

THE POLITICAL ECONOMY OF

JOHN RUSKIN

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PREFACE

This dissertation is concerned with the economic ideas of John Ruskin. Generally, Ruskin has not been given very much attention by economists. Yet he wrote a considerable amount about economics; criticizing existing theory, developing his own economic concepts and ideas and making proposals for economic change. The purposes of this study are to examine the amount of attention given to Ruskin by economists, to present and examine his economic writings and to consider his influence.

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CHAPTER I

INTRODUCTION

John Ruskin, born in 1819 and died in 1900, wrote and lectured throughout most of his adult life. His published works, with some previously unpublished material, were collected by E. T. Cook and Alexander Wedderburn.¹ Ruskin's works includes books, poetry, sketches and drawings, articles, prose essays, dialogues, lectures, letters and an autobiography. The subject matter, equally diverse, ranges over such topics as art criticism, architecture, nature, aesthetics, ethics, religion, geology, education, government, political economy and social reform. Ruskin's literary reputation, especially as an art and architecture critic, was firmly established during his lifetime. Major works on art and architecture include: Modern Painters (five volumes), The Seven Lamps of Architecture and The Stones of Venice (three volumes). He was elected Slade Professor of Fine Art at Oxford University in 1869 and held the position for eleven years (1870-1879, 1883-1885). However, Ruskin believed his most important writing was on the subject of political economy. In comparing his writings on political economy to his other works, he contended "they contained

¹John Ruskin, The Works of John Ruskin (thirty-nine volumes), eds. E. T. Cook and Alexander Wedderburn (lib. ed., London, 1903-1912). This edition of Ruskin's works is used throughout this study. Subsequent citations of this reference will be parenthetically in the text by volume and page number.

better work than most of my former writings, and more important truths than all of them put together . . ." (XVII, p. 143). He thought "my forte is really not descriptive but political economy" (XXVII, p. 325). Evidently Ruskin believed he had devoted some of the best years of his life to studying, thinking and writing about political economy. He thought his conclusions, based on his studies, were correct and that his writings about political economy were superior to his other work. It does not appear that economists have the same high regard for his work.

The Problem

Despite Ruskin's evaluation of his own work in political economy, there does not appear to be a complete and thorough study of his writings by a professional economist trained in the modern neoclassical tradition. The analysis of his political economy, when done by economists, seems to be either contemporary with him or only fragmentary or done by an unorthodox economist. Other studies of Ruskin's economic teachings have been done by individuals trained in the humanities, literature or the fine arts. These studies, while useful, were not done by individuals who could bring the training and skills of a professional economist to their work. Consequently this study is an attempt to fill a gap in the study of economists and economic thought. Since some economists are now searching for a radical new approach, it is particularly timely to analyze the economics of Ruskin, a critic and dissenter. The underlying assumption is that Ruskin, although not a professional economist by training or major occupation, presented fruitful insights, inspirations and points of view concerning economic

problems and their solution. This study will examine several specific questions. One of these concerns the treatment of Ruskin by economists, particularly in the last thirty years. A second question concerns Ruskin's criticism of classical economics. The third question concerns Ruskin's positive reconstruction of political economy. The fourth question concerns Ruskin's influence upon economists, economics and social thought and policy in Great Britain.

An Outline of the Study

The first step in this study, beyond the introduction, is an investigation of the literature to determine what has been written about the political economy of John Ruskin. This survey of the literature shows what has been done in studying his political economy. It also shows that the contemplated work has not been done, thus supporting the need for the study. Finally, this survey of the literature examines the question of the treatment given to Ruskin by economists, particularly in the last thirty years. The investigation of the literature is divided into three parts: (1) an examination of a group of histories of economic thought to determine the textbook treatment of Ruskin; (2) a search of relevant bibliographies for articles about Ruskin, particularly by economists; and (3) a search for other material written about Ruskin by economists. The search of the literature leads to the following conclusions: (1) Ruskin is given only scant treatment in histories of economic thought; (2) while economists write articles about individuals and their ideas, they have left the writing of articles about Ruskin's economics in the past thirty years to noneconomists; and (3) there has not been a complete study of Ruskin's economics by a modern

economist. Both Ruskin's life style and his writing style are examined to explain why he is generally ignored by economists and no longer widely read by the public. Economists do not consider Ruskin as one of them. Further his peculiar life and personality has attracted study that could have been devoted to his ideas. His writing style contains several characteristics that make him difficult to read and that discourage and frustrate the reader.

The third chapter traces the development of Ruskin's interest in political economy and the shift of his emphasis from art criticism to political economy. It introduces his writings that consider political economy most directly, the circumstances under which they were written, his purpose in writing these works and their place in Ruskin's overall scheme of political economy. Furthermore, Ruskin's qualifications as an economist are considered. His ability to grasp first principles and to go beyond initial premises were helpful to him. His lack of knowledge and understanding of classical economics hindered his development as an economist. Ruskin mounted a scathing attack upon classical economics. He contended that economics conflicted with religious teachings based on the Bible. He argued that economics was not a science because it was contrary to religion and because it did not consider consumption. Further, economics was founded upon an incorrect premise about the nature of man. He was critical of economists for not defining specific terms and concepts. Ruskin's criticism combined some entirely justifiable attacks on classical economics with occasional misunderstandings of what economists were trying to do. For example, classical economics did not give consumption much attention. On the other hand, some criticism was based on a lack of understanding of what the

classical economists were trying to do. Much of it could better have been directed at the popularizers and practitioners of classical economics. His idea about what motivates man did not appear to be as applicable as the ideas of the classical economists, although this touched a weak link in economic analysis. His complaints that economists had not defined terms were partly justified since there was not always common agreement on what terms meant. However, economists usually defined their terms but Ruskin disliked the definitions.

Ruskin's principles of political economy are divided into two parts and presented in Chapters IV and V. His ideas are abstracted, rearranged and organized in a topical manner. Where necessary, these ideas are interpreted and expanded. In addition, a commentary evaluates his ideas. The effect is a modern exposition of Ruskin's economics. Certain of his ideas would have been helpful in the development of economics during his life. For example, his analysis of political economy made it more a science of choice than a study of wealth. His analysis of consumption recognized the possibility of hoarding. He recognized a demand for commodities caused a derived demand for labor. However, these ideas needed to be developed and adapted to traditional economic theory before they could be very useful. For today, Ruskin's writings contain the ideas for the development of a human standard of value which, replacing the monetary standard, would serve to measure and evaluate economic activities. Of course, there is a question whether economic activities can be measured by a human standard. If it is possible, then it suggests an alternative to the price system as a method of valuing goods and services.

Ruskin's program for change and reform is presented in Chapter VI in a manner similar to his reconstruction of political economy. He wanted to reform the behavior of individuals so they acted honestly and justly and considered the effects of their action on others. He proposed changing economic institutions to transform the free enterprise market economy into an economy regulated and managed by trade guilds. Property, although still privately owned, would be owned by the users of it. In addition, he proposed a program of government activity which made the government responsible for managing the economy, although he did not call for central planning. Ruskin wanted to bring about a more efficient use of resources, particularly labor. He also favored a less unequal distribution of income. If his terms are accepted, it appears his proposals would move the economy towards these objectives. Many of his proposals for change are interesting and suggestive because they consider problems that currently face many economies. Either the problem has never been resolved or changing historical circumstances have caused current controversy about the problem.

The extent of Ruskin's influence is surveyed in Chapter VII. With the exception of Hobson, who was not an orthodox economist, it does not appear that Ruskin influenced greatly any economist significant in the history of economic thought. Consequently, it seems his influence upon economic analysis has been minor. On the other hand, evidence is presented showing that Ruskin was a major influence upon the lives of some noneconomists like Gandhi and Morris. Furthermore, several different writers credited Ruskin with helping to destroy the doctrine of laissez-faire and preparing the way for the welfare state. Many of

his proposals for change are compatible with practices followed by governments today.

The summary of the material and the conclusions are presented in the last chapter. Ruskin's reconstruction of political economy is summarized around the basic concept of a human standard of value. His proposals for reform are also summarized. The conclusions of the study are: (1) Ruskin's neglect by modern economists is not entirely justified; (2) his criticism of classical economics was partly justified and partly based on a lack of understanding; (3) his positive reconstruction of economics contained useful suggestions and insights for his own time but they needed to be further developed; his ideas provide the basis for constructing a human standard of value for the present time but a means of applying this standard needs to be developed; (4) his proposals for change contain useful insights into economic problems and their solution, both for his own time and for the present day; and (5) while Ruskin has not had much influence upon economists or economic analysis, it appears he has had significant influence upon social thought and policy in Great Britain. Further research is needed to determine more precisely his influence.

CHAPTER II

THE ATTENTION GIVEN TO RUSKIN

BY MODERN ECONOMISTS

One of the questions to be examined in this study is the amount of attention given to Ruskin by economists, particularly during the last thirty years. This examination involves a search of the literature to determine what, if anything, modern economists have written about Ruskin. This search of the literature will determine the previous work that has been done on the political economy of Ruskin. In addition to providing a starting point, a search of the literature will provide some useful information and prevent the duplication of research. Showing that this particular study has not been done supports the need for the present study. This survey of the literature leads to the conclusion that Ruskin is either ignored completely or given very slight attention by economists. Most studies of his economic ideas have been made by noneconomists. A basic assumption underlying this study is that economists in history of thought might well give more attention to Ruskin.

After determining that Ruskin has, for the most part, been neglected by economists, the second part of this chapter will offer some probable reason for this neglect. Both his life style and his style of writing are contributory factors. Ruskin was not a professional economist either by training or by occupation. His personality

and personal relations with other people have attracted study that could and perhaps should have been devoted to his writings. His writings on economics are not collected and condensed into a particular part of his works, but are scattered throughout his writings. Further, his style of writing involves certain mannerisms that tend to discourage a reader. However, these reasons for neglecting Ruskin are not entirely justified if he has written something of value.

A Survey of the Literature

The search of the literature for previous work on Ruskin by economists is divided into three parts. The first part is an examination of modern books on economic thought for references to Ruskin. The second part is a search of bibliographies for articles on Ruskin by economists in economic journals. The third part is a search for other material written about Ruskin by economists. While not exclusively restricted to the last thirty years, the search is concentrated on that period of time. The primary reason for this limitation is the major proposition to be examined in the chapter is the amount of attention given to Ruskin and his political economy by modern economists.

Ruskin in Histories of Economic Thought

A sample of thirty-five books on economic thought, ideas, doctrines, theories, analyses or about economists were selected.¹ No effort was made to pick a representative or random sample of books

¹Appendix A contains a list of the books examined, grouped by the number of references to Ruskin. It also contained a detailed examination of what was written about Ruskin.

since no detailed statistical analysis was to be made. The main criterion used in selecting this group of books was their availability; however, these books are considered to include the standard and well-known texts in the field. It is believed that these books accurately reflect the treatment of Ruskin by writers of books on economic thought. While the conclusions drawn from this investigation can be strictly applied only to this group of books, it is believed these conclusions apply generally to the treatment of Ruskin in books of economic thought. The starting point, in examining these books, was the number of references to Ruskin in the indices of these books. The second part of the investigation considered the amount written about Ruskin for each reference. Usually it was only a single sentence or a paragraph. The third part evaluated the information presented about Ruskin. The assumption was that consideration of these three points would answer the question about the amount of attention given Ruskin by the writers of these books. In order to stay within the limits of the study, these books, with four exceptions, have been published since 1940.

These thirty-five books had a total of forty-four references to Ruskin in their indices. Twenty did not cite Ruskin at all and presumably contained no information about him. The other fifteen books averaged about three references to Ruskin per book. There were two books that differed from the others in that they each contained seven references to Ruskin. If these two are temporarily excluded, references to Ruskin averaged less than one per book. Usually, these references involve only a single sentence or a single paragraph about Ruskin or his ideas. The most frequent point made by these books deals with

Ruskin's influence upon John Hobson. Next, Ruskin is referred to as a critic of either the economic system or of traditional economic theory or of both. Ruskin is classified as either a moralist, a romanticist, a Christian Socialist or a welfare economist. This divergence shows the difficulty of trying to fit Ruskin into a neat little box.

Comparisons are drawn between Ruskin and other writers such as Carlyle, Tolstoy, Thoreau and Veblen.

The conclusions drawn from the examination of these books are that Ruskin is either ignored completely or treated very lightly. When he is considered, the treatment is quite brief, usually about his influence upon Hobson or his criticism. His positive ideas about economic theory and his proposals for reform receive little or no attention. Generally the situation seems to be about the same today as it was in the early 1940's. At that time, an English professor expressed dissatisfaction with the vagueness of the treatment of Ruskin by professional economists and concluded that he was "accorded scant respect by students of economic theory."²

Articles on Ruskin by Economists

After making the investigation of books classified as histories of economic thought, available and relevant bibliographies were examined for articles about Ruskin by economists.³ This search, with one

²John Tyree Fain, "Ruskin and the Orthodox Political Economists," The Southern Economic Journal, X (1943), p. 1. Fain has written articles about Ruskin and a book, Ruskin and the Economists (Nashville, 1956). At that time, 1956, he was a professor of English at The University of Florida.

³Appendix B lists the bibliographies examined, the method of examination and the results in more detail.

exception, was also concentrated on the period of the time since 1940. For the period since 1940, certain conclusions can be drawn. While economists did write articles about individuals and their ideas in the period of time since 1940, they apparently did not write any articles about Ruskin since the investigation did not uncover any. There are articles written about the economic ideas of Ruskin but these articles were not written by economists. Apparently the study of the economic ideas of Ruskin has been left by professional economists to noneconomists. Since no articles about Ruskin by economists were found for the period since 1940, the search was extended, in the case of one bibliography, to include the period from 1886-1939. This resulted in the discovery of four articles about Ruskin written by economists. These articles do not appear to reduce the need for this study nor do they appear to be very useful to it. One of these articles, written at the time of Ruskin's death, is very brief and provides little information about Ruskin or his ideas.⁴ Another one of these articles, also quite short, has had apparently little impact on the economics profession although it appealed to economists to make greater use of Ruskin's ideas.⁵ A third article, written several years before Ruskin's death, while longer, is not considered an authoritative article since it credited Ruskin with attacking, overthrowing and destroying "that figment of the orthodox imagination, the 'economic man'."⁶ While

⁴James Bonar, "John Ruskin," The Economic Journal, X (1900), pp. 274-275.

⁵C. S. Devas, "Lessons from Ruskin," The Economic Journal, VIII (1898), pp. 28-36.

⁶F. J. Stinson, "Ruskin as a Political Economist," The Quarterly Journal of Economics, II (1888), p. 444.

Ruskin did attack this concept, he did not destroy it since the economics profession has continually rescued, rehabilitated and used this concept down to the present time. This article also predicted that the bricks of the political economy of the future would be built from "Ruskin's earth" rather than from "Ricardo's straw."⁷ Obviously, this prediction has not yet been fulfilled since the amount of time and attention given by economists to the study of Ruskin is negligible as compared to that devoted to Ricardo. The last of the four articles, written much later, is not a comprehensive article since it considers only Ruskin's views on interest.⁸ This is one subject on which Ruskin's views changed over a period of time. By extending the period of time under consideration, it was possible to find a few articles about Ruskin's economics that were written by economists. These articles have not done what is proposed in this study. They are not complete nor do they appear to be completely reliable. It appears the authors may not have been completely orthodox economists. Although there are some articles by economists about Ruskin, these articles are mainly contemporary with Ruskin. Since these articles are not considered definitive studies, the search of bibliographies further supports the need for this study and the conclusion that economists, especially in the more recent past, have not given Ruskin much attention.

⁷Ibid., p. 445.

⁸C. E. Collet, "The Development of Ruskin's Views on Interest," Economic History, I (1926), pp. 23-33.

Other Material on Ruskin by Economists

The third and last part of the search for material written about Ruskin by economists took several approaches. There was an attempt to find dissertations written about Ruskin by economists. While dissertations have been written about Ruskin and various aspects of his work, no evidence of any dissertation about Ruskin's political economy written by an economist was discovered. A search of biographies about Ruskin turned up one written by an economist. This biography, probably the most complete study of Ruskin by an economist, was written by Hobson. But there are some questions that must be raised about Hobson's study. Its objectivity can be questioned since one of Hobson's purposes was to

. . . render some assistance to those who are disposed to admit the validity of the claim which Mr. Ruskin has made to be first and above all else a Political Economist, and who are willing to give careful consideration alike to the strictures he has passed upon current economic theory and practice, and to the schemes of social and industrial reconstruction which he has⁹ advocated with zeal and persistency for over thirty years.

Since Hobson had the objective of supporting Ruskin's claim to be a political economist, his study may not be completely neutral and unbiased. Since the study was written before Ruskin's death, it may have been too early to measure Ruskin's influence or do complete justice to his ideas. Hobson was usually considered a heretic and a dissenter rather than an orthodox economist and the development of economics since that time makes a modern interpretation of Ruskin desirable. Since Hobson was a disciple of Ruskin, it is not always clear whether he was

⁹ John A. Hobson, John Ruskin: Social Reformer (Boston, 1898), pp. viii-ix.

presenting his own ideas or those of Ruskin. While Hobson's study may be of some assistance to the present study, it does not remove the need for a modern study of Ruskin. A search was made for selections or editions of Ruskin's works that have been edited by an economist. There are many such books including editions of Unto this Last, Ruskin's first book on political economy, and one edition of this work with an introduction by an economist was found.¹⁰ This introduction, while useful, was not a definitive study of Ruskin and was defective in omitting Munera Pulveris when listing Ruskin's writings on political economy. The third part of this search uncovered more studies of Ruskin's political economy by noneconomists and reinforced the conclusion that economists have left the study of Ruskin's political economy to them. No recent material on Ruskin by economists was found in the third part of this search.

To summarize, Ruskin has been mostly ignored and neglected by economists, particularly in modern times. Most studies of Ruskin's economic ideas have been made by scholars who are not trained economists. These studies, while useful, are limited because of the lack of formal economic training on the part of those making the study. There is a need for a study of Ruskin's political economy by a professional economist trained in the modern neoclassical tradition.

Reasons for the Neglect of Ruskin

There are several reasons why Ruskin is largely ignored and unread at the present time both by economists and the general public. These

¹⁰ Richard T. Ely, ed., Unto this Last, by John Ruskin (New York, 1901).

reasons, while explaining the neglect of Ruskin, do not completely justify it if his writings contain fruitful insights, inspirations and points of view of value today. For purposes of exposition, the reasons for the neglect of Ruskin can be divided into two categories: those which pertain to his life style and which pertain to his manner of writing.

Ruskin's Life Style

Probably the most important reason why Ruskin is ignored by economists is that he was not considered an economist, either during his own time or today. He was never trained or employed as a professional economist. It has been noted that Ruskin's reputation was first established as a critic of art and architecture. From 1843, when the first volume of Modern Painters was published, until 1860 when he wrote some essays on political economy, Ruskin's work was on subjects other than political economy. It is true that some of the elements of his ideas about political economy were present in his writings on art and architecture. Ruskin recognized that his essays on art

. . . have been coloured throughout,--nay, continually altered in shape, and even warped and broken, by digressions respecting social questions; which had for me an interest tenfold greater than the work I had been forced into undertaking.
(VII, p. 257)

But when Ruskin's essays on political economy were first printed in 1860, he was considered an intruder who knew nothing about economics (XVII, p. lxxxix). Schumpeter, who referred to Ruskin as a minor prophet, dismissed him because he tried to criticize existing political economy without adequate preparation and mastery of the facts and

techniques of economics.¹¹ Seligman also wrote that Ruskin was considered a "rank amateur" by the academicians.¹² Ruskin contributed to this assessment of himself by minimizing the amount of reading in political economy that he had done (XVI, p. 10). While these judgements illustrate why economists ignore Ruskin, they are not important for the main purpose of this study. If Ruskin wrote something of value, he should not be ignored merely because he was not a professional economist.

He is commonly regarded as a genius and a prophet. Wilenski thought Ruskin "a genius because, at his best, he displayed a great imaginative grasp of first principles and refused to assume that a pretty blossom means a wholesome fruit."¹³ It is expecting too much of Ruskin to require that he be a learned individual in economics. Additions to the stock of knowledge are frequently made by those who do not accept the conventional knowledge. Schumpeter wrote, "Geniuses and prophets do not usually excel in professional learning, and their originality, if any, is often due to precisely the fact that they do not."¹⁴ Ruskin was in opposition to the prevailing theory and practice. Even if it is admitted his grasp of economics was defective, a study is still needed to point out his merits and defects. The neglect of

¹¹ Joseph A. Schumpeter, History of Economic Analysis, ed. Elizabeth B. Schumpeter (New York, 1954), p. 411.

¹² Ben B. Seligman, Main Currents in Modern Economics: Economic Thought Since 1870 (New York, 1962), p. 224.

¹³ Reginald Howard Wilenski, John Ruskin: An Introduction to Further Study of His Life and Work (New York, 1933), p. 28.

¹⁴ Joseph A. Schumpeter, Capitalism, Socialism, and Democracy (3rd ed., New York, 1950), p. 21.

Ruskin by economists because he was not a professional economist is not a sufficient reason for ignoring him if his writings are of worth today.

Ruskin's peculiar personal life has had two effects. Much study has been devoted to his personality and personal life. Attention has been diverted from his writings to this kind of study. Further, the irregularities of Ruskin's life have been a reason for discounting his work and giving it less attention. His mental instability can be used as a mark against him by those who do not like what he wrote.

Ruskin's relationships with his parents were unusual. He was the only child of cousins who married rather late in life. There was some history of mental instability in his family background as his grandfather committed suicide while insane. Some of Ruskin's own mental problems may have been due to his heredity.¹⁵ Ruskin was much indulged by his father and, according to Wilenski, Ruskin's "self-indulgence was a definite weakness in his character, quite independent of his mental illness."¹⁶ Ruskin's mother, a possessive, evangelical and domineering woman, took complete charge of his education--even to the extent of taking rooms at Oxford while he attended the University and requiring her son to visit her every evening. His earlier education was almost entirely at home. When Ruskin's marriage failed, he moved back in with his parents and lived with them until their deaths. It appears that Ruskin was very much under parental influence and control.

¹⁵ For a scholarly study of Ruskin's ancestry see Helen Gill Viljoen, Ruskin's Scottish Heritage: A Prelude (Urbana, 1956).

¹⁶ Wilenski, p. 37. The biographical information has been drawn from several sources that are in essential agreement on the basic facts. The "Synoptic Tables" in Wilenski, pp. 15-24, provide a chronological outline of Ruskin's life.

Throughout his life, Ruskin was continually attracted to young girls. This may have been due to an unfortunate and frustrated love for one of the daughters of his father's French business partner. Ruskin first met Adele Domecq when he was fourteen and the Ruskin family dined in the Domecq home in Paris while on their way back to London from a European tour. Ruskin and Adele saw each other at infrequent intervals for a few years when their parents visited in each other's homes. Ruskin was thoroughly in love but Adele did not return his feelings. His mother looked upon the possibility of her son marrying a Roman Catholic as being too preposterous even to be guarded against. Nothing developed from this relationship but Ruskin appears to have been thoroughly frustrated by it. When Adele married, Ruskin suffered a physical breakdown and left Oxford for a time. This affair may be one of the reasons why Ruskin was never able to develop a mature relationship with a woman. It is also a possible cause of later mental and emotional problems.

Ruskin's marriage was unusual and has received much study. He married Euphemia Gray, a cousin, in 1848. She was about nine years younger than he. The marriage was never consummated even though they lived together for six years. In 1854, Euphemia left Ruskin and filed a suit for nullity on the grounds of impotence. Although Ruskin prepared a statement for his defense, he decided not to use it and the suit was uncontested. The affair was a scandal to Victorian England and Ruskin suffered some public humiliation and some adverse publicity. However, it does not appear that he was personally affected as he had been in the earlier affair with Adele. An attempt to vindicate Euphemia

Gray was made by James.¹⁷ In response to this Whitehouse wrote a strong defense of Ruskin.¹⁸ A more recent book dealing with some of the relationships was written by Lutyens.¹⁹

In 1858, Ruskin, nearly forty, met Rose La Touche, then a child of ten. She became a student of his, taking drawing lessons and this was the beginning of an unusual relationship that lasted until her death in 1875. Within a year of the first meeting, Ruskin was in love with her, perhaps because of her youth, and in spite of the difference in their ages. He proposed marriage when Rose was eighteen but she put him off until she was twenty-one. At that time, she again postponed a decision and then later definitely refused to marry him at all. Since Rose was almost a religious fanatic, one of her reasons for refusing Ruskin was his "deconversion" from evangelical protestantism. Rose's mother had received an unfavorable report from Ruskin's first wife about his treatment of her. The whole episode represents an infantile strain in Ruskin and he was frequently so obsessed with Rose that he was unable to work. His writings and lectures during this period of time contain many allusions and references to Rose.

Wilenski's study of Ruskin's life and writing convinced him that Ruskin was "a mental invalid all his life."²⁰ Although not a psychologist, Wilenski concluded Ruskin's illness was a type of manic-depression.

¹⁷ Sir William Milbourne James, ed. John Ruskin and Effie Gray (New York, 1947).

¹⁸ John Howard Whitehouse, Vindication of Ruskin (London, 1950).

¹⁹ Mary Lutyens, Millais and the Ruskins (New York, 1967).

²⁰ Wilenski, p. 10.

and that traces of this illness appeared in Ruskin's writings as early as 1843. During periods of hyper-confidence, Ruskin thought he had exceptional knowledge of nature and of the intentions of God. He planned vast and grandiose schemes of work during these periods. These periods alternated with periods of depression during which Ruskin was listless and suffered from a sense of failure. He showed flashes of persecution mania and inferiority complex. He complained of physical illness, showed a hatred towards the world and blamed his parents for his own self-indulgences. These periods of super-confidence and depression alternated and continued throughout Ruskin's life. They intensified until Ruskin suffered a series of attacks of madness of varying length and intensity from 1878 to 1889. His mental state showed characteristics of extreme mobility of interest, inability to concentrate, alternating periods of euphoria and depression and an increase of irritability, obsessions, delusions and eccentric conduct. From 1889 until his death in 1900, Ruskin remained in almost complete seclusion.

Some of the more unusual and irregular details of Ruskin's life have been presented because they have attracted study away from his writings and have caused his work to be given less importance. While each person's work is influenced by his own personality, Ruskin's writings have been particularly influenced by his. Yet, from a certain point of view, this biographical material should be considered irrelevant. While Ruskin's personal life is interesting because it was unusual and although his mental instability influenced his writings, it is still necessary to consider objectively what he did write. It is necessary to go to his writings, to study and analyze them and to

evaluate their worth. A knowledge of his personality may be helpful in understanding and in interpreting his writings but their value and worth must be determined by what he actually wrote and not by his mental aberrations at the time. On the other hand, Ruskin's mental illness should not be used to dismiss arbitrarily what he did without a proper evaluation. Just as Van Gogh's mental illness does not cause his pictures to be rejected arbitrarily so Ruskin's mental illness should not cause all of his writings to be rejected summarily. Yet it seems very likely that Ruskin's personal life style has attracted excessive interest away from the study of his writing and has caused his work to be discounted and given less attention.

Ruskin's Style of Writing

Even if an economist overlooks the fact that Ruskin was not a professional economist or if a reader goes beyond the studies of Ruskin's life to study his writings, there are some difficulties in Ruskin's manner of writing that tend to discourage a reader. Some of Ruskin's writings contain very fine prose but even this has been criticized. He was thought to be a "word painter" rather than a writer of important truths and insights. Schumpeter thought Ruskin's criticisms of art had themselves become works of art.²¹ Attention has been given to Ruskin's manner of expression rather than to what he wrote.

But his writings present more important difficulties, particularly to a modern reader. One of these difficulties is that Ruskin's ideas

²¹Schumpeter, History of Economic Analysis, p. 411.

on political economy are not systematically collected and presented in one place but are scattered throughout his writings. For example, the index to the Library Edition gives references to twenty volumes under the subject "Political Economy" (XXXIX, pp. 415-417). Under "Usury," references are given to fifteen different volumes (XXXIX, p. 643). No matter the particular topic, Ruskin apparently felt it necessary to express his economic ideas. On the other hand, writings considering mainly political economy contain numerous digressions into other topics. In his later writings especially, Ruskin seems to have written whatever came into his mind without attempting to stay on the subject. Almost every paragraph may start a new train of thought. Part of this may be due to Ruskin's genius and wide interest; however, it is most frustrating to the reader. Ruskin himself recognized this problem. "But it is the best I can do: it expresses the thoughts that come to me as they come; and I have no time just now to put them into more intelligible words" (XXVII, p. 293). This characteristic of Ruskin's writing may be attributed to his excessive mobility of interest and his inability to concentrate on a particular subject for an extended time. It may also show a certain amount of arrogance and self-indulgence. Ruskin was indulging himself when he freely expressed his opinion on many topics and was indicating his arrogances in believing that his opinions were always correct.²²

Since Ruskin was a moralist and a reader of the Bible, his writing is heavily overlaid with moral tones and biblical references. He is

²²Kenneth Clark, ed., Ruskin Today (New York, 1965), p. xv.

continually preaching and telling people what to do. Every subject seems to have been considered a branch of morals, and at times, Ruskin seems to be giving sermons. While some people may enjoy good sermons, once it departs from what they want to hear, they turn away and so Ruskin is not widely read.²³ Biblical references are common and even the title of Ruskin's first book on political economy, Unto this Last, is from the Bible. However, biblical references have lost their meaning for generations who did not grow up memorizing Bible passages as a matter of course. Furthermore, the Bible references seem to signal that Ruskin has quit thinking for himself and is relying upon the quotation to carry the thought.

Some of Ruskin's writings are difficult to understand because of the convolutions and intricacies of his rhetoric. To illustrate, he used cryptic titles, as Munera Pulveris and Fors Clavigera. These titles may have no particular meaning or they may have several different meanings. "'Fors' is the best part of three good English words, Force, Fortitude, and Fortune. . . . Clava means a club, Clavis, a key. Clavus, a nail, or a rudder" (XXVII, p. 28). Ruskin's writings contain numerous references to the classical languages, Greek and Latin. These classical languages are not translated. He made frequent references to classical literature. In discussing commerce, he quoted from The Merchant of Venice and from Dante's Inferno (XVII, pp. 222-223). Ruskin coined new words such as "illth," which he used for the opposite of wealth (XVII, p. 89). He also returned to obsolete definitions of old words. His editors, recognizing Ruskin's obscurantism in Munera

²³ Ibid., p. xiv.

Pulveris, commented "there is mixed with it so much of excursus into classical fields, so much of verbal and literary argument, that readers fail to keep hold of the main thread" (XVII, p. lxiii). Ruskin also recognized the problem and advised the reader: "Whenever you are puzzled by an apparently mistaken use of words in these essays, take your dictionary, remembering I had to fix terms, as well as principles" (XVII, p. 249n). Some passages which combine most of these characteristics are almost totally confused and incoherent.

Ruskin exhibited in his writing another characteristic that may discourage the reader. On occasion he appeared hostile, showing signs of hate and contempt for his readers.²⁴ It is almost as if Ruskin were verbally assaulting the reader. While this may be due to Ruskin's mental problems, most readers do not like to be attacked. For example, Ruskin wrote, "Your voices are not worth a rat's squeak, either in Parliament or out of it, till you have some ideas to utter with them . . ." (XVII, p. 326). In addition, some of Ruskin's writings appear to be utter nonsense, although it is difficult to make this judgment since some of what he proposed, thought nonsense at the time, has come to be accepted. Although these characteristics make reading and understanding Ruskin difficult and explain why he is not widely read, they still do not justify ignoring all his writings, if he contributed concepts of value.

²⁴Gaylord C. LeRoy, "Ruskin and 'The Condition of England'," The South Atlantic Quarterly, XLVII (1948), p. 539.

Summary

A survey of the literature shows that Ruskin is largely ignored and neglected, particularly by present day economists. He receives only slight treatment in histories of economic thought. The studies of Ruskin, even of his political economy, have been made, for the most part, by noneconomists. Generally economists have not written articles about Ruskin or his economic ideas. The studies that have been made by economists are either fragmentary or their reliability and objectivity is questionable. Since analysis of Ruskin's economics should not be left entirely to individuals who are not trained economists, this search of the literature supports the need for a study to fill a gap in the history of economic thought.

Economists have not given much attention to Ruskin because he is not considered an economist. Since Ruskin's personality and personal life were unusual, much study that could have been devoted to his writings has been directed to his life. His mental illness has also caused his writings to be dismissed without thorough study. His style of writing, discouraging and frustrating to the reader, appears to be another reason why Ruskin is not widely read or studied today. While these reasons explain, they do not entirely justify the neglect of Ruskin.

CHAPTER III

RUSKIN'S MOVEMENT FROM THE CRITICISM OF ART TO THE CRITICISM OF POLITICAL ECONOMY

Ruskin, over a period of years, turned his attention more and more to political economy until he finally wrote directly on the subject. This change of attention was a gradual development rather than an abrupt shift. After initially writing on political economy, Ruskin did not restrict himself to this subject. Instead, he left the subject of political economy, turned his attention back to other subjects and returned to political economy at intervals. The first part of this chapter traces the development of his interest in political economy in order to show his gradual change of emphasis. Ruskin's first interest was nature and the representation of nature in landscape painting. His study of painting broadened to include other types of painting and, eventually, architecture, particularly the ornamentation of buildings. From this interest, he moved to a study of the men who did the art work. His study of man led to the study of society and the economic system. His interest in the economic system naturally led to the study of the economic theory which attempted to explain the economic system. The information about the development of Ruskin's interest in political economy comes from his own writings.

Some of Ruskin's writings consider the subject of political economy directly. The second part of this chapter introduces these writings,

explains the circumstances under which they were written and the purpose Ruskin had in mind when he wrote them. These writings are the primary source upon which this study is based.

Since Ruskin was not a professional economist, questions have been raised about his qualifications for writing on the subject. The third part of this chapter presents and evaluates Ruskin's qualifications. Obviously Ruskin thought he was qualified and furthermore Hobson defended his qualifications. Ruskin was not well prepared in the sense of having studied, and mastered the classical economic system or its analytical techniques, but he did bring certain abilities to the study of political economy. It appears that Ruskin's method of study was to accumulate information and data through reading and observation. His method of accumulating information can best be described as casual empiricism. He thought about this information until he reached certain conclusions. He developed and presented these conclusions in his writings and lectures, along with information, examples and analogies that supported the conclusions. However, he tended to ignore conflicting data or ideas.

The last part of this chapter presents and analyzes Ruskin's criticism of orthodox political economy and the economists. This criticism is both general, covering all of political economy, and specific, considering certain topics. Political economy was irreligious and unscientific according to Ruskin. He thought consumption was ignored and that economists did not properly define their terms. Some of Ruskin's criticism was well-founded and justified while some of it was based on a lack of understanding of economic theory.

This chapter, then, traces Ruskin's interest in political economy, introduces his major writings on the subject, examines his qualifications and analyzes his attack upon traditional political economy.

The Development of Ruskin's Interest in Political Economy

John Ruskin, in referring to himself at the age of twenty, wrote, "I had never myself seen Death, nor had any part in the grief or anxiety of a sick chamber; nor had I ever seen, far less conceived, the misery of unaided poverty" (XXXV, pp. 232-233). This sentence illustrates his sheltered upbringing and an early lack of concern about economic and social questions, despite his extensive travels throughout England and Europe. Eventually, however, he became aware of social questions and his writings on art and architecture reflected this awareness. In studying architecture, Ruskin wrote:

. . . the preference accorded finally to one school over another, is founded on a comparison of their influences on the life of the workman--a question by all other writers on the subject of architecture wholly forgotten or despised. (VII, p. 257).

Ruskin was interested both in the type of architecture produced and in the effect of the work upon the health and character of the workman. He thought good art came only from artists who took pleasure in their work. Concerning the ornamentation on buildings, Ruskin asked, "Was it done with enjoyment--was the carver happy while he was about it?" Making the ornamentation might be hard but "it must have been happy too, or it will not be living" (VII, p. 218). Ruskin's concern about the effect of the employment upon the workers was illustrated when he,

though writing about architecture, questioned the kind of employment that consumer spending provided.

It is not enough to find men absolute subsistence; we should think of the manner of life which our demands necessitate; and endeavor, as far as may be, to make all our needs such as may, in the supply of them, raise, as well as feed, the poor. It is far better to give work which is above the men, than to educate the men to be above their work. (VIII, p. 264)

He wondered whether consumer spending bought products that were produced under good and healthy work situations or whether it bought articles produced under unwholesome conditions of employment. Furthermore, he wanted consumers to think about this question in making their buying decisions.

Ruskin's "first clue to the real sources of wrong in the social laws of modern Europe" came from listening to the daughters of Peter Domecq and their husbands (XXXV, p. 409). Domecq was the owner of large wine producing properties in Spain and France and the partner of Ruskin's father, who sold the wine to English customers. On one occasion, apparently in 1845, when the Domecqs visited in the Ruskin home, the conversation was "of their Spanish labourers and French tenantry, with no idea whatever respecting them but that, except as producers by their labour of money to be spent in Paris, they were cumberers of the ground" (XXXV, p. 409). Ruskin was upset when he began to compare the lives of the Domecq and Ruskin families with those of the laborers. The work of the laborers produced the wine yet they received very little and lived simply. In contrast, the Domecq and Ruskin families, while they did not work so hard, received much and were able to live luxuriously. Ruskin began to:

. . . contrast the luxury and continual opportunity of my own exulting days, with the poverty and captivity, or, as it seemed to chance always, fatal issue of any efforts to escape from these, in which my cousins, the only creatures whom I had to care for, beyond my home, were each and all spending, or ending, their laborious youth. (XXXV, p. 409)

Since Ruskin's interest in political economy was aroused, he read the works of Sismondi in 1845 while on his first trip abroad without his parents (XXXV, p. 356). Two years later, while staying in Scotland, he had "wise thoughts and wholesome sleep after them. These thoughts are scattered up and down in Fors and Munera Pulveris" (VIII, p. xxvii). In 1849, when Ruskin was thirty, a journey gave him "knowledge of the agricultural conditions of the great Alpine Chain which was the origin of the design of St. George's Guild," a society established later by him (XXXV, p. 437). From 1854-1858, Ruskin was directly associated with the Working Men's College, teaching classes in art and drawing. This College was organized by a group of men inspired by Frederick Denison Maurice, a Christian Socialist. The College provided education for the working classes to satisfy some of their intellectual and cultural desires. While Ruskin's official title was Master of the Elementary and Landscape School of Drawing at the Working Men's Institute, he came into more contact with members of the working classes. This undoubtedly increased his interest in their conditions of life. After 1858, although not teaching regularly, he continued his association with the institution by returning to teach for short terms or to give lectures. Writing to Mrs Carlyle in 1855, Ruskin commented:

My studies of political economy have induced me to think also that nobody knows anything about that, and I am at present engaged in an investigation, on independent principles, of the Natures of Money, Rent, and Taxes, in an abstract form, which sometimes keep me awake all night. (V, p. 1)

Certainly, the influence of Carlyle upon Ruskin increased his awareness of social problems. Ruskin considered himself a disciple of Carlyle, looking upon Carlyle as his master. He read and learned a great deal from Carlyle, the strongest influence on his life, next to his mother.¹ Therefore, it is evident that over a period of time Ruskin's interest in political economy increased: he thought more about the economic system and political economy and began to write and lecture on the subject.

Ruskin's Major Works on Political Economy

While in Venice in 1852, Ruskin wrote three letters to The London Times about the principles of taxation, representation, and education. Instead of sending the letters directly to the paper, he sent them to his father who withheld them from publication. The letters on taxation and representation, first published in the Library Edition, are Ruskin's first writings focusing upon political and economic questions. These letters were written because, though the Corn Laws had been abolished, "the Conservative Party under Disraeli were still hankering after a return to protection" (XII, p. lxxix). Ruskin wanted to influence public opinion in favor of free trade and he wanted to be able to refer to the letters later. Fain, after studying the letters between Ruskin and his father, assumed that his father's opposition kept Ruskin from political economy for a number of years; presented evidence to support this assumption and concluded that, without parental

¹Benjamin Evans Lippincott, Victorian Critics of Democracy (Minneapolis, 1938), p. 59.

opposition, Ruskin would have written on political economy ten years earlier than he did and made a more orderly and significant contribution in the field.²

In 1857 Ruskin presented two lectures at Manchester on "The Political Economy of Art." These lectures were published the same year and later re-issued with some additions as "A Joy for Ever" and its Price in the Market in 1880 (XVI, p. xvii). Ruskin lectured because he wanted to enlarge his audience and to help contribute to the immediate betterment of social and economic conditions. Ostensibly, these lectures applied economic methods and terminology to the discovery, application, accumulation and distribution of artists and art work; but they also contain some of the basic ideas of Ruskin's proposals for social reform, especially those for a paternalistic government. These lectures were delivered during a period of commercial depression and at Manchester, the center of laissez faire doctrines (XVI, p. xxiv).

While touring England in 1859 Ruskin was shocked by the ugliness that was "blackening the country" and by the "gloomy squalor of the workmen's life."³ In 1860, after thinking about this situation, Ruskin wrote a series of essays for publication in Cornhill magazine. In all, four essays were written and printed. The essays aroused a storm of controversy almost immediately, directed at Ruskin; the editor, William Makepeace Thackeray; and the publisher, George Smith. Primarily, critics objected to the nature of his attack upon orthodox doctrine and policy. After the first three essays, Ruskin was informed that only one

² John Tyree Fain, "Ruskin and His Father," PMLA, LIX (1944), pp. 238-242.

³ Wilenski, p. 385.

more essay would be accepted. In 1862 these four essays were collected and published in a book entitled Unto this Last. Unto this Last attacked existing doctrine, presented brief definitions of concepts used by Ruskin and some proposals for change. It was an attempt to moralize and humanize political economy and to overthrow the accepted doctrine.

In 1861, Ruskin received a letter from J. A. Froude, a friend of Carlyle and editor of Fraser's Magazine, inviting him to submit some articles on political economy (XVII, p. 1). Therefore, Ruskin began a second series of essays upon political economy which appeared during 1862-1863. These essays brought forth similar hostility and criticism with the publishers preventing Froude from publishing any more essays after the fourth one appeared in April, 1863. In 1871-1872, these essays were collected and published in a book entitled Munera Pulveris. In Munera Pulveris, Ruskin gave a more detailed definition of some concepts used in Unto this Last, extended his analysis to some additional topics and, in general, presented his reconstruction of political economy. Both Unto this Last and Munera Pulveris are incomplete since Ruskin was not allowed to finish his series of essays in either case.

In 1867, Ruskin began writing a series of letters to Thomas Dixon, a workman, who had written to Ruskin about political economy. These letters, later collected and published as Time and Tide, were written at the time of the Parliamentary debate on the question of reforming Parliament and elections. In these letters, Ruskin presented his ideas about economic, political and social reform. His organization of an ideal state and economy was included in these letters. They contained a working out of Ruskin's ideas in laws, customs and

institutions. During the 1860's Ruskin wrote letters to various newspapers on economic questions.

In 1871, Ruskin began a series of letters to the working men of England. These letters, similar to a monthly magazine, were written, published and sold by Ruskin himself. The letters, entitled Fors Clavigera, continued on a monthly basis until March, 1878, thereafter at regular intervals until 1884. There are a total of ninety-six of these letters, collected in volumes during Ruskin's life. These letters appear to be written on any subject that came into Ruskin's mind. They included some of his ideas which had changed over a period of time as well as more extensive definitions and analysis of his earlier ideas. They were an attempt by Ruskin to put some of his ideas into practice and they promoted his organization, the Guild of St. George.

While Ruskin's ideas about political economy were scattered throughout his writings, Unto this Last, Munera Pulveris, Time and Tide and Fors Clavigera (although each contains many digressions into other subjects) deal most directly with political economy. To generalize, Unto this Last is an attack upon classical economic theory while Munera Pulveris is an alternative reconstruction of political economy. Time and Tide contains Ruskin's proposals for reorganizing society and the economic system. Fors Clavigera represents Ruskin's attempt to bring about change through individual action.

Ruskin's Qualifications for Political Economy

John Ruskin was neither educated nor trained as a political economist. Because of his writings in political economy, he was attacked for not having read and studied more classical economics. He

himself contributed to this criticism by declaring he did not read modern authors. However, an examination of his writings leads one to conclude that Ruskin was more familiar with the works of classical economists than he admitted. He frequently referred to John Stuart Mill and his writings. References were made to Adam Smith, David Ricardo, Henry Fawcett, J. E. Cairnes and others. But Ruskin did not read the writings of these economists with a sympathetic or a detached point of view. Instead, it appears that his reading was designed to pick out examples and passages to criticize since that was his usual reference to these authors. This illustrates some familiarity with the works of these authors but not a good understanding of them. Neither is this approach completely fair or scientific since it is easy to take passages out of context and misinterpret them.

Ruskin showed more familiarity with writings of some Greek and Roman authors and he expressed his debt to them. In explaining Unto this Last, Ruskin wrote that its purpose was to give:

. . . for the first time in plain English,--it has often been incidentally given in good Greek by Plato and Xenophon, and good Latin by Cicero and Horace,--a logical definition of WEALTH: such definition being absolutely needed for a basis of economical science. (XVII, p. 18)

In his letters Ruskin noted he had been reading Xenophon and Livy whom he called the Roman Homer (XVII, p. xlvi). He studied Xenophon, Plato, Homer, Livy, Horace and the economy of Athens with the intention of writing some essays on political economy (XVII, p. xlix). The influence of the Greeks upon Ruskin was more important than that of the Romans and Xenophon and Plato were the Greek authors that Ruskin was most indebted to. Ruskin attempted to return the study of political economy to the basic ideas of the Greek and Roman authors that he read. Instead

of working with the classical economic system, he tried to reintroduce a Greek theory of economics. Undoubtedly, Ruskin would have been more easily understood and accepted if he had expressed his ideas in the terms of his contemporaries rather than relying so heavily upon the classics and attempting to return to their terms.

In addition to his reading, Ruskin was exposed to the business and commercial world. As a result of attending business dinners which his father gave for his wine customers, Ruskin formed an "extremely low estimate of the commercial mind as such;--estimate which I have never had the slightest reason to alter" (XXXV, p. 130). At the time of the controversy about Unto this Last, Ruskin, in a letter commented that "having passed all my life in close connection with the mercantile world and hearing these subjects often discussed by men of business at my father's table, I am likely to know pretty well what I am about . . ." (XXXVI, p. 340). Ruskin's knowledge of business was not very thorough since his father encouraged him in literary matters and until his death in 1864 handled all the business matters in connection with the publication of Ruskin's books. But with his powers of observation Ruskin probably picked up some knowledge of business matters useful when he wrote on political economy.

Since Ruskin's writings on art and architecture contained excursions into economic questions, his interest in political economy is demonstrably a long-standing and gradual development. He looked upon art as an expression of national life and character, and this led him to examine the principles of national well-being. He concluded that good and beautiful art work would be achieved only after better

conditions of economic, social and political life were obtained. His studies of ancient Athens and of medieval Venice convinced him that good art work is possibly only under the proper economic and social conditions (XVII, pp. xxiv-xxv). Ruskin thought his study of the fine arts had uniquely fitted him to analyze political economy and that "no exhaustive examination of the subject was possible to any person unacquainted with the value of the products of the highest industries commonly called the 'Fine Arts' . . ." (XVII, p. 131). Hobson sided with Ruskin, believing that Ruskin was a "skilled specialist in the finer qualities of work on one hand, and of enjoyment or consumption on the other hand."⁴ He contended that Ruskin's study of art, architecture and handicrafts provided a "wide and varied knowledge of the handling of different tools and materials for the production of useful and beautiful goods."⁵ Hobson concluded that so far as a "first-hand knowledge of work and its results is concerned, Mr. Ruskin enjoyed an immense superiority over his opponents."⁶ Ruskin wanted all work, if possible, to be on the same basis as art work. Workers should do work that they liked and their object should be the performance of good work first and only then the earning of income.

Since Ruskin was a man of letters, one of the qualifications that he brought to political economy was his literary ability. Unto this Last is now regarded, in many ways, as his greatest work.⁷ Hobson

⁴Hobson, John Ruskin: Social Reformer, p. 70.

⁵Ibid.

⁶Ibid., p. 71.

⁷Clark, p. ix.

thought Ruskin's mastery of the language was an advantage and while he did not always agree with Ruskin's passion for going to the roots of words, he thought that Ruskin's

. . . habit of intelligent scrutiny applied to such terms as 'value,' 'capital,' 'profit,' 'consumption,' was really useful in exposing the ambiguity and falsification of facts to which these terms have lent themselves.⁸

Ruskin was able to use words with exactness and precision, although not always with clarity (XVII, p. xxx). On balance, at the present time, Ruskin's style of writing is much more of a handicap than an advantage since it keeps him from being widely read.

In addition to the above characteristics, Ruskin did not have any particular bias nor was he servile to authority, according to Hobson, who praised "his fearless honesty in dealing with all seen facts."⁹ Hobson also thought that all who had closely read Ruskin's words "must admit his wonderful faculty of minute analysis."¹⁰ Hobson concluded that Ruskin was very competent to write about political economy but he was mildly critical of Ruskin's

. . . lack of opportunity of early free contact with the labouring classes, whose work and life is of prime importance in economic study, and an insufficient grasp of evolution in the structure of industrial and political institutions.¹¹

Ruskin brought certain qualifications to the study of political economy, particularly his ability to grasp first principles and his knowledge of Greek political economy and of the fine arts. But he was

⁸Hobson, John Ruskin: Social Reformer, p. 72.

⁹Ibid.

¹⁰Ibid., p. 73.

¹¹Ibid., p. 74.

handicapped in his study of political economy by his refusal to read and understand the classical economic system and by his mental problems which interfered with his study of the subject and with his ability to express himself in a comprehensible fashion. However, more important than his qualifications is an analysis of what he wrote:

Ruskin's Criticism of Classical Theory

Ruskin emphasized that he did not just differ with other political economists but that they were absolutely contrary and in direct collision with him (XXVI, p. 584). His violent feelings towards traditional political economy and orthodox economists developed and became more pronounced during the period of time he was writing about political economy. Ruskin's attack was frequently vicious and also personal as he attempted to overturn and destroy existing economic doctrine. He made several general criticisms of political economy. Ruskin, with his knowledge of the Bible and Christianity, attacked political economy on moral and religious grounds claiming that it was immoral and irreligious. He argued that political economy was not a science. Ruskin also asserted that existing political economy did not understand the true nature of man.

In addition to these general indictments of classical economics, Ruskin criticized the definition and use of certain specific concepts. He did not think the classical economists had satisfactorily defined wealth. He thought they overemphasized the medium of exchange function of money. He believed that the orthodox economists were incapable of understanding and explaining intrinsic value. Neither did he believe

that production had been adequately defined. Further, there were some other ideas that Ruskin disagreed with concerning the spending of money.

General Criticisms

Ruskin attacked political economy on moral and religious grounds because he thought there was a fundamental conflict between political economy and religion. The political economists had a knowledge of God, but they believed He could not rule and His laws would not work, according to Ruskin. He thought the belief of political economists that the "laws of the Devil were the only practical ones, and that the laws of God were merely a form of poetical language, passed all that I had ever before heard or read of moral infidelity" (VII, p. 448). In his private letters, Ruskin was even more vehement in condemning political economy on moral grounds.

The Science of Political Economy is a Lie,--wholly and to the very root (as hitherto taught). It is also the Damnedest,--that is to say, the most utterly and to the lowest pit condemned of God and his Angels--that the Devil, or Betrayer of Men, has yet invented, except his (the Devil's) theory of Sanctification. To this 'science,' and to this alone (the professed and organised pursuit of Money) is owing All the evil of modern days. I say All. The Monastic theory is at an end. It is now the Money theory which corrupts the Church, corrupts the household life, destroys honour, beauty, and life throughout the universe. (XVII, p. lxxxii)

This passage, while illustrating Ruskin's attack on economics on moral grounds, also shows that he was critical of economics because he did not like the results of the economic system. He believed the economic system produced ugliness and corruption rather than beauty. To contrast existing political economy and his political economy on religious grounds, Ruskin drew up the following outline:

ECONOMY: GOD'S AND THE DEVIL'S

Devil's, and Fool's Political Economy	God, and His Servant's Economy
1. That good things are only good, if they can be turned into money.	1. That money is only good if it can be turned into good things.
2. That all human prosperity must be founded on the vices of human nature, because these are the essential powers of human nature, and its virtues are accidental and impotent.	2. That all human prosperity must be founded on the virtues of human nature, because these are the essential powers of human nature, and its vices are accidental and impotent.
3. That every man is bound to form, and at liberty to follow, his own opinion on all matters concerning him.	3. That every man is bound to know, and under orders to follow, God's opinion on all matters concerning him.
4. That there is no Devil, no Life, and no God.	4. (<u>indivisible</u>). That there is an Eternal God, an Eternal Life and an Eternal Death. (XXIX, p. 562)

Obviously, Ruskin's political economy was of God while that of his opponents was of the Devil. Ruskin believed he was following the Bible in his political economy and he made frequent references to it. In addition, there are moral strains throughout his writings on political economy and he was attempting to bring moral considerations directly into political economy.

Ruskin also used the religious argument in declaring the doctrines of political economy were not a science. "I know no previous instance in history of a nation's establishing a systematic disobedience to the first principles of its professed religion" (XVII, p. 75). Ruskin was referring to the different attitudes towards money and wealth taught by political economy on one hand and by the Bible and professed religion on the other. He considered that political economy taught how to gain wealth and money while the Bible, the revealed word of God, blessed the

poor and taught the love of money was the source of all evil. If the Bible was the revealed word of God, then political economy could not be a science because God could not have revealed certain truths through the Bible and contrary truths in political science. Ruskin did not rely completely upon the religious argument to support his claim that political economy was not a science. He believed it could not be a science because "it has omitted the study of exactly the most important branch of the business--the study of spending" (XVIII, pp. 451-452). While consumption may not be more important than production, it is the end purpose of economic activity and the classical economists tended to emphasize production and minimize the importance of consumption. The importance of utility, demand and consumption was not recognized until the work of the marginalists after the time of Ruskin's writing of this passage. Ruskin also argued that political economy was not a science because terms were not clearly defined.

In the writings of the vulgar economists, nothing more excites my indignation than the subterfuges by which they endeavour to accommodate their pseudo-science to the existing abuses of wealth, by disguising the true nature of rent. (XVII, p. 436)

Ruskin defined rent as the "price continuously paid for the loan of the property of another person" (XVII, p. 436). Since this is commercial rent rather than economic rent, Ruskin was either not familiar with, did not understand or did not care about economic rent in the Ricardian sense. Ruskin's objections to the definitions or the lack of definitions of other concepts will be included under specific criticisms.

