resurgence of force and fraud. It has already been remarked that in the argument over political obligation those who defend individual liberty tend to make use of normative rather than factual arguments. It is largely in this context that what later came to be the dominant stream of utilitarian thought developed, so that Hobbes was virtually forgotten. In the process of development there took place a subtle change. What started as normative arguments about what ought to be, became embodied in the assumptions of what was predominantly considered a factual scientific theory of human action as it was. By some this theory was looked upon as literally descriptive of the existing social order; by others, more skeptically as, though not the whole truth, at least justified for heuristic purposes; and above all either case as constituting the working conceptual tools of great tradition of thought. Hence for present purposes it matters little which of the two positions was taken since the empirical qualifications of utilitarian theory were embodied in residual categories which played no positive part in the theoretic system itself, at least until the time of its incipient breakdown.

LOCKE AND THE CLASSICAL ECONOMICS

The most convenient starting point for the present discussion is Locke. The contrast between Locke and Hobbes is striking and illuminating precisely because of the extent of agreement in their underlying conceptual schemes. Locke also thinks in terms of a plurality of discrete individuals each pursuing his own ends independently of the others. Though there is no explicit statement that these ends are random, as there is in Hobbes' work, yet it is quite clear that Locke entertains no clear conception of any positive mode of relation between them. The only explicit treatment of ends at all is that of the natural rights which men have "by nature," independently of civil society, and which it exists to protect. But all these—life, health, liberty and possessions,¹—are to be regarded as the universal conditions of the attainment of individual ends, not as the ultimate ends in themselves. They are the things which all rational men want as conditions or means regardless of the character of their ultimate ends. In the philosophy of Locke as well as Hobbes men are rational in the pursuit of their ends.

Nevertheless there are striking differences between the positions of the two men. As against Hobbes, Locke consistently minimizes the problem of security. To be sure, one motive for the social contract is that although men have the above rights by nature, still, if in the state of nature they are violated, there is "no recourse but to self-defense," while in civil society men will be protected in their rights by the government. There thus is a problem, but it is a highly contingent one. Men's rights might be violated but the danger is so slight that overthrow of government if it does not live fully up to its obligations to protect them is fully justified. The risk is not, as Hobbes would have maintained, too great. Thus for Locke, government instead of being the dam which precariously keeps the angry floods of force and fraud from inundating society and destroying it becomes merely a prudent measure of insurance against an eventuality which is not particularly threatening, but which wise men will nevertheless provide against. Indeed so much is this the case that security against aggression really becomes a subordinate motive of

¹ JOHN LOCKE, *Two Treatises of Civil Government*. Everyman ed., p. 119.

participation in civil society; its place is taken by the positive mutual advantages of association.

What underlies this difference? It is usually put as a difference in the conception of the state of nature. Instead of being a *bellum omnium contra omnes* it is for Locke a beneficent state of affairs, governed by Reason, the law of nature. Reason "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."¹ Reason is not merely the servant of the passions but the dominant principle of nature itself.

But what does this mean? Essentially that men "being reasonable" ought to, and in general will in pursuit of their ends subordinate their actions, whatever these may be, to certain rules. The essential content of these rules is to respect the natural rights of others, to refrain from injuring them. This means that the choice of means in pursuit of ends is not guided solely by considerations of immediate rational efficiency, but that "reason" in this sense is limited by "reason" in the other. Above all they will not attempt to subdue or destroy one another on the way to their end. There will be, that is, drastic limitations on the employment of force and fraud and other instruments of power. Now this limitation on utilitarian rationality is achieved by introducing a third normative component not indigenous to the utilitarian system as it has been defined. And it is this which accounts for the stability of Locke's particular type of individualistic society. It is the means of minimizing the importance of the problem of order.

By employing the term reason Locke apparently implies that this attitude is something at which men arrive by a cognitive process. It includes the recognition that all men are equal and independent and that they have a reciprocal obligation to recognize each other's rights and thus take upon themselves sacrifices of their own immediate interests. This, however, is the necessary condition of a maximum attainment of the ends of a long run. Thus at the basis of the position lies the postulate of the rational recognition of what Halévy² has aptly termed the

¹ *Ibid.*, p. 119.

