

CLASSICAL LIBERAL EXPLOITATION THEORY: A COMMENT ON PROFESSOR LIGGIO'S PAPER*

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In the popular academic mind, the doctrine of class-conflict seems to be inextricably linked to the particular Marxist version of the idea. Lip-service is often paid — especially by those eager to diminish the claims to originality of Marx and Engels — to the fact that these writers had precursors in this approach to social reality. Frequently a certain “French school,” preceding Marx and Engels and influencing their views, is alluded to, and the names Guizot, Thierry, Saint-Simon and a few others are sometimes mentioned in this connection. But what that earlier perspective consisted in, and how it might differ from the more familiar Marxist model, is rarely if ever broached. And yet this earlier view is not only more correct and faithful to socio-economic reality than the Marxist version (a point which must be assumed here, since there is no space to demonstrate it) but may well account for a discrepancy and contradiction within Marxism which has been noticed and commented upon but never explained.

When Marx says that the *bourgeoisie* is the main exploiting and parasitic class in modern society, “*bourgeoisie*” may be understood in two different ways. In England and the United States, it has tended to suggest the class of capitalists and entrepreneurs who make their living by buying and selling on the (more or less) free market. The mechanism of *this* exploitation would involve the classical Marxist conceptual apparatus of the labor theory of value, the appropriation of surplus value by the employer, and so on. On the Continent, however, the term “*bourgeoisie*” has no such necessary connection with the market: it can just as easily mean the class of “civil servants” and *rentiers* off the public debt as the class of businessmen involved in the process of social

production.¹¹ That these former classes and their allies are engaged in the systematic exploitation of society was a commonplace of 19th century social thought, somehow mysteriously lost sight of as these same classes have risen to greater prominence in the English-speaking nations. Tocqueville, for instance, in his *Recollections*, states of “the middle-class,” which historians tell us came to power in 1830 under the “*bourgeois* monarchy” of Louis Philippe: “It entrenched itself in every vacant place, prodigiously augmented the number of places and accustomed itself to live almost as much upon the Treasury as upon its own industry.”¹² Similar statements can be found in many later writers, such as Gustave Le Bon and Taine.

Now, the reader is invited to consider the following longish quotation (the description is of France in the third quarter of the 19th century):

This executive power, with its enormous bureaucracy and military organization, with its ingenious state machinery, embracing wide strata, with a host of officials numbering half a million, besides an army of another half million, this appalling parasitic body, which enmeshes the body of French society like a net and chokes all its pores, sprang up in the days of the absolute monarchy. The Legitimist monarchy and the July monarchy added nothing but a greater division of labor, growing in the same measure as the division of labor within bourgeois society created new groups of interests, and therefore new material for state administration. Every *common* interest was straightway severed from society, counterposed to it as a higher *general* interest, snatched from the activity of society's members themselves and made an object of government activity, from a bridge, a schoolhouse and the communal property of a village community to the railways, the national wealth and the national university of France.... All revolutions perfected this machine instead of smashing it. The parties that

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contended in turn for domination regarded the possession of this huge state edifice as the principal spoils of the victor...under the second Bonaparte [Napoleon III]...the state [seems] to have made itself completely independent. As against civil society, the state machine has consolidated its position...thoroughly.^[13]

This long quotation is from Marx's pamphlet, *The Eighteenth Brumaire of Louis Bonaparte*, dealing with Louis Napoleon's *coup d'état* of December, 1851. I think the contrast between the viewpoint presented here and the more customary Marxist view, of the state as a weapon to enforce extra-political, economic exploitation — of the state as merely "the executive committee of the ruling class" — is evident. And this statement by no means stands alone in the corpus of Marxism: in *The Civil War in France*, Marx touches on the same perspective, when he speaks, for instance, of the Paris Commune's aiming at restoring "to the social body all the forces hitherto absorbed by the State parasite feeding upon, and clogging the free movement of society."^[14] And Engels, in his 1891 preface to *The Civil War in France*, expresses himself in absolutely unambiguous terms:

Society had created its own organs to look after its common interests....But these organs, at whose head was the state power, had in the course of time, in pursuance of their own special interests, transformed themselves from the servants of society into the masters of society....Nowhere do "politicians" form a more separate and powerful section of the nation than precisely in North America (i.e. the United States). There, each of the two major parties which alternately succeed each other in power is itself in turn controlled by people who make a business of politics....It is in America that we see best how there takes place this process of the state power making itself independent in relation to society...we find two great gangs of political speculators, who alternately take possession of the state power and exploit it by the most corrupt means and for the most corrupt ends — the nation is powerless against these two great cartels of politicians who are ostensibly its servants, but in reality dominate and plunder it.^[15]

We may in passing take note of the beautiful irony of the fact that, unlike a libertarian analysis of the period of American history under discussion, Engels' analysis here completely ignores the massive use of state-power by segments of the capitalist class, and limits itself to the exploitative activities of those directly in control of the state apparatus. Why Engels should care to whitewash the capitalists

in this way, I really cannot say.