Ruskin and the orthodox political economists disagreed about the nature of man. He thought that economists considered only part of man but it was necessary to consider the whole man. Ruskin was attacking the concept of "economic man." He believed the political economists

left out a vital part of man's nature, his soul, and that it was wrong to reason about man as if he did not have a soul (XXXVI, p. 316). While the methodology of the economists was basically sound, introducing the soul back into man made all of their calculations wrong (XVII, pp. 25-26). Ruskin also rejected the idea that man's own self-interest was the motivating force behind his actions. He believed existing economics was founded upon the selfishness and covetousness of man. To Ruskin, political economy considered the human being as a covetous machine and then examined various laws to see how the greatest obtainable wealth was accumulated (XVII, p. 25). He thought political economy was founded on the desire of man to defraud his neighbor (XXVII, p. 95). He believed that the orthodox political economists looked upon man as a "beast of prey" (XXXVI, p. 592). Since Ruskin rejected this view of man, he attacked "all political economy founded on self-interest being but the fulfillment of that which once brought schism into the Policy of angels, and ruin into the Economy of Heaven" (XVII, p. 105).

Ruskin's criticism of political economy on religious grounds reflects his failure to distinguish between positive and normative economics. For the most part, the best classical economists tried to explain how economic units behaved in a market economy, rather than to explain how they should behave. Thus, moral and religious considerations did not really enter into their analysis at all. Ruskin was more interested in how economic units should behave and he wanted them to act in accordance with the teachings of the Bible and organized religion. Until this difference was made clear, there could be no common ground between Ruskin and the classical economists. His criticism of political economy as not being scientific was on a firmer

footing and could have been made even more telling. Some topics, such as consumption, had been relatively neglected by classical economists. In addition, there was confusion about terms since common meanings for all terms had not been accepted by all economists. In addition, Ruskin could have pointed out that modern political economy was a young science, not much data had been collected and little empirical testing of hypotheses had taken place. This would have added to his criticism of political economy. One of the strongest of Ruskin's criticisms was about the nature of man. While economists continue to use some "economic man" concept, they specify that it applies to only the economic part of man's activities. The continual criticism of this concept indicates that it is a weak point in economic theory. The concept has required continual modification and change because of these criticisms and it is usually recognized as a useful concept only for simplifying problems. Further, man's self-interest may not be material gain except in a market economy. In order to attack the concept of self-interest, Ruskin pushed it further than the classical economists intended and corrupted it into selfishness, covetousness and dishonesty. Naturally, this made the concept easier to attack but it is not completely fair to the best classical economists. They were not trying to lower moral standards nor teach people to act dishonestly. The popularizers and practitioners of political economy may have rationalized that because acting in their own self-interest also promoted the interest of the nation, then selfish and even dishonest behavior was permissible. There are really two questions to be considered here and definitive answers cannot be provided. The first question was whether standards

of economic behavior such as honesty were actually lower after the introduction of the market economy. Was Ruskin correct when he wrote about the corruption of the various aspects of society? It is not possible to answer this question on the basis of empirical evidence, even if the evidence did exist, since other changes were taking place also. The second question was: if standards of behavior were lower, how much of this should be attributed to the teaching that economic units should act in their own self-interest since that promoted the general interest? Again, it is not possible to answer this question objectively, but it is possible to speculate that the better economists would not have been responsible since they made it clear that the abuse of self-interest was prevented by the workings of competition. Economic units acting in their own self-interest would only promote the general interest in that particular case. Ruskin's general criticisms of political economy were a mixture. Partly Ruskin did not understand the concepts or the terms of economics and partly he did not accept them. Some of his criticism was justified and could have been made more effective. In part, his criticisms rested on a completely different view of human nature, the nature of the economic system and the nature of political economy.

Ruskin's Criticism of Specific Concepts

Ruskin argued that political economy was not a science yet, "because no one has defined wealth. . . . They don't even know what Money is, but tacitly assume that Money is desirable,--as a sign of wealth without defining wealth itself" (XXXVI, p. 418). In addition to this lack of a definition, he thought that the nature of wealth had not

been explained nor had the necessary conditions for the production of wealth been outlined (XVII, p. 131). Ruskin emphasized his criticism of political economy for neglecting wealth.

Both in definition of the elements of wealth, and in statement of the laws which govern its distribution, modern political economy has been thus absolutely incompetent, or absolutely false. (XVII, p. 137)

Ruskin charged that John Stuart Mill assumed everyone had a sufficiently correct idea of wealth so that it was not necessary to define it but Ruskin rejected this view.

There is not one person in ten thousand who has a notion sufficiently correct, even for the commonest purposes of "what is meant" by wealth; still less of what wealth everlastingly is, whether we mean it or not; which it is the business of every student of economy to ascertain. (XVII, p. 132)

Ruskin's criticism of political economy for not defining wealth was not well-founded. His reference to Mill was an example of picking a passage out of context since Mill continued by explaining wealth. While Ruskin did not accept the definition of wealth of the classical economists, they did define it. However, the use of the term wealth has not always been clear. There was confusion between wealth and income and it was not always made clear that wealth meant a stock while income meant a flow. So while the use of the term can be criticized, it is not correct that most political economists did not define wealth.

Ruskin criticized other economists for ignoring intrinsic value. He thought that "vulgar" economists did not consider the quality of goods but only their exchange value (XVII, p. 134). Since economists did not consider the quality of goods, Ruskin argued that they could not "conceive of any quality of essential badness or goodness existing" in goods, and that they were "incapable of investigating the laws of wealth

in such articles" (XVII, pp. 134-135). So he concluded that "the modern political economists have been, without exception, incapable of apprehending the nature of intrinsic value at all" (XVII, p. 135). It is true that other economists did not consider intrinsic value but the better classical economists distinguished between value in use and value in exchange and made it clear that they were only considering exchange value. This did not mean that the only value was exchange value, but, rather that the economists were restricting their study to it. Either Ruskin did not understand this or he was not willing to accept it. After restricting themselves to exchange value, the classical economists analyzed it in terms of price and costs of production so they did explain the nature of the value concept they were interested in.

In his analysis of money, Ruskin again disagreed with and criticized other economists. He thought they placed too much emphasis upon the use of money as a means of exchange while ignoring its other uses.

This most important function of money, as a title deed, on the non-violation of which all national soundness of commerce and peace of life depend, has been never rightly distinguished by economists from the quite unimportant function of money as a means of exchange. (XIX, p. 404)

Ruskin thought the medium of exchange function was unimportant since exchange, although inconvenient, could take place without it. But a person needs a document to claim legal ownership of some things. Ruskin's definition of money was broader than that of the orthodox economists since he included all documents that claimed wealth and not just claims that circulated. Since he included all claims then the claiming function was more important to him. It is not clear whether Ruskin realized this difference. Of course, the question of what was

money and part of the money supply caused controversy at various times in England.

Ruskin was critical of other economists (especially John E. Cairnes) for their treatment of production.

But what do you mean by a "producer"? You have used this word "productive" again and again, and your genius, it is to be supposed, lies in definition as, you say, mine does not. Where is your definition of "production" or of "producers"? Shew it me--yours or any other economist's. Your science is the science of productive industry, and no writer among you all has yet stated what it was you were to produce; Wealth, you say, yes--truly, but what is that? Gold? by your own account the more you have of it, the less you know what to do with it; Pictures and statues? I hope not, for truly, it is probable you know less than others how to produce those. Useful things? yes--but what are they? (XVII, p. 495)

Obviously, Ruskin did not think the orthodox economists had correctly defined production or the object of production. What Ruskin was objecting to, however, was not the lack of a definition but the definition itself.

Ruskin also attacked certain other propositions and practices including the ideas that it did not make any difference how money was spent and that the development of new wants benefitted the community. He thought the general public believed that since spending money provided employment, expenditures on selfish luxuries could be justified (XVI, pp. 48-49). Ruskin condemned these ideas as mischievous and absurd. He believed articles could be produced that were useful to society rather than just a luxury to individuals and that produced articles might be useless and perishable rather than the opposite. New wants may be frivolous or they may bring about healthy activity. Ruskin did not want luxuries produced until the poor were fed, clothed and housed (XVI, pp. 124-125). He thought the destruction of the poor was caused by luxury and waste (XVI, p. 406). In these criticisms

Ruskin was arguing against popular beliefs but he thought most economists went along with these beliefs. These criticisms are directed more at the economic system than at economic theory. Ruskin did not like the economic system because he thought it was wasteful, or inefficient, and because he did not agree with the distribution of income.

Ruskin's specific criticisms were mostly that economists had not defined these particular concepts. As stated, the criticism was usually incorrect since the terms had been defined. It was more that Ruskin did not accept the definitions of other economists. He should have realized that terms can be defined differently for different problems if it is helpful to do so and that other economists were justified in defining terms in ways useful to their studies. Ruskin's criticism could have been better directed at the confusion that resulted when common definitions for terms were not accepted and the particular definition used was not made clear. This was particularly true at the time of Ruskin's writing since modern economics was a relatively young science and commonality of terms was not always achieved. His criticism of society reflected his own value judgments. Ruskin thought the economic system was inefficient because it produced some things that he regarded as useless. He objected to the distribution of income since some people did not have the basic necessities while others lived lives of luxury.

Summary

Over a period of years, Ruskin's social consciousness developed. His observation of a society which was ugly, inefficient and had great

contrasts in income caused him to reflect and study upon political economy, the theoretical foundation of this society. He was convinced that political economy was in error so he tried to destroy it by writing Unto this Last, which is partly destructive and partly constructive. The elements of Ruskin's scheme of political economy are contained in it and in Munera Pulveris, a much less well-written work. After these works, Ruskin made use of letters, an easier and less rigorous style of writing. Time and Tide represents Ruskin's attempts to develop his economic system. It contains many of his proposals for change. Fors Clavigera, a still less disciplined work, wanders over many subjects. The political economy of it does not add much to what Ruskin had already written in a theoretical sense. Rather, it is Ruskin's attempt to bring about social reform through individual action and through the promotion of the Guild of St. George.

Ruskin was not a trained economist, nor did he educate himself in classical economics. His political economy was defective as he did not understand the system he was trying to destroy. Ruskin has been considered a genius and quite knowledgeable in certain areas and he brought these qualifications to his work on political economy. Ruskin criticized classical economics because economic practices were in conflict with biblical teachings. He did not think political economy was a science and he believed its views on the nature of man were defective. He was very critical of economists for not defining and explaining concepts like wealth, intrinsic value and production. But much of Ruskin's criticism resulted from a lack of knowledge and understanding of the classical system. His criticisms should have been directed more at the popularizers and practitioners of economics who

ignored the qualifying statements of the better classical economists. However, some of his criticisms, such as the neglect of consumption, were justified.

CHAPTER IV

RUSKIN'S PRINCIPLES OF POLITICAL ECONOMY:

PART I

The purpose of Chapters IV and V is to present a topical exposition of Ruskin's political economy in order to examine the significance of his writings in this area. Chapter IV includes three sections; the basic introductory concepts, the concepts clustered around wealth and the concepts relating to monetary and aggregate economics. The method employed for this exposition consists of a rewriting of his economic ideas. For the most part, his ideas are reformulated in terms of neo-classical concepts and the effect is to present a Ruskinian principle of economics. This involves abstracting Ruskin's ideas from his writings, reorganizing them in a logical topical arrangement and presenting them in a neoclassical framework. In general, it is assumed that the reader has an adequate knowledge of both the economics of Ruskin's time and today so that it is not necessary to make explicit comparisons and contrasts between these three points of view. However, a commentary does examine and evaluate his ideas. Since the foundations of Ruskin's economic theory were taken from Greek economic thought, his political economy tends to be backward looking. On the other hand, many of his proposals for change and reform were in advance of their time.

Introductory Concepts

Ruskin's political economy was based upon a particular view of the nature of man. He also defined and analyzed the nature of political economy and the role of economists. The theme developed in these introductory concepts, human life itself, unifies many of Ruskin's economic concepts. He analyzed most economic concepts and processes in terms of a human standard, their effect upon life, rather than in terms of a monetary standard.

The Nature of Man

Classical economic theory, assuming that man acted in his own self-interest for material gain, developed the concept of the "economic man," and concluded that such behavior, within the appropriate institutional framework, also promoted the general welfare.¹ Since much of classical theory was developed upon an abstract basis, using logic and deductive reasoning, the conclusions depended partly upon the initial premise of self-interest. These conclusions were used as a rationale for individual economic behavior and, usually, for a lack of action by the government. Since Ruskin thought it necessary to study the whole man, he rejected the "economic man" concept. Man must not only be studied as a whole person, but also in relation to other men and society. Further, Ruskin rejected the premise that man acted in his own self-interest since he did not believe a system of economy could be built on the resulting dishonesty and disagreement (XXIX, p. 579). He

¹Adam Smith, An Inquiry Into the Nature and Causes of the Wealth of Nations, ed. Edwin Cannan (New York, 1937), pp. 422-423.

developed a different concept as the motivating force behind man's actions since it was a delusion "that an advantageous code of social action may be determined irrespectively of the influence of social affection" (XVII, p. 25). Ruskin thought that conclusions reached by assuming away the social affections were incorrect since dropping these assumptions so changed human nature and behavior (XVII, p. 26). Since he believed the current political economy had been developed upon an incomplete and therefore, erroneous foundation, it could not be applied to solve the problems of society. Before political economy could assist in solving man's economic problems, a proper foundation for it should be laid by introducing the influence of social affections upon man's behavior so that the true nature of man could be determined and studied.

Ruskin was criticized because he introduced social affections into man's behavior; it was alleged that he substituted sentimentality for scientific analysis. Ruskin denied that he put sentiment in place of science. He believed that he was exposing what pretended to be a science and then defining the material elements and the moral principles of political economy (XVII, pp. 137-138). Hobson defended Ruskin against the charge of sentimentality, arguing that he had "taken a truly scientific and not, as commonly supposed, a sentimental position."² Ruskin was, however, attempting to humanize the abstract and deductive reasoning of political economy by considering the whole man. To some extent, human feelings were to replace scientific abstraction; but the purpose of introducing a different concept of human behavior was to develop a science of political economy that would lead to more reliable

²Hobson, John Ruskin: Social Reformer, p. 120.

conclusions. Since Ruskin believed that God intended human behavior to be guided by balances of justice, all "endeavour to reduce rules of action from balance of expediency is in vain" (XVII, p. 28). He thought the correct relation between economic units depended on justice, including "affection--such affection as one man owes to another" (XVII, p. 28). Further, Ruskin believed most men can determine what is just and what unjust, and the best possible consequences would come from economic units acting with justice towards each other (XVII, p. 28). He based his political economy, not on the idea that man was an animal of prey, but that "Man is an animal whose physical power depends on its social faiths and affections" (XXXVI, p. 592). He tried to develop a system of political economy based on the whole man, including his heart and soul as a source of affection and justice. Since he started with a different view of man, Ruskin developed different ideas and conclusions about political economy.

Ruskin gave some examples of employer and employee relationships where he thought social affections played a very important role. One of these situations was that of a master of a household and his servants. He argued that the motive power of the servant was a soul and consequently, the largest amount of work would be done by him only when the "will or spirit of the creature, is brought to its greatest strength by its own proper fuel: namely, by the affections" (XVII, pp. 29-30). He recognized that a strong and wise master would probably get more work done than an idolent or weak but good-natured one. But, other things being equal, Ruskin believed the most work would be done when the master and the servant have affection for each other, when the master

makes the work beneficial to the servant and when the master forwards the interest of the servant in just and wholesome ways (XVII, p. 30). He thought this unselfish treatment of the servant by the master would cause the servant to do the most work, render the greatest good for the master's interest and, thus, produce the most effective return (XVII, p. 30). Ruskin considered social affections solely as a motivating force, "not at all as things in themselves desirable or noble, or in any other way abstractedly good" (XVII, p. 30). He did not mean that individuals should treat each other kindly to advance their own self-interest but as a matter of justice. In fact, he thought the "affections only become a true motive power when they ignore every other motive and condition of political economy" (XVII, p. 31).

Another example used by Ruskin was that of an army officer and his men. Again, other factors being equal, Ruskin argued:

. . . the officer who has the most direct personal relations with his men, the most care for their interests, and the most value for their lives, will develop their effective strength, through their affection for his own person, and trust in his character, to a degree wholly unattainable by other means. (XVII, p. 32)

As the number of men involved increased, Ruskin believed this principle was even more applicable. By using these two examples, he thought he had shown that relationships between economic units based on justice, including affection, would produce the best result or the greatest output. Yet when Ruskin turned from these simple examples to the relation between a manufacturer and his workers, he did not find the emotion of affection. He thought that a group of men associated for the purpose of production was not animated by affection for each other and that workers were not willing to lay down their lives for their employer (XVII, p. 32). But he explained that this difference resulted from a

different administration of wages. Servants and soldiers were usually employed at a fixed wage rate for a definite period while the wages and even the employment of manufacturing workers varied with the demand for labor (XVII, p. 33). Under these conditions, where wage rates and employment changed with the demand for labor, no development of social affections between the employer and employee could take place. In order to permit and encourage the development of affections between these groups, Ruskin thought it would be necessary to change the administration of labor so that workers were employed at a fixed wage rate for a definite period of time. He did not accept the current system as given but was willing to consider how it might be changed. With the proper changes, the feelings and emotions of affection could become the motivating force for individual behavior and the foundation of a sound political economy. Ruskin argued that orthodox economists, using the motivating force of self-interest, were led into wrong calculations and incorrect conclusions.

Ruskin analyzed a problem that has been a source of difficulty and controversy among economists. Generally, economists today begin by assuming that economic units act in their own self-interest although self-interest is not restricted to material or pecuniary gain. This assumption, applied to individual economic units, means that consumers maximize satisfaction, firms maximize profits and resource owners maximize income. Since every type of economic unit has something to maximize, definite conclusions about equilibrium positions can be drawn. Yet, from time to time, questions are raised about these assumptions. Do economic units maximize, and, if so, what do they maximize? Apparently not all economic behavior is explained satisfactorily by the

idea that economic units act in their own self-interest, unless self-interest is defined so broadly as to lose almost all meaning. Perhaps certain types of behavior could be explained better by Ruskin's factors of justice and affection. This still leaves the problem of timing: when do economic units act towards each other on the basis of affection and when on the basis of self-interest? Ruskin sought to change institutional relationships so that they always acted on the basis of justice and affection. While his ideas are suggestive, they also present certain difficulties. If affection is or becomes the motivating force behind human behavior, what do economic units maximize? If they try to maximize affection, how is this to be measured and how is it to be used to predict economic behavior? Ruskin did not answer these questions.

Ruskin's analysis of human nature may be of interest to individuals in the field of personnel management, since he was trying to establish the conditions under which workers would be most productive. His ideas of the treatment of workers and the proper employer-employee relationship may offer fruitful insights to managers who are concerned with motivating workers to be productive.

Generally, Ruskin's ideas about the nature of man are normative rather than positive. He was more interested in what could or should be than what was. Reacting against the corruption of the idea that men, by acting in their own self-interest, also promote the general welfare, he wanted individuals to act towards each other with justice and affection. In Adam Smith's model, self-interest was very closely restrained by perfect competition; but in practice, this restraint

tended to be ignored and individuals rationalized almost any action that promoted their interest as also promoting the interest of society. From this and other ideas, it was felt little could be done to improve the conditions of the less fortunate members of society. Ruskin thought action motivated by justice and affection would improve relations between the classes. But he also thought that workers inspired by just and affectionate treatment would produce a larger output. While Ruskin's ideas have probably not been the cause, some economic analysis is concerned with the study of human motivation, rather than just making an assumption about behavior.

Ruskin thought economists should study the whole man and that the motivating force behind human behavior was affection. These ideas are humanistic, idealistic and romantic which may help to classify Ruskin in the stream of thought. He appealed to economic units to act on a nobler basis, in an attempt to improve man's character, the true wealth of a country. Improving man's character would increase the wealth of a nation.

The Nature of Political Economy

Ruskin scattered many definitions of political economy throughout his writings but these are quite similar; hence, only a few of his definitions are presented. He believed "all economy, whether of states, households, or individuals may be defined to be the art of managing labour" (XVI, p. 18). Since Ruskin, although not always consistent, did not believe that political economy was a science, he called it an art. Since he also referred to it as managing a particular resource, labor, this shows his emphasis on the labor resource and also upon

applied economics. He usually was quite consistent in failing to make any distinction between different kinds of economic units and in applying the same principles to them. In modern terms, this is wrong since, for some problems, economists distinguish between individual economic units and the whole economy. But to Ruskin political economy meant "citizen's economy," and all responsible citizens should understand its first principles (XVI, p. 9). The economy of the nation should be managed like a well-ordered household according to Ruskin. He did not think that the economic principles for doing so were obscure nor that profound study was necessary to learn them. But accurate study was required; the practical requirements of these principles were disagreeable and people did not want to understand them because they were unwilling to obey them (XVI, p. 9). Ruskin thought the word "economy" had been twisted into an incorrect meaning and use: "In our use of it, it constantly signifies merely sparing or saving; economy of money means saving money--economy of time, sparing time, and so on" (XVI, p. 19). Ruskin objected to this usage, argued that economy did not mean saving money or time and defined economy as "the administration of a house; its stewardship; spending or saving, that is, whether money or time, or anything else, to the best possible advantage" (XVI, p. 19). This definition can be interpreted as expressing economy to be making the best possible use of means. To Ruskin: "Precisely the same laws of economy which apply to the cultivation of a farm or an estate, apply to the cultivation of a province or of an island" (XVI, p. 23). This view, while correct for some problems, could lead Ruskin into the fallacy of composition. It led Ruskin to certain ideas about the relationship of the government to the economy. If the same principles

are applied to a nation as to a farm, then the government has the same authority to manage the economy as the farmer has to run the farm. Ruskin accepted and argued for the necessity of the government having this authority since he wanted the laissez-faire system to be replaced by a system managed by an authoritarian and paternalistic government.

To Ruskin:

Political economy means the management of the affairs of citizens; and it either regards exclusively the administration of the affairs of one nation, or the affairs of the world considered as one nation. (XVI, p. 116n)

Ruskin proposed a quid pro quo relationship between citizens and their government similar to the relationship between children and their parents that emphasized the authority required by a paternal government. He thought citizens had a right to claim education from their government only if they were obedient to the government; a right to claim employment from the government only if the government had the right to direct and discipline their labor; and a right to be helped by the government only if the government had the authority to control national fancy and energy (XVI, pp. 26-27).

As Ruskin developed his ideas, he broadened and elaborated upon the meaning of political economy.

Political economy (the economy of a state, or of citizens) consists simply in the production, preservation, and distribution, at fittest time and place of useful or pleasurable things. The farmer who cuts his hay at the right time; the shipwright who drives his bolts well home in sound wood; the builder who lays good bricks in well-tempered mortar, the housewife who takes care of her furniture in the parlour, and guards against all waste in her kitchen; and the singer who rightly disciplines, and never overstrains her voice, are all political economists in the true and final sense: adding continually to the riches and well-being of the nation to which they belong. (XVII, p. 44)

Ruskin, in this definition, dropped some of the emphasis upon labor but it is clear that he was more interested in applied rather than theoretical economics. While scarce resources and human wants are not mentioned, this definition resembles present day ideas in that it is about choice more than wealth. Ruskin extended his ideas:

As domestic economy regulates the acts and habits of a household, Political Economy regulates those of a society or State, with reference to the means of its maintenance. Political Economy is neither an art nor a science; but a system of conduct and legislature, founded on the sciences, directing the arts, and impossible, except under certain conditions of moral culture. (XVII, p. 147)

While Ruskin used the two terms, domestic economy and political economy, he still made no distinction between individual economic units and the whole economy. Here he denied political economy was either an art or a science, calling it a means of regulating the behavior of the society by legislation. This behavior involves the conduct of individuals towards each other and is subject to governmental control for the purpose of maintaining the society.

In outlining the nature of political economy, Ruskin explicitly introduced moral considerations. He believed that "industry, frugality, and discretion, the three foundations of economy, are moral qualities, and cannot be attained without moral discipline . . ." (XVII, p. 138). He thought that "political economy, being a science of wealth, must be a science respecting human capacities and dispositions" (XVII, p. 81). To Ruskin, these were moral qualities. He believed the introduction of moral considerations was one of the essential differences between orthodox economics and his political economy since his economy was

. . . based on presumably attainable honesty in men, and conceivable respect in them for the interests of others,

while the popular science founds itself wholly on their supposed constant regard for their own, and on their honesty only so far as thereby likely to be secured. (XVII, p. 347)

This shows that Ruskin thought classical economics taught men to be honest only when it was in their own self-interest. He tried to teach them to be honest always.

Since political economy was concerned with the maintenance of the state, Ruskin defined that to be "the support of its population in healthy and happy life; and the increase of their numbers, so far as that increase is consistent with their happiness" (XVII, p. 148). He thought political economy was to regulate society to obtain the proper balance between the size of the population and the comfort and happiness of the people since it was not the

. . . object of political economy to increase the numbers of a nation at the cost of common health or comfort; nor to increase indefinitely the comfort of individuals, by sacrifice of surrounding lives, or possibilities of life. (XVII, p. 148)

Ruskin "clearly stated the aim of all economy, namely, the extension of life" (XVII, p. 149). With this, he fixed the end-objective of political economy. The purpose of political economy was not accumulating money or exchangeable property nor satisfying human wants. If achieving these objectives was always a means of extending life, then attention could be directed at them. Since satisfying these purposes was not always a means of extending life, then the objective of extending life should be kept in mind as the ultimate objective of political economy. Ruskin's concept of the proper balance between the number of individuals and their comfort and happiness was an optimum theory of population even though it was not expressed in terms of per capita output. It did not represent an operational guideline for controlling population although Ruskin did expand on the concept. By

life, he meant healthy and happy life including "the happiness and power of the entire human nature, body and soul" (XVII, p. 149). He specified the objective of political economy to be "The multiplication of human life at the highest standard" (XVII, p. 150). To do this:

Determine the noblest type of man, and aim simply at maintaining the largest possible number of persons of that class, and it will be found that the largest possible number of every healthy subordinate class must necessarily be produced also. (XVII, p. 150)

Ruskin did not explain why this should follow and it still does not furnish an operational guideline for the number of people it should be the object of political economy to produce. Thus, while Ruskin's concept of population suggests population control, it is not subject to objective measurement of either the number of people or of their quality. He indicated that the noblest type of "manhood . . . involves the perfections (whatever we may hereafter determine these to be) of his body, affections, and intelligence" (XVII, p. 150). It is the object of political economy to produce, accumulate and use material things "which serve either to sustain and comfort the body, or exercise rightly the affections and form the intelligence" (XVII, p. 150).

In Ruskin's definition, political economy is not a study of how scarce means can be used to best satisfy competing ends.³ The end, extension of life, has been determined and this causes the nature of political economy to be different. The problem of scarcity still exists but scarce resources are to be used to extend life, not to satisfy human wants. Economic activity and institutions must be

³For a neoclassical discussion of the economic problem and the nature of economics see Lionel Robbins, An Essay on the Nature and Significance of Economic Science, 2nd ed. (London, 1962).

judged, not on the basis of satisfying wants, but on the basis of extending life. Ruskin's ideas about the nature of political economy came from Greek thought before Aristotle, being developed from the ideas of Xenophon and Plato.⁴ This is shown by several features of Ruskin's thought: the lack of a distinction between the economy of a household and the whole society, the regulatory aspect of his economics, the authoritarian and paternalistic government and the end-objective of political economy. Political economy is a subordinate branch of political philosophy, which has the purpose of developing good citizens. It must be a study of the whole man and of life itself, although some specialization of study is possible. If the end result, life, is kept in mind, the study of political economy involves the goods and services that extend life. It includes moral and ethical considerations because of the interest in the quality of life. Political economy involves a broad area of study as one of the subordinate parts of the social sciences. In modern terms, this implies the economist must be educated in philosophy and the other social sciences to be a good economist or it implies a multi- or inter-disciplinary approach to solving problems. Since guiding individuals to produce and use things that extend life begins with educating them, economics would be closely related to education.

Ruskin's views about political economy contrasted sharply with his ideas about mercantile economy. He thought that what had been called political economy was "in reality nothing more than the investigation of some accidental phenomena of modern commercial operations, nor has it

⁴Sir Ernest Barker, Political Thought in England from Herbert Spencer to the Present Day (New York, 1915), pp. 190-198.

been true in its investigation even of these" (XVII, p. 147). Ruskin did not think that this study had any connection with the political economy of the Greeks and Romans and he was probably correct since classical political economy dates from Adam Smith. Ruskin wanted to return to the early Greek scholars and to introduce a Greek theory of political economy into England. He did not accept the basic assumptions of mercantile economy, was not interested in its conclusion, and so rejected the subject completely (XVII, p. 26). He admitted that there was a mercantile economy as distinguished from social economy, but he "said that neither Mill, Fawcett, nor Bastiat knew the contemptible science they professed to teach" (XVII, p. lxxxiii). According to Ruskin:

. . . mercantile economy, the economy of "merces" or of "pay," signifies the accumulation, in the hands of individuals, of legal or moral claim upon, or power over, the labour of others; every such claim implying precisely as much poverty or debt on one side as it implies riches or right on the other. It does not, therefore, necessarily involve an addition to the actual property, or well-being of the state, in which it exists. (XVII, pp. 44-45)

With mercantile economy, Ruskin made a distinction between an individual and the economy since, if an individual enriches himself at the expense of someone else, that does not increase the wealth of the state.

Ruskin, rejecting mercantile economy, used his analysis of political economy as a starting point for the study of other economic concepts.

The Role of Economists

If the purpose of political economy is the extension of life, it would appear that the true science of

. . . political economy, which has yet to be distinguished from the bastard science . . . is that which teaches nations to desire and labour for the things that lead to life; and which teaches them to scorn and destroy the things that lead to destruction. . . . the great and only science of Political Economy teaches them, in all these cases, what is vanity, and what substance . . . (XVII, p. 85)

If these ideas are accepted,

. . . the essential work of the political economist is to determine what are in reality useful or life-giving things, and by what degrees and kinds of labour they are attainable and distributable. (XVII, p. 152)

The role of the economist is to determine those goods and services that are really useful in extending life. In a market economy, this implies providing consumers with as much information as possible. In a controlled economy, it means determining what goods and services should be produced. The views of Ruskin seem most current in offering fruitful insights, particularly in relation to the consumer information and the drug abuse problems.

Furthermore, the economist has the role of determining how to produce and distribute these useful things. In broad terms, it is the role of the economist to manage the economy. To Ruskin, this meant the

. . . wise management of labour; and it means this mainly in three senses: namely, first, applying your labour rationally; secondly, preserving its produce carefully; lastly, distributing its produce seasonably. (XVI, p. 19)

While Ruskin used the term labor, this can be generalized to include the efficient use of all resources. Once it has been determined what to produce, the rational use of resources means using them where they are most productive. The output should be conserved rather than wasted, and then distributed to those who need and can use it. Ruskin's views, while outlining the basic questions that any economic system must

answer, are not relevant to a free market economy since the market system would perform the functions he gave to the economists. His views indicate in a very broad and general way the overall problems of a controlled economy since the controllers must answer these questions. With respect to supply and demand, Ruskin indicated more specifically what must be done: "all wise economy, political or domestic, consists in the resolved maintenance of a given relation between supply and demand, other than the instinctive, or (directly) natural, one" (XVII, p. 137). To him, political economy "is the science which not merely ascertains the relations of existing demand and supply, but determines what ought to be demanded and what can be supplied" (XVII, p. 522). One task of the economist, in managing the economy, is to determine what individuals should have and how this could be supplied to them. Ruskin thought there were "all manner of demands, all manner of supplies. The true political economist regulates these . . ." (XVII, p. 522). The economist must not only teach individuals what things are good and extend life but must teach them to desire these goods and services. Then the economist must direct the economy to produce these goods and services. Since laissez-faire was at its peak in Great Britain shortly before and during the time of Ruskin's writings, his teachings were directly contrary to the thought and practice of his time.

Ruskin assigned the economist certain specific tasks relative to the study of certain topics. He thought "the object of any special analysis of wealth will be not so much to enumerate what is serviceable as to distinguish what is destructive . . ." (XVII, p. 165). Along with determining what things are useful in extending life, the economist must determine what is harmful in destroying life and avoid

the production of them. The economist must also determine the point at which useful things used in excess become harmful and teach individuals and the nation not to abuse useful things. Further, when useful things are produced, the economist must allow for the production of the necessary capacity on the part of individuals to use them (XVII, p. 167). To do this, the economist must know and understand both the nature of goods and services and human and national character. Ruskin believed "the gist of the whole business is, that the man, and their property, must both be produced together--not one to the loss of the other" (XIX, p. 401). Ruskin sought a proper balance between the production of material goods and services and the development of men of good character. To summarize, the economist, for the individual and the nation, must direct the economy to produce those goods and services that are most beneficial in extending life at its highest level and avoid the production of things that reduce life.

One of the reasons for studying riches was "the economist has to inquire, first, into the advisable modes of their collection; secondly, into the advisable modes of their administration" (XVII, p. 160). Since to Ruskin, riches was a relative term meaning the distribution of wealth, he wanted the economist to be aware of the existing distribution and to determine how it had come about, rather than to accept it as given. He wanted more analysis of what happened to the distribution of wealth as the economy grew and the amount of wealth increased. Ruskin's comments serve to remind economists of the distributional effects of aggregate changes and that the answers to the basic economic questions depend partly upon the initial distribution of property and income. Concerning the administration of riches, the economist should show the

rich person how to select goods wisely, how to use his riches to direct labor justly and how to use his riches to provide for the future (XVII, p. 162). The economist has to be especially concerned about teaching and advising the rich since they exercise greater power and influence upon the economy and other economic units.

One more illustration of Ruskin's role for the economist concerned the problem of housing. He believed one of the first wants that an economic system should satisfy was that of housing its people yet he observed that there was a just demand by deserving people for adequate housing which was not being supplied in the market place (XVII, p. 526). He thought economists should investigate this problem, determine why adequate housing was not being supplied and take action to provide an adequate supply of houses for the people desiring them. In his managed economy, that would be one of the first demands that economists would satisfy. In contrast to Ruskin's time, housing is now an area that engages the attention of the government.

Ruskin's political economy set forth an ambitious role for the economists in his managed economic system. The economists were to manage the economy so as to answer the basic economic questions. Further, they had the role of educating and guiding the demands of the people and of supplying just demands. Since Ruskin's political economy was mainly applied economics, the function of the economist was most closely related to policy.

Wealth and Related Subjects

Even though the nature of political economy as outlined by Ruskin made it more a study of choice than of wealth, he devoted considerable

attention to wealth and some closely related topics such as value and the national store. He defined these terms and analyzed the concepts.

Utility and Value

Ruskin argued that his background in the study of the fine arts uniquely fitted him to study political economy, especially intrinsic value so he set himself to define "Intrinsic Value, and Intrinsic Contrary-of-Value" (XVII, p. 135). Since value was closely related to wealth, an understanding of it was necessary to investigate the laws of wealth. He thought "usefulness and agreeableness underlie exchange value, and must be ascertained to exist in the thing, before we can esteem it an object of wealth" (XVII, p. 80). For an article to have exchange value, it must first be useful but Ruskin argued that the "economical usefulness of a thing depends not merely on its own nature, but on the number of people who can and will use it. . . . every material utility depends on its relative human capacity" (XVII, pp. 80-81). Not only must a thing be useful in itself but people must have the capacity to use it. He argued further that the "agreeableness of a thing depends not merely on its own likeableness, but on the number of people who can be got to like it" (XVII, p. 81). Ruskin concluded that human capacities and dispositions, moral qualities, are important in determining utility and exchange value. Ruskin emphasized the capacity to use a good, which depends upon the person involved. An object may have usefulness but whether this usefulness is developed depends upon the capacity of the individual to make use of it. He believed "if a thing is to be useful, it must be not only of an availing nature, but

in availing hands. . . . usefulness is value in the hands of the valiant" (XVII, p. 88). While Ruskin's remarks on utility are limited, they emphasize the capacity of persons to make good use of articles. Since he began his analysis with exchange value, it can be concluded he put more emphasis on utility than on cost of production in determining exchange value. Ruskin preferred the term useful, rather than the term utility, since he thought other economists used the expression "utilities fixed and embodied in material objects" instead of "useful things" because they did not know what useful things were and did not want to be asked about them (XXVII, p. 66). To Ruskin, utility meant being useful and since his concept of value was a form of use value, he did not make a distinction between utility and value. Present day economists define utility as the subjective evaluation by an individual of the usefulness or want satisfying ability of goods and services and this does depend, not only on the goods or services, but on the tastes and preferences of the individual.

Ruskin returned to Latin to define intrinsic value:

. . . the nominative of valorem . . . is valor . . . Valor, from valere, to be well or strong . . . strong, in life (if a man), or valiant; strong, for life (if a thing), or valuable. To be "valuable," therefore, is to "avail towards life." A truly valuable or availing thing is that which leads to life with its whole strength. In proportion as it does not lead to life, or as its strength is broken, it is less valuable, in proportion as it leads away from life, it is unvaluable or malignant.

The value of a thing, therefore, is independent of opinion and of quantity. (XVII, pp. 83-85)

This concept of intrinsic value differs from exchange value since it is independent of both demand and supply. Intrinsic value is the ability to sustain and support life and those things with this ability are valuable. Those things without the power to maintain and extend life

are of no value. When Ruskin returned to the analysis of value, he added another concept. "'Value' signifies the strength, or 'availing' of anything towards the sustaining of life, and is always twofold . . . primarily, INTRINSIC, and secondarily, EFFECTUAL" (XVII, p. 153). Ruskin, making it clear that his concept of value is not market value, warned the reader not to confuse value with price or cost. "Value is the life-giving power of anything . . . Intrinsic value is the absolute power of anything to support life" (XVII, p. 153). He retained the same concept of intrinsic value, the essential property or power of a thing to sustain life dependent upon its inherent qualities; he added to this concept, the capacity of individuals to make use of the intrinsic value of things:

. . . in order that this value of theirs may become effectual, a certain state is necessary in the recipient of it. . . . The production of effectual value, therefore, always involves two needs: first, the production of a thing essentially useful; then the production of the capacity to use it. Where the intrinsic value and acceptant capacity come together, there is Effectual value, or wealth; where there is no intrinsic value, or no acceptant capacity, there is no effectual value; that is to say, no wealth. (XVII, p. 154)

The intrinsic usefulness of goods is realized or made effective only if the possessors of the goods have the capacity to use them to sustain life. When this happens, there is value or effectual value which is necessary for the existence of wealth. Throughout, Ruskin explained value in terms of things, either material or physical objects.

While not explicitly mentioning services, they are implicit in his analysis. Perhaps, since he placed so much emphasis on the labor factor of production, he should have explicitly included services. His analysis is completely separate from market value since even free goods, such as air, have Ruskinian value. Neither cost nor price measure his

concept of value and he did not explain how to measure it. He argued that material things did have a definite amount of intrinsic value or a certain amount of power to maintain the body, stimulate the emotions or develop the intelligence but he did not explain how this intrinsic value could be measured. Ruskin thought that acceptant capacity was not a definite but a graduated power. This suggests the concept of diminishing marginal utility since the acceptant capacity to use a good would decrease as an individual accumulates larger and larger quantities of the good but Ruskin did not develop this idea. It is obvious that Ruskinian value is value in use and not value in exchange. Economists generally consider only value in exchange, not because it is the only kind of value, but because exchange value interests economists, particularly in a market economy, and because it can be measured objectively by market price.

Wealth

Ruskin wanted economists to determine what goods were good for life and how these things could be produced and distributed. He thought this would involve the study and investigation of the "phenomena, first, of WEALTH; secondly, of MONEY, and thirdly, of RICHES" (XVII, p. 152). These terms, while often used as synonyms, meant entirely different things to Ruskin, who thought wealth "consists of things in themselves valuable; 'Money,' of documentary claims to the possession of such things; and 'Riches' is a relative term . . ." which compared the size of one person's possessions with those of other persons (XVII, p. 152). While critical of his contemporaries, Ruskin credited Xenophon with

having given a "faultless definition of Wealth, and explanation of its dependence for efficiency on the merits and faculties of its possessor . . ." (XXXI, p. 27). He thought Xenophon's definition could not be improved and it must be the basis for all true political economy.

Because of his beliefs about the treatment of wealth and since he thought a logical definition of wealth was a necessary basic for a scientific economics, Ruskin wanted to give "an accurate and stable definition of wealth" (XVII, p. 19). He began by quoting John Stuart Mill: "'To be wealthy,' says Mr. Mill, 'is to have a large stock of useful articles'" (XVII, p. 86). Ruskin accepted this definition but he wanted it to be perfectly understood, which requires knowledge of the meaning of "having" and "useful." He argued that "having" is

. . . not an absolute, but a gradated, power; and consists not only in the quantity or nature of the thing possessed, but also (and in a greater degree) in its suitability to the person possessing it and in his vital power to use it. (XVII, p. 87)

Ruskin's definition of wealth, after considering the meaning of "having" became: "The possession of useful articles, which we can use" (XVII, p. 87). Ruskin thought this was a serious change since wealth instead of "depending merely on a 'have,' is thus seen to depend on a 'can,' . . . And what we reasoned of only as accumulation of material, is seen to demand also accumulation of capacity" (XVII, p. 87). Since he thought people possessed articles they could not use, he questioned the usual assumption that individuals will only possess things they can use and made the capacity to use articles correctly a necessary condition for them to be called wealth. Further, Ruskin wanted "useful" defined

because he thought articles that could be used by some people might be abused by others and this depended upon the persons more than upon the articles. He contended that "if a thing is to be useful, it must not be only of an availing nature, but in availing hands. Or, in accurate terms, usefulness is value in the hands of the valiant . . ." (XVII, p. 88). To Ruskin, "useful" depended upon two criteria: the inherent usefulness of the article and the capacity of an individual to use it. After defining "having" as the capacity to use an article and "useful" as an availing nature in availing hands, Ruskin defined wealth as "THE POSSESSION OF THE VALUABLE BY THE VALIANT" (XVII, p. 88). He argued that in considering wealth as a "power existing in a nation, the two elements, the value of the thing, and the valour of its possessor, must be estimated together" (XVII, pp. 88-89). He thought many persons considered wealthy really were not because they were not "valiant" and did not have the power to use properly their possessions and make the wealth effective. Ruskinian wealth consists, not only of articles essentially valuable, but also includes the capacity to use these articles. If wealth is considered as the "Science of Accumulation," then it requires accumulating the capacity to use articles as well as the things themselves and when considered as the "Science of Distribution, is distribution not absolute, but discriminate; not of everything to every man, but of the right thing to the right man" (XVII, p. 88). Ruskin thought the "study of Wealth is a province of natural science--it deals with the essential properties of things" (XVII, p. 152). This study would also have to include the study of man, the possessor of the things, to be consistent with his definition.

Ruskin developed a list which classified wealth or valuable material things into five classes:

- (i) Land, with its associated air, water, and organisms.
 - (ii) Houses, furniture, and instruments. (iii) Stored or prepared food, medicine, and articles of bodily luxury, including clothing. (iv) Books. (v) Works of art.
- (XVII, p. 154)

He believed these items contained intrinsic value but making this intrinsic value effective or these things wealth required the capacity to use these things on the part of the possessors. The value of land is, first, "producing food and mechanical power; secondly, as an object of sight and thought, producing intellectual power" (XVII, pp. 154-155). Ruskin thought the value of land for production varied with its form, substance and climate and that land had a certain fixed intrinsic value which could be made effectual by the men who dealt with it (XVII, p. 155). The concept of a fixed intrinsic value or ability to produce a fixed amount of output is wrong unless this is the point at which diminishing returns become negative as more capital and labor are added to the land. Ruskin did not make it clear he was referring to this point. The second element of value in land is its beauty, including that of its animals and plants (XVII, p. 155). Ruskin wanted some land to be preserved in its natural state of beauty, not used for production. While Ruskin did not specifically introduce location as a factor in value, he did mention place. He mentioned only that mineral content which produces power and this leaves out many natural resources. Ruskin thought the value of buildings consisted in "permanent strength, with convenience of form, of size, and of position; so as to render employment peaceful, social intercourse easy, temperature and air healthy" (XVII, p. 156). It also consisted of "historical association,

and architectural beauty . . ." (XVII, p. 156). Ruskin believed the

. . . value of instruments consists, first, in their power of shortening labour, or otherwise accomplishing what human strength unaided could not. . . . secondarily, in their aid to abstract sciences. (XVII, p. 156)

Although Ruskin included furniture in his list, he did not state its value. Instruments included all machinery and tools, and buildings included all structures. While Ruskin did not indicate the value of food, medicine and articles of luxury, he questioned the

. . . possible methods of obtaining pure food in such security and equality of supply as to avoid both waste and famine: then the economy of medicine and just range of sanitary law: finally the economy of luxury. (XVII, p. 157)

In this category, Ruskin omitted a whole range of consumer durable and non-durable items. He thought the value of books consisted in "their power of preserving and communicating the knowledge of facts. Secondly, in their power of exciting vital or noble emotion and intellectual action" (XVII, p. 157). Ruskin believed the value of works of art is "of the same nature as that of books; but the laws of their production and possible modes of distribution are very different and require separate examination" (XVII, p. 157). Although Ruskin grouped works of art separately because their production was different, this separation placed more emphasis upon them. He believed a study of wealth included studying the way these things can be used for man's well-being, rather than merely assuming they will be. He placed considerable emphasis upon how these items affect the emotions and intelligence, rather than concentrating on the production of goods and services. Aesthetic considerations played a part in determining the value of these items. Ruskin did not mention inventories or stocks of goods in the productive

process nor did he include money or financial claims since he considered them money, not wealth. In his list, Ruskin did not make any distinction between stocks or flows or separate income from wealth so flows and income are a part of Ruskinian wealth.

Since Ruskin referred to the wealth of the nation and the wealth of the world, he used the term in the aggregate as well as in the individual sense. Aggregate wealth would consist of the sum of the valuable things listed above. "Wealth consists of the good, and therefore useful, things in the possession of the nation . . ." (XIX, p. 402). While Ruskin thought the intrinsic value could be measured, it is impossible to measure the acceptant capacity and the total amount of Ruskinian wealth. For the world, Ruskin listed wealth as "its healthy food-giving land, its convenient building land, its useful animals, its useful minerals, its books, and works of art" (XXIX, p. 14). This list is less comprehensive and thus inconsistent with his earlier classification of wealth and it omits wealth produced by man except for books and art works; however, Ruskin was emphasizing that the wealth of the world was not infinite. He made clear that each one of the things he mentioned was limited in amount: that if one person had them, someone else could not; and if they were in one place, these items could not be in another (XXIX, pp. 14-16). At one point in time or over a short period of time, these ideas are correct since wealth is limited and this means choices about who is to have it, where it is to be and what it is to be used for. For the individual, Ruskin listed the "substantial wealth of man" as the "earth he cultivates, with its pleasant or serviceable animals and plants, and in the rightly produced work of his own hands" (XXVIII, p. 18). All of these lists of Ruskin

placed more attention on things provided by nature, such as land, and those things produced by manual labor, especially the fine arts, while tending to de-emphasize capital goods which would be used in the productive process.

Concerning wealth, Ruskin believed his concept, "that it consists in an intrinsic value developed by a vital power, is directly opposed to two nearly universal conceptions of wealth" (XVII, p. 164). First, all "wealth is intrinsic, and is not constituted by the judgment of men" (XVII, p. 164). The basis of wealth was intrinsic value and this was independent of the demand for and the supply of a good. Ruskin thought not everything that "is widely coveted, dearly bought, and pleasurable in possession, must be included in our definition of wealth" (XVII, p. 164). While some things are true wealth and good for one person or in moderate use, they become false wealth or evil for another person or in immoderate use. The essential properties or intrinsic value of the things have not changed, but the use of them by a particular person or their abuse causes the things to be evil. It is this use or abuse that alters and harms the person so that the things become false wealth. So the term "wealth is never to be attached to the accidental object of a morbid desire, but only to the constant desire of a legitimate one" (XVII, p. 165). Second, Ruskin asserted that "wealth is not only intrinsic, but dependent, in order to become effectual, on a given degree of vital power in its possessor . . ." (XVII, p. 166). He thought this idea was opposed to the popular view that though wealth "may always be constituted by caprice, it is, when so constituted, a substantial thing, of which given quantities may be

counted as existing here, or there, and exchangeable at rated prices" (XVII, p. 166). Ruskin believed this popular view ignored the idea of acceptant capacity and contained three errors. First, while individuals may possess articles they cannot use and call them part of their wealth if they can be exchanged for usable items; the power of making such exchanges depends upon finding individuals with the capacity to use the articles, so the fact that these articles are wealth depends upon the capacity of someone to use them (XVII, p. 166). Second, in "giving the name of wealth to things which we cannot use, we in reality confuse wealth with money" (XVII, p. 167). Ruskin thought that goods which individuals possess without the capacity to use, expecting to exchange them for usable goods, are to those individuals "personally, merely one of the forms of money, not of wealth" (XVII, p. 167). Third, the public view confuses "Guardianship with Possession; the real state of men of property being, too commonly, that of curators, not possessors, of wealth" (XVII, p. 168). These errors in the popular view of wealth result from neglecting the second point of Ruskinian wealth, the capacity of individuals to use the intrinsic value. Elaborating upon the third error, Ruskin thought a "man's power over his property" could be divided into:

. . . power of Use, for himself, Administration, to others, Ostentation, Destruction, or Request; and possession is in use only, which for each man is sternly limited; that such things, and so much of them as he can use, are, indeed, well for him, or Wealth; and more of them, or any other things, are ill for him, or Illth. (XVII, p. 168)

He believed an individual's capacity to use wealth of a particular kind was limited. Beyond this a person could administer his wealth by distributing, lending or increasing it. The individual would only be

taking care of the wealth, he would not be using it. Furthermore, the individual might display, destroy or bequeath his wealth but this did not represent use either. Ruskin thought many rich persons were only trustees of wealth--not using it, but holding it until it was passed on to their heirs (XVII, p. 168). Since the existence of wealth depends upon the power of the possessor to use it, it is not constant nor measurable because the total amount of wealth in the nation changes as the number and character of its holders change (XVII, p. 170).

Ruskin's analysis of wealth has nothing to do with the market price of goods. He emphasized intrinsic value, the inherent properties of the thing, and acceptant capacity, the power of individuals to use the intrinsic value. A good "is worth precisely what it can do for you; not what you choose to pay for it" (XIX, p. 405). While his analysis includes both flows and stocks, this is not incorrect if it is realized that a stock yields a flow of services. Since Ruskin excluded some things of exchange value, his analysis of wealth is narrower than that derived from the market. "Many bad things will fetch a price in exchange, but they do not increase the wealth of the country" (XIX, p. 405). Ruskin coined the word "illth" for those things that either do not have any intrinsic value or are abused in use. Ruskin considered those goods which an individual cannot use and is holding to exchange as money, not wealth. Goods in excess of what an individual can use are not included as wealth either. On the other hand, Ruskin's view of wealth was more extensive than that of the market. He included useful things, such as free goods that do not command a price, as wealth. Further, wealth depends upon the vital powers and capacities of individuals to use articles of intrinsic value. Thus, "you can only

possess wealth according to your own capacity of it" (XXVIII, p. 715). Nothing is wealth to an individual unless he can use it.

After defining and analyzing the nature of wealth, Ruskin considered the production of wealth. He urged that all directions for the gaining of wealth and all general laws about the national practice of buying and selling include moral and ethical conditions (XVII, p. 53). He thought any consideration of the advantage and quantity "of national wealth, resolves itself finally into one of abstract justice" (XVII, p. 52). He believed a nation which desired true wealth, would desire it moderately, "distribute it with kindness, and possess it with pleasure; but one which desires false wealth, desires it immoderately, and can neither dispense it with justice, nor enjoy it with peace" (XVII, p. 144). Thus Ruskin linked moral and ethical considerations with wealth. He believed the

. . . lawful basis of wealth is, that a man who works should be paid the fair value of his work; and that if he does not choose to spend it to-day, he should have free leave to keep it, and spend it to-morrow. Thus, an industrious man working daily, and laying by daily, attains at last the possession of an accumulated sum of wealth, to which he has absolute right. (XVIII, p. 411)

A man should be able to keep what he justly earned. The production of wealth requires the production of intrinsic value. To Ruskin, the

. . . wealth of nations, as of men, consists in substance, not in ciphers; and that the real good of all work, and of all commerce, depends on the final intrinsic worth of the thing you make, or get by it. (XVIII, p. 391)

Further, one of the vital principles of economy was that "society cannot exist by reciprocal pilfering, but must produce wealth if it would have it . . ." (XVII, p. 486). The economist, for every unit of intrinsic value, "must with exactest chemistry produce its

twin atom of acceptant digestion, or understanding capacity; or, in the degree of his failure, he has no "wealth" (XVII, p. 167). So the second step in producing wealth is the production of capacity to use the intrinsic value. Finally, Ruskin added a third point in his analysis of the production of wealth.

Any given accumulation of commercial wealth may be indicative . . . of faithful industries, progressive energies, and productive ingenuities: or . . . it may be indicative of mortal luxury, merciless tyranny, ruinous chicane. (XVII, p. 52)

Since true wealth was measured by its extension of life, any destruction of life during its production must be subtracted to arrive at net Ruskinian wealth. Ruskin did not develop the cost or negative side of his wealth concept as fully as he did the positive or extension of life side but his analysis suggests that the true or net Ruskinian wealth of anything depends on its ability to extend life minus any using up or decrease of life in its production. Its ability to extend life depends upon its intrinsic value and the human capacity to use this value. Some commercial wealth may be negative Ruskinian wealth if the negative using up of life in its production is greater than its positive extension of life in its consumption. Such items, in Ruskin's terms, would decrease the wealth of the nation.

In considering the distribution and use of wealth, Ruskin divided it into "property which produces life, and that which produces the objects of life" (XVI, p. 129). Food, houses, clothes and fuel, or any property used to produce them, is property that produces life while any property that gives pleasure and suggests or preserves thought is property that produces the objects of life (XVI, pp. 129-130). Ruskin grouped this property into several classes. First, some property, air,

water and land, necessary to life, is provided by nature and Ruskin thought every person had an inalienable right to that amount of this property necessary for life (XVI, p. 130). Second, some property, necessary to life, is produced by labor and a person has a right to this property only if he has done the necessary labor to produce it, or its equivalent labor (XVI, p. 130). Third, some property, not necessary to life, provides bodily pleasures and conveniences, is produced by labor and consists of luxuries (XVI, p. 132). Fourth, some property, non-agricultural land and art works, provides intellectual and emotional pleasure and may be very hard to distinguish from number three (XVI, p. 132). This classification scheme divided property into necessities and luxuries. Ruskin wanted everyone to have access to the necessities provided by nature and to have the necessities provided by labor only if they worked to produce them. He disliked the distribution of wealth in Great Britain since he thought most of the wealth was "unjustly divided, because it had been gathered by fraud, or by dishonest force, and distributed at the will, or lavished by the neglect, of such iniquitous gatherers" (XXIX, p. 16).