² See ÉLIE HALÉVY, *La formation du radicalisme philosophique*, 3 vols. This is much the most penetrating account available of the aspects of utilitarian thought which are important for this discussion. It has been of great value in the formulation of the present historical sketch.

natural identity of interests. This is the device by which it has been possible for utilitarian thought, with few exceptions, for two hundred years to evade the Hobbesian problem.¹

It is a fact, curious as it may seem, that Locke's more or less wishful postulation of the natural identity of interests opened the way to a highly important scientific development which, though in essence utilitarian, could never have taken place in terms of the more consistent Hobbesian version of utilitarian theory. And this is true in spite of the fact that many of its proponents went far to forget the assumptions on which the empirical applicability of their reasoning depend even with the degree of clarity with which Locke was aware of them. The mode of thinking which Hobbes employed, applying it as he did in an empiricist sense, led empirically to an intensive concentration on the problem of a minimum of security. So intense was this concentration that the sheer difficulty of attainment of this minimum far overshadowed any possibilities of positive advantage to be derived from social relationships beyond security itself. Locke, on the other hand, having pushed the problem of security aside, was in a position to pay attention to these matters, and what is much more important, to create a framework of thought within which their analysis could proceed later to far more refined stages than Locke himself attained.

How far Locke's position here as against Hobbes' is a case of wishful thinking is not a matter of importance at present. There is a sense in which he was factually the more nearly right. But in terms of the utilitarian scheme there was no adequate way of formulating his correct insight that most societies would not dissolve into chaos on the breakdown of government, that hence there must be some other element of normative order than fear of governmental coercion. It often happens, in a state of scientific immaturity, that the thinker who comes nearest being factually right in his empirical views is the least theoretically penetrating. Hobbes' iron consistency in developing the consequences of utilitarian assumptions was, in spite of the fact that it led him to empirical errors, such as an exaggerated fear of the consequences of revolution, a greater scientific achievement than Locke's more "reasonable" attitude with its failure adequately to discriminate his implicit normative assumptions from established fact. Locke, that is, was right but gave the wrong reasons. It must be remembered that *scientific achievement is a matter of the combination of systematic theoretical analysis with empirical observation*. When a theoretical system is only partially adequate to the known facts a more correct factual account may be achieved by admitting theoretical errors and inconsistencies. But factual correctness is not the sole aim of science; it must be combined with thoroughgoing theoretical understanding of the facts known and correctly stated.

The treatment of Locke is, it should be remembered, with the sole exception of the "identity of interests," restricted to utilitarian basis. The ends of individuals are still discrete and unrelated. Then there arises, in civil society, the possibility of the presence of any one individual being used as means to another's ends, and with the satisfactory elimination of coercive power this will entail mutual advantage. Of this mutually advantageous use as means to each others' ends there are two logically possible types. One is that of cooperation in the pursuit of a common end, however proximate. The other is exchange of services, or possessions. For a number of reasons the first possibility played little part in the tradition of thought now being considered; its attention was fastened on the exchange of services or possessions. This is probably owing primarily to the fact that with the concentration of attention on the diversity of ends, and on the unit act, the very existence of common ends even on the proximate level seemed relatively rare and unimportant. Indeed it was mainly in the transition to radical rationalistic positivism that this possibility came into its own.

In the meantime it was the phenomenon of exchange which attracted attention. And if this was to have empirical meaning beyond the mere accidental possession of diverse resources, naturally had to become combined with a theory of specialization and the division of labor. The phenomena of specialization, the division of labor and exchange constitute the empirical starting point and focus of attention of the classical economic. One of the first formidable attempts at systematic discussion of these issues is to be found in the famous chapter on Property in Locke's *Second Treatise of Civil Government*.¹ It lays the foundations of the central classical doctrine, the labor theory of value, and is particularly instructive in indicating its genetic though possibly illogical, connections with the normative aspects of the Lockean theory of the state of nature.

For, in the first instance, this chapter was a defense of private property which, it will be remembered, was listed among the natural rights of men. But property Locke found defensible because it embodied human labor; something became a man

¹ JOHN LOCKE, *op. cit.*, Chap. V.

property when he had "mixed his labor with it"¹ as the celebrated phrase went. The "state of nature" defined a norm of justice for property relations. They should start with "natural equality," in other words, initial advantages should be equalized. This, of course, implied the unrealistic assumption that all men had equal access to the gifts of nature with which to mix their labor. The doctrine held only as Locke said when "there is enough and as good left in common for others."² But under Locke's assumptions the same standard defined the conditions of exchange both in justice and in the condition in which rational men would actually accept it. For there could be no advantage in exchange unless a man received more than he could produce in the same line of endeavor by his own labor, otherwise there would be no inducement to enter into exchange. All this would hold so long as there was no coercion, so long as each could choose what transactions he should enter into freely and on an equal basis with his fellows. Then not only would the actual distribution of property and the terms of exchange be just, but goods and services would in fact exchange in proportion to the labor embodied in them. This is the theorem which was later taken up and developed.