It seems, therefore, that there are *two* theories of the state (as well as, correspondingly, two theories of exploitation) within Marxism: there is the customarily discussed and very familiar one, of the state as the instrument of the ruling class (and the concomitant theory which locates exploitation within the production process); and there is the theory of the state which pits it against "society" and "nation" (two surprising and significant terms to find in this context in writers who were supremely conscious of the class divisions *within* society and the nation). Moreover, it would seem suggestive that it is the *second* theory that predominates in those writings of Marx which, because of their nuanced and sophisticated treatment of concrete and immediate political reality, many commentators have found to be the best expositions of the Marxist historical analysis.

Now, although it would be difficult to demonstrate, it appears highly probable that the second theory of the state (linking it with parasitism and exploitation), must surely have been influenced by the classical liberal writers. The view that exploitation of and parasitism upon society were attributes of the *non-market* classes, of the classes that stood outside of the production process, was a very widespread one in the early and middle 19th century. It is the basis of Saint-Simon's famous *Parable* (itself a residue from earlier liberal influences on that writer); it is the real meaning, it seems to me, of the celebrated typology of "military" vs "industrial" societies — a typology founded on the distinction between market and non-market forces. (This dichotomous typology was employed both by Auguste Comte and Herbert Spencer — often considered the founders of sociology — and in different terms, and earlier, by Benjamin Constant.^[16])

The degree to which one finds the concepts of classes and class-conflict used in this sense in 18th and 19th century liberalism, once one looks for it, is astonishing. To take two examples: this is clearly what Tom Paine is talking about in *The Rights of Man*, when he speaks of governments making war *in order to* increase expenditures; and what William Cobbett was getting at when

he terms gold the poor man's money, since inflation is a device utilized by certain knowledgeable and influential financial circles.

These concepts, in particular, permeate the writings of Richard Cobden and John Bright, who conceived of themselves as waging a struggle on behalf of the producing classes of Britain against the aristocracy which supported expensive government. Of the Anti-Corn Law agitation, Bright said: "I doubt that it can have any other character [than that of] . . . a war of classes. I believe this to be a movement of the commercial and industrial classes against the Lords and the great proprietors of the soil."¹⁷ The "tax-eating" vs the "tax-paying" class was a contrast which Bright especially was fond of using. Both men saw class-conflict everywhere in the Britain — and Ireland — of their time: in protectionism and monopolization of land, of course, but also in such policies as heavy taxes on newsprint, Church tithes and limitation of the franchise, and most particularly in expenditures for war-preparation and in a belligerent foreign policy and imperialism. As Bright put it:

The more you examine the matter the more you will come to the conclusion which I have arrived at, that this foreign policy, this regard for "the liberties of Europe," this care at one time for "the Protestant interests," this excessive love for the "balance of power," is neither more nor less than a gigantic system of out-door relief for the aristocracy of Great Britain.¹⁸

Later in the century, Bright identified other classes as the promoters of imperialism. In the case of the British occupation of Egypt in 1882, Bright (who resigned from the cabinet on account of it) believed that the City of London (i.e. financial interests) were at work, and, according to his biographer, "he did not think that we ought to involve ourselves in a series of wars to collect the debts of bondholders or find new lands for commercial exploitation."¹⁹ He agreed with his friend Goldwin Smith, the classical liberal historian and anti-imperialist, who wrote him that it was simply a "stock-jobbers' war."²⁰ This was long after Cobden had died, but the latter would doubtless have agreed. He once wrote: "We shall offer no excuses for so frequently resolving questions of state policy into matters of pecuniary calculation. Nearly all the revolutions and great

changes in the modern world have a financial origin."²¹ Reading passages such as these, one wonders how the contemporary social scientist — bereft of the libertarian theory of class-conflict — would have to interpret such views. The analysis would have to be that there are "unexpected Marxian elements" present even in the thought of leading liberals. Or, more probably, in view of the Manchesterites having looked askance at the influence of financial interest on government policy, there would be an analysis along the lines of "early petty-bourgeois proto-Fascism"!

