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CLASSICAL LIBERALISM AND THE PROBLEM OF CLASS

It is not well known that classical liberal thought has had a strong tradition within it of thinking about "class", namely the idea that one group of people live off the labor and taxes of another group of people. In this discussion David Hart explores this "other tradition" of thinking about class which can be traced back to the 17th century and which was was taken up again by ***Murray Rothbard*** *in the 1950s and 1960s in what he describes as the "Rothbardian synthesis" of classical liberal class analysis, Austrian economics, and New Left class analysis. He provides a brief survey of its history, examines some of the key concepts within this tradition, and raises some problems which contemporary scholars need to explore further, in particular the theoretical coherence and usefulness of the "Rothbardian synthesis." He is joined in the discussion by Gary Chartier, Distinguished Professor of Law and Business Ethics at La Sierra University in Riverside, California; Steve Davies, the education director at the Institute of Economic Affairs in London; Jayme Lemke, a senior research fellow and associate director of academic and student programs at the Mercatus Center at George Mason University; and the independent scholar George H. Smith.*

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by David M. Hart

Introduction

> (M)en placed in society ... are divided into two classes, *Ceux qui pillent,—et Ceux qui sont pillés* (those who pillage and those who are pillaged); and we must consider with some care what this division, the correctness of which has not been disputed, implies.
>
> The first class, *Ceux qui pillent,* are the small number. They are the ruling Few. The second class, *Ceux qui sont pillés*, are the great number. They are the subject Many.
>
> James Mill, "The State of the Nation" (1835)

When one hears the word "class" one usually thinks of Marxist-inspired social theorists, who talk about the exploitation of the "working class" by the "capitalist class," which owns the factories in which the workers labor away producing valuable goods but who do not receive the "full value" of what they create in their wages; thus they are "exploited." Or more recently, one thinks of those who rail against the "1 percent," the "wealthy elites" of "Wall Street" who own 90+% of "society's wealth" and who have "rigged the system" so they continue to receive "excessive profits" at the expense of "the rest of us." Other common understandings of class have their origins in the work of Max Weber on class and status,[1] or perhaps in the work of C. Wright Mills on power-elite theories.[2]

Max Weber

However, this initial reaction would be wrong, or, rather, incomplete, as it ignores a much older tradition of classical-liberal theories of class and exploitation which predate Marxism and which in fact partially inspired Marx in his own thinking about class, which he developed during the 1840s and 1850s. In this essay I want to briefly sketch a history of this "other tradition" of thinking about class, a classical-liberal way of thinking about class (what I will henceforth call CLCA -- or classical liberal class analysis), which emerged during the 18th, 19th, and early 20th centuries, before it was forgotten, only to be rediscovered by Murray Rothbard and his circle of friends (in particular Ralph Raico and Leonard Liggio) in the 1950s and 1960s and which has exerted a certain influence on the modern libertarian movement. I call this reworking of class analysis by Rothbard the "Rothbardian synthesis" of three traditions of thought into a new version of CLCA. His synthesis combined the following:

1. an older, classical-liberal and radical set of ideas about class and the state from authors such as La Boétie, John C. Calhoun, Frédéric Bastiat and Gustave de Molinari, Franz Oppenheimer, and Albert Jay Nock,[3] with
2. his own reworking of Austrian economic theory, which appeared in his theoretical works *Man, Economy, and State* (1962) and *Power and Market* (1970),[4] and
3. a New Left theory of class, which appeared in the 1960s (by Gabriel Kolko and William Appleman Williams, among others)[5] as part of its critique of American capitalism, foreign policy, and the war in Vietnam, appearing in a series of important essays and pamphlets Rothbard wrote during the 1960s, especially "The Anatomy of the State" (1965).[6]

Rothbard's Definition of Class and the State

I want to begin by quoting Rothbard's classic definitions of class and the state from "The Anatomy of the State":