Its elaboration and qualification into a usable economic theory, especially as carried out by Adam Smith and Ricardo, involved many intricacies which cannot be reviewed here. Besides the possibility already noted of unequal access to the gifts of nature there were several other sources of difficulty involved in its application to the analysis of a complex concrete society. One was occasioned by the use of capital, the spreading of the production process over time and hence the deferring of consumption for the sake of a larger ultimate product. Ricardo saw very clearly the implications of this difficulty, but on the whole its consequences were obscured for the classical economists by certain peculiarities of their way of conceiving the role of capital, as "funds destined for the maintenance of labor."³ Another difficulty is caused by the fact that for the most part production is not carried out by an independent individual, but by an organized

¹ *Ibid.*, p. 130.

² *Ibid.*

³ ADAM SMITH, *Wealth of Nations*, ed. by E. Cannan, Vol. I, pp. 74-75.

unit so that the question must be raised of the terms of cooperation in its functioning. These questions need not be further discussed now.

Only two points must be emphasized here. First, what was to Locke primarily a standard of justice, the "natural equality in exchange" became by the time of Ricardo primarily a heuristic assumption which served to simplify the problems sufficiently to make possible the development of a workable conceptual scheme. Ricardo probably came as close as anyone in the history of the social sciences to a purely scientific point of view. But none the less the assumptions of Locke's state of nature were built into the structure of Ricardo's scientific theorizing. That Ricardo himself was not defending any standard of justice makes no difference from the present point of view, so long as he had nothing to put in its place as a basis in assumption for an economic theory. He himself realized the scientific limitations of the labor theory of value with extraordinary clarity and anticipated most of the subsequent criticisms to which it has been subjected. But he had no alternative to put forward. If not fully satisfactory it was at least a first approximation, which was far better than nothing. In Ricardo what may have been for Locke an ethical limitation on scientific insight had become definitely a theoretical limitation. It could not be overcome until there developed a new theoretical movement. As far as economics was concerned this took two directions. One, which Ricardo himself in part shared, involved the breakdown of the assumption of natural identity of interests. This will be discussed presently. The other came much later, and was developed by people who had for the most part ignored the first; it was the advent of the marginal utility conception, in England through Jevons and Marshall. This, while still consistent with the Lockean assumptions, in fact solved the principal theoretical difficulties which Ricardo had been unable to surmount.

The second point to be emphasized is that the conceptual scheme of the classical economics was enabled to flourish as a serious scientific theory and more than a mere intellectual exercise precisely because it was applied to a society in which the basic problem of order was assumed to be solved. Otherwise there could have been no empirical interest in its problems. For economic relations as conceived by the classical economics can

take place on a significant scale only within a framework of order by virtue of which force and fraud are at least held within bounds and where the rights of others are respected to a degree.¹ But utilitarian theory, though it operated on an empiricist basis, had no adequate way of accounting for this order. Since no more adequate conceptual scheme than the utilitarian was available at the time, it was a fortunate error that the gap was filled by what, it is now evident, was an untenable "metaphysical" postulate, that the identity of interests was "in the nature of things" and that never under any circumstances was there occasion to question the stability of such an order. Utterly dependent logically on this "erroneous" premise there grew up what is perhaps the most highly developed theoretical system in the social sciences with correct results—within certain limitations. This fact may serve as a lesson to those who are overly puristic in their scientific methodology. Perhaps it is not always wise to discard even methodologically objectionable elements so long as they serve a useful scientific function, unless one has something better to substitute. Of course the fact is that, however untenable in other respects, the postulate of the natural identity of interests was a way of stating a crucially important fact, that in some societies to an important degree there does exist an order which makes possible an approximation to the conditions required by the assumptions of classical economic theory.