To this point, Ruskin's analysis of wealth has been material or non-human wealth, although developing the full usefulness of this material wealth depended upon human capacity. But as Ruskin considered the power of wealth, he developed the concept of human wealth. "Since the essence of wealth consists in its authority over men, if the apparent or nominal wealth fail in this power, it fails in essence . . . ceases to be wealth at all" (XVII, p. 55). But if this is true, then will

. . . it not follow that the nobler and the more in number the persons are over whom it has power, the greater the wealth? Perhaps it may even appear . . . that the persons themselves are the wealth . . . (XVII, p. 55)

So Ruskin argued that the "final outcome and consummation of all wealth is in the producing as many as possible full-breathed, bright-eyed, and happy-hearted human creatures" (XVII, p. 56). Ruskin concluded, as a result of this reasoning process,

THERE IS NO WEALTH BUT LIFE. Life, including all its powers of love, of joy, and of admiration. That country is the richest which nourishes the greatest number of noble and happy human beings; that man is richest who, having perfected the functions of his own life to the utmost, has also the widest helpful influence, both personal, and by means of his possessions, over the lives of others. (XVII, p. 105)

Ruskin reached this conclusion by following the idea that the real power of wealth is its control over men. It also recognizes that humans have productive power to produce things and this productive power is wealth. It also relates to the idea that the capacity of humans to use intrinsic value is more important in Ruskin's concept of wealth than the intrinsic value itself. His analysis of wealth did not clearly separate nonhuman and human wealth because nonhuman wealth depends upon the human faculty of acceptant capacity. Generally, Ruskin placed more emphasis upon human wealth and this final definition of wealth as life fits neatly with his objective of political economy. This objective was to increase the quantity and quality of life, but if life is the wealth of a country, then the objective is also to increase the wealth of the nation. Ruskin referred to the first principle of his political economy:

. . . the material wealth of any country is the portion of its possessions which feeds and educates good men and women in it; the connected principle of national policy being that the strength and power of a country depends absolutely on

the quantity of good men and women in the territory of it, and not at all on the extent of the territory--still less on the number of vile and stupid inhabitants. (XXIX, p. 423)

Ruskin's analysis of wealth, both nonhuman and human, was in qualitative terms. He did not explain how to measure either form of wealth objectively. Present day economists divide wealth into human and nonhuman forms. Human wealth is valued by some market measure of its productive capacity or its cost of production. Nonhuman wealth, a stock of capital since it does not include income, is also valued by its price or some objective market measure. Ruskin's ideas can be conceptualized and explained but not objectively measured or valued.

The National Store

In his analysis of nonhuman wealth, Ruskin used, as an expository device, a concept called a store or a national store. The national store is a stock of useful material things that have been produced by labor. Ruskin asked his readers to suppose:

. . . a national store of wealth, composed of material things either useful, or believed to be so, taken charge of by the government, and that every workman, having produced any article involving labour in its production, and for which he has no immediate use, brings it to add to this store, receiving from the Government, in exchange, an order either for the return of the thing itself, or of its equivalent in other things, such as he may choose out of the store, at any time when he needs them. (XVII, p. 171)

For each article in the store, the government issued a promise to pay and these promises, in Ruskin's definition, are national currency. If these claims are presented as rapidly as goods are brought to the store, then the stock of useful things stays the same. But if a worker brings his output to the store and saves part of the claims received

in exchange for it "he increases the national wealth daily by as much as he does not use of the received orders, and to the same amount accumulates a monetary claim on the Government" (XVII, pp. 171-172). In this case, part of income is saved, not all of output is consumed and that part not consumed is added to the stock of wealth in the national store. The individual worker has the right to present his claims and make use of his wealth. To the extent he does not use his claims, the country is enriched by the wealth these claims represent and he has "rendered so much additional life possible in the State, of which additional life he bequeaths the immediate possibility to those whom he invests with his claim" (XVII, p. 172). This follows because the amount of wealth is its ability to extend life and if one individual produces more than he consumes, the rest is available to increase life for others. According to Ruskin, the government, in taking charge of the store, may be conserving, improving, or destroying. If conserving, it does not change the amount of wealth in the store. If improving, the government, by proper use of the material wealth, enriches the nation and is able, "for every order presented, to return a quantity of wealth greater than the order was written for . . ." (XVII, p. 172). If this ability of the government is concealed, the promises to pay of the government do not completely represent the stock of wealth in the store or the government may show this by

. . . continual payment of the excess of value on each order, in which case there is . . . a perpetual rise in the worth of the currency . . . a fall in the price of all articles represented by it. (XVII, p. 172)

In this case, the government uses the wealth in the store to increase the store without any corresponding increase in the claims against the

store so the value of the national store is greater than the claims against it. If the government is a destructive or consuming power, it uses up part of the store and is "unable to return the value received on the presentation of the order" (XVII, p. 173). The government may conceal this inability by making payments in full unless all claims are presented and the government cannot redeem its promises to pay or it may pay "less than value received on each presented order, in which case there is a consistent fall in the worth of the currency, or rise in the price of things represented by it" (XVII, p. 173). This is just the opposite of the previous case since the promises to pay of the government exceed the value of the national store.

After illustrating the concept of a national store controlled by the government, Ruskin suggested that by substituting a group of

. . . persons occupied in industrial pursuits, of whom each adds in his private capacity to the common store, we at once obtain an approximation to the actual condition of a civilized mercantile community . . . (XVII, p. 173)

Whether the store was owned and controlled by the government or by private economic units, Ruskin believed both social conditions were the same in "the prime importance of the supposed national store or stock, and its destructibility or improveability by the holders of it" (XVII, p. 173). Whether held by government or by individuals, "the quantity of stock is of the same national moment" (XVII, p. 173). If the government held the store, its amount would be known, but if held by private individuals, the amount cannot be known except by examining their affairs, according to Ruskin. He believed "the riches of the nation consist in the abundance, and their wealth on the nature of this store" (XVII, p. 174). Ruskin emphasized the importance of the store

and that whether held by the government or in private hands the national store "may be daily consumed, or daily enlarged, by its possessors; and while the currency remains apparently unaltered, the property it represents may diminish or increase" (XVII, p. 174).

Ruskin was interested in the nature of the store. "Has the nation hitherto worked for and gathered the right thing or the wrong? On that issue rest the possibilities of its life" (XVII, p. 174). The nature of the store must be considered under

. . . two main lights; the one, that of its immediate and actual utility; the other, that of the past national character which it signifies by its production, and future character which it must develop by its use. (XVII, p. 178)

Ruskin's concept of wealth can be applied to the national store. First, there is the amount of intrinsic value or ability to extend life of the goods contained in the store. He thought that the goods in the store might be useful in extending life or they might be harmful in destroying life. They might be necessities or luxuries. Even if the store contained useless things, that might not mean an entirely corresponding absence of valuable things, because the people who produced the useless things might have made nothing as an alternative. In any case, the immediate utility of the store is its power to either sustain life or to help produce things that will. Second, if the national store is used or consumed, then the acceptant capacity to use its intrinsic value effectively must exist or be developed. This brings into consideration the personal character of individuals and their capacity to make good use of the store. Third is the cost of producing the store as measured in the using up of life and degradation of character of those who produced it. Thus, the value of the store is the amount it

can extend life minus the amount of life used up in producing it. Ruskin's analysis links production and consumption since the value of anything depends on how much life was used up in the productive process subtracted from how much life can be increased by the consumption process.

Ruskin related the quantity and nature of the store to the population of the country. "What quantity of each article composing the store exists in proportion to the real need for it by the population?" (XVII, p. 178). However, he did not think the quantity of the store compared to the number of people determined their distress or comfort. "An active and economical race always produces more than it requires, and lives (if it is permitted to do so) in competence on the produce of its daily labour" (XVII, p. 179). In this case, a small store would be associated with a comfortable existence, according to Ruskin. Unless there is some special case where a large output would be associated with a small stock of capital, this appears to be in error. If more is produced than is required, the store would become larger over time. If the store can be used in a productive manner, a larger store should mean a larger output and greater comfort for the population. On the other hand, Ruskin also thought that a large quantity of store did not necessarily mean comfort for the population since:

. . . an inactive and wasteful population, which cannot live by its daily labour, but is dependent, partly or wholly, on consumption of its store, may be (by various difficulties, hereafter to be examined, in realizing or getting at such store) retained in a state of abject distress, though its possessions are immense. (XVII, p. 179).

There is no evidence Ruskin ever examined the difficulties in getting at the store. Unless there is some reason, like unemployment, it does not

seem that a large capital stock should be associated with a small output. A larger store should make possible greater comfort if it is used productively. If the store is used up over time, the quantity of it will become smaller and output will decrease causing distress to the population. However, Ruskin can be interpreted as placing more emphasis upon the industriousness of the people in determining output rather than upon the size of the store.

Ruskin thought "the results always involved in the magnitude of store are, the commercial power of the nation, its security, and its mental character" (XVII, p. 179). So, there were advantages in having a large store relative to the population. A larger store would permit the country to engage in more extensive commercial operations such as foreign trade. Its security would be increased since a large store could be the means of sudden exertion or sustained endurance such as war. Its character could become more civilized since a larger store would permit the production and acquisition of certain treasures such as works of art. But Ruskin rejected the idea that a country with a certain amount of store would be enriched by a decrease in its population since "Wealth is by definition only the means of life, a nation cannot be enriched by its own mortality" (XVII, p. 181). He concluded that if two nations have an equal amount of store, the one with the larger population is to

. . . be considered the richer, provided the type of the inhabitant be as high (for, though the relative bulk of their store be less, its relative efficiency, or the amount of effectual wealth, must be greater). (XVII, p. 180)

The nation with the larger population, having greater need, would have greater acceptant capacity to use the store and thus develop its

potential intrinsic value more fully, causing the wealth of store to be greater. This implies a diminishing marginal utility of wealth if individuals with less wealth are able to use it more effectively. When an article of given intrinsic value is placed in the hands of someone with greater capacity to use it, the amount of effectual value or wealth is increased. Further, since wealth is life, a country with a larger population is wealthier, providing the quality of the population is as high. If the quality of the population is decreased because of its large numbers,

. . . we have evidence of poverty in its worst influence; and then, to determine whether the nation in its total may still be justifiably esteemed rich, we must set or weigh, the number of the poor against that of the rich. (XVII, p. 180)

To do this, it is necessary to know who is rich and who is poor and how rich and poor they are. In comparing the wealth of nations, it is necessary to know the distribution of wealth as well as the total amount.

Since Ruskin's list of material wealth included things provided by nature, the national store is only part of the material wealth of the country, that part produced by the economy. This national store is a stock concept and can be compared to a concept used by present day economists: the stock of capital. This stock, depending on institutional arrangements, may be owned by the government or by private economic units. Depending on the economy, this stock may be increasing, decreasing or staying the same. Ruskin valued this stock at its power to extend life rather than using a market measure of its value.

Monetary and Aggregate Economics

In his monetary economics, Ruskin defined and analyzed money, currency and national currency. All of them, from the view of issuer, were promises to pay or from the view of the holder, claims. These claims gave command over goods and labor services, their most important powers. His analysis examined the use and worth of currency and the relation between the currency holders and the store-holders. While Ruskin's analysis of aggregate economics was brief, he commented upon total output, the price level and the value of money.

Money, Currency and National Currency

Ruskin thought the "study of Money is a province of commercial science:--it deals with conditions of engagement and exchange" (XVII, p. 153). Ruskin defined money as a "documentary expression of legal claim" (XVII, p. 157). Money was not wealth but a "documentary claim to wealth, being the sign of the relative quantities of it, or of the labour producing it, to which, at a given time, persons, or societies, are entitled" (XVII, p. 158). This definition makes the nature of money similar to "the title-deed of an estate" (XVII, p. 158). Money was more than a means of exchange and only a small part of the money supply, as defined by Ruskin, would serve as a medium of exchange. To him, money was any claim to the possession of valuable things or, in other words, any pieces of paper or coin that were evidences of ownership or claims on existing wealth or available labor. Money could serve as a medium of exchange because of its claiming power, when its right as a claim was exercised: "money is a documentary claim to a proportionate quantity of the wealth of the world. It is not a medium of exchange except as

a claim" (XVII, pp. 486-487). Since a person with more money has a greater claim to valuable things, Ruskin insisted that money "is not a medium of exchange, but a token of right" (XXVIII, pp. 134n-135n). Money can be examined from the view of the issuer or the holder, and Ruskin thought this caused some controversy among economists. "All money . . . is an acknowledgement of debt; but as such, it may either be considered to represent the labour and property of the creditor, or the idleness and penury of the debtor" (XVII, p. 150n). Promises to pay are debt to the issuer but they are a claim from the viewpoint of the holder. At one time, Ruskin defined money as a "documentary promise ratified and guaranteed by the nation to give or find a certain quantity of labour on demand" (XVII, p. 150n). This definition is more restricted and he later called it "more or less metaphysical," while he referred to the broader definition as a "practical statement of immediate need" (XVII, p. 487). Since Ruskin showed little interest in market operations, he de-emphasized the importance of money as a medium of exchange. He emphasized money as a claim to wealth but it appears this claim would be exercised only when money was used as a medium of exchange. Thus Ruskin's distinction between money as a claim and as a medium of exchange may be less important than he thought. Since he defined money as a claim, Ruskin concluded that its primary value "consists in its having power over human beings; that, without this power, large material possessions are useless, and to any such person possessing such power, comparatively unnecessary" (XVII, p. 54). Money gives the holder the power to hire labor services to take care of and operate farms and factories. Because Ruskin defined money as merely

a claim, he argued that if all "the money in the world, notes and gold, were destroyed in an instant, it would leave the world neither richer nor poorer than it was" (XVII, p. 158). While this follows from Ruskin's definition, three exceptions can be taken to this statement. First, it neglects the nonmonetary uses of gold as a commodity. Second, it does not consider money as having net wealth because it yields a flow of services. Third, it ignores goods in the possession of an individual who cannot use them and plans to exchange them for other goods. In defining wealth, Ruskin called these goods money. In defining money, he did not include these goods nor did he include them when referring to the destruction of money since there would then be decreases in wealth as a result of destroying money. This inconsistency can be reconciled if these goods, while considered money by the individual since he is going to use them as claims to something else, are considered wealth rather than money from the viewpoint of the whole economy.

Ruskin continually emphasized money as a claim without value in itself:

. . . money is only the written or coined sign of the relative quantities of wealth in each person's possession. All money is a divisible title-deed, of immense importance as an expression of right to property; but absolutely valueless, as property itself. (XIX, p. 402).

He argued that the money supply of a nation is "at its maximum value, worth all the property of the nation, and no more, because no more can be got for it" (XIX, p. 402). This ignores the fact that some property does not have any document or claim attached to it and that money, even as defined by Ruskin, could have a velocity of circulation of more than one. So usually the money supply would not reach its maximum and would not be equal to all the property. Ruskin's conclusions, however, can

be accepted if one assumes a constant velocity of circulation and flexible prices. He concluded that if the money supply stayed the same while the articles of property increased, the value of money would increase or prices would fall since each unit of money claims more property. If articles of property are decreased while the money supply stays the same, the value of money would decrease or prices would rise since each unit of money is claim to a smaller amount of property. If the articles of property stay the same while the supply of money is increased, the value of money decreases as prices rise and each unit of money claims a smaller amount of property. If the articles of property stay the same when the money supply is decreased, the value of money increases as prices fall and each unit of money claims more property. This analysis attributes to money the technical characteristic of expanding or contracting in total value to equal the value of the property it is claim to. Money has this technical characteristic only if prices are flexible. Since money was only a claim to Ruskin, he concluded that money is truly "lost in the degree in which its value is taken from it, (ceasing in that degree to be money at all); and it is truly gained in the degree in which value is added to it" (XIX, p. 403). Money's value is decreased when it claims a smaller amount of property and increased when it claims more property and these changes could result either from changes in the money supply or in the amount of property.

Part of a country's money supply consists of currency, which Ruskin defined as

. . . every document acknowledging debt, which is transferable in the country. This transferableness depends upon its intelligibility and credit. Its intelligibility depends

chiefly on the difficulty of forging anything like it;-- its credit much on national character, but ultimately always on the existence of substantial means of meeting its demand. (XVII, p. 194)

The amount of currency must be less than the supply of money since it is only those promises to pay that circulate. Ruskin recognized the "degrees of transferableness are variable, (some documents passing only in certain places, and others passing, if at all, for less than their inscribed value,) . . ." (XVII, p. 194). He thought producing articles of commercial value on "which bills were drawn, increase the currency indefinitely; and substances of intrinsic value, if stamped or signed without restriction so as to become acknowledgements of debt, increase it indefinitely also" (XVII, p. 195). As long as more goods are produced and bills of exchange are drawn on these goods, the amount of currency increases. Newly mined uncoined gold is just a good offered for sale but when it is coined and becomes a promise to pay, it increases the currency and decreases its value so long as there is no increase in goods. Transferableness, which is the same as acceptability, determines whether promises to pay circulate and become currency. Promises to pay are acceptable if individuals are sure they are not counterfeit and know they can be used for claiming what the individuals want. Some promises to pay circulate only in certain parts of the country or they may circulate at less than their stamped value, at a discount. Those promises to pay have only a partial acceptability.

Ruskin also defined:

Legally authorized or national currency . . . a form of public acknowledgment of debt, so regulated and divided that any person presenting a commodity of tried worth in the public market, shall, if he please, receive in exchange for it a document giving him claim to the return of its

equivalent, (1) in any place, (2) at any time, and (3) in any kind. (XVII, p. 195)

National currency is the circulating debt or promises to pay of the government. It is only one part of the total currency. Ruskin examined the nature and power of the currency with respect to place, time and kind. Currency is a claim to the

. . . return of equivalent wealth in any Place. Its use in this function is to save carriage . . . to be perfect in this use, the substance of currency must be to the maximum portable, credible, and intelligible. (XVII, p. 196)

This means goods can be exchanged for currency in one place but the currency can be used to claim the same value of goods some place else. This requires that prices be the same in both places, that the currency be equally acceptable in both places and that the currency be easily carried between the two places. Currency is also a claim to the "return of equivalent wealth at any Time. In this second use, currency is the exponent of accumulation . . ." (XVII, p. 196). The use of this currency is that of a store of value since goods are exchanged for currency which can be used at any later time to claim an equal value of goods, if prices do not increase and the acceptability of the currency does not change. This use of currency makes saving by "individuals unlimitedly possible; whereas . . . all gathering would be confined within certain limits by the bulk of property, or by its decay, or the difficulty of its guardianship" (XVII, p. 196). Finally, currency is a claim to the "return of equivalent wealth in any Kind. It is transferable right, not merely to this or that, but to anything; and its power in this function is proportional to the range of choice" (XVII, p. 197). This means goods can be exchanged for currency and this currency used to claim any

kinds of available goods and services in the market. In this use, currency is generalized purchasing power. With respect to both place and kind, these functions of currency are as a medium of exchange.

In relating currency and markets, Ruskin thought that if the

. . . currency is quite healthy and vital, the persons entrusted with its management are always able to give on demand either, A. The assigned document for the assigned quantity of goods. Or, B. The assigned quantity of goods for the assigning document. If they cannot give document for goods, the national exchange is at fault. If they cannot give goods for document, the national credit is at fault. (XVII, pp. 195-196)

If the currency is acceptable and if markets are working properly then currency and goods can be freely exchanged for each other at the assigned values. Ruskin thought that markets were defective if goods could not be sold for currency and the currency was not acceptable if it could not be used to purchase goods. The first case might result if no one has currency to pay for goods and services while the second case could result if no one is willing to accept the currency as payment for goods or services.

Ruskin, examining the relation between currency and gold, discussed the use of gold as a basis for the currency. Since the currency is a promise to pay goods equal in value to those exchanged for it, the quality of the promised goods must be tested and guaranteed. Since a quantity of goods must be held to meet the promise of the currency to pay, it is essential that the promised goods be indestructible, and desirable that smallness of bulk be combined with large value. Ruskin found the desirable characteristics

. . . united in gold; its intrinsic value is great, and its imaginary value greater; so that, partly through indolence, partly through necessity and want of organization, most nations have agreed to take gold for the only basis of their currencies . . . (XVII, p. 197)

The basis or final promise to pay of national currency was to pay gold. It was used because it combined the desirable characteristics of large value, indestructibility and ability to be tested and guaranteed. One of the disadvantages of using gold as a currency base was "its portability enabling the metal to become an active part of the medium of exchange . . ." (XVII, p. 197). Gold not only served as a basis for the currency but it was also used as a currency. It was both currency and commodity and these two functions interfere with each other. Gold is bad currency since it can be withdrawn from circulation and used as a commodity in the arts. But it is also a bad commodity since it might be coined and used as a currency. Its use in the arts is unsafe because it might be melted down and coined. However, these two functions also enhance each other because gold's use as a commodity increases its acceptability as a currency. Its use as currency increases its commodity value since a quantity is absorbed in that use and "increases the effect on the imagination of the quantity used in the arts" (XVII, p. 198). This and other reasons caused Ruskin to dislike the use of gold as a monetary standard because "its significance as an expression of debt varies . . . with the popular estimate of its desirableness, and with the quantity offered in the market" (XVII, p. 199). He believed that his ability to obtain "other goods for gold" depended on how strongly people wanted "gold and on the limitation of its quantity, so that when . . . the world esteems gold less, or finds it more easily--my right of claim is in that degree effaced . . ." (XVII, p. 199). He argued that "the right of debt ought not to rest on a basis of imagination; nor should the frame of a national currency vibrate with every miser's panic, and every merchant's imprudence" (XVII, p. 199).

Ruskin disliked gold as a standard of value because gold itself increased in value if the demand for it increased and it decreased in value if the supply of it increased or the quantity of goods and services decreased. To him, "gold is only precious as long as people think it so, and it loses its value either when more of it is found, or when other things diminish in quantity" (XVII, p. 488). He believed that changes in the value of gold or the "rise of prices (i.e., loss of value in money) is much more owing to wanton waste and war than to the Australian or Californian mines" (XVII, p. 489). Since gold was the basis of currency then a

. . . premium on that article indicates bankruptcy of the government in that proportion . . . Currencies of forced acceptance, or of unlimited issue, are merely various modes of disguising taxation . . . (XVII, p. 201)

The government is in partial default on its promise to pay gold if it circulates at a premium and Ruskin recognized that currency issue and inflation is a form of taxation to secure resources by the government. Mostly, Ruskin's analysis of gold was orthodox.

Ruskin divided the power of true currency into four categories. First, there is the "credit power" of currency or its "worth in exchange, dependent on public opinion of the stability and honesty of the issuer" (XVII, p. 202). This is how much the general public thinks a unit of currency will purchase in goods and services since by credit power, Ruskin meant the "general impression on the national mind" or the thought of how much the currency is worth (XVII, p. 182n). Second, the "real worth" of the currency is "what the division of the assets of the issuer would produce for it" (XVII, p. 202). If all the promises to pay of the issuer are presented for payment at once, the real worth

of the claim is how much would be paid on them. In order for this real worth to equal the face value of the currency, the issuer would either have to hold a one hundred percent reserve of the basis of the currency or be given time to liquidate other assets in order to redeem his promises to pay. If his liabilities exceeded the value of his assets, the real worth of his promises to pay would be less than their face value. Third, the "exchange power" of the basis of the currency is "how much of other things we can get for . . . gold" (XVII, p. 202). If currency is exchanged for gold, there is the question of how much the gold will buy or its exchange power. It would appear that exchange power should be equal to the face value of the currency unless gold is either at a premium or a discount. Fourth, there is the "power over labour, exercised by the given quantity of the base, or of the things to be got for it" (XVII, p. 202). If a five pound currency note is exchanged for five pounds of gold, the question is "how much work and . . . whose work, is to be had for the food which five pounds will buy" (XVII, p. 202). This means the quantity of labor that can be hired for the amount of goods the base of the currency will buy. In competitive markets, exchange power and the power over labor should closely approximate each other since a unit of gold should purchase goods and services equal in value to the labor it can hire. One unusual circumstance that provides an exception to this is art work from a dead artist since gold could purchase his existing art work but could not hire any more of his labor. All of these powers of the currency are powers to claim the gold basis of the currency or the power of the currency or the gold to buy goods or hire labor services.

Ruskin broadly defined the total currency, including that issued by the government and privately, as "transferable acknowledgment of debt," and he divided this debt into two classes, "the acknowledgment of debts which will be paid, and of debts which will not" (XVII, pp. 202-203). Ruskin excluded bad debts that would not be paid from his analysis even though they might temporarily still circulate. He included all good debts that will be paid even though they might not circulate because withdrawal from circulation is a "graduated state, and indefinable" and they could enter back into circulation (XVII, p. 203n). He ranged "the true currency of the country on one side, and the store or property of the country on the other" (XVII, pp. 203-204). That gold which circulates is included with the currency while commodity gold is included with the property. "Then the currency represents the quantity of debt in the country, and the store the quantity of its possession" (XVII, p. 204). Ruskin divided the ownership of all the property between the currency-holders and the store-holders, and "whatever the claiming of the currency is at any moment, that value is to be deducted from the riches of the store-holders" (XVII, p. 204). The net value of the store-holders' property would be its value minus any claims or promises to pay upon their property held by the currency-holders, according to Ruskin. He argued that true economy, or debts that will be paid,

. . . represents either the debtor's wealth, or his ability and willingness . . . either wealth existing in his hands transferred to him by the creditor, or wealth which, as he is at some time surely to return it, he is either increasing, or, if diminishing, has the will and strength to reproduce. A sound currency . . . as by its increase it represents enlarging debt, represents also enlarging means . . . (XVII, p. 204)

Ruskin concluded that as true currency increased so did debt but this would be true by definition since currency is promises to pay or debt. He also concluded that increases in debt would be associated with increased output or the ability to increase output, but there are exceptions to this. Debt may increase without any increase in output or ability to increase output. Furthermore, output may increase without any increase in debt as when an individual produces something for himself. Therefore, Ruskin's conclusion does not cover all cases.

Ruskin tried to determine whether people were primarily store-holders or currency-holders since he believed the characters of the two differed. He thought:

. . . every man possessing money has usually also some property beyond what is necessary for his immediate wants, and men possessing property usually also hold currency beyond what is necessary for their immediate exchanges, it mainly determines the class to which they belong, whether in their eyes the money is an adjunct of the property, or the property of the money. In the first case the holder's pleasure is in his possessions, and in his money subordinately, as the means of bettering or adding to them. In the second, his pleasure is in his money, and in his possessions only as representing it. . . . The shortest distinction between the men is that the one wishes always to buy, and the other to sell. (XVII, p. 205)

Ruskin, admitting that people were not exclusively store-holders or currency-holders, believed individuals were mainly store-holders if their pride of possession were mainly in their property, if their currency holdings were subordinate to their property holdings and if they were to use their currency holding to buy more property. Individuals were primarily currency-holders if their pride of possession were mainly in their currency, if their property holdings were subordinate to their currency holdings and if they wished to sell their property to acquire more currency. Ruskin believed the character of these two

groups is very important to the country since on the "character of the store-holders chiefly depend the preservation, display, and serviceableness of its wealth; on that of the currency-holders, its distribution; on that of both, its reproduction" (XVII, p. 206). The store-holders, since they hold the property of the nation, determine how it is cared for and used; whether it is improved or destroyed, whether it is used to produce useful or useless things. Thus Ruskin thought the character of the store-holders was more important than the amount of property in the country; further, if the store-holders better their property, this reacts by improving their character. The currency-holders determine the distribution of property since they can, if they so choose, use their currency to acquire property and change its distribution. Ruskin's analysis of the character of the store-holders and the currency-holders is more psychological than economic. The evaluation of it by an economist is difficult since it does go beyond the usual boundaries of the discipline.

In addition to studying who were the store-holders and who the currency-holders, Ruskin analyzed the quantity of the store relative to the currency. He thought the "real worth of the currency, so far as dependent on its relation to the magnitude of the store, may vary, within certain limits, without affecting its worth in exchange" (XVII, p. 181). The real worth of the currency is the stock of useful things in the store to which the currency is a claim while its worth in exchange is the amount of goods and services people think it will purchase. Ruskin thought these could diverge from each other unperceived by the public and its credit power could be more or less

than its real worth. He believed currency was usually taken for more than it was worth; its credit power exceeded its real worth. People thought it would buy more goods and services than it could actually claim in the store. Ruskin also related "the currency to the available labour which it also represents" (XVII, p. 182). He thought this relation involved the size of the store to the number and mind of the population. The size of the store can be measured relative to the number of the population but its size relative to their willingness to work cannot be measured. This value of currency, power over labor, depends upon the amount of goods and services that can be acquired by hiring labor. It depends upon the number of laborers and their willingness to work. To Ruskin, the worth of a

. . . piece of money which claims a given quantity of the store is, in exchange, less or greater according to the facility of obtaining the same quantity of the same thing without having recourse to the store. (XVII, p. 182)

Money or currency can be used to claim goods from the store or to hire labor services. If the currency commands a larger value of labor services than goods from the store, its power over labor is greater than its real worth; its value in hiring labor is greater than in buying goods. If the currency commands a smaller value of labor services than goods from the store, its power over labor is less than its real worth; its value in hiring labor services is less than in buying goods. Normally, in competitive markets, these values should be the same but it depends upon the willingness of store-holders to sell goods and the willingness of labor to supply its services. Ruskin believed the first function of currency was its power to purchase goods. The worth of the currency in exercising this power is "dependent

on the conceived or appreciated value of what it represents, and . . . dependent on the existence of what it represents" (XVII, p. 190). If the conceived or appreciated value of what the currency represents is high because the possessors value it highly and place a high price on it, then the currency is weak or worth little. Currency is strong or worth much if the possessors of what it represents do not value it highly and place a low price on it. If what the currency represents actually exists, then the currency can be used to claim the article and is a true currency. If what the currency represents does not exist, the currency is a false currency since it cannot be used to claim a non-existent article. The second function of currency is commanding labor. If labor is very eager to acquire currency to buy goods, it will be more willing to work and the value of currency in commanding labor is greater. If labor is less willing to work, the value of currency in commanding labor is less. Ruskin's analysis emphasized the power of money, and currency as a part of the money supply, in obtaining material possessions or commanding labor services.

Ruskin attempted some analysis of the demand for and the necessary supply of currency. He thought the need for currency depended upon the size of the population, the number of currency-holders as compared to the nonholders and the number of store-holders as compared to the number of nonholders. Since he defined currency as a claim to goods that were not possessed, "its quantity indicates the number of claimants in proportion to the number of holders; and the force and complexity of claim" (XVII, p. 191). He believed that if the claims were not very complex, there was little need for currency as a means of exchange and the supply could be small in quantity. In a simple economy with little

specialization, only a small quantity of currency is needed. When people produce goods for themselves, there is little exchange and small need for currency. A single unit of currency can affect more than one exchange and as it does, property ownership changes. In a more complicated economy there would be a greater demand for currency. If a nation's habits become more complex and fantastic, if the currency itself becomes an object of desire, then the demand for currency increases and it becomes larger in comparison to the store (XVII, p. 192). Although Ruskin's analysis of the demand for currency appears correct as far as it goes, he did not specifically devote much attention to this topic.

Ruskin's monetary concept closest to a present day definition of money was currency. Money is commonly defined at the present time as anything generally used and accepted as a medium of exchange. Ruskin's currency was those acknowledgments of debt that circulated. He emphasized the function of currency as a claim to goods or labor services. His analysis connected the effect of currency and its use upon human character. He integrated his monetary economics with the rest of his political economy through this concern about the quality of life. Currency is helpful if its use extends life by assisting in the production of useful goods and services or by assisting in placing useful things in the hands of those best able to use them. Currency is harmful if it causes the character of individuals to become worse, if it leads to the production of harmful things or if its use places goods into the hands of those less able to use them.

Aggregate Economics

Although Ruskin's treatment of aggregate economics was not extensive, some of his analysis applies to the whole economy. He related total output to labor since he believed the labor of a nation, if well employed, is "sufficient to provide its whole population with good food and comfortable habitation; and not with those only, but with good education besides, and objects of luxury. . ." (XVI, p. 18). But if labor is used unwisely or not used at all, then suffering and want would be the result. If not all labor is used, total output would be less. If the labor is used inefficiently or does not work hard, then total output would be less. Total output depends not only on the level of employment of labor but also on the efficiency of labor. While recognizing that total output is limited by the amount of available land, capital and labor, Ruskin introduced another factor. With a given amount of labor, the quantity of work and output depends upon "the quantity of will with which we can inspire the workman; and the true limit of labour is only in the limit of this moral stimulus of the will, and of the bodily power" (XVII, p. 177). If all the other factors of production are fixed, then the quantity of output is determined by the willingness of the laborers. If they are inspired to work harder through the proper development of social affections, output will increase. Ruskin thought labor was "limited only by the great original capital of head, heart, and hand" (XVII, p. 177). He also related total output to the demand for particular products since he thought the desire for an article may stimulate

. . . the production of the money which buys it . . . the work by which the purchaser obtained the means of buying it,

would not have been done by him, unless he had wanted that particular thing. (XVII, p. 177)

Individuals who might otherwise produce nothing, may, because they want certain goods, produce goods or provide services, increasing output, to earn the income to purchase what they want.

Ruskin analyzed the relationship between money and wealth.

The real worth of money remains unchanged, as long as the proportion of the quantity of existing money to the quantity of existing wealth or available labour remains unchanged. If the wealth increases, but not the money, the worth of the money increases; if the money increases, but not the wealth, the worth of the money diminishes. (XVII, p. 158)

In this analysis Ruskin implicitly assumed a constant velocity of circulation and flexible prices. Since wealth includes both currently produced and previous output not consumed, this analysis considers the value of money or the price level in relation to both current output and existing goods. If the relation between money and wealth or available labor does not change, then neither does the price level or the value of money. If wealth increases with a constant money supply, the price level must fall. If wealth remains constant but the money supply increases, the price level must increase. While this analysis related the money supply directly to the price level, Ruskin recognized one situation in which the currency should be related to the quantity of wealth. "So long as the existing wealth or available labour is not fully represented by the currency, the currency may be increased without diminution of the assigned worth of its pieces" (XVII, p. 158). In this case an increase in currency increased wealth rather than increasing the price level since there were some unemployed resources to increase production. Increased output resulted because the increases in gold or money will "stimulate industry: an additional quantity of

wealth is immediately produced, and if this be in proportion to the new claims advanced, the value of the existing currency is undepreciated" (XVII, p. 159). Ruskin did not explicitly explain the process but his analysis is correct. If an increase in the money supply somehow causes a proportionate increase in product, the price level will not change. He went beyond this to the case if an increase in the money supply stimulated the production of "more goods than are proportioned to the additional coinage, the worth of the existing economy will be raised" (XVII, p. 158). While this case would seem to be very unusual, if not impossible, unless other changes are taking place at the same time, the conclusion is correct. If an increase in the money supply could result in a more than proportionate increase in product, the price level must fall. If the

. . . existing wealth, or available labour, is once fully represented, every piece of money thrown into circulation diminishes the worth of every other existing piece, in the proportion it bears to the number of them . . . (XVII, p. 158)

Once full employment is reached so that production cannot be increased, additional increases in the money supply cause proportional increases in the price level. Since the money supply affects the production of wealth, Ruskin believed that the control and issue of currency by the government was, in some cases, wise. But he warned that:

The issue of additional currency to meet the exigencies of immediate expense, is merely one of the disguised forms of borrowing or taxing. It is, however, in the present low state of economical knowledge, often possible for governments to venture on an issue of currency, when they could not venture on an additional loan or tax, because the real operation of such issue is not understood by the people, and the pressure of it is irregularly distributed, and with an unperceived gradation. (XVII, p. 159)

If there were available labor resources, the government could increase production by issuing more currency. If there were no available labor resources, then the issue of more currency by the government, resulting in an increase in prices, was a form of taxation. Even though it caused rising prices, the government could acquire resources in this manner, especially if the people did not expect rising prices. The prices would rise over a period of time and affect people differently according to what happened to the money value of their income and property.

Ruskin introduced the level of spending into his analysis of the money supply and the price level but his analysis was confused.

Suppose . . . I hold stock to the value of £ 500 a year; if I live on a hundred a year, and lay by four hundred, I (for the time) keep down the prices of all goods to the distributed amount of £ 400 a year, or, in other words, neutralize the effect on the market of 400 pounds in gold imported annually from Australia. If, instead of laying by this sum in paper, I choose to throw it into bullion (whether gold plate or coin does not matter), I not only keep down the price of goods, but raise the price of gold as a commodity, and neutralize 800 pounds' worth of imported gold. But if I annually spend my entire 500 (unproductively) I annually raise the price of goods by that amount, and neutralize a correspondent diminution in the supply of gold. If I spend my 500 productively, that is to say, so as to produce as much as, or more than I consume, I either leave the market as I find it, or by the excess of production increase the value of gold. (XVII, pp. 489-490)

Ruskin gave many examples and did not make his assumptions clear. The first case, when he receives £ 500 and hoards 400 of it, spending is reduced by the amount of hoarding and prices will fall proportionately if they are flexible downward. If at the same time he hoards £ 400, the money supply is increased by this amount because of new gold, spending would not be reduced and prices would not fall. In the second case, when he buys and hoards £ 400 of gold, the result would be the

same as the first case when he hoards £ 400 of paper currency and not, as he indicates, the neutralization of £ 800. His hoarding of £ 400, either paper currency or gold currency, reduces the velocity of circulation, spending and prices if they are flexible. If at the same time, he increases his hoards by £ 400, the money supply is increased by £ 400, these changes offset each other, there is no change in spending or prices. In the third case, when Ruskin spends his £ 500 so as not to increase production, this would raise prices only if the £ 500 were withdrawn from hoards, increased velocity and spending. If the £ 500 were current income spent as received, there would be no effect on prices. In the last case, when he spends his £ 500 productively, if the £ 500 were income spent as received, spending and prices would not be changed. If the £ 500 are withdrawn from hoards and spent so as to increase production by an equal amount, the increased spending is matched by increased output and prices are unchanged. If it resulted, somehow, in a greater increase in production, prices must fall or the value of gold increases. Throughout this analysis the velocity of circulation is assumed to remain unchanged except for Ruskin's hoarding and dishoarding.

He believed "war and waste raise prices at once" (XVII, p. 488). If the money supply and the velocity of circulation do not change, the decrease in wealth would cause prices to increase. Ruskin thought that increases in demand increased employment but he applied this analysis more to individual firms. He believed that bad commerce caused gluts on the market which lowered prices. "Cheapness caused by gluts of the market is merely a disease of clumsy and wanton commerce"

(XVII, p. 186n). Ruskin thought overproduction was impossible, so recognizing the occurrence of gluts that caused falling prices, he blamed it on commerce without explaining the cause.

Ruskin's aggregate economics related total output to the quantity of labor, its efficiency and its inspiration and willingness. Total output changed with the demand for particular products and with total spending in some cases. However, he usually related changes in the money supply to changes in spending and the price level. Throughout his analysis, he assumed flexible prices, and while recognizing hoarding and dishoarding, usually assumed a constant velocity of circulation. Since prices were flexible, hoarding and dishoarding resulted in changes in the price level rather than changes in output or employment.

Summary

Part I of Ruskin's principles of political economy presented his views on certain economic concepts. The foundation of his political economy is his ideas about the nature of man, the nature of political economy and the role of economists. Ruskin, rejecting the "economic man" concept, urged economists to study the whole man rather than just his acquisitive instincts. This is a sounder but more difficult approach. Economists are usually concerned with only a part of man's behavior and they assume he acts in his own self-interest in order to simplify problems and reach specific conclusions. Ruskin thought man was an affectionate being and the motivating force behind his actions was social affections, the desire to treat other men with justice and affection. Further, if employers treated their employees so as to develop the social affections the greatest output would be produced.

To permit the full development of social affections, the administration of labor needed to be changed so that wage rates and employment levels did not fluctuate with the demand for labor. Ruskin's ideas about the nature of man are interesting and, depending on the reader, may offer insight and inspiration.

Ruskin's study of the nature of political economy caused him to restate the economic problem. The fundamental fact of scarcity still exists but the objective of political economy is the improvement in the quality and quantity of life. Improving the quality of life is more important than increasing the quantity of it. The economic problem is how to use scarce resources to increase or extend life. From this comes the basic questions: what should be produced, how should it be produced and how should it be distributed in order to increase life. This definition of political economy makes it more a study of choice than of wealth. It also makes applied economics more important than theoretical economics. Ruskin's economics apply more to a regulated or managed economy and the role of the economists is that of education and management. They should decide and teach people what things are good and extend life and what things are evil and destroy life. They should direct the economy in the production of useful things and avoid the production of harmful things.

Ruskin's analysis of value was strictly use-value. First, there is intrinsic value which must be measured in terms of supporting life. An article has intrinsic value, which is an inherent property, to the extent it sustains life. This intrinsic value is its usefulness or utility. Second, there is acceptant capacity which is the capacity of an individual to make effective use of the intrinsic value. The

individual must have the power to develop and make use of the intrinsic value. When intrinsic value and acceptant capacity are combined, effectual value, the usefulness of a thing in useful hands to extend life, results. This Ruskinian value is the basis of his concept of wealth. Effectual value is wealth but to determine true net wealth, the cost of producing the intrinsic value must be deducted. Again, this cost of production is measured in the using up or destroying of life. The net result of this is Ruskinian wealth or the net addition to life. These concepts are completely separate from the market place and their valuation is in human, not monetary, terms. Ruskin believed one of the most important forms of wealth for a country was human life of good character and quality. Some wealth was provided by nature, including free goods. Wealth produced, but not consumed, makes up the national store, a stock of useful articles. The value of the store is its ability to extend life.

To Ruskin, money was all claims to the possession of valuable things. Currency was those acknowledgments of debts that circulated. The national currency was the circulating promises of the government to pay. The most important use of these was as a claim, not as a medium of exchange. Their power as a claim was the power to purchase goods and to hire labor services. In these uses, they directed economic activity. Most of Ruskin's aggregate concepts related the money supply to the price level.

The unifying theme in Ruskin's principles of political economy is human life. His basic concepts are to be expressed and measured in terms of a human standard. Not all of his ideas are well developed but they may provide insights and inspiration to the reader.

CHAPTER V

RUSKIN'S PRINCIPLES OF POLITICAL ECONOMY: PART II

Chapter V, a continuation of Chapter IV, presents the remainder of Ruskin's Theoretical economics. His own words are used as the basis for this exposition as his views are abstracted from his writings; however, his ideas are reorganized and grouped under certain topics. Where necessary, his ideas are expanded and interpreted. Further, his ideas are subjected to an examination and evaluation. His economic analysis is grouped into those concepts related to the market, to making and using goods, and to distribution.

Market Economics

Certain Ruskinian concepts are closely related to the market even though he did not define or analyze them in usual market terms. He believed cost and price were commercial conditions and the market would provide monetary measures of them. Nevertheless, Ruskin defined them and insisted they be measured in terms of labor, a human measure. Cost was the quantity of labor necessary to produce an item. He divided cost into intrinsic and effectual cost and he digressed to explain his concept of cheapness. Price was the quantity of labor a seller requires in exchange for an item. Ruskin analyzed price from the view of the buyer and from that of the seller. Although Ruskin did not use supply and demand schedules, he ended with price determined by supply and

demand. He thought if demand were constant, price varied with the cost of production.

Ruskin made many comments about supply and demand, but very little analysis of them. While he did not define supply, it appears to mean the existing quantities of a good. He defined demand as the force of the buyer's effective intention to buy. Mostly Ruskin argued there was not a natural or divine law about supply and demand.

Ruskin contended there was advantage but not profit in exchange. The advantage is acquiring goods that an individual can use. He thought much exchange was based on acquisition or unfair exchange where one person lost as much as another gained. The agents of exchange are merchants and they should receive a return for their effort but not profit based on the state of the markets. Commerce is an extension of exchange to trade between countries. Ruskin applied the same principles to foreign trade as to trade within a country.

Cost and Price

Associated with his value theory, Ruskin defined cost and price to make clear the difference between them and value. Concerning useful things, he defined value as the life-giving power of a good and "cost, the quantity of labour required to produce it; price, the quantity of labour which its possessor will take in exchange for it" (XVII, p. 153). While cost and price were commercial conditions and their study part of the subject of money, he affirmed "cost and price are counted in Labour" (XVII, p. 182). While the market provides a money measure of cost and price, Ruskin measured them with a human standard, the quantity of labor. In his definition, the cost of a good is the amount

of labor necessary to make it, while the price of a good is the amount of labor which the seller requires for it. The concept of cost is more applicable to goods not yet produced, while price applies to goods already in existence. Although both cost and price are immediate or short run phenomena, Ruskin did not believe they were necessarily the same in amount.

To Ruskin, "the 'Cost' of anything is the quantity of labour necessary to obtain it;--the quantity for which, or at which it 'stands' (constat). It is literally the 'Constancy' of the thing . . ." (XVII, p. 183). Getting a thing requires so much labor and that is the cost of it. But Ruskin's use of the term "labour" must be understood. "Cost is measured . . . only in 'labor,' not in 'opera.' It does not matter how much work a thing needs to produce it; it matters only how much distress" (XVII, pp. 183-184). While cost is the quantity of labor required to make a good, labor is not the same as work nor is it all human effort. True labor is the destruction or using up of life either of the body, the heart or the mind. The distress or disutility of labor which measures the cost of making a good is some form of suffering, pain, patience or fatigue.

Similar to value but with different meanings, cost was divided by Ruskin into two parts: "Intrinsic cost is that of getting the thing in the right way; effectual cost is that of getting the thing in the way we set about it" (XVII, p. 184). This division has little meaning since "intrinsic cost cannot be made a subject of analytical investigation, being only partially discoverable, and that by long experience" (XVII, p. 184). Intrinsic cost is the quantity of labor required to produce a good in the most efficient method. Since new methods are

continually developed, the best way of making a good is not known and the perfect method has not been discovered. The economist can only analyze effectual cost: "the cost of the thing under existing circumstances, and by known processes" (XVII, p. 184). Effectual cost is the amount of labor required to produce the good using available techniques of production. Ruskin believed the cost of a thing,

. . . being dependent much on application of method, varies with the quantity of the thing wanted, and with the number of persons who work for it. It is easy to get a little of some things, but difficult to get much; it is impossible to get some things with few hands, but easy to get them with many. (XVII, p. 185)

If cost increases as a larger amount is produced, the production of the good is taking place under conditions of increasing costs. If cost is reduced as a larger number of workers are used, it must be because of the economies of scale associated with the advantages of specialization and division of output. Ruskin believed it might be difficult to measure cost accurately but he thought it depended on "ascertainable physical circumstances" (XVII, p. 185). While it is possible to measure labor time, Ruskin did not explain how to measure the using up of the lives of the workers. Since all of Ruskin's analysis of cost was expressed in terms of labor, his analysis is incomplete as he omitted all the other factors of production. He was aware of the other factors of production but he wanted cost measured by the quantity of labor. Capital goods, but not land, can be introduced easily, although not correctly, into the cost of a good. Since Ruskin eventually denied the net productivity of capital, presumably capital goods are, ignoring land, embodied labor. Using capital goods would use this embodied labor which would be part of the cost of the goods produced.

Present-day economists use an opportunity cost concept to begin the study of cost. Although Ruskin's ideas of cost may seem to be a simple labor theory, his definition of labor makes his cost analysis a complex, real cost concept.

One of Ruskin's digressions while discussing cost considered the topic of cheapness. He believed that in the common use of the term something was cheap only "because it is supposed to be sold under its worth" (XVII, p. 185n). Ruskin objected to this since he believed everything had its proper worth and should be exchanged at that price. He thought the desire for cheapness was either a "rage for badness of all commodities, or it is an attempt to find persons whose necessities will force them to let you have more than you should for your money" (XVII, p. 185n). Ruskin opposed both of these practices since people should desire good quality articles that extend life, and in justice, should pay for articles what they are worth. Ruskin distinguished from the common view one condition of apparent cheapness due to the "real reduction in cost of articles by the right application of labour. But in this case the article is only cheap with reference to its former price . . ." (XVII, p. 185n). If an improved technique of production lowered cost, this was desirable but the lower price then becomes the regular price and the article is no longer considered cheap at this price. Ruskin believed the advantage of production at a lower cost is to increase the opportunities of life.

He thought price was the analysis "of exchange value, and its expression by currencies" (XVII, p. 90). He first approached price from the view of the buyer. "The price of anything is the quantity of labour given by the person desiring it, in order to obtain possession

of it" (XVII, p. 94). From the viewpoint of the buyer this measures the price of a good as the amount of labor the buyer would have to give in exchange for it. Ruskin made this price depend on four variables. First, the "quantity of wish the purchaser has for the thing" in opposition to; second, the "quantity of wish the seller has to keep it" (XVII, p. 94). The first variable is the desire of the buyer for this specific article rather than for other articles; it is his tastes and preferences for this article. The second variable is the desire of the seller to retain this article rather than being able to secure some other article; it is his willingness to keep the article rather than sell it. The other two variables are: third, the "quantity of labour the purchaser can afford, to obtain the thing" as opposed to; fourth, the "quantity of labour the seller can afford, to keep it" (XVII, p. 94). The third variable is the effective demand of the buyer for the article. It depends upon his income, the price of this article and the price of other articles. The fourth variable is the amount of labor the seller must have in order to sell the article: it is his reservation price. Ruskin believed these variables operated only in excess or in comparison to the prices of other articles. This study of price is in terms of demand and supply even though he did not use those terms in his analysis.

In analyzing price from the view of the buyer, price should be measured as the quantity of labor the buyer was willing to give for the good. But Ruskin defined the price of a good as the "quantity of labour which its possessor will take in exchange for it" (XVII, p. 153). So he changed his analysis to the view of the seller because:

It is best to consider the price to be that fixed by the possessor, because the possessor has absolute power of refusing sale, while the purchaser has no absolute power of compelling it; but the effectual or market price is that at which their estimates coincide. (XVII, p. 186n)

While the resulting price must be the same, Ruskin wanted to proceed from the seller's side since the seller decides whether to sell at a particular price or not. Although he thought the cost and intrinsic value of a good depended on physical conditions and could be determined, Ruskin believed the price of a good was:

. . . dependent on the human will. Such and such a thing is demonstrably good for so much. And it may demonstrably be had for so much. But it remains questionable, and in all manner of ways questionable, whether I choose to give so much. (XVII, p. 186).

A good is worth so much according to Ruskin, because it has a certain intrinsic value or ability to sustain life. It costs a certain quantity of labor to produce so the cost can be determined. While a seller may be willing to sell at a certain price, the buyer can decide whether to buy or not. He thought this choice was a relative one since the buyer could decide to purchase this good or some other good. "Price depends . . . not only on the cost of the commodity itself, but on its relation to the cost of every other attainable thing" (XVII, p. 186). The price of a good would not necessarily be the same as its cost since at that price buyers might decide to buy other goods and the good would not be sold. Ruskin argued the "power of choice is also a relative one. It depends not merely on our own estimate of the thing, but on everybody else's estimate . . ." (XVII, p. 186). He concluded the

price of anything depends on four variables.

- (1) Its cost.
- (2) Its attainable quantity at that cost.
- (3) The number and power of the persons who want it.

(4) The estimate they have formed of its desirableness.

Its value only affects its price so far as it is contemplated in this estimate; perhaps, therefore, not at all.

(XVII, p. 187)

This analysis is in terms of a market, not a single buyer or a seller. The market is related to other markets since the cost and price of other goods are introduced. The first two variables are on the supply side even though Ruskin did not use that term or a supply schedule. The cost of the good is the quantity of labor necessary to make it and must be related to the cost of other goods. The attainable quantity is the amount that can be produced and made available at that particular cost since Ruskin thought cost changed with the quantity produced. The last two variables are on the demand side but Ruskin did not use a demand schedule. The third variable includes the number of buyers in this market and their ability to purchase this good which depends on their income and the prices of other goods. The fourth variable is the subjective evaluation of the buyers about the usefulness of this good as compared to other goods; it is their preference to have this good. Value only affects price by entering into the buyer's estimate of the usefulness of this good, according to Ruskin. He believed "utility would be one measure of price . . ." (XVII, p. 83n).

While Ruskin indicated the market price is determined when the estimates of the buyers and sellers come together, he did not explain how this happened or how the market operated. He believed "when the demand is constant, the price varies as the quantity of labour required for production . . ." (XVII, p. 83n). With a given demand, goods with higher labor costs will have higher prices. Ruskin expressed price in terms of labor, but he illustrated the way prices would be expressed

in terms of a currency. He assumed the four variables determining price were "known, and 'the estimate of desirableness,' commonly called the Demand, to be certain" (XVII, p. 187). He used an example of three men and three goods and concluded relative prices depend upon the relative hour times of production since goods requiring twice or four times as much labor to produce compared to another good were worth twice or four times as much (XVII, pp. 187-188). To change the relative labor prices and express them in a currency, Ruskin put the currency into "orders for a certain quantity of any given article (with us it is in the form of orders for gold), and all quantities of other articles are priced by the relation they bear to the article which the currency claims" (XVII, p. 189). If all goods, including gold, have relative labor time prices and thus, are in a certain relationship to each other, when the price of gold is fixed in the currency or monetary unit, the currency prices of all other goods are determined also. Ruskin reasoned:

. . . the worth of the currency itself is not in the slightest degree founded more on the worth of the article which it either claims or consists in (as gold) than on the worth of every other article for which the gold is exchangeable. It is just as accurate to say, "so many pounds are worth an acre of land," as "an acre of land is worth so many pounds." The worth of gold, of land, of houses, and of food, and of all other things, depends at any moment on the existing quantities and relative demands for all and each; and a change in the worth of, or demand for, any one, involves an instantaneously correspondent change in the worth of, and demand for, all the rest . . . (XVII, p. 189)

Ruskin treated gold as a commodity whose price was determined by supply and demand, just like any other commodity. When the labor time prices of all commodities are determined and in a certain relation to each other, fixing the price of any one commodity in terms of the monetary

unit establishes monetary prices for all other commodities. It is peculiar of Ruskin to use land as an example when he worked with the labor time necessary to produce goods since labor is not involved in the production of land, but the value of a currency is the amount of goods or services it can buy as much as it is the amount of gold it is a promise to pay. Ruskin's analysis was in the momentary time period since he worked with existing quantities. He emphasized the inter-relatedness of markets because demand was relative, a decision to buy one good or a different good, and these decisions have effects on more than just the first market. However, only markets for related goods would be affected. Furthermore, the change would not be instantaneous, but would take time to be worked out. As a generalization, Ruskin concluded "if the demand is constant, the relative prices of things are as their costs, or as the quantities of labour involved in production" (XVII, p. 188). Using y as a symbol for demand, he did not think demand was constant since as the price of a good increased, "consumers fall away; and as soon as there is a monopoly (all scarcity is a form of monopoly, so that every commodity is affected occasionally by some colour of monopoly), y becomes the most influential condition of the price" (XVII, p. 84n). Since Ruskin did not distinguish between demand and quantity demanded, his reasoning is difficult to follow, but he noted that customers bought less at higher prices. From this he reasoned that since demand was not constant, it was the most important influence upon price. This is a logical conclusion because his analysis was of the very short run when existing quantities were fixed. Further, Ruskin was more interested in the use made of goods than in their production. Finally he reacted against the classical economists who

placed less emphasis upon utility and demand and more upon costs and supply.