In this connection we should consider the change-over of certain French liberals — such as Charles Dunoyer — from *Anglomania* to *Anglophobia*. This transformation, mentioned by Professor Liggio, is very interesting when counterposed to the Manchester school's perception of British society and British foreign policy and imperialism. Cobden and Bright were harping critics of the *status quo* in Britain and Ireland, constant naggers, especially of those who ran the foreign affairs of the country. (Bright has the great line: "What are we to say of a nation which lives under the perpetual delusion that it is about to be attacked?"²²)

Contemporary conservative *poseurs* would unquestionably agree with the founder of their breed, Benjamin Disraeli, that the men of Manchester were *simply not fun-people*. Rather, they were incessant complainers who found themselves unable just to sit back and enjoy the fantasies and tinsel-symbols of British world power (the ability to *enjoy* society as it is, a well-known American conservative publicist informs us, is a chief hallmark of the conservative mind). Cobden, Bright and their allies were on the contrary engaged in a deadly-serious, ongoing and deeply radical critique of British society and Britain's world-role. The following, for instance, is a typical example of Cobden's attitude toward that role:

The peace party...will never rouse the conscience of the people so long as they allow them to indulge the comforting delusion that they have been a peace-loving people. We have been the most combative and aggressive community that has existed since the days of the Roman dominion. Since the Revolution of 1688 we have expended more than 15 hundred millions of

money upon wars, not one of which has been upon our own shores, or in defense of our hearths and homes...^[13]

Cobden speaks of "our insatiable love of territorial aggrandizement," of the fact that "in the insolence of our might, and without waiting for the assaults of envious enemies, we have sallied forth in search of conquest or rapine, and carried bloodshed into every quarter of the globe."^[14] In a pamphlet with the really beautiful title, "How Wars Are Got Up in India," (as Paul Goodman said of Wilhelm Reich's *The Function of the Orgasm*, it is a classic even by virtue of its title alone), Cobden warns that England must make "timely atonement and reparation" and "put an end to the deeds of violence and injustice which have marked every step of our progress in India," or else face the inevitable providential "punishment for imperial crimes."^[15]

There would be those, one supposes, who would want to speak of a certain "masochism" and "self-flagellation" in these descriptions of the policies pursued by the ruling class of his own country; but that would be peculiarly out of place with such a vigorous and enormously vital personality as Richard Cobden.

(There is, incidentally, a direct line of analysis of the evils and the class-character of imperialism, running from Cobden and Bright through J. A. Hobson — who wrote an interesting exposition of Cobden's foreign policy views, *Richard Cobden: International Man* — to Lenin, who, as is well known, was heavily influenced by Hobson; and this genealogy of ideas certainly merits being closely examined by some libertarian scholar.)

Now, Hayek says somewhere that a writer's attitude towards England can be taken as highly indicative of his liberalism: if he was pro-English, it's likely that he was friendly to liberalism and the open society; if anti-English, then the reverse. But in light of the "anti-English" attitude of the Manchesterites, one would have to qualify this in an important respect: i.e. there would be a basis for "Anglophobia," grounded, not in opposition to the relative liberalism of England, but to its persisting aristocratic and imperialistic government throughout the 19th century.

Thus, I think that Professor Liggio has

performed a very valuable service in directing attention to a formative place and period of the classical liberal exploitation-theory: France during the Restoration and the July Monarchy, and particularly to the thought of Charles Comte and Dunoyer. (Of Charles Comte, a writer as knowledgeable in the history of sociology as Stanislaw Andreski has said that he is "one of the great founders of sociology, unjustly overshadowed by his namesake Auguste."^[16]) The period was one of great richness of political and sociological speculation, well reflected in the paper we have just heard. The three great currents of modern political thought — the primary colors from which virtually every political position thereafter may be composed — are already clearly delineated: conservatism and the various schools of socialism, with their frequently overlapping critiques of the emerging capitalist order, and individualist liberalism, equidistant from both of the first two. (The influence of theocratic conservatives like de Maistre on the thinking of Saint-Simon, and of the Saint-Simonians and Auguste Comte, is well known.) A number of Professor Liggio's points regarding the interconnections among these three currents are very illuminating and stimulating: in regard, for instance, to the *inner, political meaning* of Say's Law of Markets, and the significance of the facts that the Saint-Simonian "pope," *Enfantin*, supported Ricardo as against Say on this subject; or Dunoyer's attack on Saint-Simon's intellectual authoritarianism on grounds that are usually associated with Mill's *On Liberty*, which, of course, came substantially later. A few remarks are in order concerning another topic, viz., Dunoyer's argument with Benjamin Constant on the "enervating" effects of a developing and increasingly sophisticated civilization.