> The great German sociologist Franz Oppenheimer pointed out that there are two mutually exclusive ways of acquiring wealth; one, the above way of production and exchange, he called the "economic means." The other way is simpler in that it does not require productivity; it is the way of seizure of another's goods or services by the use of force and violence. This is the method of one-sided confiscation, of theft of the property of others. This is the method which Oppenheimer termed "the political means" to wealth. It should be clear that the peaceful use of reason and energy in production is the "natural" path for man: the means for his survival and prosperity on this earth. It should be equally clear that the coercive, exploitative means is contrary to natural law; it is parasitic, for instead of adding to production, it subtracts from it. The "political means" siphons production off to a parasitic and destructive individual or group; and this siphoning not only subtracts from the number producing, but also lowers the producer's incentive to produce beyond his own subsistence. In the long run, the robber destroys his own subsistence by dwindling or eliminating the source of his own supply. But not only that; even in the short-run, the predator is acting contrary to his own true nature as a man.
>
> We are now in a position to answer more fully the question: what is the State? The State, in the words of Oppenheimer, is the "organization of the political means"; it is the systematization of the predatory process over a given territory. For crime, at best, is sporadic and uncertain; the parasitism is ephemeral, and the coercive, parasitic lifeline may be cut off at any time by the resistance of the victims. The State provides a legal, orderly, systematic channel for the predation of private property; it renders certain, secure, and relatively "peaceful" the lifeline of the parasitic caste in society.[7]

Franz Oppenheimer

To summarize Rothbard's view, he defines the state as "the organization of the political means of acquiring wealth" and class (or caste) as "a parasitic and destructive individual or group" which lives off this politically acquired wealth.[8]

I would argue that these ideas, or at least ones very similar to them, have been part of the classical-liberal tradition for a couple of centuries and have been largely forgotten or ignored by social theorists. They need to be better understood and appreciated, and closely examined to see if they can enrich our present understanding of the nature of class and the state.

A Brief Survey of the Other Tradition

This long but relatively unknown other tradition is quite diverse, but the variations have a number of features in common depending upon the sophistication of the economic theories that the relevant thinkers had to work with and the actual types of class society they lived in and were trying to understand. These common features include the following three key ideas:

(1) that societies can be divided into two antagonistic groups, most simply put as "the people" vs. their "rulers," with the defining feature being who has access to political (i.e., coercive) power within a given society. The latter has been variously termed:

1. "the single tyrant" and his "favorites" and "petty chiefs" (La Boétie)
2. "the ruling few" (Bentham, James Mill, Spencer)
3. "the sinister interests" (Bentham, Mill)
4. "the oligarchy" (Knox, Wade, Bastiat, Cobden).

(2) that one of these groups, "the ruling few," "exploits" the other by taking the latter's property without its consent or by passing laws which benefit the former at the expense of the latter. These groups have been variously termed:

1. "ceux qui pillent" (those who pillage) vs "ceux qui sont pillés" (those who are pillaged) (James Mill)
2. "the plunderers" vs. "the plundered" (Bastiat),
3. "the conquerors" vs. "the conquered" (Thierry, Spencer, Oppenheimer),
4. "tax-payers" vs. "tax consumers" (Calhoun) or "tax-eaters" (Cobbett) or "the budget eaters" (Molinari) or the "caterpillars" (the Levellers)
5. "the producers" vs. "the non-producers" (Turgot, Say).

(3) that societies evolve over time as technology changes and trade and production increase, resulting in new kinds of class rule and exploitation, usually evolving towards a society with greater freedom. These stages have been described variously as:

1. evolution through four stages of communal property, slavery, feudalism, commerce (Ferguson, Millar, Smith, Turgot)
2. ancient warrior and slave-based society vs. modern commercial and industrial society with a new "industrious class" (Constant, Comte, Dunoyer)
3. conquest, slavery, feudalism, then Free Cities, Communes, and the Third Estate (Thierry)
4. war, slavery, theocratic plunder, monopoly, bureaucratic plunder, free trade (Bastiat)

5. militant vs. industrial societies (Spencer)
6. the feudal state, the maritime state, the industrial state, the constitutional state (Oppenheimer).