One price of particular interest to Ruskin was the wage rate. He argued that just money payment for labor services

. . . consists radically in a promise to some person working for us, that for the time and labour he spends in our service to-day we will give or procure equivalent time and labour in his service at any future time when he may demand it. (XVII, p. 64)

The necessary condition for justice in the payment of wages is that the money wage paid to the worker should permit him to secure an equal quantity of labor services when he wants it. It might seem that the market price for labor services "expressed such an exchange: but this is a fallacy, for the market price is the momentary price of the kind of labour required, but the just price is its equivalent of the productive labour of mankind" (XVII, p. 64n). Since the market price of labor services varied with the demand for labor, it could and did diverge from the just price, according to Ruskin.

While he wanted price measured in quantity of labor, Ruskin recognized price was a monetary measure of exchange value. His analysis of price was in the immediate market period, using existing quantities of supply and relative demands. While elementary, his analysis of price, using supply and demand, appears to be correct as far as it goes. While not explaining how a market operated, he related price to the cost of production but placed more emphasis upon demand in determining price. He showed how markets were interrelated and how labor prices could be converted to monetary prices.

Demand and Supply

Ruskin's analysis of price was in terms of supply and demand and though he referred many times to these terms, he did not add much to these concepts. He thought:

. . . the modern economist, ignoring intrinsic value, and accepting the popular estimate of things as the only ground of his science, has imagined himself to have ascertained the constant laws regulating the relation of this popular demand to its supply; or, at least, to have proved that demand and supply were connected by heavenly balance, over which human foresight had no power. (XVII, p. 135)

Ruskin, citing a situation where starving people were demanding food but none was being supplied until human action was taken to provide food, rejected the idea that demand and supply were connected by a divine power. He concluded the "law" of demand and supply was "false always, and everywhere" (XVII, p. 136). In the situation cited, there was a demand for food but no supply forthcoming until a particular group took action to provide it. He thought relying upon demand and supply would have permitted the people to starve. Since this seemed an exception to any law of demand and supply, Ruskin argued such a law must be false or imaginary. In support of this he contended:

. . . the vulgar economists are not even agreed in their account of it; for some of them mean by it, only that prices are regulated by the relation between demand and supply, which is partly true; and other mean that the relation itself is one with the process of which it is unwise to interfere; a statement which is not only . . . untrue; but accurately the reverse of the truth . . . (XVII, pp. 136-137)

Since there was not a commonly accepted definition of supply and demand at the time, the terms were used in different ways. The meaning of "law" was not well understood and Ruskin was correct about the confusion concerning the concept. Since his own analysis of price was

really in terms of supply and demand, Ruskin recognized that supply and demand determined some prices. In other cases he thought prices were regulated in the self-interest of those with power to do so and he wanted all prices regulated on the basis of justice. It was because Ruskin declared "there is no such natural law, but that prices can be, and ought to be, regulated by laws of expediency and justice, that political economists have thought I did not understand their science . . . (XVII, p. 532). He did not explain in complete detail what he thought the orthodox economists mean by a law of supply and demand but he denied there was any divine or natural law concerning this concept. He did not "therefore denounce the so-called law of supply and demand, but I absolutely deny the existence of such law; and I do in the very strongest terms denounce the assertion of the existence of such a law . . ." (XVII, p. 503). He asserted a real "law of relation holds between the non-existent wise demand and the non-existent beneficial supply, but that no real law of relation holds between the existent foolish demand and the existent mischievous supply" (XVII, p. 504).

In addition to attacking the idea of a law of demand and supply, Ruskin criticized the popular economist who thought himself wise in discovering that property or wealth "must go where they are required; that where demand is, supply must follow. He farther [sic] declares that this course of demand and supply cannot be forbidden by human laws" (XVII, p. 60). While Ruskin accepted the idea that under some circumstances a demand for a product would bring forth a resulting supply, he rejected the idea that demands and supplies could not be regulated. He cited the introduction of art works into households as

taking place under the "general law of supply and demand . . . that whatever a class of consumers, entirely unacquainted with the different qualities of the article they are buying, choose to ask for, will be duly supplied to them by the trade" (XIX, p. 14). This situation illustrates supply following demand but Ruskin did not like the results. At a minimum the consumers should be thoroughly informed about the goods they were buying; at a maximum the demands of consumers and the supplies of sellers should be regulated.

Ruskin's comments on supply and demand were mainly criticism of what he thought were the prevailing ideas. While some prices are partly determined by supply and demand, Ruskin preferred regulated prices. Prices determined in the market place by supply and demand were momentary, accidental, and not particularly desirable. Economists, not the price system, should guide the economic system. He never bothered to define supply although in his analysis of price it was an available amount based on costs of production. Because what people wanted depended upon the qualities of goods and since the qualities of goods were related to intrinsic value, Ruskin connected value to demand. He thought he used "demand" differently than other economists since they meant "by it 'the quantity of a thing sold.' I mean by it 'the force of the buyer's capable intention to buy.' In good English, a person's 'demand' signifies, not what he gets, but what he asks for" (XVII, p. 84n). By "capable intention" Ruskin meant not only the desire to buy but the ability to do so; hence his concept is that of effective demand. One of the problems was that economists indicated supply and demand determine price and then that supply and demand are derived from price. This was a failure to make clear that while demand and supply

determine price, it is the quantity exchanged or quantity demanded and supplied that is derived from the price. He believed "Economy does not depend merely on principles of 'demand and supply,' but primarily on what is demanded, and what supplied; which I will beg of you to observe, and take to heart" (XVII, p. 178). Ruskin was more interested in the results of economic activity than in theoretical principles. He was concerned about what should be and he wanted economists to teach people to demand life-giving things and to direct the economic system to produce these.

Demand what you deserve, and you shall be supplied with it, for your good. Demand what you do not deserve, and you shall be supplied with something which you have not demanded, and which Nature perceives that you deserve, quite to the contrary of your good. (XVII, pp. 424-425)

To summarize, Ruskin rejected the idea that there was a constant divine or natural law that regulated demand and supply. He thought economists differed among themselves about the meaning of the "law of supply and demand." He recognized that supply and demand determined some prices but he preferred regulated prices. His own analysis of price was really in terms of supply and demand, although he never defined supply and merely used the idea of existing quantities. His definition and use of demand suggests a schedule since consumers demanded smaller quantities at higher prices but he did not develop the concept of a schedule. He accepted the idea that the demand for a good or service will develop a resulting supply but he wanted people to be informed and educated so they demanded only useful or life-giving things which the economic system would then produce.

Exchange and Commerce

Since Ruskin's major interests in political economy were not the analysis of market operations, his examinations of exchange and commerce were not extensive and frequently were confusing or wrong. His discussion of exchange revealed one of the meanings which he attached to profit. For example,

. . . there can be no profit in it. It is only in labour there can be profit . . . a making in advance," or making in favour of" (from proficio). In exchange, there is only advantage, i.e., a bringing of vantage or power to the exchanging persons. Thus, one man, by sowing and reaping, turns one measure of corn into two measures. That is Profit. Another, by digging and forging, turns one spade into two spades. That is profit. But the man who has two measures of corn wants sometimes to dig; and the man who has two spades wants sometimes to eat:--They exchange the gained grain for the gained tool; and both are the better for the exchange; but though there is much advantage in the transaction, there is no profit. Nothing is constructed or produced. Only that which had been before constructed is given to the person by whom it can be used. If labour is necessary to effect the exchange, that labour is in reality involved in the production, and, like all other labour, bears profit. Whatever number of men are concerned in the manufacture, or in the conveyance, have share in the profit; but neither the manufacture nor the conveyance are the exchange, and in the exchange itself there is no profit. (XVII, pp. 90-91)

Ruskin defined and used the term profit in different ways. In this example, profit is first restricted to physical output made by labor. Then, the use of the term is expanded to include income earned by labor services. Any income earned by labor, whether in physical production of goods or in providing services such as transportation is referred to as profit by Ruskin. He ignored, in this illustration, any contribution or income of the other factors of production. As usual, his main concern was with the labor resource. All labor, whether involved in the production, transportation or making of the exchange deserves a

share of the profit. But in the actual exchange, there is no profit because nothing is produced and all labor services have been paid. In exchange there is, however, advantage as individuals acquire things useful to them. In fair exchange, both parties gain as they acquire goods they can use. Ruskin termed this "advantage" and there is advantage on both sides. This distinction between profit and advantage, mainly semantic, is confusing. It is ironic that Ruskin made this distinction since his idea of wealth included the capacity to use things. Thus, there should be a large amount of advantage in putting goods into the hands of those who can best use them. This would bring about the greatest increase in wealth. Even Hobson objected to the teaching that "there is no profit in exchange."¹ Hobson thought this semantic distinction between profit and advantage led Ruskin into the error of condemning some exchanges because all the advantage was on one side.

While Ruskin argued there was no profit in exchange, he believed many exchanges resulted in acquisition.

If, in the exchange, one man is able to give what cost him little labour for what has cost the other much, he "acquires" a certain quantity of the produce of the other's labour. And precisely what he acquires, the other loses. In mercantile language, the person who thus acquires is commonly said to have "made a profit"; and I believe that many of our merchants are seriously under the impression that it is possible for everybody, somehow, to make a profit in this manner. Whereas, by the unfortunate constitution of the world we live in, the laws both of matter and motion have quite rigorously forbidden universal acquisition of this kind. Profit, or material gain, is attainable only by construction or by discovery; not by exchange. Whenever material gain follows exchange, for every plus there is a precisely equal minus. (XVII, p. 91)

¹Hobson, John Ruskin: Social Reformer, p. 154.

Thus Ruskin again restricted profit to actual physical output. This analysis recognized that there is not always equal advantages on both sides of an exchange. One party may gain more than the other if he acquires a good that took much labor to produce in exchange for one that required little labor to produce. Ruskin called such gain "acquisition." While this acquisition may be said to represent a profit for the gaining person, there is no additional output for society and no profit in Ruskin's sense of the term. Ruskin's curious analysis of exchange can be somewhat understood when it is realized that he wanted to emphasize that the wealth of a society depends upon the production of useful things rather than the mere exchange of existing things. Furthermore, he wanted individuals to act with honesty and justice in the exchanging process. He thought many exchanges were on an unjust basis that resulted in gain or acquisition only on one side of them. Since Ruskin emphasized the importance of producing useful things, he was rather indifferent to the exchange or prices of existing things.

Whether Mr. A. buys a Titian from Mr. B. for twenty, or for two thousand, pounds, matters not sixpence to the national revenue . . . it matters in nowise to the revenue whether Mr. A. has the picture, and Mr. B. the money, or Mr. B. the picture, and Mr. A. the money. Which of them will spend the money most wisely, and which of them will keep the picture most carefully, is, indeed, a matter of some importance; but this cannot be known by the mere fact of exchange. (XIX, pp. 405-406)

Ruskin correctly recognized the exchange of existing things as an internal transfer that might have distributional effects, but would not otherwise affect output. By his definition of wealth, he should have been interested in putting the picture into the hands of an individual who could best use it since this would have resulted in the greatest

wealth. But the transfer itself would not cause the production of any intrinsic value which is the basis of wealth. Since he thought much exchange was unjust and resulted in acquisition where one individual lost as much as the other individual gained, Ruskin believed:

The Science of Exchange . . . considered as one of gain, is, therefore, simply nugatory; but considered as one of acquisition, it is a very curious science, differing in its data and basis from every other science known. . . . as the science of exchange relates to the advantage of one of the exchanging persons only, it is founded on the ignorance or incapacity of the opposite person. (XVII, p. 92)

Ruskin condemned exchange that resulted only in acquisition because he believed its foundation was ignorance, lack of ability or a weaker bargaining position. The result of such exchange was unjust in that one side lost as much as the other side gained. Ruskin took a good idea--that exchanges are not always between equals and do not result in equal advantage--and pushed it too far. He thought exchanges would take place even if one party to the exchange were made worse off as a result. Presumably, if persons are free to exchange and not coerced, they will avoid those exchanges that make them worse off. Thus, the only exchanges taking place freely, without coercion, should be those where all parties will be made better off, or at least think they will not be any worse off as a result of the exchange. Since Ruskin thought many exchanges were unjust, he established some principles for just and economical exchanges.

There must be advantage on both sides (or if only advantage on one, at least no disadvantage on the other) to the persons exchanging; and just payment for his time, intelligence, and labour, to any intermediate person effecting the transaction (commonly called a merchant); and whatever advantage there is on either side, and whatever pay is given to the intermediate person, should be thoroughly known to all concerned. (XVII, p. 93)

His first principle, as indicated, should result from individuals being free either to exchange or not to do so. The second principle was that the merchant receive just payment while the third principle was full disclosure of all relevant information. This perfect knowledge on all sides is one of the characteristics of perfect competition. Ruskin, while restricting the gains from just exchange to the term advantage, divided advantage into "two ideas: the advantage, namely, of getting what we need, and that of getting what we wish for" (XVII, p. 94).

Those things needed are necessities while things wished for are luxuries. He believed many "demands existing in the world are romantic; founded on visions, idealisms, hopes, and affections; and the regulation of the purse is, in its essence, regulation of the imagination and the heart" (XVII, p. 94). This illustrates another reason why Ruskin brought moral considerations and human feelings into economics.

In his later writings, Ruskin, emphasizing the difference between production and exchange, suggested "except for the novelty of the thing, mere exchange profits nobody, and presupposes a coincidence, or rather a harmonious dissent, of opinion not always attainable" (XXVIII, p. 159). Mere exchange means transfers of existing goods rather than the production of additional output. His example was one of barter which requires a double coincidence of wants. He wanted to emphasize that increased well-being of an economy requires more output rather than trading of existing goods. Relating the division of labor to exchange, Ruskin thought the principle of it "underlies that of exchange, and does not arise out of it, but is the only reason for it . . . the profit of the business is in the additional production, and only the convenience in the subsequent exchange" (XXVIII, p. 160).

To Ruskin, increased output made division of labor beneficial and led to exchange, rather than the other way around. Profit resulted only from additional output and Ruskin even overlooked the advantage of getting goods to those who can best use them. He rejected the idea that "exchange is the root of profit. Whereas only labour is the root of profit, and exchange merely causes loss to the producer by tithe to the pedlar" (XXIX, p. 225n). Neglecting other resources, Ruskin looked upon labor as the source of producing physical output and profit. While recognizing the costs of exchange, he thought these costs would cause lower returns to the producer. In perfectly competitive markets, all producers, selling at the same price, would have the same costs of both production and transportation and the same returns. In other less competitive markets different transportation costs may cause either different prices to the buyer or different returns to the producer. Recognizing that exchange uses resources such as transportation and labor and is costly, Ruskin argues "it is only when there is advantage to both producers (in getting the one thing for the other) greater than the loss in conveyance, that the exchange is expedient" (XVII, p. 219). Exchanges would take place only when the total advantage to the exchanging parties was greater than all the costs of making the exchanges. Ruskin subtracted the costs of transportation and making the exchange from the value of the goods. Since the basis of value was intrinsic, transportation and other exchange costs should not be added to determine value. Since these costs must be paid, they would be reflected in a higher price for the good. These costs and the higher price can be paid because of the advantages of individuals acquiring things they can use. He rejected the role of speculators and

arbitragers since just exchange was possible only when merchants received pay and not profit. By "pay," Ruskin meant "wages for labour or skill; by 'profit,' gain dependent on the state of the market" (XVII, p. 219n). The individuals arranging the exchange were to be paid for their labor services but they were not to profit by purchasing where prices were low and selling where they were high. Ruskin defined "profit" in this use very differently from his previous use of the term. Ruskin did not want the merchant to receive profit because the amount of profit would depend "first, on keeping the exchangers ignorant of the exchange value of the articles; and, secondly, on taking advantage of the buyer's needs and the seller's poverty" (XVII, p. 220).

To summarize concerning exchange, Ruskin believed advantage, not profit, resulted from exchange since produced goods were placed with those who could use them. In fair exchange, both parties would receive some advantage. Conditions of just exchange require both parties to know the value of the thing being exchanged. The merchant arranging the exchange should be paid for his services. For exchange to be worthwhile the advantage of individuals getting what they can use must be greater than the cost of the exchange itself. Exchange results from the advantages of division of labor. In unjust exchange, one person acquires what someone loses and this results from a lack of knowledge or ability, from inferior bargaining strength or from the unjust desire for gain on the part of those involved.

Examining the role of the merchant in society, Ruskin concluded the public did not have a high estimate of commerce and merchants. Yet he thought managing a successful mercantile concern required mental abilities equal to the other professions. He decided the public had a

low estimate of merchants and of commerce because "the merchant is presumed to act always selfishly. His work may be very necessary to the community; but the motive of it is understood to be wholly personal" (XVII, p. 38). According to Ruskin, since the public believes that the merchant, in his business affairs, tries to gain for himself as much as possible and leave as little as possible to his customers, they hold him in low regard. He thought the public was right in condemning selfishness but they should find a kind of "commerce which is not exclusively selfish. . . . they will have to discover that there never was, or can be, any other kind of commerce; that this which they have called commerce was not commerce at all, but cozening . . ." (XVII, pp. 38-39). Ruskin believed if the merchant was paid fairly for his labor services, rather than having his income depend on the state of the markets, he would act with honesty and fairness, and his esteem in the eyes of the public would increase.

Ruskin's discussion of commerce rested upon the same ideas as exchange. His examples of exchange involved a small group of people while he looked at commerce in terms of regions and countries. He thought the use of currency gave the power to choose from many different goods in exchange and commerce was "the agency by which the power of choice is obtained . . . commerce is of more importance to a country in proportion to the limitations of its products, and the restlessness of its fancy . . ." (XVII, p. 217). Trade between regions or countries permitted a greater variety of goods from which individuals could choose what they wanted in exchange for their currency. Countries produce different things because of differing natural resources, climate and labor skills so commerce is required, "not only to exchange local

products, but local skills" (XVII, p. 217). These differences, particularly in labor skills, cause production costs to differ from one country to the next. "The labour which at any place is easiest, is in that place cheapest; and it becomes often desirable that products raised in one country should be wrought in another" (XVII, p. 217). The human and nonhuman differences between countries are factors making specialization efficient, and resulting in the production of different things in different places. Commerce is the trading of these specialized products. Ruskin thought it would eventually be discovered that "international value is regulated just as inter-provincial or inter-parishional value is. . . . The greater breadth of an arm of the sea increases the cost, but does not modify the principle of exchange . . ." (XVII, p. 218). Although greater transportation costs from increased distances tend to discourage international trade, Ruskin thought the same principles applied to all trade. He opposed tariffs, favored free trade and applied more strictly the principles of honesty and justice in dealing with foreigners:

. . . the farther your neighbor lives from you, and the less he understands you, the more you are bound to be true in your dealings with him; because your power over him is greater in proportion to his ignorance, and his remedy more difficult in proportion to his distance. (XVII, pp. 218-219)

Ruskin thought it even more important not to take advantage of ignorance and lack of ability when engaging in foreign trade.

Making and Using Goods

As noted, Ruskin distinguished between exchange and production, and included any costs of making exchanges as part of the costs of production. He devoted more attention to the making and using of goods

than he did to the physical distribution of them. In his analysis of production he divided labor into positive or productive and negative or destructive. He brought in capital as a factor of production and explained his meaning of the term. Production is the making of consumer goods that sustain life or capital goods that can produce these consumer goods. Throughout his writings, Ruskin gave more attention to labor than to other factors of production. He defined labor as the using up of life and was very concerned about the effects of employment upon the workers. To Ruskin, the end objective of production was consumption. Consumption was the wise use of goods to extend life. Along with his analysis of consumption, Ruskin defined saving. One of his uses of the term saving included hoarding but he thought the effects of hoarding and dishoarding were on price levels, not output or employment levels.

Production

Although Ruskin placed more emphasis upon consumption because it was the end objective of production, he did examine the topic of production. He listed land as a valuable material thing: one of its values was in producing food and mechanical power. In defining production, Ruskin referred first to labor and then to capital. Relating labor to production, Ruskin, considering its aim, divided all labor into constructive, destructive and nugatory (XVII, p. 96). Constructive labor, as in agriculture, is used to make goods that support life. Destructive labor, as in war, is that which destroys life. Nugatory labor is neutral in that it does not produce either things that increase life or destroy it. He defined nugatory labor as that "which

not enough is given to answer a purpose effectually, and which, therefore, has all to be done over again. Also, labor which fails of effect through non-co-operation" (XVII, pp. 96n-97n). But after defining nugatory labor, Ruskin decided:

. . . nearly all labour may be shortly divided into positive and negative labour: positive, that which produces life; negative, that which produces death; the most directly negative labour being murder, the most directly positive, the bearing and rearing of children . . . (XVII, p. 97)

In analyzing production, Ruskin found it necessary to go beyond what labor does and to consider its effect upon life. Only positive or constructive labor which produces life or the means of life is productive labor. Since wealth was life, the most productive labor--in producing wealth--was that which produces life. Ruskin clearly meant by production of life, the rearing, not the begetting of children. Rearing life meant developing to the fullest the good qualities and characteristics of the individual. Ruskin criticized the use of labor to produce luxuries or destructive things.

To this doubled loss, or negative power of labour, spent in producing means of destruction, we have to add . . . whatever more insidious waste of toil there is in production of unnecessary luxury. (XVII, p. 176).

He recognized the foregone alternatives when labor is used to produce a particular item since labor is limited and the use of it involves choices. He wanted these choices to be such that labor was used to produce goods that improved the quality or increased the quantity of life. Producing luxuries, unless they were actually harmful, was only a single loss, the output of more useful goods; producing means of destruction was a double loss: the foregone useful goods and the destruction of life when the destructive goods were used to destroy

life. Since labor could be variable in its result, Ruskin reasoned "the prosperity of any nation is in exact proportion to the quantity of labour which it spends in obtaining and employing means of life . . . not merely wisely producing, but wisely distributing and consuming" (XVII, p. 98). The country will be more prosperous if it expends more of its labor in constructive rather than destructive pursuits. Constructive labor is that which produces and distributes goods that are useful for life. Only this activity should properly be regarded as production.

Although Ruskin's main emphasis was on labor and its use, he explained capital "signifies 'head, or source, or root material'--it is material by which some derivative or secondary good is produced. It is only capital proper . . . when it is thus producing something different from itself" (XVII, p. 98). Ruskin correctly identified capital as that which is used to produce something else but he incorrectly limited it to producing something other than itself. This defines capital too narrowly since it excludes capital that produces other capital goods. As an example of capital, Ruskin used a plowshare. A plowshare is true capital only if it wears itself out in producing furrows, not just other plowshares. To Ruskin, the question was not:

" . . . how quickly will this capital reproduce itself?"--but, what will it do during reproduction?" What substance will it furnish, good for life? what work construct, protective of life? if none, its own reproduction is useless--if worse than none,--(for capital may destroy life as well as support it), its own reproduction is worse than useless . . . not a profit by any means. (XVII, p. 99)

Ruskin was not interested in a more indirect and roundabout method of production, but in the production of consumer goods. He was not

interested in the use of capital to produce more capital goods but in the use of capital to produce consumer goods. He overlooked the possibilities of increased life resulting from a greater output of consumer goods that could come from the use of more capital intensive methods. While recognizing that capital goods are used up and wear out when used to produce consumer goods, he did not examine this problem. As with labor, his main concern was that capital be used productively in making goods that extend the possibilities of life. To explain, Ruskin used an analogy, for "capital is the head, or fountain head, of wealth--the 'well-head' of wealth, as the clouds are the well-heads of rain . . ." (XVII, pp. 99-100). As clouds are useful mainly when they produce rain and not just more clouds, so Ruskin thought capital was useful, as a source of wealth, not when it just produces capital goods but when it produces goods for consumption that are useful for life. Ruskin thought:

. . . there are two kinds of true production, always going on in an active State: one of seed, and one of food; or production for the Ground, and for the Mouth; both of which are by covetous persons thought to be production only for the granary; whereas the function of the granary is but intermediate and conservative, fulfilled in distribution; else it ends in nothing but mildew, and nourishment of rats and worms. And since production for the Ground is only useful with future hope of harvest, all essential production is for the Mouth; and is finally measured by the mouth . . . (XVII, p. 101)

While Ruskin divided production into the making of consumption goods and capital goods, he emphasized that capital goods were eventually to produce consumer goods. He looked upon capital primarily as aiding labor since he included instruments as one of his valuable material things, whose value was in assisting labor or helping to do what labor alone could not do.

In addition to land, labor, and capital, Ruskin included another factor in production. Denying that labor is limited by capital or raw materials except in a certain ultimate, but unpractical sense, Ruskin thought labor was limited more by the will of the workman (XVII, p. 177). If the worker were properly inspired and willing to work, a greater amount of work would be done. He believed the worker would be inspired to work harder if treated with justice and fairness. This just treatment, encouraging the development of social affections between workers and employers, would motivate and inspire the worker so that more production would take place. Although the attitude of the worker is a part of the labor factor of production, Ruskin separated it from labor because of the importance he attached to it. Motivating the worker to perform his job well is a constant problem in an industrialized society because some jobs are routine and boring. Furthermore, the high standard of living in a modern industrialized economy is closely related to the job performance of its inter-related parts.

Ruskin came to dislike machines, particularly those using steam. He thought the use of machines would not "increase the possibilities of life. They only increase the possibilities of idleness" (XXVII, p. 87). This happened, he believed, because out "of so much ground, only so much living is to be got, with or without machinery" (XXVII, p. 87). This view is less balanced than Ruskin's earlier ideas and mostly incorrect. Only in one limiting case, when the use of machinery capital with fixed amounts of other factors has brought total product to a maximum, is it correct to say that more machinery capital will not increase output. Since machines are a scarce and costly resource, this case would normally never be reached and more machinery would

increase output. It is very doubtful that Ruskin was referring to this particular case. While he also ignored technological change, this is permissible in a short time period. However, Ruskin never considered it in any of his analysis of production. It is true that much of the increase in productive capacity over time has been taken in the form of increased leisure. While this increased leisure represents an increase in the level of income, it has also caused problems for some people in the use of this time. In a practical sense, Ruskin's view that machinery increases the possibility of idleness is correct but he was wrong to deny the possibility of machines increasing output. Further, the use of machines may reduce the physical burdens of work and improve the quality of employment.

Ruskin's analysis of production was limited. It included the factors of production and their use but he was more interested in the end result of production, consumption and the extension of life. Ruskin's analysis of production was suggestive in relation to his ideas about wealth. These suggestions were that the costs of production, the using up of life, must be subtracted from the ability of the produced goods to extend life to determine the net effect upon life. Hobson charged Ruskin with neglecting the cost of production side of this analysis and ignoring the relation between the two sides.² Fain refuted Hobson's criticism of this point, contending that Ruskin suggested the costs of production must be subtracted in determining wealth and that he connected production and consumption in his

²Hobson, John Ruskin: Social Reformer, p. 107.

analysis.³ Fain's analysis of Ruskin is superior on this point although Hobson is not entirely wrong. Ruskin developed the usefulness or extension of life side more thoroughly than the cost or decrease of life side. He did not fully develop the relation between the two. But Fain pointed out that Ruskin's writings allude to the cost of production as being the decrease in life and suggest the necessity for subtracting this from the extension life to determine the net effect upon life of the production and consumption process and the true amount of wealth. According to Ruskin, production involved the use of the productive factors to make goods or provides services that directly support life--consumer goods--and capital goods that can be used to make consumer goods. The costs of production are the quantity of labor necessary to produce the goods or services, but this labor is the actual using up of life. Since production uses up life, this decrease in life must be subtracted from the ability of the produced goods and services to increase life when they are used to determine the amount of Ruskinian wealth in these goods or services.

Labor and Employment

One of the ways that Ruskin was led to the study of political economy developed from his concern for labor. He defined political economy to be the art of managing labor and measured both cost and price in quantities of labor. Labor was the most important factor of production to him and he thought employment was one of the strongest influences upon a man's character. He believed that a man's labor,

³ John Tyree Fain, "Ruskin and Hobson," PMLA, LXVII (1952), pp. 297-307.

well used, would always be sufficient to "provide him during his life with all things needful to him . . . with many pleasant objects of luxury; and . . . large intervals of healthful rest and serviceable leisure" (XVI, p. 18). But if the labor "of the individual be misapplied . . . if it be insufficient . . . suffering and want result, exactly in proportion to the indolence and improvidence--to the refusal of labour, or to the misapplication of it" (XVI, p. 19). Since some workers did not seem able to provide themselves with necessities, some luxuries and leisure, Ruskin thought something was wrong with the organization of society concerning the administration of labor.

He defined labor as "the contest of the life of man with an opposite;--the term 'life' including his intellect, soul, and physical power, contending with question, difficulty, trial, or material force" (XVII, pp. 94-94). This definition involves "life" itself in struggle or contest with any contending force. When Ruskin elaborated, he described labor as the "quantity of 'Lapse,' loss, or failure of human life, caused by any effort" (XVII, p. 183). Only that effort which causes using up or destroying life is counted as labor. Ruskin thought labor was usually confused with work or the application of power but he looked upon much effort as "merely a mode of recreation, or of pleasure" (XVII, p. 183). This recreative effort is not a part of labor since, instead of using up life, it may actually extend it.

Ruskin thought:

. . . labour is the suffering in effort. It is the negative quantity, or quantity of de-feat, which has to be counted against every Feat, or de-fect, which has to be counted against every Fact, or Deed of men. In brief, it is "that quantity of our toil which we die in." (XVII, p. 183)

Effort involving "suffering" or disutility is labor. This labor which uses up a part of man's life, must be measured against the value of the object produced by labor. This passage suggests the negative component of Ruskinian wealth. The analysis also suggests a particular concept of efficiency, comparable to cost-benefit studies. On one side are the benefits, the value of the goods produced by man's labor. Their value or benefit is not measured directly by a monetary standard but by a human standard--the extent to which they increase the quantity or improve the quality of life. Costs, the quantity of labor used in producing the goods, are also measured by a human standard--the using up of the lives of the workers. Subtracting costs from benefits determines Ruskinian wealth, the net addition to life. Application of an efficiency or cost-benefit concept compares the using up of life to the extension of life. It is efficient and worthwhile to produce only those goods that increase life by their consumption more than they use up life by their production. It is most efficient to produce goods with the greatest amount of Ruskinian wealth, or with the greatest ratio of benefits to costs since they result in the greatest net addition to life. With this analysis, production and consumption are linked to each other. Ruskinian wealth may be produced by a greater output of goods that increase life by their consumption but it can also be produced by changing production methods so that less of life is used up by the production process. Although these ideas of Ruskin's can be conceptualized and put in modern economic terminology, any measurement of the concepts is very difficult if not impossible. Measurement would certainly involve inter-personal comparisons of the utility of consumption and the disutility of production. Ruskin

thought true labor or:

. . . spending of life, is either of the body, in fatigue or pain; of the temper or heart (as in perseverance of search for things,--patience in waiting for them,--fortitude or degradation in suffering for them, and the like), or of the intellect. All these kinds of labour are supposed to be included in the general term, and the quantity of labour is then expressed by the time it lasts. So that a unit of labour is "an hour's work" or a day's work, as we may determine. (XVII, p. 184)

Any disutility to any of man's faculties are included as labor. Labor may be mainly physical, emotional or intellectual in nature but it is the distress or suffering in effort. Since the quantity of labor is measured by the time it lasts and "some labour is more destructive of life than other labor, the hour or day of the more destructive toil is supposed to include proportionate rest" (XVII, p. 184n). Ruskin thought men usually took such rest only in death. But if the more destructive labor did include proper rest, units of labor would be comparable since a day's labor would be the using up of so much life. Adequate rest would also be one way of decreasing costs of production or increasing Ruskinian wealth since adequate rest would reduce the using up of life in the process of production. But even if a standard unit of labor were measured as using up so much life, not all labor would be of the same quality. Ruskin thought labor was of a higher or lower "order, as it includes more or fewer of the elements of life: and labour of good quality, in any kind, includes always as much intellect and feeling as will fully and harmoniously regulate the physical force" (XVII, p. 95). While good labor always involves enough mental and emotional effort to coordinate the physical effort, labor using more of man's faculties is of higher quality. Ruskin's analysis of labor was very broad since it included the entire range of human faculties: body

mind, heart, will and spirit. Effort of any human faculties causing suffering and distress was part of labor. He made this clear when he defined the "skill" of labor to

. . . include the united force of experience, intellect, and passion, in their operation on manual labour: and under the term "passion" to include the entire range and agency of the moral feelings; from the simple patience and gentleness of mind which will give continuity and fineness to the touch, or enable one person to work without fatigue, and with good effect, twice as long as another, up to the qualities of character which render science possible . . . and to the incommunicable emotion and imagination which are the first and mightiest sources of all value in art. (XVII, p. 67n)

Moral elements were a part of Ruskin's ideas about labor since he included human feelings in addition to physical and intellectual effort. While some feelings retard labor, other feelings accelerate it. Ruskin thought feelings that retarded labor increased its disutility while those that accelerated it increased the quantity and quality of output (XVII, p. 67n). It is possible that feelings which accelerate labor would not increase output but would reduce the disutility of labor or the amount of life being used up. If so, they would actually decrease the amount of labor being used. Ruskin's analysis of labor was quite complicated. Since he distinguished between work and labor, only human effort involving disutility and the using up of life was labor. Any utility or job satisfaction from working would have to be deducted to determine the net disutility for a particular laborer. This definition is very intense since it is the actual using up of life. But much of what is called labor would not be labor as defined by Ruskin since it does not call forth effort that uses up life.

Ruskin wanted the government to compel everyone, if able, to work since he thought that the necessities of life could only be produced by

labor and nobody had a right to them until he had done an amount of work equivalent to his share and the "business of the government is to see that they have done it, before it gives any one of them their dinner" (XXVIII, p. 651). He recognized some of the advantages of specialization of labor and thought it "saves both toil and time that one man should dig, another bake, and another tan . . ." (XXVIII, p. 651). He did not explain how the same output could be produced with less time and labor through specialization and was more concerned with the disadvantages of it. His concept of wealth can be applied to evaluate the efficiency of the practice. Division of labor produces an increased output which should be valued at the amount its use extends life. But division of labor may increase labor's disutility and using up of life. Division of labor, using Ruskin's concepts, would be efficient only if the increase of life from the greater output exceeds the decrease of life as a result of its effects upon the worker. Ruskin did not explain how to perform these measurements but he analyzed the disadvantage of division of labor and gave some advice to consumers.

We have much studied and much perfected, of late, the great civilized invention of the division of labour; only we give it a false name. It is not, truly speaking, the labour that is divided; but the men:--Divided into mere segments of men--broken into small fragments and crumbs of life; so that all the little piece of intelligence that is left in a man is not enough to make a pin, or a nail but exhausts itself in making the point of a pin or the head of a nail. Now it is a good and desirable thing, truly, to make many pins in a day; but if we could only see with what crystal sand their points were polished,--sand of human soul, much to be magnified before it can be discerned for what it is--we should think there might be some loss in it also. And the great cry that rises from all our manufacturing cities, louder than their furnace blast, is all in very deed for this,--that we manufacture everything there except men; we blanch cotton, and strengthen steel, and

refine sugar, and shape pottery; but to brighten, to strengthen, to refine, or to form a single living spirit, never enters into our estimate of advantages. And all the evil to which that cry is urging our myriads can be met only in one way: not by teaching nor preaching, for to teach them is but to show them their misery, and to preach to them, if we do nothing more than preach, is to mock at it. It can be met only by a right understanding, on the part of all classes, of what kinds of labour are good for men, raising them, and making them happy; by a determined sacrifice of such convenience, or beauty, or cheapness as is to be got only by the degradation of the workman; and by equally determined demand for the products and results of healthy and ennobling labour. (X, p. 196)

Ruskin thought the division of labor increased the disutility of labor, causing more of life to be used up in the productive process. His ideas, that the wealth of a nation was in its good men and women and that employment played a large role in forming the character of men and women, caused him to emphasize the degrading aspects of division of labor more than the possibility of increased output, although he appreciated the need to produce goods and services to sustain the life of the citizens of the nation. Since Ruskin did so much teaching and preaching, it is ironic that he condemned these activities. But he attempted to start programs of action and much of his teaching and preaching was directed at consumers that they might spend for goods that provided healthy employment.

Ruskin wanted labor administered to maintain a "constant number of workmen in employment, whatever may be the accidental demand for the article they produce" (XVII, p. 35). He recognized that the demand for labor was derived from and reflected changes in the demand for labor's output. Changes in the demand for labor caused the level of wages and employment to change. He believed the "sudden and extensive inequalities of demand, which necessarily arise in the mercantile operations

of an active nation, constitute the only essential difficulty which has to be overcome in a just organization of labour" (XVII, p. 35).

Although Ruskin applied this idea to individual firms and industries, it can be applied to the whole economy to show the relationship between aggregate demand, total output, the level of wages and the level of employment. He thought the present system of organization was to throw "both wages and trade into the form of a lottery, and to make the workman's pay depend on intermittent exertion, and the principal's profit on dexterously used chance" (XVII, p. 35). Ruskin thought such practices were unnecessary and resulted "merely from love of gambling on the part of the masters, and from ignorance and sensuality in the men" (XVII, p. 35). Although it would be inconvenient and cause losses to change the system, Ruskin thought employers should try to maintain a constant level of output and provide continuous employment for their workers. If workers were provided continuous employment, he believed they should be willing to accept lower wage rates. He made some proposals for reform designed to achieve these results.

Ruskin thought "employment forms the habits of body and mind, and these are the constitution of the man--the greater part of his moral or persistent nature . . ." (XVII, p. 541). He believed it was difficult for a man to change his character so formed by work, placing more importance upon the type of employment provided to individuals than upon education in forming habits and character. Without providing any evidence to support this claim, Ruskin emphasized the relation between doing things, learning by doing, and being shaped by this. He concluded the cause and effect relationship was the "formation, namely, of the character of nations by their employments, and the determination

of their final fate by their character" (XVII, p. 541). In order to educate people and provide for their happiness, Ruskin thought "they must have such consistent employment as shall develop all the powers of the fingers, and the limbs, and the brain: and that development is only to be obtained by hand-labour . . ." (XVIII, p. 508). Since he believed employment was so important a factor in human development, Ruskin indicated the employment should be that which would develop the whole man. His fullest development required some manual employment, according to Ruskin. He applied this not only to individuals but to the entire nation.

The wealth of a nation then, first, and its peace and well-being besides, depend on the number of persons it can employ in making good and useful things. . . . the character of men depends more on their occupations than on any teaching we can give them, or principles with which we can imbue them. The employment forms the habits. (XIX, p. 406)

Further, the influence of employment depended on the result of it since the "labour producing no useful result was demoralizing. All such labour is. The labour producing useful result was educational in its influence on the temper. All such labour is" (XXVII, p. 39). Ruskin may have overemphasized the importance of employment upon individuals and the nation but at the time he wrote the individual began work when quite young and his employment was for a long number of hours. Under these conditions, employment was a stronger influence than at the present time when the educational process is longer and the work day is shorter.

In addition to emphasizing the type of employment, Ruskin thought what the workers made was more important than the wages they received.

It matters little, ultimately, how much a labourer is paid for making anything; but it matters fearfully what the thing is, which he is compelled to make. If his labour is so

ordered as to produce food, and fresh air, and fresh water, no matter that his wages are low;--the food and fresh air and water will be at last there; and he will at last get them. But if he is paid to destroy food and fresh air, or to produce iron bars instead of them;--the food and air will finally not be there, and he will not get them, to his great and final inconvenience. (XVIII, p. 391)

Since labor was a scarce resource, it should be used to produce goods that are useful and extend life rather than to destroy useful goods or to make useless goods. Ruskin did not think the operations of the price system in a market economy always produced the desirable use of labor. He thought labor was the primary factor of production and his concept of labor was the effort in production that resulted in the using up of life. Both the real costs of production and the quantity of labor were measured by the decrease in life of the workers making a particular product. If more destructive labor included proportionate rest, then a given labor time, such as a day, would mean a certain amount of life used up. Ruskin thought labor of a higher quality involved the use of more of man's faculties. His analysis of the division of labor caused him to look unfavorably upon the practice. He thought labor should be organized so that the level of employment did not fluctuate and if necessary, workers should be willing to accept lower wages rates if assured of constant employment. Further, Ruskin emphasized the effect of the type of employment on the habits and character of the employee.

Consumption and Saving

Ruskin was extremely interested in consumption, particularly because he emphasized the capacity of individuals to use the intrinsic value of goods. He thought the prosperity of the country was more

dependent upon wise distribution--placing goods with those most able to use them and wise consumption--using the intrinsic value to its fullest, than upon production. Refuting the idea there is no good in consumption itself, Ruskin argued:

. . . consumption absolute is the end, crown, and perfection of production; and wise consumption is a far more difficult art than wise production. Twenty people can gain money for one who can use it; and the vital question, for individual and for nation, is never "how much do they make?" but "to what purpose do they spend?" (XVII, p.98)

He believed the object of political economy was to increase the wealth of the nation, which consists of its good people and the material things that support them. While improving the quality and increasing the quantity of life was the desired result, this requires the wise consumption of goods. Before goods can be consumed, they must be produced but the purpose of production is making consumer goods. Ruskin thought it was easier to make goods of intrinsic value than it was to develop the full and effective use of the intrinsic value in consumption. Individuals may not have the capacity to use the goods fully or they may abuse them. Efficient consumption means using the intrinsic value of a good as effectively as possible. Ruskin thought even capital goods had as their end result the production of consumer goods, so all production was for the purpose of consumption which was "the crown of production; and the wealth of a nation is only to be estimated by what it consumes" (XVII, p. 101). Since concepts to measure the value of people were not available in Ruskin's time, he measured the step next to the people, the amount they consumed, to determine the wealth of the country. This measurement would be the amount of effectual value of the goods and services consumed by the nation.

Emphasizing consumption, Ruskin contended the "final object of political economy, therefore, is to get good method of consumption, and great quantity . . . to use everything, and to use it nobly; whether it be substance, service, or service perfecting substance" (XVII, p. 102). Since Ruskin here included services, it can be concluded he meant both goods and services even though he wrote material things. He wanted noble goods produced for use by noble people; these goods were not to be wasted; that is, they should be placed with individuals with capacity to use them. While omitting the final object of political economy, he quickly corrected this omission.

It is, therefore, the manner and issue of consumption which are the real tests of production. Production does not consist in things laboriously made, but in things serviceably consumable; and the question for the nation is not how much labour it employs, but how much life it produces. For as consumption is the end and aim of production, so life is the end and aim of consumption. (XVII, p. 104)

Ultimately, Ruskin took the last step and made life itself the desired end objective of consumption. The purpose of consumption was to maintain and increase life. Production was only a means to this end. While the costs of production are the amount of life used up in making goods, the value of the produced goods is the amount of consumption they permit. The value of these goods in consumption was the amount of life they maintained and increased.

Ruskin distinguished between consumption and saving as he used the "general term 'lay by' which means 'to put a thing where you can get it again,' as opposed to the general term 'spend' which means 'to put a thing where you cannot get it again'" (XVII, p. 493). Consumption or spending involved the using up or destruction of goods so they cannot be retrieved. Saving or "laying by" does not involve the using up or

destruction of goods so they can be retrieved. He thought there was a very important difference between consumption and saving but he did not go into the differences in great detail. He believed the

. . . general term "lay by" includes three specific terms; first, to hoard the money or keep it as it is; secondly, to invest it in the form of something else; and thirdly, to lend, which is temporarily to transfer your own power over it to someone else. (XVII, p. 493)

Ruskin suggested three different possible uses for savings--the result of the process of laying by. First, there was hoarding, holding the savings in the form of currency withdrawn from circulation. He thought hoarding and dishoarding would be reflected in price level changes. Second, there was real investment or the purchase of capital goods and third, there was lending or financial investment. In neither of these cases would the money be withdrawn from circulation nor affect the price level.

Ruskin tried to make clear the way unselfish spending differed from selfish spending although he thought readers did not want to know the difference. He defined unselfish spending as "expenditure which, if you are a capitalist, does not pay you, but pays somebody else; and if you are a consumer, does not please you, but pleases somebody else" (XVII, p. 269). This defined unselfish spending as charitable spending. For the capitalist, it meant spending that resulted in a return to somebody other than himself. For the consumer, unselfish spending meant spending that satisfied the wants or increased the life of someone else, not himself. Selfish spending by the capitalist was investment that yielded a return to him while selfish spending by the consumer satisfied his own wants or increased his own life. Ruskin also distinguished between consumption and transfer spending.

Men are apt to call every exchange "expenditure," but it is only consumption which IS expenditure. A large number of the purchases made by the richer classes are mere forms of interchange of unused property, wholly without effect on national prosperity. (XVII, p. 279n)

Consumption spending used up goods and services, created a demand for labor to produce them, used up resources and created income. Other purchases were mere transfers, did not use up goods or services, and did not create a demand for labor to produce things. Ruskin thought only consumption spending was important to the economy and of interest to economists.

Although Ruskin thought other economists argued that a demand for commodities was not a demand for labor, he believed he had shown this to be false. He continually reiterated that a demand for commodities was a demand for labor. One example he used was that of a hardware manufacturer who first planned to buy some silver plate, then changed his mind and used the funds to hire more labor to produce hardware (XVII, pp. 77-78). While the funds went to the iron workers, Ruskin argued they would have gone to the silversmiths if the manufacturer had purchased the silver plate. In either case, the funds went to the workers. If the manufacturer had purchased the silver plate, he would have been demanding the services of the workers to produce the plate. Ruskin concluded that a demand for commodities was a demand for labor. This conclusion, abstracting from material costs, appears correct. Using another example, he argued a worker would receive the same wages

. . . whether we order him to make green velvet, with seed and a scythe, or red velvet, with silk and scissors. Neither does it anywise concern him whether, when the velvet is made, we consume it by walking on it, or wearing it, so long as our consumption of it is wholly selfish. (XVII, p. 103)

He believed that either case, hiring a gardener to make a green lawn or buying red velvet, was a demand for labor services and resulted in the same income for the workers. Thus, a demand for goods was as much a demand for labor as hiring labor services directly. Ruskin abstracted from costs other than labor costs; he recognized, in the case of red velvet, material costs must be deducted to arrive at the amount received by the worker. He tried to make the point that the "consumer of the velvet pays the weaver with his own funds as much as he pays the gardener" (XVII, p. 102n).

Ruskin's analysis of consumption spending was threefold. Not only was he convinced that consumption spending demanded the services of labor but he was concerned about the way consumption spending directed the employment of labor. He recognized the sovereignty of the spender in directing the output of the economy. Continually he urged consumers to direct their spending to buy goods produced under healthy and beneficial employment conditions. Attempting to arouse the public, he repeatedly argued that the "root of all benevolent and helpful action towards the lower classes consists in the wise direction of purchase . . . in spending money, as far as possible, only for the products of healthful and natural labour" (VII, p. 427n). Ruskin's concern followed logically from two ideas: that employment determined the character of men and that the buying of goods caused labor to be employed in making those goods. Ruskin's second point about consumption spending concerned the buying of luxury items when some people lacked adequate food and clothing. Realizing that spending on luxuries provided employment, he questioned the morality and propriety of producing such goods when some people did not have the necessities of life. He

thought so "long as there are cold and nakedness in the land around you, so long there can be no question at all but that splendour of dress is a crime" (XVI, p. 51). Ruskin believed the rich should not rationalize their spending on luxuries as providing employment because if the workers made luxuries, they could not be making necessities needed by the poor. Ruskin's third point about consumption dealt with his belief that life was the object of consumption. Consumption spending should be for useful items that maintain and extend life. Goods with the usefulness to extend life should be produced and then consumed by those who have the capacity to make use of them.

Consumption spending, then, was very important to Ruskin. It was a major object of political economy and the reason for production. He made a sharp distinction between consumption and saving; one form of saving, for example, was hoarding. He also distinguished between consumption spending and the transfer of existing goods. He thought spending not only provided employment but it directed that employment and determined what would be produced (XVI, p. 48).

Distribution

Two topics are included as part of the subject of distribution. One of these is the value of labor; the other is the concept of riches. After some general comments about the value of labor, Ruskin's analysis of wages is divided into the concepts of market wages and just wages. He believed competition tended to cause market wages to be at the subsistence level, just enough so the worker could maintain himself and his family. Sometimes wages were below this level, causing a reduction in the life of the worker. Just wages, to Ruskin, were the payment to

the worker of an amount of labor equal to what he had given. If a man does a certain amount of work, his wages should be the amount necessary to permit him to hire an equal amount of work to be done for himself. Since riches was a relative term to him, it was definitely a distributional concept. It measured the amount of wealth of particular individuals or countries relative to others. The study of riches involved a study of the distribution of income between the rich and the poor and the relationship between these classes. Ruskin thought the desire to be rich was really the desire to exercise power over men. While not favoring complete equality of wealth, Ruskin believed in a less unequal distribution of wealth.

The Value of Labor

Ruskin thought the quality of labor varied with the amount of human faculties used in the effort; however, when examining the value of labor, he used the concept of a standard quality of labor. When referring to the "value and price of labour, it is necessary always to understand labour of a given rank and quality . . . Bad (that is, heartless, inexperienced, or senseless) labour cannot be valued . . . (XVII, p. 95). Labor that used more of man's faculties was of a higher quality, but when considering labor's value, Ruskin meant labor of a certain quality. A standard quality of labor was a concept used to simplify the problem and discussion. Not all labor was of the same quality or had the same value but the "quality and kind of labour being given, its value, like that of all other valuable things, is invariable" (XVII, p. 95). Labor of a given quality had a certain value as Ruskin applied his concept of intrinsic value to labor. The

intrinsic value of labor of a given quality was its ability to produce goods that maintain or increase life. It is more difficult to apply the concept of intrinsic value to labor because the amount of labor "which must be given for other things is variable; and in estimating this variation, the price of other things must always be counted by the quantity of labour; not the price of labour by the quantity of other things" (XVII, p. 95). The amount of labor, even of the same quality, varied with the difficulty of the task. The amount of labor necessary to produce a good that would sustain a certain amount of life varied with the difficulty of the material used. Ruskin used the example of planting a tree in hard ground as compared to soft ground (XVII, p. 95). It would take more labor to plant the tree in the hard ground but the value of the tree planted in hard ground was no greater than the value of the tree planted in soft ground. More labor was required to produce the same intrinsic value of a good or a service if the raw materials were more difficult to work with. However, market values should not reflect these differences since a certain amount of wages would be paid for planting the trees in any kind of ground. Ruskin appeared, in this example, to use the idea that wages would not be by time but by the job. Since Ruskin measured cost and price in quantities of labor, he wanted all other goods or services valued in labor units rather than labor valued in terms of other goods. This is a continuation of his labor standard of value. He also objected to the expression "cheapness" of labor, preferring the expression "dearness" of what the labor achieved. He thought what is called "cheapness of labour, signifies . . . that many obstacles have to be overcome by it; so that much labor is required to produce a small result. But this

should never be spoken of as cheapness of labour, but as dearness of the object wrought for" (XVII, p. 96). If a larger quantity of labor is required to achieve a given result, the result is more expensive, rather than the labor being cheaper. If the value of labor is intrinsic, as Ruskin thought, then the use of varying quantities of labor is more properly reflected in varying values of the results of labor, rather than in varying values of labor itself. If labor were valued by time rather than piecework, this would tend to be the result, but the intrinsic value of labor is not a market value or price. Since Ruskin valued goods in terms of labor and defined labor as the decrease in life from effort, he concluded that other things are "bought and sold for Labour, but Labour itself cannot be bought nor sold for anything, being priceless" (XVII, p. 183). Ruskin thought it a fallacy that labor was a commodity to be bought and sold since it is the actual using up of an individual's life. He also objected to making labor services a commodity separate from the rest of the individual. He believed one of the objects of "Political Economy is not to buy, nor to sell labour, but to spare it" (XVII, p. 183n). This follows logically if labor is defined as effort that decreases or uses up human life. It should be economized to avoid, as much as possible, the decrease in human life.