What is involved here in Constant's thought is a confrontation among the ideas of liberalism, romanticism and utilitarianism. Briefly, Constant's view (not exclusively, but most of the time) is this: the predominance of the commercial or industrial spirit over the military spirit or the spirit of conquest implies a relatively prosperous state of society, that is to say, a state where pleasure and creature

comforts will be augmented and more widely distributed than ever before. In fact, this is presumably the utilitarian ideal. Now, such a state will in the long run tend to militate against the free society, because the defense of freedom will frequently require sacrifices on the part of the individual, sometimes even the risk of losing one's life against an armed tyrant. But the willingness to sacrifice one's pleasures or to risk one's life for a super-individual cause is a trait associated with earlier and more primitive forms of society. Thus, there is a certain inner contradiction in the free society, which can only be compensated for by bringing into play anti-utilitarian forces, such as religious faith (this was practically a lifelong study of Constant's).^[17]

Constant's "critique" of civilization also has a non-political aspect: he tended to identify civilization with sophisticated intellectuality, with the spirit of the 18th century and the Enlightenment. This was the milieu in which he was reared, and like many intellectuals, especially those touched by Rousseau's romanticism, he was sick of it, and sick of the part of himself that reflected that spirit. It had the effect, he thought, of excluding spontaneous feelings, real warmth of affection and human closeness, substituting a shallow brilliance and perfection of outward, artificial social graces. Heroism and poetry were annihilated by Voltairian irony and skepticism, he believed, and were more likely to be found in earlier and more primitive societies — he was a great lover of ancient Greece — than in more complex ones. Tocqueville, incidentally, built on both of these notions of Constant's — the problem of the compatibility of utilitarianism and the free society, and the mediocrity of modern life — and helped to spread them.^[18] The second idea, particularly, has become very widely shared; it is, for example, the kernel of Max Weber's concept of the increasing routinization and bureaucratization of the modern world; and Irving Kristol seems to be making a reputation for himself by bringing a few of Constant's and Tocqueville's ideas somewhat up to date and presenting them to those who have never read

Democracy in America.

Lastly, Professor Liggio performs a great scholarly service by continuing to mine the rich vein of classical liberal social theory, in so many respects so disgracefully neglected by Establishment academics. Ourselves having witnessed the shabby treatment meted out to the great Mises — based on the almost universal assumption that a Galbraith, a Harold Laski or even a Walter Lippmann were more significant social philosophers — we have some idea why the Establishment should act as if Saint-Simon or Auguste Comte had infinitely more to tell us about how society works than did Charles Comte, Benjamin Constant or Jean-Baptiste Say. The kind of work represented by Professor Liggio's paper will help redress the balance.

NOTES

1. Cf. Raymond Ruyer, *Eloge de la société de consommation* (Paris: Calmann-Lévy, 1969), pp. 144–145.
2. Alexis de Tocqueville, *Recollections*, trans. Alexander Teixeira de Mattos (New York: Meridian, 1959), pp. 2–3.
3. Karl Marx and Frederick Engels, *Selected Works* (Moscow: Progress, 1968), pp. 170–171.
4. *Ibid.*, p. 293. He adds: "The [Paris] Commune [of 1871] made that catchword of bourgeois revolutions, cheap government, a reality, by destroying the two greatest sources of expenditure — the standing army and State functionalism."
5. *Ibid.*, p. 261.
6. Cf. his *De l'esprit de conquête et de l'usurpation*, in *Oeuvres*, ed. Alfred Roulin (Paris: Pléiade, 1957).
7. George Macaulay Trevelyan, *The Life of John Bright* (London: Constable, 1913), p. 141.
8. "Speech at Birmingham, 29 October 1858," in Alan Bullock and Maurice Shock, eds., *The Liberal Tradition. From Fox to Keynes* (Oxford: Oxford University Press, 1967), pp. 88–89.
9. Trevelyan, *op. cit.*, pp. 433–434.
10. *Ibid.*, p. 434.
11. *The Political Writings of Richard Cobden* (New York: Garland, 1973) I, p. 238.
12. *Loc. cit.*, p. 89.
13. *Op. cit.*, II, p. 376.
14. *Ibid.*, p. 455.
15. *Ibid.*, p. 458.
16. Stanislaw Andreski, *Parasitism and Subversion: The Case of Latin America* (New York: Schocken, 1969), pp. 12–13.
17. Cf. Ralph Raico, *The Place of Religion in the Liberal Philosophy of Constant, Tocqueville and Lord Acton* (Unpublished Ph.D. thesis, Committee on Social Thought, University of Chicago), pp. 1–68.
18. *Ibid.*, pp. 69–128, 178–183.