The key period during which traditional CLCA emerged in a more coherent form was roughly the 100 years between 1750 and 1850, a period which, not incidentally, coincided with the Enlightenment in Europe and North America and the liberal revolutions which accompanied this in America and France in the 18th century and across much of Europe in 1848.

I list below eight ideological currents of thought which I believe have contributed to the formation of CLCA.[9] Although not all of them can be described as "classical liberal" (as this term had not been invented when many of these authors were writing), they were "liberal" in the sense that they had a concern with individual liberty, property rights, and limited government:

1. **The Prehistory.** I include in this group a couple of early modern and early 18th-century thinkers who made the rather crude distinction between "the people" and "the King (or Prince) and his Courtiers." I include in this group people like La Boétie, Levellers such as Richard Overton and William Walwyn, the 18th Century Commonwealthmen John Trenchard and Thomas Gordon, and the early Edmund Burke.
2. **The Anglo-Scottish Enlightenment.** Thinkers like Adam Ferguson, John Millar, David Hume, and Adam Smith developed theories about "rank" within societies and a four-stage theory of history (such as slavery, feudalism, commerce) each of which had a corresponding ruling elite which benefited from their privileged political position.[10]
3. **The French Enlightenment.** Several thinkers, especially among the Physiocrats (like Turgot), had a similar stage theory of history which was to have a profound impact on 19th-century ideas about class in both the classical-liberal as well as in the Marxist camps.
4. **Radical Individualists and Republicans.** These thinkers were influenced by the American and French revolutions and were active in England, America, and France. They developed ideas about oligarchies (both aristocratic and mercantile), the growing importance of public debt and central banks, the role of an expanded military and its elites which controlled the empire, and the opposition of established political elites to the rising lower orders who wanted to participate in politics, such as working-class men and women. The main branches of this group included Thomas Paine, Mary Wollstonecraft, William Godwin, Vicesimus Knox, William Cobbett, and Percy Shelley in England; Thomas Jefferson, John Taylor, John Calhoun, and William Leggett in America; and Jean-Baptiste Say, Benjamin Constant, Charles Comte, Charles Dunoyer, and Augustin Thierry in France. The latter I think were particularly important in the development of CLCA because of the special problem in France created by the Restoration of the monarchy and the aristocracy after 1815, the legacy of Napoleon's militarism and centralization of the state, and the rise of a centralized bureaucracy and the "place-seeking" (job-seeking) which took place within the French state.
5. **The Philosophic Radicals and the Benthamites.** The two main thinkers in this group were Jeremy Bentham and James Mill, who had a profound impact on the thinking of diverse radicals in the first half of the 19th century in England, such as John Wade and Thomas Hodgskin. Bentham's idea of the "sinister interest" of the ruling elite and Mill's contrast between the ruling few and ruled many, were particularly influential. These ideas led John Wade to write an extraordinarily detailed catalog of exactly what groups and individuals in the British ruling elite benefited from taxpayer's money.

6. **The Classical Political Economists and Their Supporters.** The English branch of the school got side-tracked by their labor theory of value and theory of rent which led others (such as Marxists and other socialists in France like Louis Blanc) to argue that employers did not pay workers the full value their labor produced and hence "exploited" them, or that the rent paid for land was unearned by the landowner. However, they (Adam Smith and David Ricardo) were strong supporters of free trade, and agitators like Richard Cobden adapted this into a class interpretation to criticize the landed oligarchy which ruled Britain and benefited from tariffs at the expense of ordinary consumers. Other topics they were interested in included the condition of the working class and women (J.S. Mill) and slavery (William Stanley Jevons). The French branch of the classical school were interested in the productive role played by the entrepreneur (Say), whom they argued was not a parasite or exploiter, the idea of the existence of an "industrial class" (Comte and Dunoyer), the importance and essential productivity of nonmaterial goods, or "services," (Say and Bastiat), the economics of slavery (Heinrich Storch and Gustave de Molinari), the continuing problem of the centralization of government power (Alexis de Tocqueville), the growth of bureaucracy and "place-seeking" (Dunoyer and Molinari), and "plunder" (Bastiat and Ambroise Clément).