Even though Ruskin objected to making labor an exchangeable commodity, he considered the wages paid for labor. His consideration of wages included two major areas: market wages and just wages. His analysis of market wages was an examination of more or less competitive labor markets. He believed:

. . . the 'value' of any piece of labour . . . the quantity of food and air which will enable a man to perform it without losing actually any of his flesh or his nervous energy, is as absolutely fixed a quantity as the weight of powder necessary to carry a given ball a fixed distance. (XVII, p. 473)

Not only did Ruskin believe a fixed amount of sustenance was required to maintain a man while performing a certain amount of labor, he thought the required amount of sustenance could be accurately determined. He wanted physicians to state precisely:

. . . the quantity and kind of food, and space of lodging, they consider approximately necessary for the healthy life of a laborer in any given manufacture, and the number of hours he may, without shortening his life, work at such business daily if so sustained. (XVII, p. 473)

While it may not be possible to determine these requirements and conditions as precisely as Ruskin thought, estimates are made of nutritional and other requirements for maintaining life. After the doctors determine the requirements for a healthy life, Ruskin wanted all employers required to "give their men a choice between an order for that quantity of food and lodging, or such wages as the market may offer for that number of hours' work" (XVII, p. 474). Obviously, he thought the workers would choose the order for the required amount of food and housing rather than market wages. He believed market wages were actually less than those required for the healthy maintenance of the workers and the hours of work were so long that the life of the workers was being decreased. Ruskin wanted the worker to receive wages that would permit him to buy goods and services to maintain himself and his family. Further, the hours of work were to be shortened so that working did not decrease the life of the workers. Concerning wages, Ruskin generally thought the present system of "competition would still reduce them to the lowest rate at which life was possible"

(XVII, pp. 71-72). Consequently, he believed with the reduction of excise taxes and import duties, competition would cause a proportionate decrease in wages and the workers would be no better off. The distress of the poor, because of low wages, resulted "from the two reacting forces of competition and oppression" (XVII, p. 73). Ruskin rejected general over-population as a major factor causing the distress of the poor but thought a local over-population "shows itself by pressure of competition; and the taking advantage of this competition by the purchaser to obtain their labour unjustly cheap, consummates at once their suffering and his own . . ." (XVI, p. 73). Ruskin thought competition would not result in just wages, but would generally cause wages to be at the subsistence level. Wages could fall below this level and the result would be to shorten the life of the worker. He related the subsistence wage level to the population but the population changes came about because of the effect of wages on the life span of the worker, not on the number of offspring he produced. Wages above the subsistence level would increase the population by increasing the length of life of the workers. This increased supply of labor would tend to drive wages down to the subsistence level. Lower wages, shortening the life of the worker, would reduce the supply of labor and wages would increase back to the subsistence level. This idea of subsistence wages was similar to that of the classical economists but the mechanism by which changes in the supply of labor came about was different. Since Ruskin thought wages tended to the subsistence level under competition, he argued that a worker must, in order to live, receive a higher wage rate if:

. . . his work is liable to intermission, than if it is assured and continuous; and however severe the struggle for work may become, the general law will always hold, that men must get more daily pay if, on the average, they can only calculate on work three days a week than they would require if they were sure of work six days a week. (XVII, p. 35)

The worker must receive enough to live on for the week whether he works all week or only part of the week. If the worker is employed only part of the week, he must receive a high wage rate to receive the same amount of subsistence wages. But Ruskin thought the competitive system was false, unnatural, and destructive, because "a bad workman is allowed to offer his work at half-price, and either take the place of the good, or force him by his competition to work for an inadequate sum" (XVII, p. 34). He wanted all labor of the same rank and type to receive the same wages since this would cause good workers to be hired and bad workers to be left idle. He desired as few bad workmen be produced as possible and suggested some educational and training changes so that fewer of them would be produced. Ruskin thought competition could cause wages to be either higher or lower than just wages although he was more concerned about them being lower. Under competition,

. . . according to the laws of demand and supply, when two men are ready to do the work, and only one man wants to have it done, the two men underbid each other for it; and the one who gets it to do, is under-paid. But when two men want the work done, and there is only one man ready to do it, the two men who want it done overbid each other, and the workman is over-paid. (XVII, p. 64)

Here his analysis is faulty since it does not allow for changes in either the quantity demanded for labor or in the quantity supplied of it as the wage rate changes. This is one of the dangers of small group examples. Since Ruskin disliked the results of competition in

determining wages, he looked for examples of wages not determined by competition.

Now I pay my servants exactly what wages I think necessary to make them comfortable. The sum is not determined at all by competition; but sometimes by my notion of their comfort and deserving, and sometimes by theirs. If I were to become penniless to-morrow, several of them would certainly still serve me for nothing. (XVII, p. 137)

As Ruskin found this exception to wages determined by competition, he asserted that it is not

. . . a law of Nature that wages are determined by competition. Still less is it a law of State, or we should not now be disputing about it publicly, to the loss of many millions of pounds to the country. The fact which vulgar economists have been weak enough to imagine a law, is only that, for the last twenty years a number of very senseless persons have attempted to determine wages in that manner; and have, in a measure, succeeded in occasionally doing so. (XVII, p. 137)

While some wages were determined by competition, Ruskin did not think that system was a natural or state law. He continued to "attack the bestial idiotism of the modern theory that wages are to be measured by competition" (XVII, p. 263n). He believed the actual level of market wages was a temporary phenomena, not particularly related to the intrinsic value of labor. He thought the "accidental level of wages is a variable function of the number of provident and idle persons in the world, of the enmity between them as classes, and of the agreement between those of the same class" (XVII, p. 263). This was a literary model of a labor market. On one side was the number of employers; on the other was the number of employees. Between them were their feelings for each other, some degree of friendliness or hostility. Employers might have agreements among themselves about the wages they would pay while employees might have agreements among themselves about the wages they would work for. If there are only a few employers who

have agreed among themselves not to compete for labor and who have no feelings of affection or justice towards the workers, wages would be low. Wages would also be low if there are a large number of employees, no agreements among themselves about the wages they want and if they have feelings of affection towards the employers. Ruskin contended the "power of the provident over the improvident depends thus, primarily, on their relative numbers; secondarily, on the modes of agreement of the adverse parties with each other" (XVII, p. 263). These relations between the classes, which involved moral conditions, determined the level of market wages. If the rich are "entirely selfish, it is always for their interest that the poor should be as numerous as they can employ, and restrain" (XVII, p. 263). If the poor were more numerous and still restrained, not only would wages be lower, but each rich person would be able to employ the services of a larger number of the poor. Ruskin's model for determining market wages was a model of supply and demand and the level of wages depended upon the amount of competition in the market although Ruskin did not use those terms. He included the number on both sides of the market and any agreement between the demanders or suppliers. His analysis of the determination of market wages was inconsistent since he sometimes denied that wages were determined by competition. He certainly denied it was a "law" of any kind that wages were determined by competition. Thinking that labor of a given quality has a certain intrinsic value, he objected to the results of competition in labor markets since he thought competition would cause wages to be too high, or more probable and important, too low. When admitting the effect of competition, he thought the result would be subsistence level of wages or even temporarily, a

level of wages that shortened life.

In addition to analyzing the determination of market wages under the current system of labor administration, Ruskin considered the question of a just wage. He thought employers and employees had some common and some opposing interests, depending on the circumstances.

It is, indeed, always the interest of both that the work should be rightly done, and a just price obtained for it; but, in the division of profits, the gain of the one may or may not be the loss of the other. It is not the master's interest to pay wages so low as to leave the men sickly and depressed, nor the workman's interest to be paid high wages if the smallness of the master's profit hinders him from enlarging his business, or conducting it in a safe and liberal way. (XVII, p. 28)

The major opposing interests would be in the distribution of income but even here Ruskin thought employers and workers had some common interests. However, he recognized the interests of different classes may conflict over the question of distribution and thought the possibilities of conflict would be increased if individual economic units acted on the basis of expediency and self-interest. To reduce the possibilities of conflicting interests, he wanted economic units to act justly towards each other. To Ruskin, justice included "such affection as one man owes to another" (XVII, p. 28). Ruskin was convinced that under given circumstances and for all labor, there is a

. . . just price approximately determinable; that every conscious deflection from this price towards zero is either gift on the part of the labourer, or theft on the part of the employer; and that all payment in conscious excess of this price is either theft on the part of the labourer, or gift on that of the employer. (XVII, p. 515)

Not only was there a just wage but Ruskin thought it could be accurately determined. He was not interested in considering gifts, but just exchange. Since a just wage could be accurately determined, labor

services should be paid that amount in exchange. He believed the final principle of a just wage was that if a worker

. . . does a given quantity of work for me, I am bound in justice to do, or procure to be done, a precisely equal quantity of work for him; and just trade in labour is the exchange of equivalent quantities of labour of different kinds. (XVII, p. 508)

Ruskin defined the just wage in labor units, not monetary units, since he measured cost and price in quantities of labor. Changing this to monetary units, the just money wage is that amount of money payment which gives the worker claim to an equal amount of the same quality of labor that he expended. "If we promise to give him less labour than he has given us, we under-pay him. If we promise to give him more labour than he has given us, we over-pay him" (XVII, p. 64). Ruskin elaborated upon the concept of equal amounts of labor enunciated in his doctrine of a just wage. Treating the worker

. . . with absolute equity, it is evident that this equity can only consist in giving time for time, strength for strength, and skill for skill. If a man works an hour for us, and we only promise to work half an hour for him in return, we obtain an unjust advantage. If . . . we promise to work an hour and a half for him in return, he has an unjust advantage. The justice consists in absolute exchange; or, if there be any respect to the stations of the parties, it will not be in favour of the employer: there is certainly no equitable reason in a man's being poor, that if he give me a pound of bread to-day, I should return him less than a pound of bread to-morrow; or any equitable reason in a man's being uneducated, that if he uses a certain quantity of skill and knowledge in my service, I should use a less quantity of skill and knowledge in his. (XVII, p. 65)

Ruskin, while defining a just wage to be equal amounts of the same quality of labor, recognized the actual wage could exceed or be less than the just wage. He was more concerned about it being less since he thought the worker was in an inferior bargaining position because of his poverty and ignorance. Following the fundamental idea of a just

wage, Ruskin contended that a laborer

. . . should in justice be paid for two hour's work twice as much as for one hour's work, and for n hour's work n times as much, if the effort be similar and continuous. A man should in justice be paid for difficult or dangerous work proportionately more than for easy and safe work, supposing the other conditions of the work similar. (XVII, p. 508)

Expanding the analysis to allow for varying amounts of working time left the basic idea of a just wage unchanged. He did not want the wage rate to vary with the amount of labor time so the total amount of just wages varied directly and proportionately with the amount of labor time. Ruskin recognized the concept of equalizing differences in wage rates since he wanted a higher wage rate paid for more difficult and dangerous work to compensate the worker for these circumstances.

After developing the principle of absolute justice in the payment of wages, Ruskin introduced two modifications of it. The first change required, in justice, a larger wage since "labour (rightly directed) is fruitful just as seed is, the fruit (or 'interest' . . .) of the labour first given, or 'advanced,' ought to be taken into account, and balanced by an additional quantity of labour in the subsequent repayment" (XVII, p. 65). For labor services performed today, justice requires that the worker be paid a claim on an equal amount of labor today. If the worker can only exercise his claim on labor in the future, then the payment should be larger because of the passage of time. Justice requires that the worker receive more labor than he has given if he can only receive labor in the future for what he has given today. The second modification of a just wage would permit a somewhat smaller payment since:

. . . the order for labour, given in payment, is general, while the labour received is special. The current coin or

document is practically an order on the nation for so much work of any kind; and this universal applicability to immediate need renders it so much more valuable than special labour can be, that an order for a less quantity of this general toil will always be accepted as a just equivalent for a greater quantity of special toil. (XVII, p. 66)

The worker provides a specific type of labor service but is paid money wages. Looking upon money as a general claim to labor services or goods, Ruskin reasoned that money was more valuable because the worker could use it to obtain any kind of goods or labor services, rather than just the same type of labor he had performed. Thus a worker performing a given amount of a specific labor service would be willing to accept a money payment that gave him command over a smaller amount of labor services because it was generalized purchasing power that could be used to claim any kind of labor services or goods. He did not think these modifications changed the principle of a just wage but they made the determination "of the proper wages of any given labour in terms of a currency, matter of considerable complexity" (XVII, p. 67). It might not be possible to determine the money payment of a just wage precisely but Ruskin insisted that work "has a worth, just as fixed and real as the specific gravity of a substance, though such specific gravity may not be easily ascertainable when the substance is united with many others" (XVII, p. 68). Ignoring any complications, he concluded a just wage is an amount of money wages that permits the worker to obtain for himself "at least as much labour as he has given, rather more than less. And this equity or justice of payment is, observe, wholly independent of any reference to the number of men who are willing to do the work" (XVII, p. 66). More workers seeking employment would not cause the just wage to be lower nor would fewer workers seeking employment cause

it to be higher so Ruskin did not think the market wage usually expressed a just wage. Recognizing the long run influence of demand, he wanted wage rates regulated by some standard to avoid short run fluctuations in wage rates and levels of employment.

In this ultimate sense, the price of labour is indeed always regulated by the demand for it; but, so far as the practical and immediate administration of the matter is regarded, the best labour always has been, and is, as all labour ought to be, paid for by an invariable standard. (XVII, p. 34)

Ruskin made proposals for regulating wages and providing employment as part of his program of change. Although he introduced some qualifications, the fundamental idea of a just wage was the exchange of equal amounts and qualities of labor services.

Riches

Ruskin looked upon the study of riches as one of the major areas of investigation of political economy. He defined "riches" as a "relative term, expressing the magnitude of the possessions of one person or society as compared with those of other persons or societies" (XVII, p. 152). He believed "the study of Riches is a province of moral science:--it deals with the due relations of men to each other in regard of material possessions; and with the just laws of their association for purposes of labour" (XVII, p. 153). To Ruskin, the study of riches was a study of the distribution of wealth--income and property, and relations between classes involving moral consideration. In contrast, he looked upon traditional political economy, which he called mercantile economy, as "the science of getting rich" (XVII, p. 43). He believed those individuals who followed the teachings of mercantile economy actually became rich but he contended "that men of business

rarely know the meaning of the word 'rich'" (XVII, p. 44). Since Ruskin defined riches as a distributional concept, being rich implied "its opposite 'poor' . . ." (XVII, p. 44).

Rejecting the use of "rich" as an absolute term, he objected to the idea that everyone could be rich.

Whereas riches are a power like that of electricity, acting only through inequalities or negations of itself. The force of the guinea you have in your pocket depends wholly on the default of a guinea in your neighbor's pocket. If he did not want it, it would be of no use to you; the degree of power it possesses depends accurately upon the need or desire he has for it,--and the art of making yourself rich, in the ordinary mercantile economist's sense, is therefore equally and necessarily the art of keeping your neighbour poor. (XVII, p. 44)

Rich, by definition, was a relative rather than an absolute term to Ruskin; therefore, it is obviously impossible for everyone to be rich. Since he thought the primary power of money was its command over goods and services, this power depended on the desire of individuals for money and their willingness to give either goods or services for it. For any particular individual, moreover, riches signified the acquisition "of legal or moral claim upon, or power over, the labour of others; every such claim implying precisely as much poverty or debt on one side, as it implies riches or right on the other" (XVII, p. 45). An increase in the riches of an individual did not necessarily mean an increase in the actual wealth or well-being of the nation, since it could come about as a result of increasing poverty on the part of other individuals. This analysis, assuming the amount of wealth to be fixed, appears to be very short run. If the amount of real wealth is fixed, then an increase in the amount of wealth held by one individual could only come about through a decrease in the amount held by others. Over a

longer period of time as wealth is increased, an individual could increase the amount of his wealth either with or without a corresponding decrease in the wealth of others.

Ruskin thought claims upon the labor of others could always be converted into real property since money could be used to buy property; however, since

. . . real property is not always convertible at once into power over labour, the idea of riches among active men in civilized nations generally refers to commercial wealth; and in estimating their possessions, they rather calculate the value of their horses and fields by the number of guineas they could get for them, than the value of their guineas by the number of horses and fields they could buy with them.
(XVII, p. 45)

To convert real property into power over labor would usually require selling it to obtain money to hire labor services. It might take time to sell real property, particularly if the sellers wanted to realize its full market value. He also illustrated one of the functions of money, a standard of value. The amount of riches or commercial wealth, not Ruskinian wealth, of an individual is the market value of his possessions as measured in the monetary unit. Even though it might take time to sell property and convert its market value into money, it could be done and the money used to hire labor services. So Ruskin emphasized the power of all possessions, particularly money, in commanding labor services. He thought an "accumulation of real property is of little use to its owner, unless, together with it, he has commercial power over labour" (XVII, p. 45). Owners of large amounts of real property must be able to hire workers to tend and operate the property or the ownership will be of little value. Ruskin argued what is really wanted,

. . . under the name of riches, is, essentially, power over men; in its simplest sense, the power of obtaining for our own advantage the labour of servant, tradesman, and artist; in wider sense, authority of directing large masses of the nation to various ends (good, trivial, or hurtful, according to the mind of the rich person). (XVII, p. 46)

For most individuals their power over labor comes from hiring labor services of other individuals or causing labor to be employed in making the goods they purchase. As people become richer, this power increases. Owners of large amounts of property, such as factories, employ and direct the labor services of many individuals. Ruskin examined some of the factors determining the amount of this power over the labor of others:

. . . this power of wealth of course is greater or less in direct proportion to the poverty of the men over whom it is exercised, and in inverse proportion to the number of persons who are as rich as ourselves, and who are ready to give the same price for an article of which the supply is limited. . . . the art of becoming "rich," in the common sense, is not absolutely nor finally the art of accumulating much money for ourselves, but also of contriving that our neighbours shall have less. In accurate terms, it is "the art of establishing the maximum inequality in our own favour." (XVII, p. 46)

When men are poorer, Ruskin thought the power of wealth in hiring their services was greater because they have a greater need for money. When there are many rich people competing for labor services, the power of wealth in hiring labor services is decreased since the price of labor services would be bid up. At higher wage rates the need of workers to supply labor services for money may be less. For a few people to be as rich as possible there must be the greatest possible inequality of distribution of wealth. Ruskin concluded that being rich also meant keeping other people poor.

In the abstract, Ruskin thought increases in the inequality of

distribution of wealth may be either advantageous or disadvantageous.

He rejected the assumption that such increases in inequality were necessarily advantageous as fallacious. Rather,

. . . the beneficialness of the inequality depends, first, on the methods by which it was accomplished; and, secondly, on the purposes to which it is applied. Inequalities of wealth, unjustly established, have assuredly injured the nation in which they exist during their establishment; and, unjustly directed, injure it yet more during their existence. But inequalities of wealth, justly established, benefit the nation in the course of their establishment; and, nobly used, aid it yet more by their existence. . . . among every active and well-governed people, the various strength of individuals, tested by full exertion and specially applied to various need, issues in unequal, but harmonious results, receiving reward or authority according to its class and service. . . . (XVII, p. 47)

If increases in inequality came about as a result of an increase of wealth without anyone being made poorer and if it came about through the greater effort of some individuals, then it may be beneficial. The existence of inequality may be beneficial if wealthy persons use their wealth to cause the production of useful goods that extend life. . . . Ruskin did not favor complete equality of wealth as he thought that impossible. He believed individuals should receive differing amounts of wealth based on their class and service; however, he did not accept the distribution of wealth as given. He wanted to know how the existing distribution had come about and how the wealth was used. In some cases, a more unequal distribution of income would, by permitting a more rapid rate of saving and capital accumulation, increase the rate of economic growth and benefit the nation. Ruskin admitted inequalities of distribution of wealth. Since he was interested in life and character, he examined who would become rich and who would remain poor in a market economy which was protected from violence and

regulated by laws of supply and demand. Those who become rich are:

. . . industrious, resolute, proud, covetous, prompt, methodical, sensible, unimaginative, insensitive, and ignorant. The persons who remain poor are the entirely foolish, the entirely wise, the idle, the reckless, the humble, the thoughtful, the dull, the imaginative, the sensitive, the well-informed, the improvident, the irregularly and impulsively wicked, the clumsy knave, the open thief, and the entirely merciful, just, and godly person. (XVII, p. 90)

While attributing both good and bad characteristics to both groups, Ruskin assigned more good and bad characteristics to the poor and they appear to come off better in this description. Knight referred to this characterization as being valuable and representative.⁴ Examining further what determines the amount of wealth of men, Ruskin decided that according to "the various industry, capacity, good fortune, and desires of men, they obtain greater or smaller shares of, and claim upon, the wealth of the world" (XVII, p. 160). Generally those men who have a greater desire and capacity, who work harder and have good luck obtain a larger share of the wealth. Ruskin thought inequality in the shares of wealth, while somewhat necessary and just, may be "either restrained by law or circumstance within certain limits; or may increase indefinitely" (XVII, p. 160). He favored action to decrease the inequality by limiting the wealth of the rich and increasing the wealth of the poor. When no legal or moral action is taken to restrain the

. . . exercise of the will and intellect of the stronger, shrewder, or more covetous men, these differences become ultimately enormous. But as soon as they become so distinct in their extremes as that, on one side, there shall be manifest redundance of possession, and on the other manifest pressure

⁴Frank H. Knight, The Ethics of Competition and Other Essays (New York, 1935), pp. 65-66.

of need,--the terms "riches" and "poverty" are used to express the opposite states . . . (XVII, p. 160)

Ruskin reiterated that riches was a relative term, so an individual could be considered rich only in relation to the poverty of others. While not specifying the proper degree of inequality he admitted the need for some inequality and the undesirableness of complete equality. He again attributed certain characteristics to the rich but a smaller list than before. Most of his analysis to this point has been quite restrictive, assuming a fixed amount of wealth.

Concerning riches, Ruskin thought it necessary to "inquire, first, into the advisable modes of their collection; secondly, into the advisable modes of their administration" (XVII, p. 160). Two points about the collection of riches interested Ruskin. First, comparing the wealth of different nations required examining not just the absolute amount of wealth of the different countries, but also the existing distribution of wealth within the countries. One country might have a greater absolute amount of wealth but it should not be considered richer if most of this wealth is owned by a few individuals and the rest of the people are quite poor. Second, since Ruskin looked upon riches as a distributional concept, he believed riches could be collected by some individuals becoming wealthier or by other individuals becoming poorer. Concerning any given collection of riches, he wanted to know how the "correlative poverty was produced . . . whether by being surpassed only, or being depressed also; and if by being depressed, what are the advantages, or the contrary, conceivable in the depression" (XVII, p. 161). He did not just accept the existing distribution of wealth but wanted to know how it came about. He also

wanted to know the effects of the existing distribution of wealth. If the distribution of wealth changed, Ruskin wanted to know if this came about as a result of an increase of total wealth with all the increase going to certain individuals or if the total amount of wealth remained unchanged but the amount of wealth of some individuals decreased and they became poorer. He never completely examined or answered these questions. He thought the administration of riches concerned "the powers of selection, direction, and provision" (XVII, p. 162). He defined selection as referring to whom goods should belong and he thought "the richest person has necessarily the first choice, unless some arbitrary mode of distribution be otherwise determined upon" (XVII, p. 162). In a market economy, rich individuals would be able to bid up the prices and obtain possession of goods. This raises the question whether the rich individuals are those best able to use the goods. The relation of rich individuals to poor individuals gives the rich the power of direction, "or authority over, the labour of the poor; and this nearly as much over their mental as their bodily labour" (XVII, p. 162). Since the poor must work to earn income, the rich, either by spending to buy goods and services or by directing business enterprises, control and direct the employment of the workers. Ruskin thought all spending provided employment and directed labor but the rich, because of their greater spending, exercised more influence. As individuals accumulate wealth in excess of their immediate needs they secure the power of provision; of making their wealth "available in preparation for future work or future profit; in which function riches have generally received the name of capital . . . head-, or source-material" (XVII, p. 162). He thought as individuals became richer their

power to accumulate increased since they could save and hold their wealth in the form of capital goods. Decisions about using wealth to purchase capital goods would determine future employment, profit and economic activity. Ruskin questioned whether, since the healthful use of riches in selection, direction and provision depends

. . . on the Wisdom, Justice, and Farsightedness of the holders; and it is by no means to be assumed that persons primarily rich, must therefore by just and wise,--it may not be ultimately possible so, or some what so, to arrange matters, as that persons primarily just and wise, should therefore be rich? (XVII, p. 162)

Trying to reorganize society so that the just and wise persons would be rich, Ruskin made several proposals for reform that would change the distribution of wealth. He thought the rich, because of their wealth, exercised considerable influence upon the course of economic activity both as consumers and owners of business firms. More important than the total absolute amount of wealth of a country was whether the wealth "is in a form that can be used, and in the possession of persons who can use it" (XVII, p. 161n). The rich played a greater role in determining the kind of wealth in a country and how it was used.

Since the rich had greater power to hire and command labor services, Ruskin thought the poor were at the mercy of the rich. As the poor become poorer and more numerous, he thought the power of riches increased.

But, practically, if the rich strive always to obtain more power over the poor, instead of to raise them--and if, on the other hand, the poor become continually more vicious and numerous, through neglect and oppression,--though the range of the power of the rich increases, its tenure becomes less secure; until, at last, the measure of iniquity being full, revolution, civil war, or the subjection of the state to a healthier or stronger one, closes the moral corruption, and industrial disease. (XVII, p. 264)

A study of revolutions and wars, civil and others, would be necessary to evaluate Ruskin's hypothesis about when they occur. A contrary hypothesis is that they occur, not when the poor are most oppressed, but when some change and improvement in conditions have taken place and people recognize the possibility of, and have expectations of, larger gains in the future as a result of more rapid change. He thought as the power of the rich increased and became more extensive, it also became less secure because of the increased possibility of violent change. His examination of the relation between the classes may seem inconsistent with his thesis of social affections; however, this is not so since society was not organized to develop and increase this force. Ruskin recognized that "kind persons among the rich, and wise among the poor, modify the connexion of the classes . . ." (XVII, p. 264). Some rich people try to relieve and raise the poor while some of the poor do succeed as a result of hard and honest work. Generally, Ruskin concluded that in an economy organized around competition, where individuals sought material gain, success means "always so much victory over your neighbour as to obtain the direction of his work, and to take the profits of it. This is the real source of all great riches. No man can become largely rich by his personal toil" (XVII, p. 264). By success, he meant commercial or monetary success. He was convinced a man, working with his own abilities, could take care of himself, his family, and provide for his old age; but he could not become very wealthy by his own work. Ruskin contended it is only when a man discovers:

. . . some method of taxing the labour of others that he can become opulent. Every increase of his capital enables him to extend this taxation more widely . . . to invest larger

funds in the maintenance of labourers,--to direct, accordingly, vaster and yet vaster masses of labour, and to appropriate its profits. (XVII, pp. 264-265)

Ruskin emphasized the power of wealth and money in its command over labor--its power of hiring labor services. Only this power of directing labor permitted a person to become wealthy. The individual who had the power to employ labor was able to secure part of the output of labor. As an individual accumulated wealth he was able to hire larger quantities of labor and become even more wealthy as he secured part of labor's output. Here Ruskin made two points: one of these is correct and the other is wrong. First, Ruskin believed, and correctly so, that it was the great inequalities of ownership of property which played a major role in the unequal distribution of income. Income from labor alone would not bring about such great inequalities in the distribution of income. Furthermore, inequalities in the distribution of income provide the opportunity for the wealthy to accumulate more property, gain more income and cause more inequality of distribution of both income and property. Second and incorrectly, Ruskin ignored the productivity of any resources except labor. While he included land and capital as factors of production, he appeared to deny their productivity. Labor, then, is not only the primary factor of production but the source of all output and income. Yet laborers do not receive all the income since the owners of property secured a part of the income from labor's services. Ruskin reiterated:

No man ever became, or can become, largely rich merely by labour and economy. All large fortunes (putting treasure-trove and gambling out of consideration) are founded either on occupation of land, usury, or taxation of labour. Whether openly or occultly, the landlord, money-lender, and capitalist employer, gather into their possession a certain quantity of

the means of existence which other people produce by the labour of their hands. (XVII, p. 564)

Again he seemed to conclude that labor was the only productive factor and the source of all material output. Even though this is wrong, as capital and land are productive, it makes Ruskin's theoretical system more consistent. His theory of value is not completely or exactly a labor theory of value since some things of value--land and air--are provided by nature, but his theory of value of produced goods and services is a labor theory of value. The value of produced goods and services is their ability to extend life; their cost and price are measured in units of labor. Overall, his theory of value can be called a life theory of value since the amount of wealth of an item is its extension of life, the cost of an item is the labor required to make it, and labor is the using up or destruction of life resulting from human effort. Strengthening the interpretation that Ruskin denied the productivity of land and capital is his belief that when the poor become aware of what was happening there would be the three following results:

. . . that the usurer's trade will be abolished utterly,--that the employer will be paid justly for his superintendence of labour, but not for his capital, and the landlord paid for his super-intendence of the cultivation of land, when he is able to direct it wisely . . . (XVII, p. 565)

It is true that Ruskin changed his mind over time and so appeared inconsistent. But it seems very probable that, when the above passages were written in 1873, Ruskin believed labor was the source of all output and income. Analyzing interest, he contended it is not "payment for labour; it is not reward for risk; it is not reward for abstinence" (XXVII, p. 319). Eventually Ruskin was convinced that all interest was

wrong and this denies the net productivity of capital. Landowners and capitalists were to receive income only for their labor services of management, according to Ruskin's prediction, which has not yet taken place. Perhaps one of the reasons why he was led to deny the productivity of property resources concerned his objection to the existing distribution of wealth. He disliked the existing distribution of wealth because it resulted in the production of luxuries when some people were not adequately fed, clothed and housed. He also thought that if the poor were using their labor to produce luxuries, then they should have some of the luxuries.

Ruskin thought riches was a relative concept so his analysis of it involved the question of the distribution of wealth. He thought being rich usually meant keeping someone else poor. Inequality in the distribution of wealth and income could be advantageous or disadvantageous to the society depending on how wealth was collected and used. Ruskin's analysis of riches emphasized his belief that the real power of wealth and money was its power over labor.

Summary

Part II of Ruskin's principles of political economy, a continuation of part I, organized and presented his theoretical economics in three main sections: market economics, making and using goods, and distribution. The concepts related to the market were cost and price, supply and demand, exchange and commerce. Ruskin distinguished both cost and price from value and defined them separately. Cost was defined as the quantity of labor required to produce an item. While cost was divided into intrinsic cost and effectual cost; only effectual

cost, based on the way a good is produced, can be investigated. Ruskin recognized cost could increase as larger amounts were produced and it could decrease if labor resources were specialized. Improved methods of productions could lower the cost of a good. Price was defined as the quantity of labor a seller requires to sell an item. While studying price from the view of both the buyer and the seller, Ruskin thought it better to proceed from the seller's side since he made the final decision to sell or not. While not using the terms, Ruskin's analysis of price was based on supply and demand. Supply was an existing quantity; behind it was the cost of production. Demand was slightly more developed; it included the effective desire for a good relative to other goods. While Ruskin believed price varied with the cost of production if demand was constant, he did not think demand was constant and placed more emphasis upon it in determining prices. Except for his use of supply and demand concepts in determining price, Ruskin made little further analysis of them. He thought economists were not in agreement about supply and demand but that there was no natural or divine law concerning them. While recognizing supply and demand sometimes determined prices, he preferred regulated prices. He thought a demand for a good would sometimes bring forth a resulting supply, but he disliked the results of that also. His analysis of exchange was limited, confused and sometimes wrong. He believed there was no profit, only advantage in exchange; the advantage of acquiring useful goods that an individual can use. He thought much exchange was unfair because it was based on poverty, ignorance and an inferior bargaining position. Apparently he thought exchanges would still take place even though one of the exchangers might be made worse off. He wanted the

agents of exchange, merchants, to be paid wages for their services. He believed the merchant was held in low esteem by the public because they thought he acted selfishly. Ruskin wanted him to act justly. Commerce was an extension of exchange and Ruskin applied the same principles to it. In foreign trade there should be no tariffs and the foreigner was to be given fair and honest treatment.

Included under making and using goods were Ruskin's concepts of production, labor and employment, and consumption and saving. He thought only labor that made goods or provided services to maintain and extend life was productive. He identified capital as a factor of production made by the economic system to be used for further production. However, capital goods should produce goods for consumption, not just more capital goods. Capital primarily assisted labor or did what labor alone could not do. Ruskin included the willingness of the worker as a separate factor of production. In the final analysis, production was the making of goods for consumption or for future consumption. His ideas on production suggested a negative factor, the costs of production in Ruskinian wealth. Ruskin defined labor as the loss of life or the using up of life as a result of human effort. Thus, not all work is labor. Labor was of higher quality as it included more of man's faculties. Ruskin wanted the government to compel able laborers to work, if necessary. He generally was unfavorable to the division of labor because he thought it was degrading. The administration of labor should be reorganized so wage rates and employment levels did not fluctuate with the demand for labor. Ruskin thought employment was a very important factor in forming man's habits and character. He looked upon consumption as the purpose of production and the object of

political economy. Consumption was the using up of goods while saving was putting a thing where it could be retrieved. One of the uses of saving was hoarding which was reflected in price level changes. All consumption spending was a demand for labor services and actually directed the economy and the employment of labor.

Distribution included two topics: the value of labor and riches. While recognizing the quality of labor varied, Ruskin used a concept of labor of a standard quality. He thought the value of labor was intrinsic but that the value of things obtained from labor varied-- particularly because of the differing materials with which it worked. His analysis of the value of labor was twofold: market wages and just wages. He believed market wages under competition tended to a subsistence or maintenance level of wages. If wages fell below this, the supply of labor would decrease because the life of workers would be shortened and wages would rise back to the subsistence level. Just wages involved the exchange of equal amounts of labor of the same quality. The difficulty was expressing the just wage in currency units since the currency might not be spent until later and the currency was general purchasing power. Wages would determine the distribution of income under Ruskin's scheme of society since other forms of income would not be permitted. Ruskin thought riches was a relative term which expressed the distribution of wealth. In order for some to be rich, others must be poor. He emphasized the power of wealth and money over labor services and economic activity. Whether a particular distribution of wealth was beneficial depended upon how it came about and how the wealth was used. Ruskin thought individuals could become wealthy only through the ownership of property which permitted them to

secure output produced by labor. He appeared to look upon labor as the only productive factor and the source of the value of all produced goods and services.

CHAPTER VI

RUSKIN'S PROPOSALS FOR ECONOMIC CHANGE

The purpose of this chapter is to collect, organize and present, in a topical arrangement, Ruskin's many suggestions about economic policies. The underlying assumption is that his proposals contain significant insights into economic problems and their solutions both for his own time and today. When necessary, the proposals are interpreted and explained. They are also examined and evaluated for their merits and defects.

The purpose of Ruskin's proposals was to increase the economic well-being of individuals and society. His major criticisms of the existing economic organization were that it produced ugliness, was inefficient, and caused an inequitable distribution of income. His proposals for change were designed to alleviate these problems. They are analyzed in that light.

Ruskin prepared programs for change in many areas of society other than economics. Since he did not sharply distinguish between political economy and other social activity his proposals are not sharply defined either. Nevertheless, only those proposals directly or most closely related to economics are a part of this study. Furthermore, Ruskin presented proposals for change on several different levels without clearly separating them. To illustrate, one level set forth ideas for the administration of the Guild of St. George, an association

established by him. Since this was a private organization, ideas relating only to it are not considered. A second level of Ruskin's proposals established his ideal society while a third level proposed reform within the existing framework of society. Both of these kinds of proposals are considered. Ruskin's proposals were fragmentary and incomplete. They were not always worked out in complete detail and they did not cover all aspects of economics. Only his major proposals, those with enough detail to be considered, are examined in this study. Although his proposals are scattered throughout his writings amidst other topics, this problem has been met by abstracting and collecting his programs for change from his writings.

Ruskin's ideas for change will be organized and presented in three main sections. The first section will include his efforts to change the behavior of individual economic units. He was willing to accept the existing economic framework if the behavior of individuals could be moralized and if business could be professionalized. Moralizing the behavior of individuals covered two areas: economic units must behave honestly and justly and they must consider the effects of their actions on other economic units and society. The professionalization of business, including labor, means the first object of business must be to provide for society and the first object of labor to do good work. As a result of providing goods and services for society, and doing good work, income will be earned. However, making profits or maximizing income was not to be the primary objective. In addition to preaching about honesty and justice, Ruskin directed specific teachings at consumers, business and workers.

The second part of this chapter will include Ruskin's program for

changing the institutional framework of the economy. His institutional framework was a mixture of organization based on tradition, command, and the market economy. He wanted competition replaced by cooperation within a system of guilds. The guild system would be involved in regulating the quality and the prices of output. Since it was to be voluntary, it would exist beside an economic system organized by the market. Ruskin favored the private property right system with restrictions on the ownership and use of the property. Property was to be owned by those who used it; however, its use was to be restricted to avoid pollution. These changes in the economic system would change the distribution of income so that it would be less unequal. He suggested changing the standard of value by basing it on labor or a group of commodities.

Ruskin also directed proposals for change at the economic policies of the government. He favored an authoritarian and paternalistic system of government which would manage the economy within a framework of private property. The government was to provide free public education, establish government enterprises for the production of goods and services, accept responsibility for providing employment for the unemployed, and organize a system of welfare and relief to provide income for those below a given income level. Furthermore, the government was to protect the environment by conservation measures and to abolish tariffs and trade restrictions between countries. Ruskin wanted the government to spend less on the military and more on the arts and sciences. He favored a graduated system of income and property taxes with excise taxes used primarily for regulatory purposes.

Ruskin's proposals for change can be separated into three rather

distinct plans. The first plan accepted the existing economic system if the objectives and behavior of individual economic units could be changed. The second plan envisioned an economy organized and regulated by a system of trade guilds. The third plan called for the regulation of the economy by the government but with the private ownership of property.

The Behavior of Individual Economic Units

All of Ruskin's proposals for change placed considerable emphasis upon individual behavior. He directed his attention to individuals because "all effectual advancement towards this true felicity of the human race must be by individual, not public effort" (XVII, p. 111). While recognizing a place for public effort in bringing about change, Ruskin thought it must begin with the individual and the family. "Certain general measures may aid, certain revised laws guide, such advancement; but the measure and law which have first to be determined are those of each man's home" (XVII, pp. 111-112). He thought institutions and forms of government were less important than the behavior of individuals. It was necessary to develop human character before making changes in institutions and laws. Resisting the idea that action of individuals have no power to change economic life, Ruskin was "convinced that it is by his personal conduct that any man of ordinary power will do the greatest amount of good that is in him to do . . ." (XXVII, p. 353). He has been criticized by Hobson for his heavy reliance upon individual action for solving the problems of society. Hobson thought the idea that "because the will of individuals initiates all moral conduct, the solution of the social problem must proceed chiefly from

individual, not from public action, is untenable."¹ It appears that the question of how to initiate and bring about change is still unsettled today.

Because of his beliefs about change, Ruskin directed much of his teachings at individuals. In particular, he attempted to elevate the moral level of individual behavior. He thought a system of political economy was possible only under certain moral conditions. Those moral conditions he determined necessary and then tried to establish were justice and honesty. He believed behavior based on increased justice and honesty would result in better relations between classes. Another result would be the development of social affections between employers and employees. This was important to Ruskin since he tried to reconstruct political economy using social affections as a motivating force in the behavior of individuals. Another aspect of the moral behavior of individuals required their considering the effects of their behavior on others and on society in making decisions. Ruskin also wanted the behavior of economic units, particularly business and labor, professionalized. Their function in society should be determined and they should seek, as their first objective, the best performance of this function. The function of business was to provide goods and services and it should do this as well as possible. The objective of making profits would be secondary. The function of labor was primarily to do good work and only secondarily to earn income. If the actions and objectives of economic units could be moralized and professionalized, Ruskin seemed ready to accept the general framework of the current economic system.

¹Hobson, John Ruskin: Social Reformer, p. 219.

Justice and Honesty

In attempting to establish practices of justice and honesty, Ruskin believed he was combating the influence of traditional economics. He thought political economy based on individual self-interest appealed to man's selfishness and covetousness. Teaching the individual that anything he did in his own self-interest also promoted the best interests of society exercised a corrupting influence. With these teachings, he believed individuals would act honestly only when it was in their self-interest to do so. However, he wanted individuals to act honestly always. Consequently one of his plans for reform was the establishment of justice and honesty in economic behavior. He preached and taught the importance of individuals applying these moral principles.

Ruskin stressed the importance of fair dealing in economic behavior: "one thing only you can know: namely, whether this dealing of yours is a just and faithful one, which is all you need concern yourself about respecting it . . ." (XVII, p. 54). He wanted individuals to be concerned about the justice of their actions. He recognized absolute justice was unattainable but he thought "as much justice as we need for all practical use is attainable by all those who make it their aim" (XVII, pp. 63-64). He contended "the righteous man is distinguished from the unrighteous by his desire and hope of justice" (XVII, p. 63). With this general emphasis upon justice, he tried to derive certain laws of justice about the payment of labor. In the abstract ideal, absolutely fair exchange consisted in the payment of money wages to the worker "which will at any time procure for him at least as much

labour as he has given, rather more than less" (XVII, p. 66). This principle of justice in the payment of labor followed logically from two ideas: his expression of exchange value in labor units and his analysis of a just wage. Equal amounts of labor of the same quality should exchange for each other. Beyond this, an employer should, in justice, be particularly careful not to take advantage of those who are poor, ignorant, or in an inferior bargaining position. While individuals might not be able to determine the just wage or price precisely, they should accept the principle and "strive to attain the closest possible approximation . . ." (XVII, p. 68). Ruskin thought the establishment of justice in the payment of wages would "diminish the power of wealth, first, in acquisition of luxury, and secondly, in exercise of moral influence" (XVII, p. 70). Further, each workman would have a "fair and sufficient means of rising in the social scale, if he chooses to use them; and thus not only diminishes the immediate power of wealth, but removes the worst disabilities of poverty" (XVII, pp. 70-71). Ruskin approved of these desirable results since he favored decreases in the power of the wealthy. His conclusions are based on the assumption that workers were receiving less than a just wage. He did not empirically test this hypothesis.

One of Ruskin's objectives in writing about political economy was to demonstrate that gaining "wealth was finally possible only under certain moral conditions of society, of which quite the first was a belief in the existence, and even, for practical purposes, in the attainment of honesty" (XVII, p. 19). Individuals, when acquiring wealth, should evaluate the sources of their wealth, considering the moral conditions of justice and honesty. While he thought a nation

could gain wealth only under honesty, he recognized dishonesty could enrich a particular person. "A clever and cruel knave will in a mixed society always be richer than an honest person can be" (XVII, p. 228). Ruskin reasoned the wealth of the nation could not be increased by dishonesty but would be decreased. A dishonest person would gain only at the expense of those they cheated. The result would be a net loss to society because of the use of time and energy to accomplish the fraud and because the defrauded person usually experienced a loss, through inconvenience and ill effects, that was more than the dishonest person gained. Ruskin did not base his appeal for honesty on either religion or policy but argued: "religion and policy must be based on it" (XVII, p. 348). He thought the reason for being honest is "Because you are a man" (XVII, p. 348). Ruskin concluded, for both individuals and society,

Honest IS the best "policy," if policy mean practice of State. For fraud gains nothing in a State. It only enables the knaves in it to live at the expense of honest people; while there is for every act of fraud, however small, a loss of wealth to the community. Whatever the fraudulent person gains, some other person loses, as fraud produces nothing; and there is, besides, the loss of the time and thought spent in accomplishing the fraud . . . (XVII, pp. 228-229)

Although his teachings of justice and honesty are more in the realm of morals, Ruskin applied them to economic transactions.

It is difficult to subject this part of Ruskin's reforms to economic analysis. Certainly, raising the levels of justice and honesty of individuals and of society is a laudable objective. His effectiveness of the reform movement that swept Oxford University during the 1870's.² It has also been pointed out that Ruskin was a moralist,

²Paul T. Homan, Contemporary Economic Thought (New York, 1928), pp. 289-290.

but moral values are not necessarily economic values.³ Nevertheless, the classical economists did not think of themselves as teaching dishonesty just because they based their analysis on the assumption of individual self-interest since it was controlled and limited by competition. However, teachings of economists can be changed or corrupted and used to rationalize behavior and results somewhat different than intended. Ruskin's significance concerning honesty and justice may be to warn economists that they have an obligation to speak out against the corruption and abuse of their doctrines.

The Behavior of Consumers

A recurring theme throughout Ruskin's writings is the directing of the economy by spending, particularly the spending of consumers. Because of its importance, Ruskin set out some points for consumers to keep in mind. He thought:

. . . all true economy is "Law of the house." Strive to make that law strict, simple, generous: waste nothing, and grudge nothing. Care in nowise to make more of money, but care to make much of it; remembering always the great, palpable, inevitable fact--the rule and root of all economy--that what one person has, another cannot have; and that every atom of substance of whatever kind, used or consumed, is so much human life spent; which, if it issue in the saving present life, or gaining more, is well spent, but if not is either so much life prevented, or so much slain. In all buying, consider, first, what condition of existence you cause in the producers of what you buy; secondly, whether the sum you have paid is just to the producer, and in due proportion, lodged in his hands; thirdly, to how much clear use, for food, knowledge, or joy, this that you have bought can be put; and fourthly, to whom and in what way it can be most speedily and serviceably distributed . . . (XVII, p. 113).

³Henry William Spiegel, ed., The Development of Economic Thought (New York, 1952), p. 117.

Since Ruskin recognized the condition of scarcity and the necessity for making choices, he set forth this "first principle of all human economy--individual or political--to live, namely, with as few wants as possible, and to waste nothing of what is given you to supply them" (XVII, p. 424). He utilized several ideas in his attempts to change the spending habits of consumers. First, recognizing that goods and services are limited, consumers should realize that what they bought, nobody else could have. Consumers should not only avoid waste, but they should limit their wants. Second, consumers should buy those goods and services that most extend life since that is the purpose of consumption. Third, in combining these two points, Ruskin reminded consumers that the luxury of the rich was not a benefit to the poor. Since resources are limited, the production of luxuries means a smaller output of necessities. He thought the general public believed "the luxury of the rich in dress and furniture is a benefit to the poor" (XVII, p. 139). He contended economists, who should be refuting this idea, went along with it. Ruskin believed the rich should not have luxuries while the poor lacked necessities. However, this is a value judgement on his part about the proper distribution of income. Fourth, he continually urged all persons, especially those in the higher classes, "by every means in their power, to diminish their demand for work of such kind, and to live with as little aid from the lower trades, as they can possibly contrive" (XVII, p. 423). He thought totally manual occupations were degrading; therefore, he wanted consumers to avoid buying the output of such industries. Generally, consumers should buy goods and services which provided healthy and fitting employment for workers. Since consumers were not isolated but

integrated elements of the economy, they should consider the effects of their spending decisions on others. Since Ruskin believed the character of men was formed by their occupation, he was particularly interested in this point. He set forth some rules which consumers could follow in directing their spending.

1. Never encourage the manufacture of any article not absolutely necessary, in the production of which Invention has no share.
2. Never demand an exact finish for its own sake, but only for some practical or noble end.
3. Never encourage imitation or copying of any kind, except for the sake of preserving records of great works. (X, pp. 196-197)

He believed these kinds of activities were particularly degrading to workers. Today, this specific point of Ruskin's can be turned to the effects of consumer spending upon the quality of the environment and pollution. Fifth, the consumers should be honest and pay just prices. If possible, they should see that a just part of the price is received by the producer with any middlemen receiving payment only for their services. Sixth, the consumers should determine the usefulness of the goods and services they purchase. Then, these goods and services should be distributed and used to obtain the greatest usefulness from them. Orthodox economists assume this kind of use but Ruskin made it explicit since the effectual value of a good depends upon the capacity of the user.

Generally, Ruskin's advice to consumers was based on the principle of consumer sovereignty, an acceptable principle in a market economy. If enough consumers are convinced and act, changing their spending decisions will change output and employment. But the action of any one individual consumer is such a small part of the total, that he can have

no effect by himself. So it becomes difficult to convince an individual to change his spending habits since he can rationalize it will not cause any change if he is the only one to do so.

The Behavior of Businessmen

By his teaching, Ruskin attempted to reform the behavior of businessmen. While he used the term merchant, this included manufacturers and can be generalized to include the owners and managers of business firms. Attempting to make business a profession, Ruskin defined the true function of a merchant: "to provide for the nation" (XVII, p. 40). The businessman was to provide goods and services to the society. That was the nature of his profession. To engage in this profession, the merchant

. . . has to understand to their very root the qualities of the thing he deals in, and the means of obtaining or producing it; and he has to apply all his sagacity and energy to the producing or obtaining it in perfect state and distributing it at the cheapest possible price where it is most needed.
(XVII, p. 40)

Ruskin applied a concept of efficiency to the activities of the firm but the purpose of this efficiency was to provide for the nation. To do this, the merchant should understand the intrinsic value of the goods, produce the goods so they contain the most intrinsic value, and distribute the goods to those who can best use them at the lowest price. Goods should be produced and distributed as efficiently as possible because that is the function of business. As a result of doing this the merchant will earn an income, but it is not his function to make a profit. Ruskin reversed the process from that of orthodox economics. The traditional view was that the purpose of the firm was

to make profits. This was done by supplying goods and services. As part of the providing function, Ruskin thought it necessary for the merchant "to maintain: first, his engagements (faithfulness to engagements being the real root of all possibilities, in commerce); and, secondly, the perfectness and purity of the thing provided . . ." (XVII, p. 41). The merchant should keep his agreements and not consent to any deterioration, adulteration or unjust pricing of his products. Ruskin thought the merchant should be willing to meet any form of distress, poverty or even loss of life before failing in his providing function.

In addition to making business a profession, he believed the merchant, in employing men, assumed "a distinctly paternal authority and responsibility" (XVII, p. 41). He thought the employer should treat his employees as if they were his own sons. This type of relationship should permit and encourage the development of social affections. Part of the paternal responsibility of the merchant was making "the various employments involved in the production . . . most beneficial to the men employed" (XVII, p. 41). The merchant should try to make the work of his employees as healthy and advantageous for them as possible. Just employing a person is not enough, according to Ruskin, since other considerations are involved.

You must employ him first to produce useful things; secondly, of the several (suppose equally useful) things he can equally well produce, you must set him to make that which will cause him to lead the healthiest life; lastly, of the things produced, it remains a question of wisdom and conscience how much you are to take yourself, and how much to leave to others. (XVII, p. 275)

He urged the merchant to pay just wages and charge fair prices--to behave honestly and justly. "This 'robbing the poor because he is poor,' is especially the mercantile form of theft, consisting in taking

advantage of a man's necessities in order to obtain his labour or property at a reduced price" (XVII, p. 58).

He specified what should be produced and how to produce it. Workers should be employed "to produce food, house-room, clothes, or fuel . . ." (XVII, p. 278). If the population is in distress it is because they lack these necessities; therefore, Ruskin did not think it would ever be wrong to produce them. He thought it was wrong to employ a person to do nothing because the output of other workers must be used to sustain him. Further, he believed it generally wrong to hire workers "to produce works of art or luxuries; because modern art is mostly on a false basis, and modern luxury is criminally great" (XVII, p. 278).

The production of art work and luxuries would take labor away from the production of necessities. Ruskin thought the way to increase food production was to "bring in fresh ground, and increase facilities of carriage;--to break rock, exchange earth, drain the moist, and water the dry, to mend roads, and build harbours of refuge" (XVII, p. 279).

These suggestions on how to produce more food are very limited, leaving out many ways in which food production has been increased. Ruskin

thought the "way to produce house-room is to apply your force first to the humblest dwellings" (XVII, p. 279). Instead of fancy architecture,

Ruskin wanted existing houses repaired and simple new houses built. He did not explain how to produce more clothes but argued the way was

"not, necessarily, to get more cotton" (XVII, p. 280). To increase the production of fuel, Ruskin advised making "your coal mines safer, by

sinking more shafts; then set all your convicts to work in them . . ."

(XVII, p. 281). He thought this would not only produce more coal but

decrease the number of convicts. He also suggested, "first, of growing

forest where its growth will improve climate; secondly, of splintering the forests which now make continents of fruitful land pathless and poisonous, into faggots for fire . . ." (XVII, p. 281). One of the purposes of this was to increase the production of wood for fuel.

While these suggestions about how to produce goods were not very useful, his main point was that useful goods that extend life are what should be produced by the economy.

Part of Ruskin's advice to the merchant concerned the spending of money. He contended:

. . . the law of wise life is, that the maker of the money should also be the spender of it, and spend it, approximately, all, before he dies; so that his true ambition as an economist should be, to die, not as rich, but as poor, as possible, calculating the ebb tide of possession in true and calm proportions to the ebb tide of life. (XVII, pp. 276-277)

He believed such action would check the desire to accumulate, make way for younger businessmen, and "some temperance and measure will be put to the acquisitiveness of commerce" (XVII, p. 277). Consequently, he looked for examples of businessmen who sought

. . . not greater wealth, but simpler pleasure; not higher fortune, but deeper felicity; making the first of possessions, self-possession; and honouring themselves in the harmless pride and calm pursuits of peace. (XVII, p. 112)

Ruskin was pleading for the businessman not to concentrate all his life and activity on his business and particularly not on the making of money. His advice can be interpreted as a suggestion that businessmen take adequate leisure and recreation, a useful and relevant idea today.

Ruskin's attempted reform of business contained several points. Business should recognize that its purpose is to provide useful goods and services to the society, not to make a profit for the owners. Employers should exercise a paternal responsibility for their employees,

being especially concerned about the effect of work upon their character. Businessmen should treat other economic units with justice and honesty in paying wages and charging prices. Business should produce useful goods or should produce necessities like food, housing, clothes and fuel. Businessmen should pause and check their accumulation of wealth rather continuing to try to accumulate until death. Ruskin considered business and the businessman in relation to the rest of society. Decision makers in business should consider the effects of their actions on the well-being of others. Even if Ruskin's objectives are considered desirable, it would be very difficult, if not impossible, for a single businessman to institute his suggested changes and still remain in business because of the pressures of competition. Only if all businesses adopted the changes at the same time, would it be possible for their relative competitive positions to remain unchanged.

The Behavior of Workers

Ruskin's recommendations for changing the behavior of workers resembled those for consumers and businessmen. The purpose of the laborer was to "do good work, whether you live or die. . . . You are to be literally employed in cultivating the ground, or making useful things, and carrying them where they are wanted" (XXVII, p. 219). The function of workers was to produce useful goods and services which maintain and increase life. They were not to produce things that destroyed life. As a result of working they would earn income but that was not their purpose. Since their purpose was to work, Ruskin urged them to form "the resolution that you work is to be well done . . ." (XVII, p. 329). He thought some work is for pleasure and it shall be

done heartily but there is other "work to do for our bread, and that is to be done strenuously . . . neither is to be done by halves and shifts, but with a will; and what is not worth this effort is not to be done at all" (VIII, p. 219). A proper attitude on the part of the worker, fueled by social affections, would result in the best quality and greatest quantity of work. Since the workers were to act with justice, Ruskin urged them to "get some wholesome honesty for the foundation of all things" (XVII, p. 328). This meant they were to give a honest measure of work for their wages.

Generally, his advice to workers was based on the expectation they would remain in their class.

There are perhaps some circumstances of life in which Providence has no intention that people should be content. Nevertheless, the maxim is on the whole a good one; but it is peculiarly for home use. That your neighbor should, or should not, remain content with his position, is not your business; but it is very much your business to remain content with your own. (XVII, p. 112)

He did not think they should try to rise out of their class and become employers. Instead Ruskin advocated that the worker try to improve himself within the working class. A worker should try

. . . to attain daily more subtle and exemplary skill in his own craft, to save from his wages enough to enrich and complete his home gradually with more delicate and substantial comforts; and to lay by such store as shall be sufficient for the happy maintenance of his old age . . . and sufficient also for the starting of his children in a rank of life equal to his own. (XVII, p. 321)

Ruskin suggested the worker improve his position by increasing his skill in his own trade. He also wanted the worker to save for his old age and to start his children in life. If the worker's wages were not large enough to permit this, Ruskin thought they were smaller than just wages. In order for a worker to save, Ruskin thought he should work

hard in his youth. Then as he became older, he could

. . . use what he has laid by, gradually slackening his toil, and allowing himself more frank use of his store; taking care always to leave himself as much as will surely suffice for him beyond any possible length of life. (XVII, pp. 275-276).