From this discussion of the issue as between the Hobbesian and the Lockean versions of utilitarian thought may be seen emerging a distinction which will prove to be of great importance to the discussion which follows. It is between two classes of means in the rational pursuit of ends, those involving force, fraud and other modes of coercion, and those involving rational persuasion of advantage to be gained by entering into relations of exchange. As has been shown, the attribution of any considerable importance to the latter class is dependent on the former being kept to a degree under control. But once this control is factually given, the latter assumes a prominent position. In terms of the relative emphasis on the two classes of means, and the problems

¹ See O. H. TAYLOR, "Economic Theory and Certain Non-economic Elements in Social Life" in *Explorations in Economics, Essays in Honor of F. W. Taussig*, p. 390.

successors were still vouchsafed a long life without change in conceptual framework, does not matter here. The issues were clearly brought to the surface, and that is enough. That they were not met, but still ignored or evaded, in part by Malthus himself, belongs not to the logic of theoretical systems but to the history of the infirmities of man as *Homo sapiens*.

In effect, the source of the difficulty was the fact that the postulate of identity of interests really amounted to a denial of one of the utilitarian cornerstones, the randomness of ends. Since both principles tended to be implicit rather than explicit, it is not surprising that there should have been vacillation between the two positions. But the tendency toward the identity of interests fitted in with another prominent element in the positivistic system, namely preoccupation with the rationalistic schema of scientific methodology in relation to action. When this rationalistic tendency is pushed through to a logical conclusion the difficulty of the conflict disappears. Then men's interests are indeed identical, for they have a common set of conditions to which rationally to adapt themselves. Thus Locke's theory of normative nature tends to fuse with the actual conditions of existence as scientifically knowable. The differentiation of the two conceptions of nature had always been more or less indistinct and wishful thinking, rationalized by the teleological optimism of deism, saw in actuality the realization of its wishes.¹ This tendency had been realized on a grand scale in the optimistic philosophy of eighteenth-century France, in the biology of Lamarck as well as the social thought of Condorcet.

But this change of position was associated with a subtle shift of emphasis in other respects. This particular rationalism could, in the current controversies over the question of political obligation, on the part of the anti-authoritarians easily develop into a form of anarchism. The contrast of human institutions with nature to the detriment of the former could lead to advocacy of the abolition of all control. Once freed of the corrupting influence of bad institutions, men would spontaneously live in accord with nature, in harmony, prosperity and happiness. For were not, so far as their reason held sway, their interests identical? There was still a further consequence of this point of view. In the

¹ See L. J. HENDERSON, *The Fitness of the Environment*, for certain facts which provide a partial scientific basis for this optimism.

they give rise to, there can be differentiated two main phases of the development of utilitarian thought, the political and the economic, respectively. Here also a glimpse may be caught of the reasons why the question of the status of economic theory is of such crucial importance to the whole range of theoretical issues occupying this study. For, in so far as the basic action schema is employed for analytical purposes, the fact that economic action is actually empirically important must inevitably raise the question of the adequacy of the utilitarian version of the theory of action, if the contention is right that it cannot, without extraneous assumptions, account for the element of order in social relationships necessary to make this possible. Indeed, the central problem may be stated thus: How is it possible, still making use of the general action schema, to solve the Hobbesian problem of order and yet not make use of such an objectionable metaphysical prop as the doctrine of the natural identity of interests? This is why in this study the principal analysis will begin with the work of an eminent economist and continue with a sociologist to whom the question of the status of economic theory is of crucial importance. To repeat, its principal concern will be with one way of escape from the inherent instability of the utilitarian system. But before discussing this central theme it is important to analyze some of the theories which have taken the other logically possible path, the transition to the radical positivistic position.

MALTHUS AND THE INSTABILITY OF UTILITARIANISM

A convenient point of attack is to be found in the position of Malthus.¹ Without, perhaps, altogether realizing what he was doing, he made some serious dents in the armor of "optimistic" utilitarianism. In the polemics in which he was involved may be clearly seen the radically positivistic tendency just mentioned, bifurcating thought into the two possible radical positivistic directions, leaving the economists stranded in the middle. The attack was not fatal but that the classical economics and its

¹ All the aspects of Malthus' thought important in this context are seen in his *Essay on the Principle of Population*, 1st ed. It has been recently reprinted by the Royal Economic Society. The best secondary treatment for present purposes is in Halévy, *op. cit.*