7. **The Sociological School.** With the rise of sociology as separate discipline in late 19th and early 20th centuries, classical liberalism made significant contributions, such as the idea of the militant vs. industrial types of society (Herbert Spencer and Molinari), the circulation of elites (Vilfredo Pareto), "the forgotten man" (i.e., the ordinary taxpayer) and rule by a plutocracy (William Graham Sumner), status and rank (Max Weber), and overall theories about the growth of the modern state (Molinari, Gaetano Mosca, and Oppenheimer). Oppenheimer in particular is important because of his later influence on Rothbard in the 1950s and 1960s.

8. **Post-World War II Austrian School, Public Choice, and Modern Libertarian Movement.** Several streams of thought have contributed to the modern version of CLCA. During World War II Ludwig von Mises turned to a form of economic sociology with his writings on bureaucracy (1944), the total state (Nazism and Stalinism) (1944), and his general theory of interventionism (1940).[11] Yet he refused to embrace the idea of "class" preferring instead to use the older term "caste" in his writings.[12] As a postgraduate student attending Mises's seminar at New York University Rothbard played the central role in the "Rothbardian synthesis," especially the component drawn from Calhoun, Bastiat and Molinari, Oppenheimer, and Nock. (I will discuss this in more detail in a later post). Rothbard's synthesis inspired two younger scholars, Walter Grinder and John Hagel,[13] to take his ideas further with an Austrian-inspired class analysis of "state capitalism" in the mid–1970s. Another stream appeared beginning in the 1960s with the key players in the Public Choice school, James Buchanan and Gordon Tullock,[14] applying their version of free-market economics to the study of rent-seeking, the politics of bureaucracy, and "Leviathan" without adopting an explicit class interpretation. Nevertheless, their work fits in very well with CLCA. There has also been an interesting contribution by Margaret Levi in 1988, who applied a rational-choice perspective to an analysis of the state and class rule, which she appropriately called "predatory rule"; this appears to be a clear link back to mid–19th-century classical liberal theories of class.[15]

I should note before concluding this brief survey that in the mid-19th century this classical-liberal tradition of

thinking about class was taken up by Karl Marx, altered considerably, and then diverted into an entirely different theory of class. Ralph Raico[16] and Tom Palmer[17] have documented how Marx borrowed key ideas from the classical-liberal tradition but emphasized the Smithian and Ricardian errors concerning the labor theory of value and turned this into a theory of class based upon the inevitable and necessary exploitation of workers via the payment of wages by employers. It should be further noted that when Marx wrote as a journalist, such as in *The 18th Brumaire of Louis Napoleon* (1852),[18] he reverted to a more CLCA approach, but when he wrote as an economist in *Das Capital* (1859) and elsewhere he increasingly abandoned CLCA and used a more "Marxist" Ricardian approach.

Ideas and Concepts within CLCA for Modern Classical Liberals to Revisit

Given the richness of this classical-liberal tradition of thinking about class, it is not surprising that there are some ideas which modern day researchers might profitably revisit in order to deepen our understanding about the complexities of class and power. Here are a handful of them which I would like to put forward for consideration.