Ruskin wanted the worker to receive a just wage but he thought wages included "the reward . . . of pleasure as well as profit, and of various other advantages, which a man is meant by Providence to get during life, for work well done" (XVII, p. 334). There may be nonpecuniary income received by workers who take pleasure and derive satisfaction from their work. Even if wages are limited to money payments, Ruskin thought the question was not so much the amount of money but "what you can get for it when you have it. Whether a shilling a day be good pay or not, depends wholly on what a 'shilling's worth' is . . . what quantity of the things you want may be had for a shilling" (XVII, p. 334). While the real wage was more important than the money wage, he thought the real wage depended on what goods and services a worker wanted to buy. He believed the workers should want good food, clothes, lodging, fresh air and to be amused occasionally. Ruskin did not think the workers should expect change and reform to come through the action of the government. Instead, he urged the workers to select their best men, invite desirable representatives of other classes, pick a time and place to meet and then, "deliberate upon the possible modes of the regulation of industry, and advisablest schemes for helpful disciplines of life; and so lay before you the best laws they can devise" (XVII, p. 327). Ruskin thought the workers could make and obey their own laws so long as they did not interfere with the rights or property of others.

To reform the behavior of the working class, Ruskin emphasized several points. Building upon a foundation of justice and honesty, the function of laborers was to do good work, producing useful things. While workers should remain in that class, they should try to rise within their class. Workers should spend their income for useful goods and save for their old age. Finally, workers should organize to bring about change rather than expecting governmental action to bring about reform.

The Responsibility of Individual Economic Units

Ruskin's attempts to change the behavior of individuals were directed particularly against what he considered the abuses of his time. Rejecting the view that individual economic units were to act in their own self-interest, he taught they should act with justice and honesty and consider the effects of their actions upon others in their economic behavior. While he stressed individual responsibility and action, his view of society was as an organic whole.

The whole nation is . . . bound together, as men are by ropes on a glacier--if one falls, the rest must either lift him or drag him along with them as dead weight, not without much increase of danger to themselves. (XVI, p. 110)

Ruskin's purpose was to improve the character of men, increase efficiency, and to decrease the inequality of distribution of income. The character of men would be improved if the level of honesty and justice was increased. The economy would be more efficient, in Ruskin's terms, if it produced more useful goods and fewer useless and destructive goods. Efficiency would be increased if conditions of employment were improved and made less degrading to the workers. If individual economic

units acted with justice and honesty towards each other, Ruskin thought the distribution of wealth would become less unequal.

His analysis of the responsibility of individual economic units was much different from that of the classical economists. According to the classical economists, economic units did what was best for themselves in achieving material gain. While this analysis was primarily positive in content, it also contained a normative element. As economic units did what was best for themselves, they would, under conditions of perfect competition, promote the best interests of the nation. Ruskin attacked the classical analysis, perhaps because he grasped the idea that the necessary conditions for it were not met. He thought the classical analysis was used to rationalize any kind of economic behavior. He believed it lowered men's character, teaching them to be dishonest and unjust. He did not think individual action based on self-interest produced the best results for the whole economy. His own analysis of the behavior of economic units was primarily normative in content. Instead of explaining how economic units acted, he tried to teach them how they should act. Only when the economic system was changed would the action of individual economic units be based on the social affections. If the behavior of economic units were professionalized and moralized then Ruskin's analysis would become more positive in content.

Ruskin's analysis raises an important and currently timely question. Should all economic units, but particularly those with economic power such as labor unions and business firms, act on their own definitions of their self-interest? Or do economic units have a social responsibility to consider the effects of their actions upon

other economic units and general welfare? The answer of the classical economist is that economic units, within a framework of perfect competition, should seek their own self-interest. Ruskin responded that economic units had the responsibility to consider the effects of their action upon others and the whole economy. Since the necessary conditions postulated by the classical economists do not obtain, it appears that Ruskin's answer is more relevant today. Perhaps a better way of posing the question is: can society either better define the self-interest of economic units or establish an institutional framework within which action based on self-interest would also be in the general interest. In any case, Ruskin's analysis is pertinent since the question of how economic units do and should behave has not been settled. Ruskin's views about individual responsibility and behavior were idealistic, moralistic and romantic. If his values are accepted, then much of his analysis and advice to individual economic units will be acceptable also.

The Reform of Institutions

The major part of Ruskin's scheme of institutional reform concerned the replacement of competition by cooperation. This objective was to be accomplished by the formation of competing firms into trade guilds. These guilds were a type of cartel arrangement which would regulate the quality of output and prices. However, membership in the guild was voluntary so nonmember firms could exist and compete with the guilds. Rejecting the determination of prices and wages by competition, Ruskin called for the regulation of prices and wages by the guilds, but he did not really cope with the problem of the way to

regulate prices and wages. He believed in the private ownership of property, although he also believed there should be some public lands. Generally property should be owned by those who use it. Concerning the distribution of income, Ruskin believed that everyone should have a minimum level of real income and that there should be upper limits on the amount of income a person could earn. If all property were owned by those who used it, the users of property would receive the income from property. Beyond this, the distribution of income would be determined by the regulated wages. Another institutional reform, somewhat apart from the others, concerned the replacement of the gold standard of value with a standard based either on labor or on a group of material goods.

The Establishment of Trade Guilds

Ruskin thought the same principles applied to domestic economy--the economy of a household or a farm--and political economy--the economy of a nation. Since he observed cooperation within a household, he wanted to replace competition by cooperation within the national economy. He was "always pleading for it; and yet I don't at all mean the co-operation of partnership (as opposed to the system of wages) which is now so gradually extending itself among our great firms" (XVII, p. 316). He thought a system of partnership, whereby workers became part owners and shared in the income of firms, would bring about a more equal distribution of income but the "magnitude of the social change hereby involved, and the consequent differences in the moral relations between individuals, have not as yet been thought of . . ." (XVII, p. 317). Instead of partnership, Ruskin meant

cooperation "as opposed, not to masterhood, but to competition" (XVII, p. 317). He thought firms that supplied the same or similar goods should, instead of competing with each other, "form one society, selling to the public under a common law of severe penalty for unjust dealing, and at an established price" (XVII, p. 317). When these firms joined together they would not try to undersell each other, nor try to increase their relative shares of the market. In the future,

. . . we shall more and more cast our toil into social and communicative systems; and that one of the first means of our doing so, will be the re-establishing guilds of every important trade in a vital, not formal condition . . . (XVI, p. 97)

Ruskin was convinced that as employers and employees became more enlightened, there would be found "absolute necessity for the establishment of guilds of trades in an active and practical form . . ." (XVI, p. 179). The idea of trade guilds represented a return to a form of organization prevailing in medieval times.

Ruskin did not outline in complete detail his scheme for establishing trade guilds but he discussed some of the problems and methods of operation. He recognized the necessity of establishing standards of quality but thought this could "be done by the guild of every trade in its own manner, and within certain easily recognisable limits, and this fixing of standard would necessitate much simplicity in the forms and kinds of articles sold" (XVII, p. 384). The standardization of products, while not so appealing to diverse consumer wants, would make it easier for consumers to acquire information and make buying decisions. Resources would not be devoted to design changes that were only for the purposes of product differentiation. Ruskin, while allowing for changes, thought:

. . . improvements or varieties in manufacture would have to be examined and accepted by the trade guild: when so accepted, they would be announced in public reports; and all puffery and self-proclamation, on the part of tradesmen, absolutely forbidden . . . (XVII, p. 385)

The public reports would be a source of information for consumers. If advertising were prohibited, resources would not be used for this purpose and new wants would not be created in this way. The guilds were to be self-policing, applying strict punishment for the violation of their regulations. "For light weights and false measures, or for proved adulteration or dishonest manufacture of article, the penalty should be simply confiscation of goods and sending out of the country" (XVII, p. 384). However, the regulations would only "have force over tradesmen whom I suppose to have joined voluntarily in carrying out a better system of commerce" (XVII, p. 385). Other firms could decide to remain outside the guilds and escape the regulations. Ruskin thought it was only necessary that the "public should clearly know the shops in which they could get warranted articles; and, as clearly, those in which they bought at their own risk" (XVII, p. 385). Apparently he believed the public would buy from members of the guild, but he wanted them to have a choice between purchasing from either guild members or nonmembers for two reasons:

. . . the first, that it is always necessary, in enacting strict law, to leave some safety valve for outlet of irrepressible vice . . . the second, that operations of trade and manufacture conducted under, and guarded by, severe law, ought always to be subject to the stimulus of such erratic external ingenuity as cannot be tested by law, or would be hindered from its full exercise by the dread of it . . . (XVII, p. 385)

Nonmembers could be an avenue of change and improvement which could be adopted by the guild.

Ruskin's guild organization can be analyzed as a voluntary cartel.

Since membership was voluntary, it appears that guilds would not be successful. Nonmembers, facing a more elastic demand curve, could lower prices slightly below the regulated guild price and secure most of the buyers. Although Ruskin thought the public would buy a guaranteed standard product, nonmembers could also guarantee their products. Nonmembers could make quicker decisions, be more responsive to consumer wants, and could advertise. It would appear that the guilds would soon have no members under a voluntary plan. Ruskin did not consider this problem. Nevertheless, although his plan would not work, his ideas are compatible with current practices: trade associations, industry-wide codes and standards, self-regulation of industries and markets, and regulation in conjunction with a government agency. His plan did not involve the government, however, and was more extensive than modern practices of industry codes and standards.

Ruskin extended his plan when he suggested "making all retail dealers merely salaried officers in the employ of the trade guild; the stewards . . . of the saleable properties of those guilds . . . to a given number of families" (XVII, p. 427). He favored this because he thought the profit motive was a source of a "great deal of the vulgarity, and nearly all the vice, of retail commerce, involving the degradation of persons occupied in it . . ." (XVII, p. 427). He believed well-educated persons would be willing to hold such salaried offices, fulfilling their duties "to the public without the stimulus of direct profit (XVII, p. 427). This extension of his plan is analogous to both vertical integration on the part of manufacturers towards the consumer and to fair trade practices. Both of these permit the producer to establish the retail price but they do not remove the profit motive.

Ruskin's plan of trade guilds is more applicable to an economy organized by tradition than by the market, although some features of his plan apply to mixed economies. The plan shows his belief in a well-ordered and regulated society and his dislike of competition, adulteration, advertising, unjust trade practices, and the profit motive.

The Regulation of Prices

Since trade guilds are consistent with a managed economy, prices, wages and rents must be regulated. Ruskin wrote "very certainly I want to regulate prices; and very certainly I will, as to such things as I sell, or have the selling of" (XXVIII, p. 34). He taught "not only the possibility of regulating prices, but the fact that they are now regulated, and regulated by rascals, while all the world is bleating out its folly about supply and demand" (XXVIII, p. 35). Trade guilds were to establish both prices and wages:

. . . for all articles warranted by the guild . . . the prices should be annually fixed for the trade throughout the kingdom; and the producing workman's wages fixed, so as to define the master's profits within limits admitting only such variation as the nature of the given article of sale rendered inevitable . . . (XVII, p. 386)

Even though a system of determining prices is necessary for a managed economy, Ruskin, while urging that prices be regulated, never explained exactly how to do it. One of his proposals was that the price of

. . . every other article will be founded on the price of food. The price of what it takes a day to produce, will be a day's maintenance; of what it takes a week to produce, a week's maintenance,--such maintenance being calculated according to the requirements of the occupation, and always with a proportional surplus for saving. (XXVIII, p. 38)

This proposal is not very helpful to price-regulators since it is not

specific. While the prices of goods are to be in some relationship to food, this relationship is not specified; neither is a method given for determining the price of food. Presumably wages are to be at a maintenance level plus some savings, but the level of maintenance is not determined. While the maintenance level was to be different, depending on the job, this difference is not spelled out; neither is the amount of savings determined. If wages were determined, then prices would be based on their labor costs of production. It appears that Ruskin did not want prices to fluctuate with changes in demand. Prices based on costs of production with labor costs determined would be a starting point for determining prices. Ruskin recognized the need for some type of rationing device when prices were fixed and he suggested different rationing methods:

. . . according to the nature of the thing sold, and circumstance of sale. Sometimes by priority; sometimes by privilege; sometimes by lot; and sometimes by auction; at which whatever excess of price, above its recorded value, the article brings, shall go to the national treasury. (XXVIII, p. 38)

These different rationing devices were not developed but merely show recognition of the problem. Ruskin also wanted to regulate the terms of sale by abolishing credit. "In all wise commerce, payment, large or small, should be over the counter. If you can't pay for a thing-- don't buy it. If you can't get paid for it--don't sell it" (XXVII, p. 474). The abolition of credit would require consumers to save before purchasing goods rather than afterwards. Ruskin's plan of trade guilds was not to replace the market system entirely since membership was voluntary and the market system was to determine the prices of articles "above the standard of the guild, attaining, necessarily, values above its assigned prices . . ." (XVII, p. 386). It would

appear to be almost impossible for a system of both regulated and unregulated prices for similar goods to exist within a particular economy at the same time.

Ruskin set forth a more elaborate scheme of regulation for a particular district. He wanted the district clearly mapped out and then called for the registration of every inhabitant along with his income and expenditures (XXIX, p. 20). Ruskin next called for the establishment of a commissariat to obtain and distribute food to the inhabitants of the district. The district should produce as much food as possible and not a "mouthful of anything is to be sold across the border while anyone is hungry within it" (XXIX, p. 20). In addition, no one should do any saving until everybody was clothed and fed. "Every man must bring all he earns to the common stock" (XXIX, p. 20). Ruskin wanted the industrious to take care of the idle because they would "come to regard their idleness as a social offense, and deal with it as such . . ." (XXIX, p. 20). He wanted the idle, if able, to be compelled to work. Further, the inhabitants of the district were to elect a doge who was to have "fixed salary and fixed authority . . ." (XXIX, p. 21). The doge and his appointed officials were to estimate demand and measure supply accurately and join these "with the least possible slack of chain; and the quality of food, and price, absolutely tested and limited" (XXIX, p. 21). The proposals were a more detailed system of regulation that included some principles and guidelines, such as the selection of an authority to do the regulating. But the main suggestion of price regulation was the joining of supply and demand. An equilibrium price in a competitive market would do this. However, this scheme recognized the need to try to estimate demand and

measure supply as a basis for price regulation. An interesting feature of the proposal was the collection of population, income and expenditure data which would provide useful information for those who wanted to study the district.

The price that interested Ruskin most was the wage rate. He looked upon the employer-employee relationship as "the first vital problem which political economy has to deal with . . ." (XVII, p. 27). He considered how "far the rate of wages may be so regulated as not to vary with the demand for labour" (XVII, p. 33). He believed that "for all the important, and much of the unimportant, labour, on the earth, wages are already so regulated" (XVII, p. 33). Ruskin concluded, "The natural and right system respecting all labour is, that it should be paid at a fixed rate, but the good workman employed, and the bad workman unemployed" (XVII, p. 34). He thought that if wages were fixed for all workers, there would be no bidding by workers for jobs, and employers would only hire good workers. He did not think the system should produce bad workers. He argued that the employer had a responsibility to lead his employees into

. . . regular habits of labour and life, either by inducing them rather to take low wages, in the form of a fixed salary, than high wages, subject to the chance of their being thrown out of work; or . . . leading the men to take lower pay for more regular labour. (XVII, p. 36)

Ruskin thought employees should be educated to be willing to accept lower wage rates along with greater security of employment. He thought the system of competition in labor markets reduced wages to the least the workers would accept. If workers were only assured employment part of the time, they required higher wage rates, but if they were

guaranteed steadier employment, then they could survive with lower wage rates. Ruskin proposed an arrangement

. . . by which every subordinate shall be paid sufficient and regular wages, according to his rank; by which due provision shall be made out of the profits of the business for sick and superannuated workers; and by which the master, being held responsible . . . for the conduct as well as the comfort of all those under his rule, shall, on that condition, be permitted to retain to his own use the surplus profits of the business which the fact of his being its master may be assumed to prove that he has organised by superior intellect and energy. (XVII, pp. 319-320)

Wages should be sufficiently high so the worker can maintain himself and his family with necessities and some luxuries. The worker should be able to save for the time when he cannot work any longer and he should be able to help his children get a start in life at a rank similar to his own. When wages reached this level, Ruskin thought the employer should retain any profits of the business if he were willing to take care of those workers who became unable to work. This arrangement was applicable to either members or nonmembers of the guild system. If employers were properly paternalistic towards their workers, Ruskin accepted the general framework of the current economic system.

Although he thought the land question was of less importance than the labor question, Ruskin made some proposals about rent. "Exorbitant rents can only be exacted from ignorant or necessitous rent-payers: and it is one of the most necessary conditions of state economy that there should be clear laws to prevent such exaction" (XVII, p. 436). In addition to rent ceilings, Ruskin urged landlords, in their treatment of renters to

. . . fix their rent; under legal assurance that it shall not be raised; and under moral assurance that, if you see they treat your land well, and are likely to leave it to you, if they die, raised in value, the said rent shall be diminished in proportion

to the improvement; that is to say, providing they pay you the fixed rent during the time of lease, you are to leave to them the entire benefit of whatever increase they can give to the value of the land. (XXVIII, p. 155)

This proposal was contrary to the prevailing practice of raising rent when the property was improved. He thought this proposal would provide incentives for renters to take care of and even improve the property they were renting since they would benefit by doing so. Ruskin thought landlords should live on their land rather than in the cities as absentee owners. He wanted them to determine that part of the rent necessary for their own living and to use the remainder of "the rent for the bettering of your estates, in ways which the farmers for their own advantage could not or would not . . ." (XXVIII, pp. 155-156). Those improvements that the renters would not make should be made by the owner out of his rental income.

Ruskin's scheme of price regulation, while not well outlined, contained several specific features. His plan started with the regulation of wages. Workers were to receive a minimum level of wages necessary to maintain themselves and their families and permit some saving. This should result in at least minimum levels of income for those who work. Presumably, Ruskin thought it would make the distribution of income less unequal. Ruskin's proposals for regulating wages are not strange in an economy with minimum wage laws, collective bargaining to regulate wages, wages relatively inflexible in a downward direction, and suggestions for an incomes policy or wage and price controls; but they were certainly contrary to the practices of his own time. Once wages are determined, then the prices of goods were to be based on their labor cost of production. Goods requiring more labor time to produce

would be higher in price. The guilds were to establish wages and prices for member firms but nonmember firms would not be regulated. Ruskin wanted rents regulated also but he did not establish any basis for doing so. He thought landlords should use part of their rental income to improve their property. He believed regulated prices, including wages and rents, would promote the development of social affections, cause more harmonious relations between the classes, lessen the inequality of distribution of income, improve efficiency as more useful goods were produced, and promote a more secure and well-ordered society. He was willing to achieve more stability at the expense of less change.

The Distribution of Property

Ruskin made some proposals for changing the ownership, distribution and use of property--land and capital. His proposals were not always consistent but his usual view was that property should belong to those who use it. Concerning the present landowners, Ruskin thought the "land, indeed, only belongs to them, or is said to belong, because they seized it long since by force of hand . . ." (XXVII, p. 379). At some point in history, the land was claimed and held by force by an owner. Despite the way that he thought the land first came under private ownership, he held that nobody had any right to seize land by force, since "by the law of England, the land is theirs; and your first duty as Englishmen is to obey the law of England, be it just or unjust, until it is by due and peaceful deliberation altered . . ." (XXVII, pp. 379-380). Ruskin thought citizens must be able to obey just laws before they sought to change bad ones.

As one way of changing the ownership of land, Ruskin urged his readers to economize, save and buy land (XXVII, p. 380). He thought they should acquire "land by the law of labour; working for it, saving for it, and buying it, as the spendthrifts and idlers offer it to you: but buying never to let go" (XXIX, p. 411). He urged that "organized classes of labouring men may possess their land as corporate bodies, and add to it" (XXIX, p. 411). Presumably those of his readers who bought land would do so for the purpose of using it for he contended that "land should belong to those who can use it . . . or, as a less revolutionary, and instantly practical proposal, that those who have land and tools should use them" (XXVII, p. 381). He believed the amount of land a person owned should be limited to that amount he could use, since "each man shall possess the ground he can use--and no more,-- USE . . . either for food, beauty, exercise, science, or any other sacred purpose" (XXIX, p. 404). Further, the owner of the land has

. . . the duty of living on it, and by it, if there is enough to live on; then, having got one's own life from it by one's own labour or wise superintendence of labour, if there is more land than is enough for one's self, the duty of making it fruitful and beautiful for as many more as can live on it. (XXIX, p. 495)

Wanting land owned by the user, Ruskin thought the nationalization of land was nonsense (XXIX, p. 494). However, no matter who owned the land it was "to be made the most of by human strength, and not defiled, nor left waste" (XXIX, p. 404). Even though the land was to be privately owned, the right of ownership was not to include the right of sale (XVII, p. 438). Nevertheless, Ruskin was not consistent about this right. One reason he disliked the buying and selling of land was his belief one of the conditions of ownership of land was that the

owner should bequeath the land to his son, "right of primogeniture being in this matter eternally sure" (XXIX, p. 404). Ruskin thought the government had a rôle to play in the distribution of land. He believed the right land action for the government to take was to place parts of it with those "citizens who deserve to be trusted with it, according to their respective desires and proved capacities" (XVII, p. 438). Next, the government was to regulate the owner's treatment of the land "interfering in cases of gross mismanagement or abuse of power" (XVII, p. 439). While the owner can, within broad limits, use the land as he thinks fit, he is "entirely responsible to the State for the general beneficial management of his territory; and the sale of his land, or of any portion of it, only allowed under special conditions" (XXIX, p. 495). Ruskin wanted transfers of property registered and recorded; further, the landmarks that described the land were not to be moved. Not all land was to be privately owned since some land "must be set aside for public uses and pleasure, and especially for purposes of education" (XXIX, p. 495).

Ruskin accepted the present landowners as the legal owners of the land and warned his readers not to use violence or try to acquire land by force. Instead he wanted his readers to save and buy their own land. He was definitely opposed to government ownership of all the land although he believed some land should be publicly owned for uses such as education. He repeatedly argued that land should be possessed by those who would make the best use of it but he did not put forth detailed plans for bringing this about. This insistence that land be owned by the user is similar to some modern land reform plans. This system of land ownership would do away with commercial land rent.

Ruskin thought the land should be properly used and called for government regulations to prevent the abuse of land. The government was to regulate land transfers since he disliked the buying and selling of land. He opposed the division of land into small plots among heirs so he argued for the right of primogeniture. The call for government regulation of land use is compatible with modern programs of zoning to provide for orderly change and the efficient use of land. His proposals were made to prevent the abuse of land, to promote its efficient use, and to provide for a less unequal distribution of land ownership. Land should be conserved rather than destroyed. Ruskin thought one of the proper uses of land was for purposes of pleasure which would require the beautification of some land. The efficient use of land meant producing useful things, goods that extend life. The ownership of land was to be limited to the amounts that an individual could use himself, thus preventing the accumulation of vast amounts of land and providing for a less unequal distribution. While the owner of the land would receive the return from this resource, this limitation on ownership would cause the distribution of income to move in the direction of less inequality.

Some of Ruskin's views about the ownership and use of capital are similar to his ideas about land. He thought "that a workman's tools should be his own property" (XXVII, p. 190). He urged employees to consider how "you may succeed in employing yourselves . . ." (XXVII, p. 380). To some extent, Ruskin thought that capital should be owned by those who use it. He wanted employees to own capital and become "diminutive capitalists" (XXVII, p. 380). But his consideration of the ownership of capital was less extensive than his ideas about the

ownership of land. He was more concerned about the use of the capital.

All capital is

. . . justly and rationally invested which supports productive labour (. . . labour directly producing or distributing good food, clothes, lodging, or fuel); so long as it renders to the possessor of the capital, and to those whom he employs, only such gain as shall justly remunerate the superintendence and labour given to the business, and maintain both master and operative happily in the positions of life involved by their several functions. (XVII, p. 533)

Most capital should be used to produce goods and services that sustain life. The laborers should be paid a just wage and the owner should be paid for his management of the business. Ruskin disliked the practice of absentee ownership. He thought some capital used in

. . . the production of objects which do not immediately support life (as statues, pictures, architecture, books, garden-flowers, and the like) is beneficially sunk if the things thus produced are good of their kind, and honestly desired by the nation for their own sake; but it is sunk ruinously if they are bad of their kind, or desired only for pride or gain. (XVII, p. 533)

Objects which do not immediately support life can still be useful goods but Ruskin was much opposed to one particular use of capital which did not support life--"the architectural decorations of railways throughout the kingdom, --representing many millions of money for which no farthing of dividend can ever be forthcoming" (XVII, p. 389). He did not think the public should or would pay higher fares just because "the ironwork of the bridge which carries them over the Thames is covered with floral cockades, and the piers of it edged with ornamental cornices" (XVII, p. 390). Ruskin condemned this use of capital because it was "simply put there by the builders that they may put the percentage upon it into their own pockets . . ." (XVII, p. 390). Further, of this capital, "not a penny can ever return into the shareholders' pockets, nor

contribute to public speed or safety on the line" (XVII, p. 390). In addition, "all that architecture is bad. . . . Its only result will be to corrupt what capacity of taste or right pleasure in such work we have yet left to us" (XVII, p. 390). Ruskin thought the funds could have been used better in purchasing land for individuals who would use it, building houses for people, or "in laying out gardens and parks for them,--or buying noble works of art for their permanent possessions,--or, best of all, establishing frequent public schools and libraries" (XVII, p. 390). Since Ruskin was so concerned about the use of capital, he wanted the government to regulate its use, particularly to prevent pollution or speculation.

"Private enterprise" should never be interfered with, but . . . much encouraged, so long as it is indeed "enterprise" (the exercise of individual ingenuity and audacity in new fields of true labour), and so long as it is indeed "private," paying its way at its own cost, and in no wise harmfully affecting public comforts or interests. But "private enterprise" which poisons its neighbourhood, or speculates for individual gain at common risk, is very sharply to be interfered with. (XVII, p. 533)

Generally he thought capital should be owned by the users, that it should be employed in the production of useful things, and that its use should be subject to government regulation. Its use should not bring about ugliness but beauty. Capital should be used efficiently, which to Ruskin, meant the production of useful goods. If users owned the capital, the distribution of capital would be less unequal and so would the resulting distribution of income.

The Distribution of Income

Ruskin's proposals for changing the institution of private property so that the user of property was its owner would not only

change the distribution of property but also the distribution of income.

If land were owned by the user, there would be no commercial land rent.

Ruskin directly considered the distribution of income:

The laborious poor produce "the means of life" by their labour. Rich persons possess themselves by various expedients of a right to dispense these "means of life," and keeping as much means as they want of it for themselves, and rather more, dispense the rest, usually only in return for more labour from the poor, expended in producing various delights for the rich dispenser. (XVII, p. 554)

Ruskin looked forward to the day when the poor would recognize what was happening. He thought the result would be the abolition of all forms of income except payment for human effort. The income of property owners would be attributed to their management of the property so all income would be considered labor income. Since Ruskin favored regulated wages, the system of wage regulation would largely determine the distribution of income.

Ruskin's views on usury reflected his ideas on the distribution of income. His ideas about usury changed during the period of time he was writing about economics. In 1862 he defined usury as:

. . . taking an exorbitant sum for the use of anything; and it is no matter whether the exorbitance is on loan or exchange, on rent or on price--the essence of the usury being that it is obtained by advantage of opportunity or necessity, and not as due reward for labor. (XVII, p. 220)

Only unjustly high interest, rent or prices are usurious by this definition. However, by 1872 Ruskin believed all "taking of interest is, in the abstract, as wrong as war . . ." (XXVII, p. 364). He wondered, nonetheless, about "the manner in which borrowing and lending, when necessary, can be carried on without it" (XXVII, p. 364). He also became more vehement in condemning interest-taking. "All interest is usury . . ." (XXIX, p. 185). However, these later views can be

regarded as more extreme and as being put forth when Ruskin was less mentally balanced. Ruskin was influenced in his views of usury by the Greeks, the Bible and medieval teaching. Concerning interest, Ruskin concluded that usury is

. . . the taking of money for the loan or use of anything (over and above what pays for wear and tear), such use involving no care or labour on the part of the lender. It includes all investments of capital whatsoever, returning "dividends," as distinguished from labour wages, or profits. (XXVIII, p. 669)

Under this definition, any payments to a lender in excess of the amount loaned and the expenses of the lender are usury. Concerning rent, Ruskin believed "when we build a house, and let it, we have a right to as much rent as will return us the wages of our labour, and the sum of our outlay" (XXVIII, p. 669). No matter how long the house lasted, any rent payments in excess of the cost of the house and the expenses of renting it would be usury under this definition. Ruskin thought:

. . . usury is worse than theft, in so far as it is obtained either by deceiving people or distressing them; generally by both: and finally by deceiving the usurer himself, who comes to think that usury is a real increase, and that money can grow of money; whereas all usury is increase to one person only by decrease to another . . . (XXVIII, p. 670)

There are several reasons for Ruskin's opposition to the payment of interest and rent. He thought the value of produced goods came from the labor resource. In effect, he denied the net productivity of property resources. These ideas, based on a labor theory of value and disregarding time, are wrong in the terms of neoclassical economics. He condemned interest and rent also because the payment of them caused the distribution of income to be more unequal. He denounced "the evil which I have most at heart, in these letters, to show you; namely, the increasing poverty of the country through the enriching of a few"

(XXVII, p. 502). He opposed the practice of lending and borrowing and the prohibition of interest would end the economic basis of the practice. Further, prohibiting rents in excess of the value of the property and prohibiting interest would provide an incentive to move towards the system whereby the user of property was the owner and he favored this practice.

Ruskin also favored at least minimum levels of income for everyone although he was not opposed to compelling persons to work, if able, to receive these minimum levels. He proposed government action to provide these minimum incomes. At the other end of the income scale, he wanted to limit the amount of income and property a person gained since he believed "one of the most important conditions of a healthful system of social economy, would be the restraint of the properties and incomes of the upper classes within certain fixed limits" (XVII, p. 322). The limits would remove the temptation to concentrate all of a person's energies on the accumulation of wealth. Limits on income and property accumulation would promote the creation of a higher ideal such as public service as a duty for the rich, promote earlier worldly success for the young as older people retire sooner, and set an example of restraint to the poorer classes.

Ruskin proposed another plan to bring about a more equal distribution of income, particularly for young people at the age of marriage. He thought a couple "should be entitled to claim, if they needed it, according to their position in life, a fixed income from the State, for seven years from the day of their marriage, for the setting up of their homes . . ." (XVII, p. 421). This would increase the income of the poor and help them get a better start in their married life. On

the other hand, he wanted the income of the rich "not be permitted to exceed a given sum, proportioned to their rank, for the seven years following that in which they had obtained their permission to marry . . ." (XVII, p. 421). Limiting the incomes of the rich would teach them to live more moderately and the two groups would be on a more equal basis. The proposals also show that Ruskin believed in the regulation of marriage as one way to improve the character of the people. It would only be an additional step to regulate the bearing and rearing of children. Family and child allowances from the government are compatible with Ruskin's idea of assisting the poor when they marry.

The functional distribution of income under Ruskin's institutional reforms would be determined mainly by the system of regulated wages. In addition, those persons who owned property and used it themselves would receive the return from this resource. But there would not be any income from interest payments on the lending of money or from commercial rent. Property owners who managed their own property would receive wages for this management activity. Ruskin also presented proposals for moving the personal distribution of income in the direction of greater equality by bringing everyone up to a minimum level of income and limiting the accumulation of income and property by the rich. Rather than accepting the distribution of income as being given, he made proposals for changing it. He recognized this would result in a smaller output of luxury goods but he did not consider the effect, if any, of these changes on total output or economic growth.

The Standard of Value

Ruskin believed a gold standard of value was unstable since the

price of gold varied with the demand for and the supply of it. He believed some of this instability of the standard of value could be avoided "if, instead of calculating the conditions of the supply of gold, men had only considered how the world might live and manage its affairs without gold at all" (XVII, p. 199). He also disliked the use of gold as a monetary standard because the resources used to obtain gold could have been employed to make more useful things. Therefore, he proposed changing the standard of value and presented two ideas: one basing "the currency on substances of truer intrinsic value; the other, to base it on several substances instead of one" (XVII, pp. 199-200). Since intrinsic value was the ability to support life, goods of "truer intrinsic value" would be those goods, unlike gold, that were necessary for and did sustain life. He believed a standard of value would be firmer if based on more than one good, but the difficulty of fixing the standard would be increased. One of his suggestions involved using labor as a standard of value which is consistent with his use of labor for measuring cost and price. "A man's labour for a day is a better standard of value than a measure of any produce, because no produce ever maintains a constant rate of productibility" (XVII, p. 50n). He never developed this suggestion of using labor as a standard of value; moreover, the implication that the productivity of labor does not change is wrong. He also suggested using food as a standard of value.

Currency will always be liable to fluctuation in value; but might be materially steadier if based on food. The great difficulty is to find a means of fixing a standard in food; one of the chief advantages of gold is that it can be tested; but you cannot with like accuracy test flour or wine. (XVII, pp. 488-489)

Again Ruskin did not develop this suggestion of using food as a standard of value. Because he thought a currency would be firmer if based on several goods, he wrote, "the only sound basis of National Currency are shown . . . to be bread, fuel, and clothing material, of certified quality" (XVII, p. 487).

While Ruskin recognized the problem of using gold as a standard of value, he only suggested using other substances and did not work out any plans. His ideas were that the currency should not be a promise to pay gold but a promise to pay labor, or food, or a combination of goods. Most currencies are no longer promises to pay gold but they are not promises to pay labor or goods either. Economists before Ruskin's time, such as Smith and Ricardo, and since his time have considered this problem. A current suggestion related to it is the use of constant purchasing bonds by governments and corporations when they borrow money.

Ruskin's Institutional Changes

Ruskin's major proposal for institutional change involved a system of trade guilds to replace competition by cooperation. The guild system would have regulated prices and wages. He thought property should be owned by those who used it. In addition to the impact of these changes on the distribution of income, Ruskin suggested other changes to increase the income of the lower levels and reduce the income of the higher levels. Finally, he suggested the replacement of gold as a basis for the currency. The resulting institutional framework would be a mixture but it would probably not work as planned by Ruskin. The guild system would replace individual decision-making by guild

decision-making. Since membership in the guilds was voluntary, a free enterprise market system would supposedly exist along side the guild system. In this sector of the economy there would be individual decision-making and competition to determine prices and wages. The institution of private property would remain but property rights would be restricted by government regulation of the use of it. Furthermore, there would be no incentive to own property beyond the amount an individual could use since, with the abolition of interest and rent in excess of the original value of the property, owners would not receive returns on the additional property that they did not use themselves. However, these institutional changes would not abolish private property. Individual decision-making would be reduced but Ruskin did not call for the adoption of central planning. Much decision-making would be at the level of the trade guilds who determined prices and wages. If individuals only owned property they could use themselves, the distribution of property would be less unequal and the resulting distribution of income would be less unequal. Nevertheless, Ruskin did not favor a completely equal distribution of income. There would be differences in wages according to the quality of the labor. Furthermore, the users of property would receive the returns from property resources. Ruskin did not consider the effect of these changes on total output and growth. The negative effects, if any, might be offset in part by Ruskin's proposals for government activity. His proposals for institutional change were not revolutionary in the sense that he sought change by violence. Generally he was opposed to violence. He hoped his changes would promote a more harmonious, stable and well-ordered society and forestall any revolution that might result from too much

inequality in the distribution of property and income. His proposals are radical in the sense of being both drastic and getting to what he thought were the root causes of society's problems.

The Economic Policies of Government

Ruskin made proposals for a large increase in the amount of governmental economic activity. While retaining the institution of private property, these proposals would have increased the amount of governmental decision-making and provided for a government regulated economy. A necessary first step in this program was an increase in the amount of governmental authority. The government needed an increased authority to make legislation about the use of property. Ruskin favored a paternalistic government with authority and laws to take care of the people. For example, he wanted the government to provide a system of schools that would make available physical, moral, intellectual and vocational education. One of the major purposes of the educational system was to help develop productive citizens. The government was to establish government enterprises to produce goods and services. One particular enterprise that Ruskin especially wanted the government to own and operate was the railroad system. He thought the government had a responsibility to employ the unemployed, compelling those able to work to do so. Those who were unable to work and earn income, particularly the aged, were to be given income by the government. He wanted the government to protect the environment by conservation measures and prevent the pollution of the air and water. He also thought the government should spend less on the military and more to support the arts and sciences. Income and property taxes were to be used to provide revenue

for the government. Tariffs should be abolished and excise taxes used only for regulatory purposes. Ruskin believed the government should not go into debt, but if it did so the debt should be repaid.

A Paternalistic Government

Ruskin made proposals for an economic system regulated by the government. His plans, extending government economy activity, called for an increase in the authority of the government. Since the government was to play an active role in managing the economy, who governed became a very important and serious question. He wanted the public to recognize the "necessity that the governing authority should be in the hands of a true and trained pilot . . ." (XVII, p. 373). Ruskin was not so interested in the form of government since he thought any form of government was all right as long as it achieved "this one vital necessity of policy--that the wise and kind, few or many, shall govern the unwise and unkind . . ." (XVII, p. 248). Ruskin thought, even while he was still primarily occupied as an art critic, that people should accept "that principle of government or authority which must be at the root of all economy, whether for use or for pleasure" (XVI, p. 21). He believed:

. . . a nation which means to conduct itself wisely, must establish authority over itself, vested either in kings, councils, or laws, which it must resolve to obey, even at times when the law or authority appears irksome to the body of the people, or injurious to certain masses of it. (XVI, p. 25)

Laws should promote the general welfare of the country, even at the expense of particular individuals or groups. He wanted the general public to accept this "truth, that the notion of Discipline and

Interference lies at the very root of all human progress or power; that the 'Let-alone' principle is, in all things which man has to do with, the principle of death . . ." (XVI, p. 26). He recognized that his plans of government activity required an increase in government authority. For the government to do what he wanted, it "must have an authority over the people of which we now do not so much as dream . . ." (XI, p. 263). He believed "the essence of all government among good men is this, that it is mainly occupied in the production and recognition of human worth, and in the detection and extinction of human unworthiness . . ." (XVII, p. 446). Ruskin outlined the authority that he thought the government should have (XVII, p. 447). The government should be observant to find those who need care and it should be helpful in providing assistance to those who need it. The government should be prudential in directing the use of resources, particularly labor. It should be martial, punishing rogues and making the lazy work. It should be instructive, telling people what it is their duty to know and answering their questions. It should be both deliberate and decisive, judging by law, and making and amending laws. The government should be an exemplary one, showing people what is desirable in the art of life.

Ruskin thought:

The first necessity of all economical government is to secure the unquestioned and unquestionable working of the great law of Property--that a man who works for a thing shall be allowed to get it, keep it, and consume it, in peace; and that he who does not eat his cake to-day, shall be seen, without grudging, to have his cake to-morrow. (XVII, p. 192)

He believed laws must secure property because, "without this, no political advance . . . no political existence, is in any sort possible

(XVII, p. 193). He was more concerned about protecting the property of the poor than the property of the rich. He wrote, "whereas it has long been known and declared that the poor have no right to the property of the rich, I wish it also to be known and declared that the rich have no right to the property of the poor" (XVII, p. 75). It appeared to Ruskin that the property of the rich was already well protected while the property of the poor was not. Not only should the law protect the property of all its citizens but it

. . . first determines what every individual possesses by right and secures it to him; and what he possesses by wrong, and deprives him of it. But it has a far higher provisory function: it determines what every man should possess, and puts it within his reach on due conditions; and what he should not possess, and puts this out of his reach, conclusively.
(XVII, p. 239)

He referred to this as "meristic law" or law concerning the tenure of property. He thought this kind of law existed but needed greater development. He believed that all goods had necessary conditions attached to their possessions. He also believed the purpose of

. . . meristic law is not only to secure to every man his rightful share (. . . which he has worked for, provided, or received by gift from a rightful owner), but to enforce the due conditions of possession, as far as law may conveniently reach; for instance, that land shall not be wantonly allowed to run to waste, that streams shall not be poisoned by the persons through whose properties they pass, nor air be rendered unwholesome beyond given limits. (XVII, pp. 239-240)

Law, in Ruskin's view, would not only provide for the protection of property but would also determine who should possess property and then regulate the use of the property. He believed individuals had a right to what they produced; the users of property should own it, and its use should be regulated so the property produces useful things. He also made proposals for more specific laws. He thought "laws limiting

accumulation of any kind of property may be found expedient" (XVII, p. 241). He believed in the "necessity for the establishment of restraining law" (XVII, p. 372). The restraining law was necessary to prevent what Ruskin called the vice and indolence which are injurious to the nation (XVII, p. 373). He thought workers had a right to restrain those who would interfere with their labor. He believed all citizens had an equal claim to what is necessary for the common life, and the sick and helpless have a claim upon the well and strong for care. He urged the government to enforce laws to prevent "all kinds of thieving; but chiefly of the occult and polite methods of it; and, of all occult methods, chiefly, the making and selling of bad goods" (XVII, p. 383). He opposed the sale of bad goods that could injure the buyer or fail him in all sorts of ways. He also favored laws to prevent the charging of exorbitant rents (XVII, p. 436). Ruskin proposed these specific laws concerning economic transactions that should be enforced by the government.

In the past Ruskin thought wise law had been mainly judicial, but he believed "as we advance in our social knowledge, we shall endeavour to make our government paternal as well as judicial . . ." (XVI, p. 26). As part of this paternalistic government, he urged the state "to see that every child born therein shall be well housed, clothed, fed, and educated, till it attain years of discretion" (XI, p. 263). Extending this idea, Ruskin later declared: "The first duty of government is to see that the people have food, fuel, and clothes. The second, that they have means of moral and intellectual education" (XXVIII, p. 651). In order for the government to carry out these paternal duties, Ruskin

proposed the appointment, over a certain number of families, of an overseer or bishop

. . . to render account, to the State, of the life of every individual in those families, and to have care both of their interest and conduct to such an extent as they may be willing to admit, or as their faults may justify: so that it may be impossible for any person, however humble, to suffer from unknown want, or live in unrecognized crime . . . (XVII, pp. 378-379)

These overseers were to become thoroughly familiar with all the families under their supervision. This familiarity would enable them to assist those who needed help and to correct the faults of those under their care. These overseers may be compared to social welfare workers but they would have all families under their direction, not merely those families on welfare. Further, the overseers were to be:

. . . the biographers, of their people; a written statement of the principal events in the life of each family being annually required to be rendered by them to a superior State Officer. These records . . . would soon furnish indications of the families whom it would be advantageous to the nation to advance in position, or distinguish with honour, and aid by such reward . . . while the mere fact of permanent record being kept of every event of importance . . . would of itself be a deterrent from crime, and a stimulant to well-deserving conduct, for beyond mere punishment or reward. (XVII, p. 379)

The biographies would increase the amount of record-keeping and available data. If the data in these records were kept on a uniform basis throughout the country, it would be useful for social and economic analysis. Ruskin did not believe such a system would infringe upon the privacy of families. He thought that eventually "it would come to be felt that the true history of a nation was indeed not of its wars, but of its households . . ." (XVII, pp. 379-380). Above the overseers who were to supervise and help families, Ruskin wanted district officers who, using the reports of the overseers,

. . . should enforce or mitigate the operation of too rigid general law, and determine measures exceptionally necessary for public advantage. . . . And it being the general law that the entire body of the public should contribute to the cost, and divide the profits, of all necessary public works and undertakings . . . it should be the duty of the district officer to collect whatever information was accessible respecting such sources of public profit; and to represent the circumstances in Parliament: and then, with Parliamentary authority, but on his own sole personal responsibility, to see that such enterprises were conducted honestly, and with due energy and order. (XVII, pp. 380-381)

If the district officers of the state were properly trained and capable of making economic studies, then good decisions could be made about proposed public works or enterprises. Apparently each district was to pay for its own public works.

Ruskin's opposition to existing society caused him to argue for an increase in the authority of the government, an extension of laws about property rights, and the development of a paternalistic government. He thought:

. . . the two crowning and most accursed sins of the society of this present day are the carelessness with which it regards the betrayal of women, and the brutality with which it suffers the neglect of children, both these head and chief crimes, and all others, are rooted first in abuse of the laws, and neglect of the duties concerning wealth. And thus the love of money . . . is, indeed, the root of all evil. (XVII, p. 460)

Ruskin believed a paternalistic government with the necessary authority could enforce laws to take care of all citizens, including women and children.

Public Education

While his extensive writings on education are mainly outside the scope of this study, some attention is given to Ruskin's proposals for education because they involve an extension of government activity.

Providing education uses up resources, produces human wealth and increases productivity. Furthermore, his proposals involved a large change in human behavior and institutions. Education was one avenue for bringing about these changes. He thought education should begin in the home since making "your children capable of honesty is the beginning of education" (XVII, p. 348). However, his proposals were mostly about education provided by the state. He thought:

. . . there should be training schools for youth established, at Government cost, and under Government discipline, over the whole country; that every child born in the country should, at the parents' wish, be permitted (and, in certain cases, be under penalty required) to pass through them, and that, in these schools, the child should . . . imperatively be taught, with the best skill of teaching that the country could produce, the following three things:--(a) The laws of health, and the exercises enjoined by them; (b) Habits of gentleness and justice; and (c) The calling by which he is to live. (XVII, p. 21)

Ruskin contended such schools, by reducing crime and increasing labor's productivity, "would be far more than self-supporting" (XVII, p. 21n). The essence of the proposal was that the state should establish a system of free public schools for those who wanted to attend and make education compulsory for all. The education that Ruskin urged upon his readers can be divided into physical, moral, and intellectual and vocational education.

He thought the "body must be made as beautiful and perfect in its youth as it can be, wholly irrespective of ulterior purpose" (XVII, p. 397). The physical development of the body was one objective of Ruskin's educational plan. He suggested: "Riding, running, all the honest, personal exercises of offence and defence, and music, should be the primal heads of this bodily education" (XVII, p. 398). An additional benefit of this physical development would be that men would

be more productive members of society.

In order that men may be able to support themselves when they are grown, their strength must be properly developed while they are young; and the State should always see to this--not allowing their health to be broken by too early labour, nor their powers to be wasted for want of knowledge. (XVI, p. 111)

Physical education was to include the knowledge of how to take care of the body as well as its physical development. Ruskin thought physical education would result in benefits greater than the costs through increased health and productivity. For physical education "your schools must be in fresh country, and amidst fresh air, and have great extents of land attached to them in permanent estate" (XVII, pp. 397-398). Land owned by the government for public purposes would be used for schools.

Ruskin also emphasized moral education. "All education must be moral first; intellectual secondarily. Intellectual, before--(much more without)--moral education, is, in completeness, impossible; and in incompleteness, a calamity" (XXVIII, p. 655). While he believed moral and intellectual education were connected, Ruskin thought moral education was a necessary foundation for intellectual education. Neither would be complete without the other. He thought moral education started by "making the creature to be educated, clean and obedient" (XXVIII, p. 655). Next, it made:

. . . the creature practically serviceable to other creatures, according to the nature and extent of its own capacities; taking care that these be healthily developed in such service. . . . Moral education is summed when the creature has been made to do its work with delight, and thoroughly . . . (XXVIII, pp. 655-656)

Believing the present system of political economy made individuals into "rogues and idlers," Ruskin urged reform of "our schools, and we shall

find little reform needed in our prisons" (XVII, p. 48n). He thought crime "can only be truly stayed by education--not the education of the intellect only . . . but education of the heart, which is alike good and necessary for all" (XVII, p. 393). To develop honest men by a system of moral education, Ruskin urged the teaching of "truth of spirit and word, of thought and sight. Truth, earnest and passionate, sought for like a treasure, and kept like a crown" (XVII, p. 399). Moral education was to improve the character of men by developing traits of honesty and service to others.

With a foundation of moral education, Ruskin thought intellectual education was possible.

Intellectual education consists in giving the creature the facilities of admiration, hope, and love. These are to be taught by the study of beautiful Nature; the sight and history of noble persons; and the setting forth of noble objects of action. (XXVIII, p. 656)

He thought both moral and intellectual education were not so much the acquisition of knowledge but the development of attitudes and behavior traits. "You do not educate a man by telling him what he knew not, but by making him what he was not" (XVII, p. 232). Ruskin believed: "True education has, indeed, no other function than the development of these faculties, and of the relative will" (XVII, p. 232). By "these faculties" he meant "sensibility" or "its natural perception of beauty, fitness, and rightness; or of what is lovely, decent, and just . . ." (XVII, p. 232). He believed such perception could be developed by education. He also called for the teaching of "Reverence and Compassion: not that these are in a literal sense to be 'taught,' for they are innate in every well-born human creature, but they have to be developed . . . by deliberate and constant exercise" (XVII, p. 398).

Almost none of this intellectual education was the acquiring of knowledge but it was, rather, the development of human faculties, attitudes, and behavior characteristics.

Ruskin wanted schools to teach students a vocation for earning a living. He urged "some earnest effort be made to place youths, according to their capacities, in the occupations for which they are fitted . . ." (XVII, p. 320). He believed schools should try to determine and develop these capacities so students would receive vocational training. He thought everyone, if able, should work and that vocational training would prepare people for their work. In addition, Ruskin thought every individual would receive benefits from learning to do something "finely and thoroughly with his hand, so as to let him know what touch meant; and what stout craftsmanship meant; and to inform him of many things besides, which no man can learn but by some severely accurate discipline in doing" (XVII, p. 426). He favored education by doing and contended:

. . . to know the "use" either of land or tools, you must know what useful things can be grown from the one, and made with the other. And therefore to know what is useful, and what useless, and be skillful to provide the one, and wise to scorn the other, is the first need for all industrious men.
(XXVII, p. 381)

Ruskin proposed the establishment of schools, "wherein the use of land and tools shall be taught conclusively:--in other words, the sciences of agriculture (with associated river and sea-culture); and the noble arts and exercises of humanity" (XXVII, p. 381). These schools would increase the level of education, training and productivity of workers.

Ruskin did not think education would bring about equality but would develop the differences between individuals. Since he thought

equality was impossible, he did not object to this development of differences. He believed a necessary condition for useful education was that it "should be clearly understood to be no means of getting on in the world, but a means of staying pleasantly in your place there" (XVII, p. 397). In addition to his program of establishing schools, he urged:

. . . free libraries in every quarter of London, with large and complete reading-rooms attached; so also free educational museums should be open in every quarter of London, all day long, and till late at night, well lighted, well catalogued, and rich in contents both of art and natural history.
(XVII, p. 240)

The facilities would be primarily for adults since Ruskin recognized education as a continuous process. While the educational soundness of Ruskin's ideas would have to be evaluated by professional educators, his editors commented that his proposal "of education is advocated as that which is best calculated to develop the capacities of the individual, but it is also nicely adjusted to the requirements of individuals co-operating in a social organism" (XXVII, p. lxxiv). However, there are certain economic aspects of his plan of education which should be mentioned. Much of his educational program was directed towards the development of physically healthy, morally honest, intellectually aware and vocationally productive members of society. The improvement of individuals would increase the wealth of the country, in Ruskin's analysis. He did not directly consider the costs of education but operated under the assumption the gains would exceed the costs. He believed his program of education would increase efficiency, both in making labor more productive and in causing more useful goods to be produced. Instead of wasting man's talents,

education would develop them. It would also teach man what goods are useful and helpful to life. Certainly, these proposals called for a large investment in human capital and more production of human wealth. By providing greater opportunities for development of the individual's abilities, these proposals should help to move the distribution of income in the direction of less inequality.

Many of these proposals of Ruskin have been carried out in a general way. Free public schools have been established and attendance at some school is usually compulsory. Schools emphasize physical and vocational education although not everyone is taught a manual craft. His proposals on moral and intellectual education appear to have been less heeded.

Public Enterprises

Ruskin, on different occasions, made proposals for the establishment of government enterprises. These proposals differed slightly from each other but the basic idea remained the same. He thought students who received vocational training should be provided employment by the government, if necessary. He wanted:

. . . government establishments for every trade, in which all youths who desired it should be received as apprentices on their leaving school; and men thrown out of work received at all times. At these government manufactories the discipline should be strict, and the wages steady, not varying at all in proportion to the demand for the article, but only in proportion to the price of food; the commodities produced being laid up in store to meet sudden demands, and sudden fluctuations in prices prevented:--that gradual and necessary fluctuation only being allowed which is properly consequent on larger or more limited supply of raw material and other natural causes. When there was a visible tendency to produce a glut of any commodity, that tendency should be checked by directing the youth at the government schools into other trades; and the yearly surplus of commodities should

be the principal means of government provisions for the poor. (XVI, pp. 112-113)

These government enterprises were to have several functions; one, for example, was to provide employment for workers leaving school and entering the labor force and for other workers who became unemployed. The government employment was to provide an income for workers along with discipline and training. The government enterprises were to perform a warehouse function, stabilizing short run prices but permitting long run price movements caused by changed conditions of supply. Price decreases were to be prevented by adding to stocks of goods while price increases due to increased demands were to be prevented by selling from stocks of goods. This idea is similar to proposals that are made to have the government perform a warehouse function to stabilize the prices of agricultural commodities. Another function of the government enterprises was to produce goods for the poor. Ruskin thought the amounts given to the poor should be generous and not demeaning to them. When Ruskin returned to this topic, he again urged:

. . . there should be established, also entirely under Government regulation, manufactories and workshops for the production and sale of every necessity of life, and for the exercise of every useful art. And that, interfering no whit with private enterprise, nor setting any restraint or tax on private trade, but leaving both to do their best, and beat the Government if they could,--there should, at these government manufactories and shops, be authoritatively good and exemplary work done, and pure and true substance sold; so that a man could be sure, if he choose to pay the Government price, that he got for his money bread that was bread, ale that was ale, and work that was work. (XVII, p. 22)

It is clear these government enterprises were to provide both goods and services. Another function given them was the establishment of guaranteed standards that were made known to the consumer. Private enterprise was not to be interfered with but allowed to compete with and,

if possible, do better than the government enterprise. This proposal was directly contrary to the existing economic thought and practice of Great Britain. It would have greatly increased the amount of government management and regulation of the economy. Ruskin did not intend the government to own these enterprises but to operate them. In one of his tirades against speculation, he called for more government enterprise, the most far-reaching of his proposals on this subject; but he did not ask for government ownership.