1. **The Circulation of Elites.** In his essay on "The Circulation of Elites" (1900) Vilfredo Pareto[19] explores the important question of how open entrenched elites are to newcomers. A common way to describe a circulation of elites taking turns to rule is John Wade's "the Ins" vs. "the Outs." In our own "democratic" societies it is assumed that the elites are open to some degree to outsiders. But is this in fact true, given the continuing importance of what school one attended (such as the preponderance of Yale and Harvard among members of the ruling elite) and the persistence of certain elite families in banking, law, and finance circles?

2. **Political and Economic Fallacies.** Both Bentham and Bastiat[20] stressed the way in which elites spread misinformation or "fallacies" (Bentham) or "sophisms" (Bastiat) to hide how elites went about getting their privileges (usually through Parliament or Congress) and to deflect criticism by the general public. How has the spread of mass communication in a democracy made this process of deception and obfuscation easier or harder for elites to achieve this? What role do "flatterers" (a term used frequently by Trenchard and Gordon), "court intellectuals," and today the mainstream press play in this process?

3. **Compiling a new Black Book of Statist Privilege.** The radical John Wade[21] compiled a very detailed list (some 850 pages) of people and groups who lived off taxpayers' money in the 1820s and 1830s -- from the Civil List of royalty, to the privileges and property owned by the Church of England, to the sinecures of the children of aristocrats, to the pensions of ex-government employees, army officers, and politicians. This book badly needs to be updated to cover the modern welfare/warfare state. Something like this was attempted by Ferdinand Lundberg on the "sixty families" who ruled America in the first part of the 20th century[22]

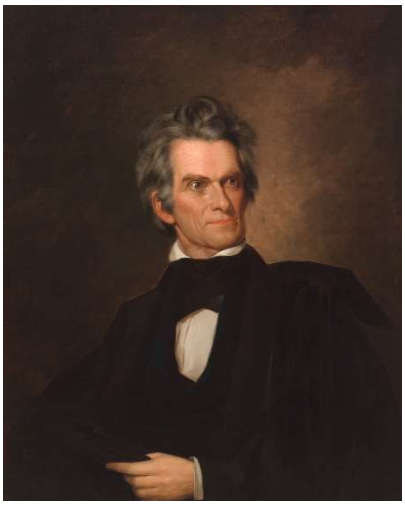
4. **Describing the Gradations of Tyrants.** Both Trenchard and Bentham were interested in the complexities within the hierarchy of those who comprised the "ruling few." They understood that it was not homogeneous but made up of many different levels with different privileges and powers. Bentham talked about "the sub-ruling few",[23] Gordon talked about a "gradation of tyrants" and "deputy tyrants"[24] who were rivals for power within the oligarchy, and La Boétie talked about a pyramid of power with the tyrant at the top and several hundred chiefs and petty chiefs below him who exploited the people. Intra-institutional rivalries and "class conflicts" have not been well studied, especially in key institutions like the military, the CIA, and the Federal Reserve.

5. **Why the Worst get on Top.** The radical minister Vicesimus Knox in his essay on "Despotism" (1795)[25] asked the same question Hayek would answer in 1944 in *The Road to Serfdom*.[26] Knox wanted to know what type of person was attracted to political (or military) power, what skills they needed to be successful, and what this kind of personality and behavior meant for a free society. The "pathology of power" has been studied in the case of dictators like Hitler, Mao, or Stalin, but their counterparts in democracies less so, such as Winston Churchill, Tony Blair, Lyndon Johnson, and Richard Nixon, and now perhaps Donald Trump.

6. **The Paper Aristocracy.** In the first decade of the 19th century William Cobbett thought that a new kind of aristocracy, a "paper aristocracy"[27] dependent of paper money, had emerged in Britain which benefited from the banking system and the government's need for loans to fund the war effort against Napoleon. The power of central banks (such as the Federal Reserve) is also highlighted by Grinder and Hagel as one of the central sources of power within the modern state, control of which is crucial for controlling all other aspects of economic life in the modern era. This sector continues to be of vital importance in the post-financial-crisis (2008) era, given the unprecedented experiments central banks are conducting with their policies of Quantitative Easing, ZIRP (zero interest rates), and negative interest rates. What groups are benefiting from these monetary experiments and who will ultimately pay for them?