All enterprise, constantly and demonstrably profitable on ascertained conditions, should be made public enterprise, under Government administration and security; and the funds now innocently contributed, and too often far from innocently absorbed, in vain speculation . . . ought to be received by Government, employed by it, not in casting guns, but in growing corn and feeding cattle, and the largest possible legitimate interest returned without risk to these small and variously occupied capitalists, who cannot look after their money. (XVII, p. 533)

The government was to administer these profitable enterprises to prevent speculation and to make sure resources, especially capital, were used to produce necessities like food rather than destructive goods like guns. The amount of government enterprise would be increased since all profitable enterprise was to be managed by the government. However, Ruskin insisted that truly private enterprise should be encouraged, not interfered with; even the government enterprise was to be privately owned. In fact, Ruskin in 1868, called for the owners to be paid the largest interest legitimately possible. He believed the benefit of

. . . right investment of capital would be quickly felt by the nation, not in the increase of isolated or nominal wealth, but in steady lowering of the prices of all necessities and innocent luxuries of life, and in the disciplined, orderly, and in that degree educational employment of every able-bodied person. (XVII, p. 534)

The wise use of capital, under government management, would provide for a more efficient use of resources. Using resources more efficiently to produce desirable goods would increase output and result in falling prices to consumers. The government enterprises were also to provide employment for those who were able and wanted to work. Ruskin objected to private enterprise partly because needless luxuries were being produced. He thought the "first object of all work . . . is to get food, clothes, lodging, and fuel" (XXVII, p. 19). In addition to improving resource allocation to produce necessities, Ruskin thought government enterprise could help bring about a more equitable distribution of income. The unemployed would be employed and earn income. The output of the government enterprises would be used, in part, to increase the real income of the poor.

One enterprise which Ruskin thought should be both owned and operated by the government was the railroads. Since the government post office carried letters and parcels, Ruskin thought the government should also carry merchandise and people.

Had the money spent in local mistakes and vain private litigation, on the railroads of England, been laid out, instead, under proper government restraint, on really useful railroad work, and had no absurd expense been incurred in ornamenting stations, we might already have had,--what ultimately it will be found we must have,--quadruple rails, two for passengers, and two for traffic, on every great line; and we might have been carried in swift safety, and watched and warded by well-paid pointsmen, for half the present fares. (XVII, pp. 252-253)

Ruskin believed government operation of the railroads would provide for a more efficient use of resources with better service and lower prices. Private ownership did not result in the best railroad network for the entire country, according to Ruskin. He also thought there had been

unnecessary legal expense and useless decoration of railroad stations.

When he returned to this subject, he was more emphatic and wanted all public transit owned and operated by the government.

Neither the roads nor the railroads of any nation should belong to any private person. All means of public transit should be provided at public expense, by public determination where such means are needed, and the public should be its own "shareholder."

Neither road, nor railroad, nor canal should ever pay dividends to anybody. They should pay their working expenses, and no more. All dividends are simply a tax on the traveller and the goods, levied by the person to whom the road or canal belongs, for the right of passing over his property. And this right should at once be purchased by the nation, and the original cost of the roadway--be it of gravel, iron, or adamant--at once defrayed by the nation, and then the whole work of the carriage of persons or goods done for ascertained prices, by salaried officers, as the carriage of letters is done now. (XVII, pp. 530-531)

Government ownership and operation of public transit should be brought about by purchasing them from their private owners. Extension of the transit system should be done by the government. Since Ruskin viewed produced value as being created by labor, then the property resources should not receive any returns. Therefore, he argued against the payment of dividends to the owners of the railroads. He believed railroad transportation was one industry where competition produced particularly undesirable results.

Competition will make two railways (sinking twice the capital really required); then, if the two companies combine, they can oppress the public as effectively as one could; if they do not, they will keep the said public in dirty carriages and in danger of its life, by lowering the working expenses to a minimum in their antagonism. (XVII, p. 532)

He recognized the power of a monopoly in charging higher prices. This case was apparently one of natural monopoly where the market was not large enough for two profitable firms. If two firms operate railroads both would suffer losses, and provide poor service to the public. His

concern about railroad operation is of current interest because the problem of what to do about railroad transportation has not been solved.

Ruskin urged a considerable extension of government enterprise, some of which the government was to own and the remainder just administer for the private owners. His plans would have increased the economic decision-making by the government as it made price and output decisions. He did not consider in detail the administration of the government enterprises to cover costs and determine prices. Yet Ruskin expected these enterprises to be operated to provide revenue for the government.

Suppose it should thus turn out, finally, that a true government set to true work, instead of being a costly engine, was a paying one? that your government, rightly organized, instead of itself subsisting by an income-tax, would produce its subjects some subsistence in the shape of an income dividend?--police, and judges duly paid besides, only with less work than the state at present provides for them.
(XVII, p. 253)

The idea that government enterprises should provide revenue to the government conflicts with Ruskin's labor theory of produced value. If the value of produced output comes from the labor factor of production, then government ownership of the property resources should not produce revenues for the government. Ruskin's conclusions about government enterprises producing revenue for the government were not based on his theoretical framework but he concluded "everything carried cheap would bring a much greater revenue to the Government, and that, when we wanted to travel ourselves, we should all be posted" (XXV, p. 608). His suggestions about government enterprises are of current interest because of current proposals for the nationalization of industry. As compared to Ruskin's time, there is a large amount of government

ownership and management of enterprise. Some of these enterprises are a source of government revenue while others receive revenue from the government to pay part of the costs of operation.

Government and Employment

One of the functions of the government enterprises was to provide employment opportunities for those out of work. Ruskin thought the government had the responsibility, not only to provide for full employment, but to be the employer of last resort. He proposed:

. . . any man, or women, or boy, or girl, out of employment, should be at once received at the nearest Government school, and set to such work as it appeared, on trial, they were fit for, at a fixed rate of wages determinable every year;--that, being found incapable of work through ignorance, they should be taught, or being found incapable of work through sickness, should be tended; but that being found objecting to work, they should be set, under compulsion of the strictest nature, to the more painful and degrading forms of necessary toil, especially to that in mines and other places of danger (such danger being, however, diminished to the utmost by careful regulation and discipline), and the due wages of such work be retained, cost of compulsion first abstracted--to be at the workman's command, so soon as he had come to sounder mind respecting the laws of employment. (XVII, p. 22)

Not only should the government provide employment opportunities but it should train the unemployed, if necessary, and force the unemployed, who did not want to work, to do so. Rejecting the idea of a limited amount of work, Ruskin thought "the real difficulty rather is to find men for your work" (XVI, p. 22). He observed many things he wanted done and did not accept the idea that a lack of work caused unemployment. He recognized the distress caused by unemployment but he did not blame this on excess population. He believed the question "is not how many you have to feed, but how much you have to do; it is our inactivity, not our hunger, that ruins us . . ." (XVI, pp. 22-23). Neither

did Ruskin think unemployment was caused by overproduction. Rather, "that it is over-production which is the cause of distress, is accurately the most foolish thing, not only hitherto ever said by men, but which it is possible for men ever to say, respecting their own business" (XXVII, pp. 80-81). Instead, the economy was mismanaged when "we leave our population in idleness and our country in disorder" (XVI, p. 23). He wanted the government to employ those out of work to do the things that needed to be done. Workers "have a right to claim employment from their governors; but only so far as they yield to the governor the direction and discipline of their labour . . ." (XVI, p. 27).

Ruskin's attitude toward work varied with the type of employment. He thought everyone should "learn some manual trade thoroughly; for it is quite wonderful how much a man's views of life are cleared by the attainment of the capacity of doing any one thing well with his hands and arms" (XVI, p. 111). A knowledge of a manual trade was desirable and some work was healthy and beneficial for individuals. Since work was desirable and a duty for all, he wanted the upper classes to do a large share of the "merely rough (not mechanical) manual labour, especially agricultural . . ." (XVII, pp. 234-235). He contended such work was necessary for "bodily health, and sufficient contrast and repose for the mental functions . . ." (XVII, p. 235). But some work was degrading, so Ruskin believed "criminals should at once be set to the most dangerous and painful forms of it, especially to work in mines and at furnaces . . ." (XVII, p. 234). The government should make criminals do this work so innocent workers would not be degraded by it. Other necessary inferior labor, "especially in manufacturers, should, and always will, when the relations of society are reverent and

harmonious, fall to the lot of those who, for the time, are fit for nothing better" (XVII, p. 236). Relative to his ideas about work and people, Ruskin outlined certain principles upon which legislation regulating employment should be founded. First, Ruskin thought "the character of men depends more on their occupations than on any teaching we can give them, or principles with which we can imbue them" (XVII, p. 541). He believed the kind of work people performed molded their physical and mental habits and was the most important part of their education. Because of the importance of employment as a means of education, he urged that in "employing all the muscular power at our disposal, we are to make the employments we choose as educational as possible" (XVII, p. 544). Second, Ruskin thought "the real and noblest function of labour is to prevent crime, and not to be Reformatory" (XVII, p. 544). In providing for the treatment and employment of improvident and vicious persons, "the right of public interference with their conduct begins when they begin to corrupt themselves, not merely at the moment when they have proved themselves hopelessly corrupt" (XVII, p. 542). Employment could be used to prevent crime or treat criminals successfully only if it were provided soon enough to change their habits. Ruskin believed any successful reform of criminals depended on "the establishment of institutions for their active employment, while their criminality is still unripe, and their feelings of self-respect, capacities of affection, and sense of justice not altogether quenched" (XVII, p. 542). While Ruskin expected his system of education to produce very few criminals, he also relied upon employment to prevent crime and to reform criminals. Third, Ruskin thought "it is the first principle of economy to use all available vital power

first, then the inexpensive natural forces, and only at last to have recourse to artificial power" (XVII, p. 543). He divided all mechanical power of wind, water, and electricity; and (c) artificially produced mechanical power . . ." (XVII, p. 543). He wanted all human power used before other forms of power were used. Machines should not produce power when workers were idle. This is a particular concept of efficiency but not the economic efficiency which a firm would use in employing resources. However, the government could employ the human power in government enterprises. The opportunity cost of employing previously unemployed workers should be zero, or nearly so. Ruskin thought it was "always better for a man to work with his own hands to feed and clothe himself, than to stand idle while a machine works for him . . ." (XVII, p. 543). He thought being unemployed was harmful to the individual. Fourth, Ruskin believed that as long as there was poverty, "all enforced occupation should be directed to the production of useful articles only . . . of food, of simple clothing, of lodging, or of the means of conveying, distributing, and preserving these" (XVII, p. 544). The government should employ the unemployed and criminals to make the necessities of life. Distress could not be relieved by the production of luxuries but "in cultivating ground, in repairing lodgings, in making necessary and good roads, in preventing danger by sea or land, and in carriage of food or fuel where they are required . . ." (XVII, pp. 544-545). Ruskin believed strongly that everyone should have a minimum level of consumption but that not everyone had reached that level, so he wanted the unemployed to produce necessities, not luxuries. He suggested: the unemployed could be used to reclaim waste land and make it usable; they could make harbors at

smaller ports and at dangerous points along the coast; they could make clothing for the poor, and they could be employed in art schools making works of art. Furthermore, he believed some of this work was suitable for women and children. Fifth, since Ruskin thought idle persons were supported by the work of other people, he contended "it is only a matter of pure justice to compel the idle person to work for his maintenance himself" (XVII, p. 545). While recognizing that society should care for the unemployed, he believed they should be compelled to work to earn an income and that would "redeem their own characters, and make them happy and serviceable members of society" (XVII, p. 546). Ruskin was convinced "that those who are undesirous of employment should of all persons be the most strictly compelled to it . . ." (XVII, p. 542). He rejected the idea that the poor and unemployed should just be provided an income. "No almsgiving of money is so helpful as almsgiving of care and thought; the giving of money without thought is indeed continually mischievous . . ." (XVII, p. 540). Ruskin thought the poor should be helped but he preferred finding them employment rather than giving them money. He wanted to "find out how to make useless people useful, and let them earn their money instead of begging it" (XVII, p. 540).

One significant feature of Ruskin's government policies about employment was his belief the government should provide jobs for the unemployed. During Ruskin's life, the responsibility of the government to manage the economy to maintain full employment was not widely accepted. Neither was the idea that the government had a responsibility to hire the unemployed. Rather, the economy was thought to provide for full employment by the adjustments of the market mechanism. Ruskin

rejected this concept of the economy since he observed unemployment. While he recognized the possibility of hoarding, he connected it to price level changes, not employment changes. His policy of government provided employment did not rest on his aggregate economic concepts, but on the idea that the government was responsible for managing the economy. Managing the economy meant the wise use of labor, but leaving it unemployed was not a wise use. Putting the unemployed to work would be a more efficient use and would increase output. It would also provide income. Today there is still controversy about whether the government has only the responsibility to follow policies that provide for full employment or whether the government has the responsibility to hire the unemployed, serving as an employer of last resort. Ruskin's answer was the latter. A second feature of his policies about the regulation of employment by the government is also current since it involves another controversy. He wanted the poor to be given employment rather than welfare payments. Individuals who were able to work should be compelled to do so instead of being given money. The current question is whether welfare recipients should be required to work for their payments, if they are able to do so. Ruskin would have required them to work.

Public Relief

Many of Ruskin's ideas about the care of the poor and the unfortunate are apparent in his other policies. He urged workers to save so they could take care of themselves when they could no longer work. He advocated employment by the government, if necessary, so that workers could earn their own income. The output of government

enterprises was to be used to provide for the poor and the unfortunate. He thought public relief was closely associated with the employment and regulation of labor. If most of labor was so managed as to be employed and paid a just wage, then there would be less need for public relief. Ruskin urged:

. . . a better administration and understanding of laws respecting the poor. But the ordinances for relief and the ordinances for labour must go together; otherwise distress caused by misfortune will always be confounded, as it is now, with distress caused by idleness, unthrift, and fraud. It is only when the State watches and guides the middle life of men, that it can, without disgrace to them, protect their old age, acknowledging in that protection that they have done their duty, or at least some portion of their duty, in better days. (XVI, p. 114)

He thought the government should be active in providing public relief. He believed that no nation should permit any citizen to remain "in distress without helping him, though, perhaps, at the same time punishing him: help, of course--in nine cases out of ten--meaning guidance, much more than a gift, and, therefore, interference with liberty" (XVI, p. 110). Accepting the principle of providing help, the question was "how this wholesome help and interference are to be administered" (XVI, p. 111). He suggested "a pension from their parishes" (XVI, p. 111). He thought laborers should receive a pension on the basis of having served the country while working. He believed all workers served their country and their pension might be based on the amount of this service while they worked. He argued:

. . . it ought to be quite as natural and straight-forward a matter for a labourer to take his pension from his parish, because he has deserved well of his parish, as for a man in higher rank to take his pension from his country, because he has deserved well of his country. (XVI, p. 113)

The pension for those who could no longer work should not be demeaning to the individual but received as a matter of right. He thought public

relief in old age, if needed, "should be completely and unstintingly given . . ." (XVI, p. 115).

Ruskin's ideas about public relief, in conjunction with his other major governmental proposals, called for an extensive increase of government activity. The government should establish schools to develop productive members of society, particularly by teaching them a trade. In conjunction with these training schools, the government should establish workshops to produce standardized consumer goods and services. The workshops were also to provide employment opportunities for the unemployed. Finally, "for the old and destitute, comfort and home should be provided; which provision, when misfortune had been by the working of such a system sifted from guilt, would be honourable instead of disgraceful to the receiver" (XVII, p. 22). Ruskin's ideas about public relief are compatible with social security plans. This outline of his ideas represents the fundamentals of his paternalistic government proposals to manage the economy and its members. He expressed his principles as "Government and co-operation are in all things the Laws of Life; Anarchy and competition and the Laws of Death" (XVII, p. 75). His public relief policies, by increasing the income of the poor, would reduce the inequality of distribution of income.

Conservation

In addition to his major proposals, Ruskin wanted the government to increase its activity in conservation measures. In one particular area of conservation he called for the government of a country "to manage the streams of it" (XVII, p. 547). He set forth a plan for

managing rivers to prevent flooding. His plan pointed out:

. . . no mountain river ever was or can be successfully embanked in the valleys; but that the rainfall must be arrested on the high and softly rounded hill surfaces, before it reaches any ravine in which its force can be concentrated. Every mountain farm ought to have a dyke about two feet high--with a small ditch within it--carried at intervals in regular, scarcely perceptible incline, across its fields;--with discharge into a reservoir large enough to contain a week's maximum rainfall on the area of that farm in the stormiest weather--the higher uncultivated land being guarded over larger spaces with bolder embankments. No drop of water that had once touched hill ground ought ever to reach the plains till it was wanted there: and the maintenance of the bank and reservoir, once built, on any farm, would not cost more than the keeping up of its cattle sheds against chance of whirlwind and snow.

The first construction of the work would be costly enough; and, say the Economists, "would not pay," I never heard of any National Defences that did! Presumably, we shall have to pay more income tax next year, without hope of any dividend on the disbursement. Nay--you must usually wait a year or two before you get paid for any great work, even when the gain is secure. (XVII, pp. 548-549)

Ruskin thought controlling these streams and preventing floods would help to prevent soil erosion and would make water available for irrigation. He wanted to keep the rain where it fell, preventing water runoff by a system of ditches, terraces and farm ponds. Whether his plan would work or not is an engineering question that is outside the scope of this paper. However, his plan illustrates some principles of economics. He thought the government was needed to carry out his plan fully because individual farmers would receive only a part of the benefits from the work done on their own farm. Part of the benefits would be received by those downstream who would not share in the costs. But individual farmers, in their own conservation activities, would not consider these downstream benefits. Ruskin thought public action could and should consider these benefits and carry out a fuller plan. He recognized the need for greater taxes to pay the costs of the

conservation activity. These taxes could be apportioned on those who benefitted from the project. He further recognized that while the costs would be in the present, the benefits would be in the future.

Ruskin believed there were three material things--pure air, water and earth--which were not only useful but essential to life (XXVII, p. 90). He contended that pure air was being destroyed by

. . . noxious gas. But everywhere, and all day long, you are vitiating it with foul chemical exhalations; and the horrible nests, which you call towns, are little more than laboratories for the distillation into heaven of venomous smokes and smells, mixed with effluvia from decaying animal matter, and infectious miasmata from purulent disease. (XXVII, p. 91)

He hoped it was possible to clean the air by handling properly all the "substances in corruption; by absolutely forbidding noxious manufactures; and by planting in all soils the trees which cleanse and invigorate earth and atmosphere. . . ." (XXVII, p. 92). While recognizing the need for government action, he suggested only one method of preventing air pollution--outright prohibition. This is only one of several alternative ways of coping with the problem. Ruskin believed pure water was being destroyed "by ravage of woods and neglect of the soil" (XXVII, p. 92). In addition to soil erosion which muddied the water, it was being destroyed by turning "every river of England into a common sewer, so that you cannot so much as baptize an English baby but with filth, unless you hold its face out in the rain; and even that falls dirty!" (XXVII, p. 92). He thought the water could be purified by bringing "rain where you will, by planting wisely and tending carefully . . . you might have the rivers of England as pure as the crystal of the rock . . ." (XXVII, p. 92). He also wanted private enterprise prohibited from polluting the streams. Once the water

became cleaner, more fish would grow in them. Ruskin believed earth was not being well used but it was "meant to be nourishing for you, and blossoming" (XXVII, p. 92).

He believed there were also three useful and essential immaterial things--admiration, hope and love--which political economy was destroying (XXVII, p. 90). "For Admiration, you have learnt contempt and conceit" (XXVII, pp. 93-94). He believed the people did not have enough of the spirit of hope "to begin any plan which will not pay until ten years; nor so much intelligence of it in you (either politicians or workmen) as to be able to form one clear idea of what you would like your country to become" (XXVII, p. 94). Furthermore, people were ordered by God "to love your neighbour as yourself. You have founded an entire Science of Political Economy, on what you have stated to be the constant instinct of man--the desire to defraud his neighbour" (XXVII, p. 95). Ruskin's proposals of conservation included not only the conservation of material things, but also human feelings. The conservation and development of these human feelings, through proper employment and education, would improve man's character, increasing the wealth of the country.

When he returned to this question of what was good work and extended life and what was bad work and destroyed life, Ruskin wanted the government and individuals to perform the good work and to prohibit and stop the bad work. He thought good work was letting in light, especially in poor rooms and back streets where it had been dark; while bad work was blocking out the sun's light with smoke and putting a tax on windows (XXVIII, p. 175). The effect of tobacco smoke upon air was one of the reasons why he called tobacco "the worst natural curse of

modern civilization . . ." (XIX, p. 369). Good work was "putting the clouds to service; and first stopping the rain where they carry it from the sea, and then keeping it pure as it goes back to the sea again" (XXVIII, p. 175). Bad work was arranging the land "so as to throw all the water back to the sea as fast as we can; and putting every sort of filth into the stream as it runs" (XXVIII, p. 175). Good work was "clearing morasses, and planting desert ground" (XXVIII, p. 176). Bad work was "turning good land and water into mud; and cutting down trees that we may drive steam ploughs . . ." (XXVIII, p. 176). Good work was stocking "the waters with fish and air with birds" (XXVIII, p. 176). Bad work was "poisoning fish . . . with copper-mining . . ." (XXVIII, p. 176). It was good work to fill the earth with animals while the corresponding bad work was "shooting and tormenting beasts; and grinding out the soul of man from his flesh, with machine labour; and then grinding down the flesh of him, when nothing else is left, into clay, with machines for that purpose . . ." (XXVIII, p. 177). Most of the things called "bad work" by Ruskin involved either destruction of some form of life or pollution of some part of the environment. One of the reasons Ruskin disliked the economic system was because he thought man was being degraded and destroyed. Further, the economic system created ugliness rather than beauty. He also thought resources were wasted instead of being used efficiently. Because he disliked these results of the economic system, he condemned the economic theory which justified the operation of it.

Ruskin's first interest in conservation was that of conserving and improving human life. It was a particular type of human life that interested him since he taught "the wealth of a country is in its good

men and women, and in nothing else . . ." (XXIX, p. 424). Developing the wealth of a country required the development of good citizens with certain characteristics and feelings. Since he did not believe the economic system developed such citizens, he suggested changes in the economic system and certain activities for the government. He thought these changes would develop, produce and conserve life and the resources that maintained and increased life. In this particular area of conservation, Ruskin recognized what was being done to certain resources and condemned these practices. He called for government action to prohibit the pollution of air and water, to conserve the land and to protect man and his environment. Ruskin's particular objection to the use of tobacco because it polluted the air is interesting because of the current question about the right of nonsmokers in public places to breathe air that is free from tobacco smoke.

Foreign Trade

While Ruskin was not usually concerned with mercantile operations, he called for the government to end all restrictions on commercial trade between countries. He thought, "The corn laws were rightly repealed . . ." (XVII, p. 72). Yet he did not think this would help the poor because, under competition and the operation of the market system, "as soon as bread was permanently cheaper, wages would permanently fall in precisely that proportion" (XVII, p. 72). Competition would drive wages down to the subsistence level, according to Ruskin. He favored repeal of the corn laws because he was "an utterly fearless and unscrupulous free-trader" (XVII, p. 72n). He did "not admit even the idea of reciprocity. Let other nations, if they like, keep their

ports shut; every wise nation will throw its own open" (XVII, p. 72n). However, he urged some care in the manner of removing tariffs because if a country has "been protecting a manufacture for a long series of years, you must not take the protection off in a moment, so as to throw every one of its operatives at once out of employ . . ." (XVII, p. 72n). He thought tariffs should be lowered gradually and then eliminated because there could be an immediate adverse effect on employment in the protected industry. The long run effect would be beneficial as countries specialized in the production of those goods for which they were best suited. It may seem inconsistent for Ruskin to favor free trade between countries when he was so opposed to competition. But, he argued that "free-trade puts an end to all competition. 'Protection' . . . endeavours to enable one country to compete with another in the production of an article at a disadvantage" (XVII, p. 72n). Ruskin thought, under free trade, that countries could not compete with each other in the production of goods for which they were not suited. When tariffs were first removed, there would be sharp competition to determine which country had the advantage but once that is determined, "competition is at an end" (XVII, p. 72n). The conclusion is correct only in the case of complete specialization. Since Ruskin did not consider the possibility of partial specialization; his analysis is incomplete. His conclusion of free trade was similar to that of the classical economists and would be acceptable to many economists today. He proposed the abolition of "all import and export duties" (XII, p. 597). He thought protection was "either absurd or useless as regards the branch of industry which is protected, and every way injurious in its effects on other branches of commerce" (XII, pp. 596-597). If a

country was suited to the production of a particular good, protection was unnecessary. If the country was not suited for the production of a particular good, protection was ridiculous since the country could better import the good. Ruskin thought there were methods other than tariffs for "encouraging the energies and, developing the resources of a country . . ." (XII, p. 597). Opposing the whole system of tariffs, Ruskin wrote, "The entire system of import and export duties appears to me one of the most amazing and exquisite absurdities which mankind have ever invented or suffered from" (XII, p. 595).

Since Ruskin opposed the corn laws, he analyzed the effects of abolishing the bread tax, his term for the corn laws.

The farmers have nothing whatever to do with it. The landlords are the persons who must eventually suffer, if anyone suffers, and the whole question is whether landed property in England is to lose part of its value, or whether that value is to be maintained by making the poor pay more for their bread That men now actually engaged in farming operations may be ruined by the change in the laws, is exceedingly probably: all changes however beneficial to the public, are likely to ruin some innocent persons: but this temporary effect is no more to be considered than the ruin of hotel-keepers in certain towns by the introduction of railroads.

The farming interest in the long run will not be in the least affected by the abolition of bread tax, but the rental of landed property will be, if any injury be done at all. I introduce this proviso, because no man can say whether different modes of agriculture or various commercial accidents may not, in spite of the change in corn laws, maintain the value of land. But if any harm is done, this will be the harm, and the whole question at issue is whether the landed proprietor is to run the risk of losing some certain percentage of an income, or whether the lower orders are to maintain that income out of their mouths. (XII, pp. 594-595)

While removal of the corn laws should result in lower grain prices, tenants would not be affected since their rent payments would fall proportionately. Landowners would be the injured class since they would receive less rent and suffer a degree in the value of their land.

Ruskin accepted the possibility of injury to the landowners because he thought the repeal of the corn laws was generally beneficial. Implicit in his analysis is the idea that rent is price determined rather than price determining. The price of the product of land determines land rent, rather than the other way around. His analysis was essentially Ricardian in procedure and conclusion.

Ruskin favored free trade and proposed the abolishment of all import and export duties. However, this change was to be made gradually. He thought the result would be complete specialization and a more efficient use of resources. He opposed the protection of special interests at the expense of the general welfare.

Government Taxes and Expenditures

Since Ruskin proposed a large increase in government activity, there would naturally be a large increase in government spending. He believed some of the government activity--the government enterprises such as railroads--would directly pay their own way. The providing of goods and services by the government enterprises would bring in revenues equal to the cost of operating them. Other governmental activities were to pay for themselves indirectly either by reducing other costs, increasing productivity, or increasing the efficiency of resource use. Since Ruskin wanted import and export duties abolished, he proposed a system of taxation based primarily upon direct taxes. He argued "direct taxation was always the lightest possible taxation . . ." (XII, p. 596). He believed "that for all purposes of revenue, direct taxation is the best . . ." (XII, p. 596).

However, Ruskin introduced a regulatory function of taxation:

"Excise duties may be made the means of discouragement of injurious and ruinous branches of industry, and at the same time a relief from the pressure of direct taxation" (XII, p. 597). He believed the luxury of the rich undermined their moral strength and provoked the envy of the poor so it was the "duty of every government to prevent, as far as possible, the unreasonable luxury of the rich, and if it cannot prevent it, to maintain itself by it" (XII, p. 597). Like Adam Smith, he combined the benefits received and ability to pay principles of taxation.

The man by whom the existing state of things is most enjoyed, may justly be called upon to pay most for its maintenance, and the man who by his luxury increases the perils of a government, may justly be required to contribute largely to its resources. (XII, p. 597)

The rich are most benefitted by the government maintaining the status quo. They also, by their luxury, increase the danger of violent change. Thus they should be taxed more heavily. The rich also have the greatest ability to pay taxes if ability is measured by the amount of income. Ruskin's general tax proposals were to use excise taxes for regulatory purposes, particularly to discourage the consumption of luxuries, and to use direct taxes on income and property to raise revenue for the government.

Ruskin recognized that taxes used as a means of regulation would not produce much revenue. He urged that:

. . . heavy taxes be laid either on the sale or the possession of all articles which tend to enervate the moral strength of the people, or to administer to its indolent pleasure; considering such taxes rather as educational than fiscal, rather as fines than sources of revenue, and regulating their distribution with a view rather to their effect on the character of the people than on the prosperity of the exchequer.
(XII, p. 597)

Ruskin was not very specific about the use of excise taxes to discourage the production and use of certain goods, but he suggested:

. . . some articles of luxury, jewels, for instance, of which the harmful effect is chiefly in excess, and which within certain limits might by a moderate duty be made a considerable source of revenue, and beyond certain limits by heavier duty be nearly prohibited, while there are others altogether injurious, cigars, for instance, on which the duty ought at once to be rendered as far as possible prohibitory. (XII, p. 598)

He thought excise taxes could be levied either on the original sale or on the possession of the luxury item. He wanted the excise taxes to be on a graduated basis with higher rates associated with larger amounts of the jewels. His dislike of tobacco caused him to urge a prohibitory tax on cigars. He explicitly recognized the output reducing effect of excise taxes and wanted to use this effect to reduce the amount of resources devoted to the production of luxury items. The government should use excise taxes to help determine the answer to the question of what goods and services should be produced. Concerning excise taxes on necessities, Ruskin contended that "neither bread, drink, or lodging should be" (XXXV, p. 608). He objected to levying excise taxes on necessities because they interfered with commercial operations and, more importantly, their impact fell more heavily upon the poor (XXVIII, p. 128).

Since excise taxes were not to be used mainly as a source of revenue, Ruskin wanted the necessary tax revenue raised by:

. . . both an income and property tax, the latter only on fortunes exceeding £10,000 (for in the case of fortunes less than this a tax on property is a tax on economy). Let the income tax be 10 per cent., on all fortunes exceeding £1000 a year, and let the weight of it die away gradually on the poorer classes. A man whose income was under £100 a year should pay nothing; above 100, 1 per cent.; above 200, 2 per cent., above 300, 3 per cent., and so on, up to 1000--all fortunes above which should pay 10 per cent.; and in addition

to this, there should be a tax on property above £ 10,000, according to the necessity of the revenue. (XII, p. 598)

Since Ruskin recognized the adverse effect of a property tax on incentives to save and accumulate, he exempted all property below a certain amount--£ 10,000 per person--from the tax. He wanted property owners with less than this amount to be encouraged to save. While his proposal was for a progressive income tax, he thought the incidence of this tax would be shifted either to employers or their customers. He believed "salaries will be increased by the amount of the income tax, the weight of which will therefore bear on employers, and on the public who deal with those employers . . ." (XII, p. 599). If competition reduced wages to a subsistence level, then wages after taxes would also have to be at this subsistence level to maintain the supply of labor. Thus wages would have to increase by the amount of the income taxes. This conclusion about the shifting of income taxes is reached only by accepting the theory that wages are at a subsistence level. Neoclassical theory would conclude that income taxes are not shifted unless the supply of effort is changed. Ruskin argued that an income tax "is the only honest and just one; because it tells on the rich in true proportion to the poor . . ." (XXVII, p. 128). He also included a progressive property tax as a just tax.

Whereas, in true justice, the only honest and wholly right tax is one not merely on income, but property; increasing in percentage as the property is greater. And the main virtue of such a tax is that it makes publicly known what every man has, and how he gets it. (XXVII, pp. 128-129)

Ruskin's tax plans were not only to raise revenue and provide resources for the government, but to redistribute income. Progressive income and property taxes were to be levied on the rich so that they paid most of

the cost of the government. The poor were to be taxed lightly. Excise taxes were to be used primarily for purposes of regulation and only secondarily to raise revenue. Except for exempting property below a certain value from the property tax, he did not consider the effects of his tax plans on incentives to save, invest and work. It is doubtful Ruskin would have been bothered by adverse effects on incentives since he wanted the rich to pause and stop accumulating after they had enough income and property.

Ruskin was critical of the amounts of government spending on the military. He objected to the large amount of resources devoted to the activities of the military and called for a decrease in the military budget. In 1866, he calculated that "the net annual expenditure for army and navy appears to be twenty-four millions [pounds]" (XVII, p. 331). His criticism of this large amount of military spending was closely associated with his criticism of the government for spending so little on the arts. For the same year, 1866, he calculated that about £ 164,000 were to be appropriated for the arts and sciences (XVII, p. 332). He argued that government spending in this area should be increased.

Ruskin usually opposed deficit financing by the government and the existence of a national debt. "A national debt, like any other, may be honestly incurred in case of need, and honestly paid in due time" (XXVIII, p. 428). He did not prohibit all government borrowing but he insisted the government debt should be repaid since "if it borrow at all, it is at least in honour bound to borrow from living men, and not indebt itself to its own unborn brats" (XXVIII, p. 428). One reason Ruskin disliked deficit financing involved his belief that burdens were

passed on to future generations by it. He did not explain why this happened, but merely assumed it was so. The classical economists thought deficit financing would be a burden to future generations only if a smaller stock of capital was available in the future as a result of the government borrowing. Ruskin, making no distinction between individuals and the government, applied his dislike of private borrowing to the government. "It would be well if a dogged conviction could be enforced on nations, as on individuals, that, with few exceptions, what they cannot at present pay for, they should not at present have" (XVII, p. 170n). He also thought that governments should not borrow because the resulting expenditure is usually wasteful: "A nation invariably appeases its conscience with respect to an unjustifiable expense by meeting it with borrowed funds, expresses its repentance of a foolish piece of business by letting its tradesmen wait for their money . . ." (XVII, p. 170). This fear of wasteful government spending was another reason Ruskin opposed deficit financing. The usual type of wasteful spending that he opposed was war. The classical economists were also fearful of government borrowing leading to wasteful spending. However, the main reason he disliked the existence of a national debt was because he thought it worsened the distribution of income. "National debts paying interest are simply the purchase, by the rich, of power to tax the poor" (XXVIII, p. 438). He assumed that taxes to pay interest on the national debt were collected from the poor working classes and that the debt was owned by the rich upper classes, without presenting any evidence for this assumption.

Ruskin's tax policies were designed primarily to bring about a decrease in the inequality of income. His plans for the government

called for a large increase in government spending but he wanted military spending decreased. He opposed the creation of national debts because he feared the government spending would be wasteful. He opposed the existence of national debts since he thought they would be a burden to future generations and interest payments on them worsened the inequality of distribution of income.

Summary

Ruskin, in his plans for change, wanted political economy to regulate and manage the economy. The study of political economy was not merely to discover the economic principles of the market economy, but to determine and guide both individual behavior and the economy. Economists were to teach and guide the behavior of individuals and to manage and regulate the economy. Ruskin thought the economic problem was one of scarcity and choice, but he believed the end result of economic activity should be the extension of life--either increasing the quality or extending the quantity of human life. Economists, when guiding individual behavior and the economy, should keep this objective--extension of life--of economic activity in mind.

Ruskin's recommendations for economic reform can be divided into three rather distinct plans. One of these plans was addressed to individual economic units and their behavior. He seemed willing to accept the existing framework of the market economy if the behavior of individual economic units could be moralized and professionalized. Moralizing their behavior meant they would act with honesty and justice in their economic transactions and consider, in their decisions, the effect of their actions upon others and society. Consumers, in their

purchase of goods to extend life, were to buy products produced under conditions of healthy employment. All economic units, in their spending decisions, were to recognize that their spending directed the economy and employed labor services. The professionalization of economic behavior meant the business firms and workers would perform their proper function first and then, only secondarily, earn income. The function of business was to provide goods and services for society while the function of laborers was to do good work. Business firms, while producing goods and services which provide for the nation, were to exercise a paternal influence over their employees. Workers were to be employed in producing goods and services that extended life. Ruskin thought economic behavior should be motivated by social affections.

Ruskin's second plan was directed at the replacement of competition by cooperation. Firms supplying similar goods or services were to be combined in a trade guild. The trade guilds were to make decisions about prices and wages that directed the economy, although he allowed for competition outside the trade guilds. Ruskin favored regulated prices, wages, and rents but his explanation of how to regulate these was limited. Wages were to provide for the maintenance of the worker and his family with an allowance for saving. Other prices were to be in a certain, but unspecified, relation to food. Since part of the economic activity was to be outside this scheme of regulation, it seems likely the regulation system would break down. Ruskin favored a more equal distribution of property; therefore, he wanted land and capital owned by the users of it. The use of property was to be regulated by the government to prevent abuse. He also favored a less unequal

distribution of income, calling for a minimum level of income for the poor and a limit on incomes of the rich. Further, income would be primarily labor income but the owner-users of property would receive the returns from that property. Instead of currency being a promise to pay gold, Ruskin thought a promise to pay labor or food or a group of goods would provide for a more stable standard of value.

Ruskin's third plan of economic reform was directed mainly at the government. Since he called for a large increase in government activity, he wanted a governmental system in which the wise ruled the unwise. He favored a large increase in the authority of the government, especially to enforce legislation concerning the tenure of property. His concept of government was paternalistic. The government was to establish a system of free public schools and to make education compulsory. Public education, including physical, moral, intellectual and vocational education, was designed to produce healthy, good and productive members of society. Furthermore, associated with the vocational schools were government enterprises that produced standardized goods and services. Ruskin made several different proposals about these government enterprises. He clearly wanted the railroads and other forms of public transportation owned and operated by the government. Apparently the other government enterprises would be privately owned but they would be managed by the government. His most far-reaching proposal called for all profitable enterprises to be managed by the government. However, private enterprise was not to be interfered with but encouraged. One of the purposes of the government enterprises was to provide employment for the unemployed, either new entrants into the labor market or those thrown out of work. Those who

did not want to work were to be compelled to do so. Furthermore, criminals and idlers were to do the most dangerous work as reformatory measures. Those unable to work, such as the elderly, should be given pensions. He thought this public relief should be generous, not demeaning to the recipients. Ruskin also urged the government to engage in river and soil conservation measures. The government should prohibit the pollution of air and water. The government was to remove all restrictions on foreign trade so countries would specialize in producing those products they were best suited for. For revenue, the government should use progressive income and property taxes while excise taxes could be used to reduce the production and consumption of luxury items. Military spending should be reduced while government spending on the arts and sciences should increase. Ruskin opposed government borrowing and wanted the government to repay its debts. His plans about government activity were contrary to the prevailing thought and practice of his time since he proposed such an extension of government authority and activity. He did not believe in the nationalization of the property resources, except for the public transportation industry. While his proposals did not call for central planning, governmental decisions to manage and regulate the economy would be greatly increased. The government would have been responsible for the results achieved by the economy. His emphasis upon government regulation of the economy is somewhat curious and inconsistent since he was frequently critical of the government.

Ruskin's plans for reform were incomplete since he did not cover all areas of economics and since his plans are not worked out in complete detail. Furthermore, he changed his views over a period of

years so his proposals are not always internally consistent. They were designed to improve the quality of life by increasing beauty and decreasing ugliness. He also wanted a more efficient and less wasteful use of resources, particularly labor, and a less unequal distribution of income. His proposals have been presented and explained to test the hypothesis that these proposals were significant both for his time and the present. However, any significance is not due to the rigor of his economic analysis but to his insight into problems and their solutions. He attempted to make proposals for change that dealt constructively with economic problems. While he wrote when laissez-faire was near its zenith, the government soon began to increase its regulation of the economy. When this happened his proposals became more significant. It is concluded that presenting and explaining his proposals for reform supports the hypothesis that these proposals were significant for his time. Some of the problems that concerned Ruskin are similar to present day problems and changing historical circumstances have made some of his proposals, particularly those about government activity, more relevant than they were in his own time. It is concluded that his proposals continue to offer significant insights and fruitful points of view about some economic problems and their solutions.

CHAPTER VII

RUSKIN'S INFLUENCE: A BRIEF SURVEY

The purpose of this chapter is to discuss Ruskin's influence on economic and political thought and policy in Great Britain. An analysis of his influence may make his significance and his contributions more clear. Furthermore, his influence upon certain individuals, both economists and others, will be illustrated. Some writers believe the ideas contained in his works exerted an important influence upon British thought and social policy. Since the survey of his influence is not exhaustive nor definitive, it suggests the need for further research. Moreover, any conclusions are tentative--subject to change as new evidence results from additional studies.

Ruskin's Influence Upon Individuals

Undoubtedly Ruskin and his writings influenced a large number of individuals. In fact, it has been concluded that Ruskin succeeded as an instrument of social change because he inspired an enormous number of people.¹ Of all the individuals influenced by Ruskin, only a few are selected for inclusion in this study. A particular attempt has been made to try to find economists who have been influenced by Ruskin. Beyond economists there are some other individuals included because of

¹Arthur J. Pentry, A Guildsman's Interpretation of History (London, 1920), p. 288.

their own importance and the significance of Ruskin's influence upon them. It is difficult to determine Ruskin's exact influence on an individual because individuals do not always give proper credit for their ideas. Consequently some individuals may have been missed and the extent of his influences on those included may be understated. Another problem is the importance of those individuals who have been influenced by Ruskin. Since this work is primarily a study of Ruskin, this problem is mostly outside the scope of the study.

John Hobson

It is generally accepted that the economist most influenced by Ruskin is John Hobson. Many histories of economic thought credited Ruskin with being a major influence upon Hobson. Nemmers concluded that Hobson was a "close student" of Ruskin's work and that "there can be little dispute about Ruskin's impact on Hobson's thinking."² Hobson, believing that Ruskin's writings formed a foundation for a human political economy which related consumption and production and evaluated them in human terms, acknowledged his debt to Ruskin.

From him I drew the basic thought for my subsequent economic writings, viz. the necessity of going behind the current monetary estimates of wealth, cost, and utility, to reach the body of human benefits and satisfactions which gave them a real meaning.³

²Erwin Esser Nemmers, Hobson and Underconsumption (Amsterdam, 1956), pp. 19-20. The bibliography of this book contains, on pp. 144-148, a list of books and articles by Hobson, about Hobson and reviews of his works.

³John A. Hobson, Confessions of an Economic Heretic (London, 1938), p. 42.

Accepting Ruskin's ideas about wealth, value and cost, Hobson attempted to develop a human standard by which economic activity could be evaluated. This human standard of value would replace the monetary standard used by orthodox economists. Determining the precise amount of Ruskin's influence upon Hobson and how accurately he reflected Ruskin's thinking would require a separate study. It has been noted that Hobson defended Ruskin's qualifications as an economist. While generally approving Ruskin's criticism of classical economics, Hobson thought he sometimes overstated his criticism and was carried too far. Hobson generously praised Ruskin's political economy but his praise was not indiscriminate or without some qualifications.⁴

Hobson's influence upon economic thought and policy will be commented upon briefly. He tends to be slighted by histories of economic thought since he is outside the mainstream of orthodox thought.⁵ However, he has been given additional attention in the last thirty-five years. Keynes quoted Hobson extensively and praised his work on the theory of the business cycle.⁶ It has been suggested that Hobson was more a forerunner of growth theories than he was of Keynesian theory. Domar credited Hobson with going beyond Keynes and considering the question of whether, when all savings are invested, it would be possible to sell the additional output from the new capital goods.⁷ He also suggested that Hobson had many interesting ideas and

⁴For Hobson's comments about Ruskin see his biography of Ruskin.

⁵Nemmers, p. vii.

⁶John Maynard Keynes, The General Theory of Employment, Interest and Money (New York, 1936), pp. 364-371.

⁷Evsey D. Domar, "Expansion and Employment," Readings in Macroeconomics, ed. M. G. Mueller (New York, 1967), p. 290.

suggested that Hobson had many interesting ideas and should be more widely read by economists. Harrod wrote that Hobson "has a fine grasp of what is valuable and enduring in the body of orthodox economics. He has a much clearer understanding of it than is usually evinced by rebels."⁸ Harrod thought Hobson's views were "moderate, reasonable, and full of wisdom."⁹ Hutchison called Hobson's ideas "one of the most important single intellectual influences behind the economic programme of the British Labour Party."¹⁰ Hutchison also wrote:

...the economic policies of the British Labour Government after 1945 in respect of 'full employment' and nationalization followed Hobson's ideas very closely, and these ideas may well go down as the most important single intellectual inspiration of that particular phase of British economic history and policy.¹¹

Even though Hobson was not in the traditional mainstream of economics, it appears he has had some influence upon economic theory and even more influence upon economic policy in Great Britain. Thus one possible avenue for the influence of Ruskin has been through Hobson.

Alfred Marshall

Marshall was probably the most influential English-speaking economist for a long period of time, beginning in the later part of the nineteenth century and continuing well into the twentieth century. His great influence tended to overshadow other economists of the time and

⁸R. F. Harrod, ed., The Science of Wealth, by John A. Hobson (4th ed., London, 1950), p. viii.

⁹Ibid.

¹⁰T. W. Hutchison, A Review of Economic Doctrines 1870-1929 (London, 1953), p. 127.

¹¹Ibid., p. 129.

prevent their influences from being so strong. Only by influencing Marshall, could Ruskin have exerted much influence upon the traditional economics of the times. There is little evidence that Ruskin influenced Marshall who referred to Ruskin only twice in his Principles of Economics. Marshall thought the study of economics centered around money or material wealth, not because these are the main objectives of human effort, but because they are the convenient way

...of measuring human motive on a large scale. If the older economists had made this clear, they would have escaped many grievous misrepresentations, and the splendid teachings of Carlyle and Ruskin as to the right aims of human endeavour and the right uses of wealth, would not then have been marred by bitter attacks on economics, based on the mistaken belief that that science had no concern with any motive except the selfish desire for wealth, or even that it inculcated a policy of sordid selfishness.¹²

Marshall admitted that the older economists, whom he did not name, should have been more careful since their teachings were grievously misrepresented by the popularizers and practitioners of economics. These misrepresentations caused the bitter and mistaken attacks on economics by Carlyle and Ruskin. Marshall's normal caution may have been increased as a result of the attacks by Carlyle and Ruskin so that his teachings were not open to misrepresentation. While condemning the attacks of Carlyle and Ruskin, he praised their teachings about the objectives of human behavior and the uses of wealth. However, he thought the imitators of Carlyle, Ruskin and Morris "lack their fine inspirations and intuitions."¹³ Marshall showed some

¹² Alfred Marshall, Principles of Economics (8th ed., New York, 1948), p. 22.

¹³ *Ibid.*, p. 780n.

knowledge of Ruskin's work; but unless he did not fully credit Ruskin's influence by appropriate citation, it should be concluded that Ruskin exerted very little influence upon him.

James Bonar

Bonar gave some attention to Ruskin's writings. He wrote a brief article about Ruskin at the time of his death. Bonar believed intellectual leaders could be classified as "men of terms, men of judgments, and men of arguments."¹⁴ He considered Ruskin a man of judgment although he categorized political economists as men of arguments. Therefore, he apparently did not think of Ruskin as a political economist. He believed there was "much truth in Ruskin's dictum 'Our efforts are inconstant almost in proportion to their nobleness,' though it is well for us to forget the instability on most occasions...."¹⁵ It does not appear that Ruskin was a major influence upon Bonar. Nor is Bonar a major economist in the history of economic thought. His writings were about the classical economists and about the relationship between economics, morals and philosophy.

J. B. Clark

Hutchison found the influence of Ruskin's teachings in J. B. Clark's first book, *The Philosophy of Wealth* (1885).¹⁶ He compared the Ruskinian protest in this work to the same strain of protest in

¹⁴ James Bonar, Disturbing Elements in the Study and Teaching of Political Economy (Baltimore, 1911), p. 3.

¹⁵ Ibid., p. 9.

¹⁶ Hutchison, p. 253.

the writings of Hobson and Wicksteed. This critical protest is essentially an attack on Ricardian economics. Clark argued that traditional economics was defective in its assumptions about human nature and competition. Apparently Ruskin's influence upon Clark was short-lived, since his later major and outstanding book, The Distribution of Wealth (1899) did not contain this strain of Ruskinian protest, according to Hutchison.¹⁷ Instead, Ricardo was criticized for a lack of abstraction. Thus, Ruskin cannot be considered a major influence upon Clark's work.

Herbert Davenport

Davenport, discussing the "fallacy of saving," noted that Ruskin was one of a group of men who "seem to have done the best work here, not perhaps towards the solution of the problem, but to the development and definition of it."¹⁸ Davenport questioned the idea that more savings were always beneficial to society. Ruskin made two points which are connected to this question. He recognized that savings could be hoarded; however, he expected hoarding to cause a proportionate fall in prices. However, if prices do not fall, if they fall slowly, or if falling prices cause adverse expectations, then hoarding would cause a decline in real aggregate demand. The decline in real aggregate demand would mean firms were producing goods more rapidly than they were selling them, experiencing unwanted increases in inventories. As firms reduced output, unemployment would increase. Attempts to save

¹⁷ Ibid., p. 256.

¹⁸ Herbert Joseph Davenport, Value and Distribution (Chicago, 1908), p. 529n.

more under these conditions would have an adverse effect upon society. Furthermore, Ruskin contended that capital goods which produced only more capital goods were not proper capital since the end of production was consumption. If all savings are invested, causing the production of more capital goods, there remains the question of whether the extra output from these capital goods can be sold. Selling this increased output requires increases in total spending; otherwise the capital goods will only be producing more capital goods--increases in inventories which cause reductions in output and employment. Increased savings are beneficial to society only if there is the proper increase of spending to purchase the extra output from the new capital goods. Neither Ruskin nor Davenport followed through on this analysis to show the necessary conditions which make increased savings beneficial to society. Davenport, considering the problem that demand and supply determine market price at the same time price determines demand and supply, referred to Ruskin's definition of demand.¹⁹ This problem is cleared up when it is recognized that market price determines a particular quantity exchanged at the same time demand and supply schedules determine price. While Davenport credited Ruskin's influence on these two points, savings and demand, he was probably not a major influence upon Davenport's work. Davenport would not be considered a major economist in the history of economic thought.

¹⁹Ibid., p. 533n.

Richard Ely

As previously noted, Ely wrote an introduction to an edition of one of Ruskin's books on economics.²⁰ His introduction was sympathetic towards Ruskin, indicating that while Ruskin made some mistakes, he had much to teach. He approved Ruskin's moral and ethical values and his attempts to teach individuals to be honest and just in their economic behavior. However, he criticized Ruskin for lacking sympathy toward the work of other economists and for not attempting to build upon their work. He believed Ruskin was justified, in part, in blaming the vicious practices of his time on the teachings of economists and the misrepresentation of these teachings by their followers. Since Ely thought classical economists did not adequately differentiate between increases in the wealth of individuals and increases in the wealth of the nation, he commended Ruskin for so doing. He agreed with Ruskin's perception that institutions are valuable and effective only as they improve the character of the individual. He praised Ruskin's keen analytical power and his ability to make fine distinctions. He approved of Ruskin's organic concept of society. He believed that Ruskin's ideas about consumption, capital and utility were in advance of his time, but he criticized his treatment of value and exchange. He concluded that Ruskin was "one of the truly great figures in the Victorian age of English thinkers and reformers."²¹ Ely, in his introduction, showed some knowledge of Unto this Last; however, it is peculiar that while he approved of Ruskin's treatment of utility he

²⁰Ely, ed., Unto this Last, pp. xxi-xxxix.

²¹Ibid., p. xxxix.

criticized his treatment of value since they were both essentially the same to Ruskin--usefulness. Despite this evidence of some familiarity and sympathy towards Ruskin, Ely was apparently not greatly influenced by him. Ely did not refer to Ruskin in his autobiography,²² nor did Ely's biographer mention Ruskin.²³

John Ingram

Ingram, a critic of classical economics, referred to Ruskin's work with approval. "Ruskin had not merely protested against the egoistic spirit of the prevalent doctrine, but had pointed to some of its real weaknesses as a scientific theory."²⁴ Ingram objected to the individualistic approach. He thought political economy could be criticized as not being scientific. Ruskin's influence upon Ingram was minor since Hutchison called him a "Comteist and historicist."²⁵ Ingram favored more use of the historical method in the study of economics. Marshall made more use of the historical method than some of the classical economists such as Ricardo but there is not much evidence that he was influenced by Ingram. Marshall made only two references to Ingram in his Principles.²⁶ Ingram, influenced only slightly by Ruskin, would not be regarded as a major economist in the history of

²²Richard T. Ely, Ground Under Our Feet: An Autobiography (New York, 1938).

²³Benjamin G. Rader, The Academic Mind and Reform (Lexington, 1966).

²⁴John Kells Ingram, A History of Political Economy (New York, 1893), p. 222.

²⁵Hutchison, p. 19.

²⁶Marshall, p. 732n, p. 765n.

economic thought.

Frank Knight

The writings of Knight showed some traces of Ruskin's influence. For example, in a discussion of play, Knight referred the reader to a lecture on work by Ruskin.²⁷ Already noted is Knight's approval of Ruskin's analysis of who became rich and who remains poor in a market economy. He also approved of Ruskin's analysis of value.²⁸ He thought Ruskin evaluated all values in terms of "quantity of life;" but "quantity of life" meant value to Ruskin. Therefore, when Ruskin wrote, "There is no wealth, but life;" Knight interpreted him to mean "there is no value but value."²⁹ Knight did not regard this as nonsense; he thought it needed to be emphasized, particularly to over-scientifically minded students of social problems. Even as Ruskin moved from the study of goodness and beauty in the arts because he thought the production of great art was impossible without reforming the economy, so Knight looked forward to the day when the economic problem of scarcity had been solved and the attention of mankind could be devoted to other, more important, problems.

Civilization should look forward to a day when the material product of industrial activity shall become rather its by-product, and its primary significance shall be that of a sphere for creative self-expression and the development of a higher type of individual and of human fellowship. It ought to be the first aim of economic policy to reduce the importance of economic policy in life as a whole. So it ought to be the highest objective in the study of economics

²⁷ Knight, The Ethics of Competition and Other Essays, p. 62.

²⁸ Ibid., pp. 99-100.

²⁹ Ibid., p. 100.

to hasten the day when the study and the practice of economy will recede into the background of men's thoughts, when food and shelter, and all provision for physical needs, can be taken for granted without serious thought, when "production" and "consumption" and "distribution" shall cease from troubling and pass below the threshold of consciousness and the effort and planning of the mass of mankind may be mainly devoted to problems of beauty, truth, right human relations and cultural growth.³⁰

Although Ruskin was probably not a major influence upon Knight's thought, his writings show familiarity with and approval of some of Ruskin's ideas. It is probably too early for an evaluation of Knight's contribution and influence but he has been a fairly prolific writer.

Arthur Penty

Ruskin was one of a group of writers who influenced Penty to become a critic of the industrial system.³¹ Furthermore, these writers turned Penty's attention toward the economic system prevailing during the Middle Ages. Penty was one of those who helped formulate the theory of guild socialism; he "came to the social reform movement by means of the road of John Ruskin and William Morris..."³² Penty credited Ruskin with writing "more things that are fundamentally and finally true in economics than anyone else."³³ He thought that Ruskin

³⁰ Frank H. Knight, *The Economic Organization* (Chicago, 1933), p. 3.

³¹ Edward J. Kiernan, Arthur J. Penty: His Contribution to Social Thought (Washington, 1941), p. 3.

³² Harry W. Laidler, Social-Economic Movements (New York, 1945), p. 321.

³³ Penty, p. 288.

"by keeping himself clear of class considerations provides a common ground on which all may meet."³⁴ Ruskin's influence upon Penty was one avenue by which he influenced the theory of guild socialism. In addition, Ruskin's "advocacy of a professional view of industry anticipates in part the Guild Socialism of R. H. Tawney in The Acquisitive Society."³⁵ It appears that Tawney developed his ideas independently of Ruskin since he did not cite Ruskin in the index of his book.³⁶

William Smart

Smart has been called a disciple of Ruskin.³⁷ Smart's major area of study was value theory, especially articulating the theory of value of the Austrian School. He noted and quoted Ruskin's definition of value, "partly on account of its suggestiveness, partly to show how impossible it would be to reconcile any such definition of value either with ordinary language or with economic science."³⁸ Ruskin's ideas of value can be conceptualized; therefore, they can be expressed in language and in economic terms but his concepts are not capable of objective measurement. Smart believed that sometimes,

value is so strongly a personal experience that we are tempted to think of it as purely a subjective matter, and this is particularly the case among people who

³⁴ Ibid., p. 289.

³⁵ Lippincott, p. 4.

³⁶ R. H. Tawney, The Acquisitive Society (New York, 1920).

³⁷ Fain, "Ruskin and the Orthodox Economists," p. 3.

³⁸ William Smart, An Introduction to the Theory of Value (London, 1923), p. 4n.

understand Ruskin's famous words, "There is no Wealth but Life." The different value set upon any work of art by different individuals, classes, or nations, is sufficient proof of this.³⁹

Some kinds of value are subjective; they depend upon the subjective evaluation of people. Even exchange value is at least partly subjective and price is only the objective measurement of it. Smart recognized that while the term suggests "an inherent property, value in all its forms implies a relation."⁴⁰ This appears to deny the idea of an intrinsic value of a good which is completely independent of any relation. Smart used Ruskin's term "illth" since he thought many things were aptly called illth; however, "the 'illth' is not in themselves, but in the uses men make of them."⁴¹ Although it is primarily the misuse of goods that causes them to become illth, Ruskin believed there were some things which had no power to extend life and these things could never be wealth. If these things were not produced and used, they would not be illth either, but any production or use of them would make them illth. Even though Smart can be considered a disciple of Ruskin's, his own influence in the history of economic thought has been minor.

Thorstein Veblen

Whittaker found a similarity between Ruskin and Veblen in their

³⁹Ibid., p. 4.

⁴⁰Ibid., pp. 4-5.

⁴¹Ibid., p. 95.

attacks upon objectionable social traits.⁴² They were both critics of existing economic doctrine. Furthermore, both of them went beyond the assumptions made by economists, refused to accept the things that economists take as given, and questioned the initial assumptions and premises of the economists. They objected to the idea that production for profit produced the best results for society. There were also striking differences between Ruskin and Veblen; for example, their ideas about machinery and its effects. There is not much evidence that Veblen, an independent thinker, was strongly influenced by Ruskin. However, Veblen, while a student at Carleton College, was introduced to Ruskin's writings by Ellen Rolfe and "her great admiration for the idealism of Ruskin had its effect upon him."⁴³ However, any influence of Ruskin upon Veblen was probably not significant.

Phillip Wicksteed

One of the English economists who was less influential because of the overpowering influence of Marshall was Wicksteed. In addition, he was an ordained minister and not a practicing professional economist. Thus he was not fully appreciated during his lifetime as a contributor to the development of economics. Wicksteed, while much influenced by the teachings of Ruskin, has been called a disciple of Jevons so it appears he was more influenced by Jevons than Ruskin.⁴⁴ His writings

⁴²Edmund Whittaker, A History of Economic Ideas (New York, 1940), pp. 130-131.

⁴³Joseph Dorfman, Thorstein Veblen and His America (New York, 1934), p. 35.

⁴⁴Hutchison, p. 95.

contain some protest against the teachings of Ricardo and some tendencies towards socialism.

Ruskin's Influence Upon Economic Analysis

Ruskin's writings on economics received notable recognition from a group of economists when, after recovering from a serious illness in 1885, he was presented with an address that assessed his writings on political economy.

Those of who have made a special study of economic and social questions desire to convey to you their deep sense of the value of your work in these subjects, pre-eminently in its enforcement of the doctrines:--

That Political Economy can furnish sound laws of national life and work only when it respects the dignity and moral destiny of man.

That the wise use of wealth, in developing a complete human life, is of incomparably greater moment both to men and nations than its production or accumulation, and can alone give these any vital significance.

That honourable performance of duty is more truly just than rigid enforcement of right; and that not in competition but in helpfulness, not in self-assertion but in reverence, is to be found the power of life.

(XVII, pp. cvi-cvii)

This address was signed by the following professors and teachers of political economy: "W. J. Ashley, C. H. Barstable, H. S. Foxwell, Emile de Lavelaye, J. MacCunn, A. L. Perry, J. E. Symes, and F. A. Walker" (XVII, p. cvii). Ashley, Foxwell and Walker are the most well-known of these signers since they are given more recognition in histories of economic thought; however, they would not be considered major or significant figures in the development of economic thought. Traditional works in economic thought do not consider Ruskin's influence upon them significant enough to mention.

The relationship between Ruskin and certain selected economists has been presented and his influence upon these economists has been

estimated. Hobson, the economist most influenced by him, thought Ruskin had reformed political economy. Most of the other mentioned economists approved, to some extent, parts of Ruskin's teachings. Some of the things that Ruskin criticized have been changed. For example, economists developed the theory of individual choice and demand, giving more attention to the problems of consumption. It would be generally agreed that the demand for goods causes a derived demand for labor. The wages fund theory is no longer accepted as determining the wages of labor. The definition of terms has become more precise and there is greater common agreement on what terms like demand and supply mean. However, just because these changes followed Ruskin's criticism does not prove his criticism caused the changes. The changes could have been caused by other influences; Ruskin's influence in these changes could be relatively minor. Ruskin's influence in the positive reconstruction of political economy was probably less important than his criticism. Spengler concluded, and probably rightly so, that the dissatisfaction of social critics, like Ruskin, "did not affect the content of economic analysis as did the historical, institutional, and Marxian critics of received political economy."⁴⁵ Although Hobson tried to develop and use Ruskin's human standard of value, orthodox economists continue to use a monetary measure of value. Although available evidence does not appear to refute the hypothesis that Ruskin exerted little or no influence upon economic analysis, a somewhat different opinion was expressed in 1936 when Beard wrote,

⁴⁵ Joseph J. Spengler, "Exogenous and Endogenous Influences in the Formation of Post-1870 Economic Thought: A Sociology of Knowledge Approach," Events, Ideology, and Economic Theory, ed. Robert V. Eagly (Detroit, 1968), p. 182.

...the economics taught in the official colleges of Oxford University today is nearer to the economics taught at Ruskin Hall in 1899 than it is to the official economics of that year.⁴⁶

Unto this Last was the inspiration for the formation of Ruskin Hall.

Clement Attlee

Some individuals, because of their own importance, although not economists, are included in this study. One of these is Attlee who, in a paragraph explaining how he became a socialist, wrote: "My brother Tom was an architect and a great reader of Ruskin and Morris. I too admired these great men and began to understand their social gospel."⁴⁷ It is evident that Attlee believed one of the major influences in his conversion to socialism was the writings of Ruskin and Morris. Attlee went on to become leader of the Labour Party and Prime Minister of England following World War II.

M. K. Gandhi

Gandhi, crediting Ruskin's influence, wrote that when he started reading Unto this Last, he was so fascinated that he could not set the book aside until he had finished reading it; furthermore, he resolved to change his life in accordance with the ideals of the book.⁴⁸ In fact he was so impressed by the book that he translated it, making it available to his countrymen. Gandhi understood Ruskin's teachings to

⁴⁶Charles A. Beard, "Ruskin and the Babble of Tongues," The New Republic, LXXXVII (1936), p. 372.

⁴⁷C. R. Attlee, As It Happened (New York, 1954), p. 31.

⁴⁸M. K. Gandhi, Gandhi's Autobiography, tr. Mahadev Desai (Washington, 1948), p. 364.

be:

- (1) That the good of the individual is contained in the good of all.
- (2) That a lawyer's work has the same value as the barber's, inasmuch as all have the same right of earning their livelihood from their work.
- (3) That a life of labour, i.e., the life of the tiller of⁴⁹ the soil and the handicraftsman, is the life worth living.

Gandhi responded so strongly to Ruskin's ideals because they reflected his own principles. It was as though Ruskin's book caused Gandhi to discover and develop his own deepest convictions. Therefore, it appears that Ruskin's influence upon Gandhi was mainly that of drawing out and reenforcing Gandhi's own beliefs. While the influence of Gandhi is beyond the scope of this study, his activity was important in the history of India and of the world.

Patrick Geddes

Curtin believed there were three men--Geddes, Morris and Hobson-- who stood out both for the distinction of their own work and for the extent of their debt to Ruskin.⁵⁰ These men were more than followers of Ruskin, selecting ideas from his writings, amplifying his concepts, making new applications of his ideas and avoiding some of his faults. Geddes echoed many of Ruskin's specific indictments of industrialized society: the increasing ugliness of the environment, the mechanical

⁴⁹ Ibid., p. 365.

⁵⁰ Frank Daniel Curtin, "Aesthetics in English Social Reform: Ruskin and His Followers," Nineteenth-Century Studies, ed. Herbert Davis, William C. DeVane and R. C. Bald (Ithaca, New York, 1940), p. 214.

monotony of factory work and the degradation of nineteenth century art.⁵¹ Ruskin's ideas about the control of marriages by the state provided a foundation for Geddes's ideas about birth control; while his ideas and his initiation of slum improvement projects were the inspiration for Geddes's work in city planning.⁵² Geddes had an extremely varied career as a natural scientist in biology and botany, as a sociologist and as a town-planner.

William Morris

Morris was greatly influenced by Ruskin's ideas. "The humanistic ideal of Morris's Socialism, that aspect of his doctrine which is one of its distinctive features, is a Ruskinian ideal."⁵³ Both Ruskin and Morris attacked the ugliness of society, opposed the degradation of workers and thought workers should take pleasure in their work.⁵⁴ Curtin thought G. D. H. Cole was converted to socialism as a result of reading the writings of Morris.⁵⁵ Morris was one of the founders and leaders of the Socialist League in Great Britain.⁵⁶ Cole indicated that

Ruskin's influence on Morris's thinking was profound. Unto this Last (1862) had proclaimed the equalitarian

⁵¹ Ibid., pp. 233-234.

⁵² Ibid., pp. 235-236.

⁵³ Ibid., p. 218.

⁵⁴ Ibid., pp. 219-221.

⁵⁵ Ibid., p. 226.

⁵⁶ G. D. H. Cole, Socialist Thought, Marxism and Anarchism 1850-1890 (London, 1954), p. 414.

part of Morris's gospel, in opposition to the egoism of current economic doctrines...."⁵⁷

E. P. Thompson reaffirmed the influence of Ruskin upon Morris. "To the end of his life, Morris looked back to Ruskin with gratitude. Ruskin was the 'Master'...."⁵⁸ Thompson asserted that Ruskin's writings "gave Morris a theory of art and society which was to influence all his later thoughts."⁵⁹ Morris's daughter credited Ruskin with influencing her father.

Following in the steps of his friend and master, whose "Unto this Last" and "The Political Economy of Art" were books deeply admired by him as direct and eloquent statements of the condition of Art and Labour in the century, he was speaking in 1877-78 almost alone from his point of view on the questions that occupied his mind.⁶⁰

Morris wrote extensively and was active in socialist movements in Great Britain.

George Bernard Shaw

Another artist who was familiar with and apparently influenced by the writings of Ruskin was Shaw, a major writer of the twentieth century. Shaw wrote extensively, was widely read, and his plays were produced and seen by large numbers of people. Therefore, he had considerable opportunity to influence public opinion and policy in Great Britain and the English-speaking world. In one of his books,

⁵⁷ Ibid., pp. 420-421.

⁵⁸ E. P. Thompson, William Morris: Romantic to Revolutionary (New York, 1961), p. 62.

⁵⁹ Ibid., p. 63.

⁶⁰ William Morris, The Collected Works of William Morris with Introductions by His Daughter May Morris (New York, 1966), vol. 16, pp. xvij-xviiij.

Shaw made many specific references to Ruskin's ideas, more than to traditional economists; furthermore, most of these references were to approve of Ruskin's teachings. For example, Shaw wrote "the pure milk of the true economic gospel is to be found in the scriptures of Ruskin...."⁶¹

The Influence of Ruskin Upon Thought
and Policy in Great Britain

Although it has been suggested that Ruskin exerted little influence upon economists and even less upon economic analysis, some writers have concluded that he had considerable influence upon thought and policy in Great Britain. Most of these assessments of Ruskin's influence have been made by noneconomists; however, these judgments provide the foundation of the last part of this chapter. If, as seems probable, he exerted more influence upon thought and policy than the professional economists of his time, this is a reason why economists should devote more time to the study of Ruskin's ideas and his influence.

Noneconomists who have studied Ruskin and his writings usually rank him highly as a critic of the economic system of his time. For example, David Larg believed that Ruskin "is still the most utter and damning critic of industrialization by virtue of this second phase of his life."⁶² In agreement with this assessment was John Rosenberg, who

⁶¹George Bernard Shaw, Everybody's Political What's What (New York, 1944), p. 96.

⁶²David Larg, John Ruskin (New York, 1933), p. 75.

thought Ruskin wrote "the most personal and potent of all critiques of nineteenth-century capitalism."⁶³ The judgment of Lippincott, perhaps more discriminating, was that

Ruskin probed the economic and intellectual foundations of the industrial system that made possible the Victorian age with more acuteness than any writer in the century save Marx.⁶⁴

Since Ruskin thought labor created all produced value, he criticized capitalism for its distribution of income; he thought property owners exploited labor and appropriated part of labor's output. He also criticized the wastefulness or inefficiency of the economic system. This inefficiency was caused by replacing the true function of economic units--excellence of work--by the profit motive. Ruskin thought the profit motive caused poor workmanship, the production of useless goods, greed and dishonesty, and the degradation of workers through the division of labor. Lippincott's further judgment was that "Ruskin analyzed both the moral and the social effects of capitalism with far greater precision than any other writer...."⁶⁵ Ruskin thought political economy considered only the selfish part of man when it should consider the whole man. He believed value should be measured by a human standard, not a monetary standard. The use of a human standard would make economics more of a normative study; much of Ruskin's writings were directed at what should be. At any rate, Ruskin's criticism of the economic system and the economic theory of the system

⁶³ John D. Rosenberg, The Darkening Glass: A Portrait of Ruskin's Genius (New York, 1961), p. 108.

⁶⁴ Lippincott, p. 2.

⁶⁵ Ibid., p. 55.

appears to have much appeal, at least to those who are not economists.

It may seem that Ruskin should have influenced the Fabian Socialists. Shaw was a Fabian Socialist who approved of Ruskin's ideas. Penty, though not a collectivist, was a member of the Fabian Society.⁶⁶ The Webbs, also Fabian Socialists, were familiar with Ruskin's writings and any references to his ideas were usually with approval. However, writers on this subject agreed that Ruskin was not a major influence upon the Fabians. Pease did not include

...the writings of Ruskin, Socialist in outlook as some of them undoubtedly are, because I think that the value of his social teachings were concealed from most of us at that time by reaction against his religious mediaevalism, and indifference to his gospel of art.⁶⁷

Shaw, agreeing with Pease, concluded that Ruskin "seems to have had no effect on the Fabians. . . . Ruskin's name was hardly mentioned in the Fabian Society."⁶⁸ Shaw's explanation was that, with a few exceptions, "the Fabians were inveterate Philistines."⁶⁹ Anne Fremantle reaffirmed this conclusion about Ruskin's lack of influence on the Fabian Socialists. She thought Ruskin's writings were regarded as landmarks of Christian Socialism; however, they "had little lasting effect on British Socialist thought, and, with the exception of Wallas, none at all on the Fabians."⁷⁰ Graham Wallas was a political scientist who

⁶⁶Kiernan, p. 2.

⁶⁷Edward R. Pease, The History of the Fabian Society (New York 1963), p. 27.

⁶⁸Ibid., p. 278.

⁶⁹Ibid.

⁷⁰Anne Fremantle, This Little Band of Prophets (New York, 1960), pp. 50-51.

was influenced by Ruskin.

Even though Ruskin did not influence the Fabian Socialists, his work was one of several forces that Webb recognized as destroying the existing system in England and preparing the way for change.

The constant denunciation of the current bourgeois ideals by the "Christian Socialists;" by Carlyle and his perpetually renewed stream of enthusiastic, if temporary, disciples; by Ruskin and many of his literary and artistic supporters, as well as by the small but persistent band of "Positivists," could not fail to exert a potent disintegrating force.⁷¹

These forces prepared the way for change by their constant attack on the existing system. Barker thought "the great voices in English literature after 1848 were all raised against the 'anarchy' of laissez-faire."⁷² He believed:

...the influence of literature, pre-eminently in Carlyle and Ruskin, is directed vehemently against laissez-faire and all its works--works at once unjust in the eyes of the moralist and unlovely in the eyes of the artist. In place of the doctrine of "go-as-you-like" Carlyle and Ruskin urge the need for guidance and governance; they plead for the rule of the wise, and for the regulation and regimentation, even on military lines, of the life and action of the community.⁷³

Furthermore, not only was laissez-faire attacked by them, but "no other men of letters have exercised the influence in English politics which was exercised by Carlyle and Ruskin."⁷⁴ Barker thought that

⁷¹Sidney Webb, Socialism in England (London, 1890), p. 20.

⁷²Sir Ernest Barker, Political Thought in England 1848-1914 (2nd ed., London, 1928), p. 161.

⁷³Ibid., pp. 12-13.

⁷⁴Ibid., p. 177.

Ruskin "spread far and wide, among all classes, a feeling of distrust in the old individualistic political economy."⁷⁵ At the time "Ruskin began to write, laissez-faire was as much a political dogma, as it was an economic doctrine. His writing undermined the doctrine in both of its applications."⁷⁶ So apparently the first step in Ruskin's influence was his criticism of the existing economic system and its theoretical foundations which destroyed the confidence of the public in the system. Barker emphasized that "Carlyle and Ruskin were not Socialists but they did more to spread thoughts that prepared the way for Socialism than any other English writer."⁷⁷ Thus Barker thought, "If Ruskin was not the begetter of English Socialism, he was a foster father to many English Socialists."⁷⁸ Barker concluded that Ruskin "prepared the ground for Socialism."⁷⁹ He did not think either Carlyle or Ruskin were Socialists because they did not believe in the nationalization of land or the democratic control of economic life. Lippincott agreed with Barker: "In spite of the reactionary political remedy that Carlyle and Ruskin advocated for the ills of their time, these men fathered the socialist movement in England."⁸⁰ Pelling

⁷⁵Ibid., p. 171.

⁷⁶Ibid., p. 172.

⁷⁷Ibid., p. 178.

⁷⁸Ibid., p. 172.

⁷⁹Ibid., p. 171.

⁸⁰Lippincott, p. 2.

contended that Ruskin was a popular writer and his works "did much to encourage the growing sentiment in favour of collectivism."⁸¹ He regarded Ruskin as "the great amateur of political economy, but none the less influential for that."⁸² Pelling was convinced that many labor leaders regarded "Carlyle and Ruskin as more important in shaping their political views than any writers more fully versed in the abstractions of economic theory."⁸³ Barker referred to the fact that "the Labour members of the Parliament of 1906, many of whom were Socialists, confessed that they had found the chief literary influence of their lives in one of Ruskin's books."⁸⁴ A more complete account of this incident is given by Cook and Wedderburn.

The feature of the Election of 1905 which attracted most attention, and which seems likely to have the most marked effect upon the course of British legislation, was the accession of strength gained by the Labour Party. An inquisitive journalist issued a circular to the Labour members, inviting them to state the books which had most influenced them. The author whose name figured more frequently than any other in the lists was Ruskin, though, where a particular book is mentioned, it is Unto this Last, and not Fors Clavigera. (XVII, pp. lii-liii)

This election marked the beginning of the modern Labour Party in Great Britain since "twenty-nine independent Labourites were returned to the House of Commons...."⁸⁵ This incident is certainly one of the reasons

⁸¹Henry Pelling, The Origins of the British Labour Party 1880-1900 (London, 1954), p. 11.

⁸²Ibid.

⁸³Ibid.

⁸⁴Barker, Political Thought in England 1848-1914, p. 178.

⁸⁵Rosenberg, p. 131.

why Whitehouse concluded that "Unto this Last has had a greater influence in promoting social reform in this country than any other book."⁸⁶ Furthermore, Whitehouse thought that Ruskin, of all the great reformers of the nineteenth century, had the most influence on the social progress of England.⁸⁷ In addition to showing the way and providing spiritual leadership, Ruskin specifically urged adequate provision for the elderly as well as government responsibility to hire the unemployed. Clark thought Ruskin's writings in political economy "made him the prophet of a new social consciousness."⁸⁸ He believed "Unto this Last is one of the great prophetic books of the nineteenth century. It pierces through the smoke-screen of classical economics, and reveals true human realities."⁸⁹ Clark concluded the

...influence of Ruskin's ideas on social reforms has been immense. Most of the changes which he advocated-- free schools, free libraries, town planning, smoke-⁹⁰ less zones, green belts--are now taken for granted.

He thought the greater part of Ruskin's theories "are now the truisms of the Welfare State."⁹¹

This brief sketch, while based upon secondary sources written by noneconomists, is suggestive of Ruskin's influence upon British thought and social polity. It seems entirely probable that Ruskin's teachings

⁸⁶Whitehouse, Vindication of Ruskin, p. 51.

⁸⁷John Howard Whitehouse, "Ruskin's Influence To-Day," The Contemporary Review, CLXV (1944), p. 105.

⁸⁸Clark, p. xiii.

⁸⁹Ibid., p. 265

⁹⁰Ibid., p. 269.

⁹¹Ibid., p. 267.

came to have more influence than those of the orthodox economists of his time. Ruskin was an effective critic of the existing system and the rationale of the system. As a popular writer, his books eventually sold widely. One hundred thousand copies of Unto this Last had been sold by 1910 "and several unauthorized editions had been printed in America."⁹² Apparently, Ruskin's criticism helped prepare the way for change by undermining the existing system. While the changes did not go in the direction pointed by Ruskin, many of his ideas provided a basis for specific policies.

Summary

This chapter has traced Ruskin's influence upon certain individuals and upon thought and policy in Great Britain. The conclusions are suggestive and tentative. More study is needed to determine Ruskin's influence specifically. In general, it appears that Ruskin has not had much influence upon traditional economics. Those economists most influenced by him are, for the most part, either out of the mainstream of economic thought or else are relatively minor economists. On the other hand, it appears that his influence in British thought and policy is significant. Apparently his writings helped to bring about the change from laissez-faire to the welfare state. While his theoretical ideas have not had general acceptance, many of his plans for reform provided a foundation for specific policies for British Socialism.

⁹²Rosenberg, p. 131.

CHAPTER VIII

SUMMARY AND CONCLUSIONS

John Ruskin, noted English literary figure, wrote numerous articles, essays and letters about political economy. However, he was not a professional economist either by formal education and training or by principal occupation. Nevertheless, he believed that his forte was political economy and that he had done some of his best studying and writing on the subject.

It does not appear that economists agree with Ruskin's evaluation of his work. Generally, those books about economic thought surveyed in this study gave Ruskin little attention. He was mentioned as an influence upon Hobson's thought and was noted as a critic of the developing economic system and political economy. His positive reconstruction of political economy and his proposals for change and reform received almost no consideration. A further investigation of other literature did not show that economists have written much about Ruskin and his ideas. Most of what was written about Ruskin by economists was contemporary with him. Much of it was written by economists outside the mainstream of economic thought and was a plea for greater acceptance and use of Ruskin's ideas. It appears that, for the most part, economists have left the analysis of Ruskin's political economy to noneconomists who were not able to bring the training and skills of a professional economist to their evaluations.

Economists have ignored Ruskin because he was not considered a trained economist. He did not accept the initial premises or the basic assumptions of the classical economists so there was no common area of understanding between them. He did not have a thorough knowledge and understanding of classical economics and his own analysis dealt with different concepts and meanings. Furthermore, Ruskin's personality and life style have caused his work to be given less attention. He apparently suffered from mental illness most of his adult life; this mental instability has been used as an excuse to reject his writings. His life style, particularly his personal relations with other people, has been the object of much study that might better have been devoted to his ideas. Moreover, although Ruskin was considered a popular writer at one time, his style of writing now causes the public to ignore him. His writing contains certain characteristics and mannerisms that discourage, frustrate and put off the reader. Consequently, he is ignored by modern economists and no longer widely read by the public.

Ruskin's interest in political economy was evident in his earlier writings on art and architecture. He became convinced that great works of art and architecture could not be produced until society and the economy were changed. Therefore, he began to study and write directly about the economic system and economics for the purpose of changing them so that great art works could be produced. He became a critic of both the economic system and classical economics. He presented an incomplete but positive reconstruction of political economy. He also proposed alternatives for reforming and changing society.

In modern terms, Ruskin criticized the economic system because of its ugliness, its wastefulness and its inequitable distribution of

income. While his criticism had an intellectual and theoretical basis, it was also founded in Ruskin's moral and aesthetic values. The economic system produced ugliness instead of beauty because great works of art were no longer being produced. Industrialization was polluting the environment, destroying the beauty of nature. Man himself was degraded since acting in his own self-interest appealed to his baser instincts, selfishness and covetousness. Furthermore, man was degraded by the type of work and the division of labor associated with industrialization. Ruskin's moral and aesthetic values were offended by the developing economic system. He believed the economic system was inefficient because it was so wasteful of human lives. War was especially wasteful of human lives as it not only used labor to produce destructive goods instead of constructive goods, but it directly destroyed human life. Human lives were wasted when individuals were degraded, deteriorating rather than improving and developing to their full potentials. The economic system was inefficient when it produced "illth" rather than wealth or when useful things were abused and became "illth." Useful goods were those that extended life while harmful goods decreased life. Related to this inefficiency was the inequitable distribution of income. Ruskin thought labor created the value of produced goods but property owners were able to obtain part of the output produced by labor. He condemned the large inequalities of property ownership and income because he thought they were unjust. Further, they caused the economic system to be wasteful since luxuries for the rich were being produced before all of the poor had adequate food, clothing and housing. If Ruskin's values are accepted, then his criticisms are still applicable today and perhaps even more justified

because with higher levels of income, economic systems could do more about the problems of ugliness, wastefulness, and an inequitable distribution of income.

Since Ruskin thought classical economics not only accepted the economic system but also condoned and supported it, he was violently critical of the existing orthodox economic theory. He did not believe classical economics was a science because it was contrary to the teachings of the Bible and religion; it neglected consumption; it started with an incorrect assumption about the nature of man; and it did not define terms. He objected to classical economics on both scientific and moral grounds. His criticism was a mixture. It was not always fair because it should have been directed at the corrupted and popularized versions of classical economics more than at the works of the better classical economists. Ruskin criticized the lack of definition of terms when economists had defined terms but he did not like their definitions. He selected particular concepts and phrases out of context in order to criticize them. He either did not understand or ignored the idea that economists restricted themselves to considering exchange value, not because it was the only kind of value nor even the most important kind, but because it was objectively expressed and measured by prices, and economic activity was organized around a system of prices and markets. While the doctrines of classical economics were used as a rationalization for certain economic behavior, they were more an attempt to describe and explain how man behaved in a market economy. The classical economists were attempting to construct a positive science of political economy. Yet much of Ruskin's criticisms were justified. The doctrines of classical economics were used as a rationalization for

behavior that was contrary to the teachings of religion and the Bible. Thus, its teachings appeared to be in opposition to religion and the Bible. The classical economists did not give much attention to consumption and individual consumer choice. While the "economic man" concept may have been useful, it was also a dangerously narrow oversimplification. Terms were not always well defined nor were definitions always commonly accepted.

Ruskin criticized the nature of political economy as being a science of wealth. His own discussion made political economy more a study of choice and was strongly suggestive of the fundamental problems that face every economic system. He criticized political economists for separating their discipline from the other social sciences and philosophy. He apparently understood there is a certain unity of knowledge. Even though specialization has become more pronounced, there are multidisciplinary approaches to problems, and mathematics may become a common language by which the social sciences can be unified. Ruskin not only thought the whole man must be studied but that society has an organic unity and must be studied as a whole. General equilibrium analysis and macroeconomics are ways of attempting the study of the whole economy. While some of Ruskin's criticisms of economic theory would appear to be still valid today, they are not as valid as they were in his own time because of the changes in economic theory that have taken place.

Ruskin's reconstruction of political economy contained some ideas and suggestions that could have been useful at the time if they had been adopted and developed into traditional economic theory. His ideas about man's nature being affectionate and motivated by social

affections could have been used to broaden the "economic man" concept-- to show that man does not always act in his own self-interest for material gain but that he may be motivated by other factors and take nonmaterial and nonpecuniary factors into consideration in making decisions. As noted, Ruskin's discussion of the nature of political economy would have moved it from being a science of wealth to a study of alternative choices. His analysis of the role of economists provided a basis for economic policy since economists were to manage the economy. Ruskin's analysis of utility and value emphasized usefulness and contained the idea of diminishing marginal utility although it was not well developed. His comments about wealth involved the idea of human wealth and investment in human capital. His concept of a national store could have been developed into the idea of measuring the stock of nonhuman capital goods. His investigation of money and currency emphasized the power of money to claim goods and labor services and thus direct the economy when spent. He included hoarding as one of the ways that saving could have taken place and this idea was suggestive of later theoretical development. His analysis of price, while not specifically using the terms, was that price was determined by both supply and demand factors and he did not emphasize either one to the neglect of the other. His comments about supply and demand showed that the "law" of supply and demand was not well understood and there was not common agreement on the terms. Ruskin's remarks about exchange and commerce were suggestive of the idea that individual economic units do not always meet on equal terms in the market place. He thought that capital goods which did not eventually produce consumer goods were not proper capital and this was suggestive of the idea that

the additional output from new capital has to be sold. His discussion of production included as a factor of production the spirit and willingness to work of the workers. This pointed out the problem of motivating workers to be efficient and productive. His comments about labor emphasized the importance of employment, at that time, in determining the character of the worker and the importance of spending in directing the economy and the activities of the individual workers. He recognized the importance of consumption spending in directing a market economy. His analysis of distributional concepts suggested that it is not enough merely to compare the total wealth of two countries but that the distribution of this wealth needed to be considered as well. While these ideas were suggestive and could have been helpful to the economic theory of Ruskin's time, they needed to be developed and adapted to existing economic theory.

Today some of the ideas that Ruskin suggested are recognized or are a part of economic theory. However, there remains one major concept that has not been developed completely and incorporated into economic theory. That is Ruskin's theory of value. His theory of value can be used as a unifying concept for his ideas about political economy. It represents an alternative to the valuation of goods and services by the price system. Its use would require the further development of methods of measurement. Ruskin's theory of value was not a theory of market value but a theory of human value. It may also be called a theory of life or vital value. Economic transactions and behavior should be measured by this concept of life value. Ruskin thought the object of political economy was to extend life, either to improve the quality of life or to increase its quantity. Consequently,

all economic behavior and transactions should be evaluated in terms of their effect upon life. He defined intrinsic value as the power of anything to support or increase life. Acceptant capacity was the ability of an individual to develop and make use of the intrinsic value. When these came together there was effectual value or the usefulness of a good to extend life. The production of a good involved labor. The cost of production was measured by the amount of labor required to make the good. However, Ruskin defined labor as the actual using up of human life in productive effort. Thus, the cost of producing a good was the decrease in life. Only a good with greater effectual value than its cost of production would extend life or be considered wealth by Ruskin. In applying this human theory of value to economic behavior and transactions, production and consumption must be considered together. Only goods and services with net Ruskinian wealth should be produced. However, to determine which goods and services contain Ruskinian wealth, it is necessary to know how much their use or consumption will extend life. Only those goods which in their use extend life more than their production uses up life should be made. Since market prices will not evaluate goods and services by this measure, it is necessary for economists to direct the output of the economy instead of leaving this to be determined by the price system. Political economy must be a study of the whole man since life includes not only the number of the population but also its quality. The national store should be evaluated in terms of its cost of production and its ability to extend life. The use of money and currency should be evaluated by their effect upon production, distribution and consumption. The use of money is desirable if costs of production or

distribution are reduced by the use of it. The use of money is also desirable if it changes consumption so that life is extended. Exchanges are beneficial to the economy if goods are placed in the hands of those individuals who can best use them and their consumption of them results in the greatest extension of life. The efficient use of resources means the production of goods and services that by their combined production and consumption result in the greatest extension of life. Resources are used less efficiently if there is less than the maximum extension of life or if the result is a decrease in life. Furthermore, any redistribution of income and property resulting in an extension of life would be desirable and beneficial in Ruskin's analysis. All economic activity should be evaluated and measured by this human standard of value to determine whether the result is an extension of life and desirable or a decrease of life and undesirable. However, as noted, the use of Ruskin's theory of value would require the development of new techniques of measurement that determine how much life is extended by consumption and how much life is used up in production. However, his discussion suggested this alternative theory of value and the use of a human standard to evaluate economic activities. Ruskin developed, in association with his theory and standard of human value, a labor theory of value. He came to believe that all produced value in goods and services was created by the labor factor of production and only labor services should receive income. In effect, he denied the net productivity or the earning of income by the other factors of production. One of the reasons for this conclusion may have been his dislike of the existing distribution of income. As part of this labor theory of produced value, a labor standard was to be used to

evaluate and measure cost and price. This labor theory of produced value is wrong because the other factors of production, the property resources, do contribute to the output of goods and services.

Ruskin made several different proposals for economic change and reform. He attempted to reform the behavior of individual economic units by moralizing and professionalizing it. Economic units were to act with justice and honesty toward each other. Further, they were to determine their function and then perform it. For example, the function of business firms was to provide for society and this should be their objective. The function of laborers was to do good work and this should be their objective. Individual economic units were also to consider the effects of their action on others in deciding what to do. This point, the responsibility of economic units in their behavior, is of current interest and controversy. Ruskin thought his teachings for individuals would elevate their character. If individuals acted with honesty and justice, he believed a more equitable distribution of income would result. If economic units were educated to buy goods that extended life and to avoid goods that decreased life, economic efficiency would be increased.

Ruskin proposed the replacement of competition by cooperation through a system of trade guilds. The trade guilds were to regulate prices and wages, establishing just wages and prices. While he believed in the private ownership of property, Ruskin thought property should be owned by the user of it. The government should regulate and prevent the abuse of property. He also proposed a standard of value based on labor or on goods. Generally, Ruskin's institutional changes were to make the distribution of income less unequal and to bring about

a more efficient use of resources in his terms. If prices and wages were regulated and if property were owned by the users of it, the distribution of income would tend to move in the direction of less inequality. If the trade guilds produced useful goods that extended life, resources would be used more efficiently. Ruskin's proposals for institutional change also touched upon some questions that remain controversial today. For example, should industries regulate themselves or should they be regulated by the government, particularly concerning standards? What is the proper distribution of property and income? Should advertising be freely permitted or should restrictions be placed upon it? What is the proper role of the government in regulating the use of property?

Ruskin proposed a large increase in government activities. He wanted the government to provide free public schools and to make education compulsory. He viewed education as a way of developing abilities and increasing productivity. His proposals represented a large increase in human investment. Presumably the economy would be more productive and efficient as individuals were trained and educated. In addition, there would be greater equality of opportunity which should lessen the inequality of distribution of income. Ruskin also urged the government to operate firms that produced goods and provided services. These government enterprises were to prevent price fluctuations, provide employment and produce goods for the poor. He particularly urged government ownership and operation of the means of public transportation since he believed competition produced undesirable results. Ruskin wanted the government to provide employment opportunities for the unemployed wanting to work and to compel those

unemployed members of the labor force not wanting to work to do so. For those unable to earn income, like the elderly, Ruskin wanted governmental income provision. He urged the government to follow conservation practices, protecting the soil and water, and he wanted the government to prohibit the pollution of the air and water. He contended the government should abolish all tariffs and use graduated income and property taxes to raise revenue for the government. Excise taxes should only be used for regulating the consumption or possession of specific items. He opposed deficit financing by the government and urged the government to repay its debts. Ruskin's proposals of government activity were to protect the environment, increase the efficiency of the economy and reduce inequality in the existing distribution of income. In his terms, it appears his proposals would have these effects.

Certain of his proposals are most timely, being about current issues. For example, what is the responsibility of the government in managing the economy? Does the government have the responsibility to provide for full employment or to hire the unemployed directly? How much government ownership and operation of public enterprises should there be? How much free public education should be provided? Should welfare recipients, if able, be required to work by the government? What is the responsibility of the government to protect the environment? Who should pay the cost of government activities? How much should taxes be used to change the existing distribution of income? Ruskin directly answered some of these questions and made general suggestions concerning the others. Even if his answers are not accepted as final solutions, his discussion may provide insights,

inspirations and points of view to the reader. Ruskin's contribution and value now depend partly on the ability of the reader to be stimulated by his reading of Ruskin's ideas and analysis.

Ruskin has probably not had a large amount of influence upon economists and economic analysis. However, he definitely influenced Hobson who attempted to develop Ruskin's human standard of value. Most other economists who have been influenced significantly by Ruskin have not been major figures in the history of economic thought. Some important noneconomists such as Morris, Gandhi, Shaw and Attlee appeared to have been significantly influenced by Ruskin. Some authors credited Ruskin and his teachings with being a major force in the discrediting of laissez-faire doctrines in Great Britain. These writers believed Ruskin helped to prepare the way for British Socialism. Furthermore, his proposals for change could well have formed a foundation for the development of the welfare state. More research is needed to determine Ruskin's influence precisely. If his influence were as great as suggested in this study, then a further study should consider why and how his teachings were so influential when he was not a professional economist. Beyond this, future study might compare Ruskin's influence upon social thought and policy in Great Britain with the influence of the major economists of the time.

John Ruskin has been called a "genius." By definition, a genius is considered one who has mental powers far beyond explanation in terms of heritage or of education. It manifests itself in exceptional originality. The professional, trained in his chosen field and respecting the training of others, may reject the genius; considering his contributions negligible, unimportant and "nonprofessional." It

appears twentieth-century economists have rendered this judgment to Ruskin. His heritage, personality, life style and "word pictures" have been studied more seriously in the twentieth century than his ideas about economic theory and social reform. Yet, this study concludes that Ruskin, in the area of economic reform, was far in advance of his time, that some of his ideas have merit in providing insights and points of view and that his ideas deserve serious study and consideration by professionals. Perhaps twentieth-century economists should seriously consider giving this nineteenth-century genius his proper place and agreeing with him, at last, that economics was his forte.

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APPENDIX A

RUSKIN IN HISTORIES OF ECONOMIC THOUGHT

I. Works with zero references to Ruskin.

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- Newman, Philip Charles. The Development of Economic Thought. New York: Prentice-Hall, 1952.

III. Works with two references to Ruskin.

- Ferguson, John M. Landmarks of Economic Thought, 2nd ed. New York: Longmans, Green, 1950.
- Haney, Lewis H. History of Economic Thought, 4th ed. New York: Macmillan, 1949.
- Schumpeter, Joseph A. History of Economic Analysis. Ed. Elizabeth B. Schumpeter. New York: Oxford University Press, 1954.
- Seligman, Ben B. Main Currents in Modern Economics: Economic Thought Since 1870. New York: Free Press of Glencoe, 1962.
- Spann, Othmar. The History of Economics. Tr. Eden and Cedar Paul. New York: W. W. Norton, 1930.

IV. Works with three references to Ruskin.

Hutchison, T. W. A Review of Economic Doctrines 1870-1929.
London: Oxford University Press, 1953.

Neff, Frank Amandus. Economic Doctrines. New York: McGraw-Hill,
1950.

Whittaker, Edmund. Schools and Streams of Economic Thought.
Chicago: Rand McNally, 1960.

V. Works with four references to Ruskin.

Homan, Paul T. Contemporary Economic Thought. New York: Harper
and Brothers, 1928.

Spiegel, Henry William, ed. The Development of Economic Thought.
New York: John Wiley and Sons, 1952.

VI. Works with seven references to Ruskin.

Gide, Charles and Charles Rist. A History of Economic Doctrines.
London: George G. Harrap, 1948.

Whittaker, Edmund. A History of Economic Ideas. New York:
Longmans, Green, 1940.

There were three authors who mentioned Ruskin once and devoted one or two paragraphs to him. Warren Catlin placed Ruskin on the edge of a group called Christian Socialists who wrote against the evils of laissez-faire materialism during the development of the factory system; he also noted Ruskin's influence upon Hobson.¹ John McConnell credited Ruskin with being the first to criticize directly the definition of wealth as being the sum total of all material things having exchange values; Ruskin called those goods with exchange values which are personally harmful or socially undesirable "illth."² Philip Newman,

¹ Warren B. Catlin, The Progress of Economics: A History of Economic Thought. (New York, 1962), pp. 118-119.

² John W. McConnell, The Basic Teachings of the Great Economists. (Philadelphia, 1943), p. 18.

giving some biographical information about Ruskin, classified him as a romanticist.³ He also indicated the influence of Ruskin upon Hobson and his criticism of the orthodox economic theory.

Five authors referred to Ruskin twice in the index of their books. Their treatment of Ruskin ranges from two sentences to a couple of paragraphs. John Ferguson, referring to Ruskin as a reformer, credited him with drawing attention to the complexity and the evils of economic life; he noted Ruskin's opposition to both the industrial order and the doctrines of its defenders.⁴ He assailed classical economics as a science of "illth" rather than of wealth. He was credited with showing the superficiality of some of the current ideas about wealth and with proposing some paternalistic measures to bring about a more just distribution of goods.⁵ Ferguson also mentioned Ruskin's influence upon Hobson.⁶ Lewis Haney indicated that Ruskin's criticism assisted in broadening the prevailing theory to include ethical factors such as the rights of organized labor in economic analysis.⁷ He also noted that Ruskin influenced Hobson.⁸ Joseph Schumpeter, in a footnote criticizing Ruskin's indictment of the government for failing to spend more money to encourage the arts, thought Ruskin did not recognize that the

³ Philip Charles Newman, The Development of Economic Thought (New York, 1952), pp. 319-320.

⁴ John M. Ferguson, Landmarks of Economic Thought (2nd ed., New York, 1950), p. 176.

⁵ Ibid., p. 196.

⁶ Ibid., p. 198.

⁷ Lewis H. Haney, History of Economic Thought (4th ed., New York, 1949), p. 862.

⁸ Ibid., p. 870.

British method of allowing people to earn incomes which they could spend on art was a way, although indirect, of encouraging development of the arts.⁹ Schumpeter, ranking Ruskin as a much less important prophet than Carlyle, dismissed him as an economist because he tried to criticize political economy without adequate preparation and mastery of the techniques and theory of political economy.¹⁰ Ben Seligman referred to Ruskin's influence upon Hobson.¹¹ He noted his furious attack upon classical economics and his positive attempts to go beyond monetary measures to human benefits and satisfactions.¹² Othmar Spann included Ruskin with the group that presents a universalist, organic and idealistic theory in opposition to the atomistic, individualistic and materialistic doctrines of the classical school.¹³ He associated Ruskin with the same trend as the German romanticist movement because of his bringing moral considerations into economics analysis, his attempting to improve human behavior and his returning to the idea of artistic handicraft industries.¹⁴

Three authors made three references each to Ruskin in the index of their books. These references varied from a single sentence to a paragraph in length. Hutchison quoted from Sir Ernest Barker's

⁹Schumpeter, History of Economic Analysis, p. 403.

¹⁰Ibid., p. 411.

¹¹Seligman, p. 222.

¹²Ibid., pp. 224-225.

¹³Othmar Spann, The History of Economics, Tr. Eden and Cedar Paul (New York, 1930), p. 11.

¹⁴Ibid., p. 209.

Political Thought in England from Herbert Spencer to the Present Day on Ruskin's influence and indicated that while there is no evidence Ruskin influenced Jevons, he did influence Hobson and Wicksteed.¹⁵ Hutchison noted some Ruskinian influence in J. B. Clark's The Philosophy of Wealth.¹⁶ He mentioned that H. J. Davenport credited Ruskin with helping to develop the problem of the "fallacy of saving."¹⁷ Frank Neff, referring to welfare economists as more social reformers than economists, gave Ruskin, with his emphasis on aesthetics and ethics, as an example.¹⁸ He also noted Ruskin's lasting influence upon Hobson who attempted to develop the ideas of Ruskin into a theoretical system.¹⁹ Neff, emphasizing Ruskin's influence upon Hobson, quoted a passage about Ruskin from Hobson.²⁰ Edmund Whittaker classified Ruskin as a romanticist in a one-sentence reference.²¹ He mentioned the attack on materialism by various writers and presented two short selections from Ruskin's writings to illustrate it.²² He also classified Ruskin as a Christian Socialist and as a critic of the economic system in England.²³

¹⁵Hutchison, p. 95.

¹⁶Ibid., p. 253.

¹⁷Ibid., p. 386.

¹⁸Frank Amandus Neff, Economic Doctrines (New York, 1950), p. 424.

¹⁹Ibid., p. 425.

²⁰Ibid., p. 427.

²¹Edmund Whittaker, Schools and Streams of Economic Thought (Chicago, 1960), p. 192.

²²Ibid., pp. 212-213.

²³Ibid., p. 214.

There were two books with four references each to Ruskin in the index, but each was one sentence in length. Pointing out that moral values differ from economic values, Henry Spiegel classified Ruskin as a moralist.²⁴ A selection in this book on Adam Smith by Paul Douglas credited the term "dismal science" to Carlyle and Ruskin.²⁵ G. D. H. Cole commented that Robert Owens called the new world of the Manchester School "evil" long before Ruskin and Carlyle did.²⁶ Spiegel also mentioned Ruskin's influence upon Hobson.²⁷ Paul Homan listed Ruskin as a humanitarian who did not believe that mankind had to submit to circumstances brought about by economic laws founded on human behavior motivated by self-interest.²⁸ He credited Ruskin's influence for the moral earnestness of the reforming wave that swept Oxford University during the 1870's.²⁹ When mentioning Hobson's biography, Homan indicated Ruskin's influence upon Hobson.³⁰ Homan also called Hobson a disciple of Ruskin in his analysis of consumption.³¹

Two of the books examined had seven references to Ruskin in the index. Charles Gide and Charles Rist, in one sentence, introduced

²⁴ Spiegel, p. 117.

²⁵ Ibid., p. 144.

²⁶ Ibid., p. 311.

²⁷ Ibid., p. 329.

²⁸ Homan, pp. 9-10.

²⁹ Ibid., pp. 289-290.

³⁰ Ibid., p. 292.

³¹ Ibid., p. 350.

Ruskin's protest against the social consequences of mass production methods while discussing Sismondi's reform projects and influences.³² Another one-sentence reference presented Fourier's phalansteres as a forerunner of the garden cities being built by disciples of Ruskin and Morris.³³ The other five references to Ruskin in the index (which is in error) were scattered over five pages. These references mentioned the title of some of Ruskin's works, grouped Ruskin with Carlyle and Tolstoy, summarized Ruskin's program of reform and compared Ruskin and Tolstoy.³⁴ Whittaker, in another book published in 1940, also referred to Ruskin seven times and gave him the most extensive attention of any book examined. He noted Ruskin's efforts to bring the ideals of righteous behavior and honor into economic theory.³⁵ He associated Ruskin with Thoreau in his attack upon orthodox economics with its emphasis upon exchange value.³⁶ "Like Thoreau, Ruskin emphasized that living, not getting rich, should be the end of human endeavor."³⁷ Two points in this position were: first, it is necessary to develop a philosophy and science of life with the science of wealth being a subordinate part of it; second, the quality of life suffers because of

³² Charles Gide and Charles Rist, A History of Economic Doctrines (London, 1948), p. 209.

³³ *Ibid.*, p. 261.

³⁴ *Ibid.*, pp. 540-544.

³⁵ Whittaker, A History of Economic Ideas, p. 118.

³⁶ *Ibid.*, p. 126.

³⁷ *Ibid.*, p. 127.

the overemphasis upon material wealth, which cannot be studied independently but only in relation to life.³⁸ Whittaker compared Ruskin and Veblen in their attacks upon objectionable social traits.³⁹ He noted Ruskin's belief that increased wealth beyond the necessities of life did not increase happiness.⁴⁰ Whittaker thought Ruskin's writings developed a philosophy of life, considering matters outside the outlines of economics as laid down by Adam Smith.⁴¹ For example, Ruskin considered other motives of human activity such as the interest of men in their work. Whittaker called Ruskin a critic of the neo-classical school because its definition of wealth was too narrow, excluding useful goods, and too broad, including injurious goods.⁴² He attributed to Ruskin the idea that a separate study of wealth was absurd since wealth means nothing except in relation to life.⁴³ He noted Ruskin's criticism that the classical economists considered only a portion of man that had no separate existence and was a meaningless entity.⁴⁴ Whittaker's treatment of Ruskin, although more extensive, concentrated on his criticism and gave little attention to his positive theory and program for change.

³⁸Ibid., pp. 127-128.

³⁹Ibid., pp. 130-131.

⁴⁰Ibid., p. 134.

⁴¹Ibid., pp. 135-136.

⁴²Ibid., p. 366.

⁴³Ibid., p. 735.

⁴⁴Ibid.

Except for the books by Gide and Rist, and by Whittaker, little attention was given to Ruskin. His influence upon Hobson received the most attention. He was considered as a critic of the economic system and of economic theory. There was little attention to his reconstruction of economic theory or his proposals for reform. Generally these books can be considered correct in their treatment of Ruskin as far as they went; however, the point is that their treatment is not very extensive. Whether Ruskin was a Christian Socialist or on the edge of that group was a minor point of difference among some of the writers. The statement that he was on the edge of that group is more accurate.

APPENDIX B

A SEARCH OF BIBLIOGRAPHIES FOR ARTICLES ABOUT RUSKIN

A group of bibliographies were examined to find articles about Ruskin, particularly by economists in the last thirty years. Bibliographies were selected on the basis of their availability. There was no attempt to be exhaustive; neither was a random sample selected.

Although it is not usually considered as indexing scholarly and learned journals, the Reader's Guide to Periodical Literature was examined by looking under "Ruskin, John" as a subject heading. The seventeen volumes covering the period from July, 1941 to February, 1970 contained fifteen articles about Ruskin. An examination of article titles and, where necessary, the article and the author, did not show any articles about the political economy of Ruskin written by economists. Any articles referring to Ruskin's political economy were written by individuals who were not economists.

An examination of the International Index (renamed the Social Studies and Humanities Index since June, 1965) for the period from April, 1940 to March, 1970 revealed sixty-five articles listed under the subject heading of "Ruskin, John." An examination of titles and, where necessary, the article, showed seven articles on some aspect of Ruskin's political economy. Three of these articles were those written by John Fain, a professor of English Literature. Moreover, there was no indication that the authors of the other four articles were

economists. Again, while articles were written about the political economy of John Ruskin, they were not written by economists.

An examination of the titles of the articles abstracted in Economic Abstracts, over the period from 1952 to 1956, published by New York University, showed no mention of Ruskin by name in the title of any article abstracted for this bibliography. Neither was there any other indication that any of these articles were about Ruskin's political economy.

An examination of The Journal of Economic Abstracts and its lineal successor, The Journal of Economic Literature, covering the period from 1963 to 1969 did not reveal any reference to Ruskin in the titles of any articles listed under history of economic thought. There was no other indication that any of the articles in the subject area of history of economic thought were about Ruskin's political economy.

The International Bibliography of Economics, covering the period from 1952 to 1968, was examined by looking under individual contributions under "History of Economic Thought." None of the titles contained any reference to Ruskin by name.

The Index of Economic Journals was examined by looking at the subclass "Individuals," under the subject "History of Economic Thought." The search was extended to cover the period from 1886 to 1967. For the period since 1940, only one of the articles by Fain was found. For the earlier period from 1886-1939, four articles about Ruskin, already noted in the body of this study, were found. Three of these articles were considered contemporary with Ruskin while the fourth examined only his views on interest.

The last bibliography examined, A Select Bibliography of Modern Economic Theory 1870-1929 compiled by Harold Batson, did not contain any articles by or directly about Ruskin.

In addition to the search of bibliographies, Microfilm Abstracts, Dissertation Abstracts and Dissertation Abstracts International, covering the period from 1938 to April, 1970 were examined. Volume 5 of Dissertation Abstracts International Retrospective Index was also examined. The method of examination involved looking under the appropriate subject areas of economics and the name "Ruskin." No dissertations about the political economy of John Ruskin written by economists were found.

The results of this search indicate that economists, while writing about individuals and their ideas, did not write much about Ruskin or his ideas. Most of the writing about Ruskin and his political economy has been done by individuals who were not trained economists.

The lack of attention devoted to Ruskin by economists may be contrasted with the number of articles about Ruskin in the MLA International Bibliography of Books and Articles on the Modern Languages and Literature. This bibliography, which is compiled annually using approximately one thousand periodicals, contains "contributions useful to scholars in the field of modern languages and literatures."¹ A selection of six volumes from the years 1957 to 1962 showed forty-four articles under "Ruskin, John" in the subject "Nineteenth Century English Literature."

¹Modern Language Association of America, 1958 MLA International Bibliography of Books and Articles on the Modern Languages and Literatures (New York, 1964), p. 68.

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