Some Problems to Resolve within CLCA

Let me conclude with a few remarks about some problems within CLCA. An obvious problem to begin with is the question of why classical liberals have been so reluctant to adopt class analysis in the postwar period, which leads to the related problem of why there are so few classical-liberal sociologists, with the notable exception of people like Robert Nisbet[28] and Stanislav Andreski.[29] Perhaps like Mises they were reluctant to adopt the terminology of class because it seemed too "left wing." Yet the nature of power, how it is wielded, and how it benefits some at the expense of others should be of concern to classical-liberal theorists today as it has been for a couple of centuries.



John C. Calhoun

Another problem lies with the rather crude distinction which Calhoun developed and Rothbard took up up, namely, the idea of "net taxpayers" and "net tax-receivers." In the complex world in which we live, where the state has interpenetrated so many aspects of our lives, the distinction is not as clearcut as it might have been when Calhoun first formulated it in 1849. Since we are all forced to be tax-receivers of some kind (even if only because we walk on state-funded sidewalks and drive on state-funded roads) it is not clear that the tax-receivers have as markedly different a set of "class interests" vis-à-vis the taxpayers as Calhoun and later Rothbard imagined. Perhaps there is more of a gray zone now between the two groups, the complexities of which need to be explored further. If we are not "all Keynesians now," maybe we are all "tax-eaters" now.

A third problem concerns the organization and intent of individuals and groups that seek privileges and political "rent" from the state. Are they just disorganized one-off attempts to get benefits at the expense of one another

and the broader taxpaying public? Can they come together to organize a better way to achieve their common goals over time (and thus form a "class") or are such attempts constantly disrupted by rivalry among themselves? If they do manage to organize amongst themselves, how long does it take before they become an "institution" like a "ruling class"?

A fourth and more general problem, which Jayme Lemke has discussed in her recent and important paper,[30] is how CLCA can be reconciled with methodological individualism, which lies at the heart of modern Austrian economic theory. This question of compatibility can be extended to the other components of the "Rothbardian synthesis", namely is Rothbard's combination of classical liberal class analysis, Austrian economics, and New Left class analysis a theoretically coherent one? Does it provide us with useful tools to explain historical and political phenomena? Can (or should) the Public Choice school's insights into the "economics of politics" also be included in this synthesis?

There are other problems as well of course, but I will leave discussion of those to another time.

Endnotes

[1.] See for example Max Weber, *Sociological Writings*, ed. by Wolf Heydebrand (New York: Continuum, 1994), and Chap. XXIX "The Rational State" in *General Economic History*, trans. Frank H. Knight (1927).

[2.] C. Wright Mills, *The Power Elite* (Oxford University Press, 1956).

[3.] Full references can be found in the bibliography: Étienne de la Boétie, *Discourse of Voluntary Servitude* (1549, 1576); John C. Calhoun, *A Disquisition on Government* (1849); Franz Oppenheimer, *The State: Its History and Development viewed Sociologically* (1908); and Albert J. Nock, *Our Enemy the State* (1935).

[4.] Murray N. Rothbard, *Man, Economy and State: A Treatise on Economic Principles, with Power and Market: Government and the Economy. Second Edition. Scholar's Edition* (Auburn, AL: Ludwig von Mises Institute, 2009).

[5.] For example, Gabriel Kolko, *The Triumph of Conservatism: A Reinterpretation of American History, 1900–1916* (New York: Free Press, 1963); and William A. Williams, *The Tragedy of American Diplomacy* (New York: Delta, 1962).

[6.] Rothbard, "The Anatomy of the State" (1965) in *Egalitarianism as a Revolt against Nature and Other Essays* (Washington, DC: Libertarian Press Review, 1974), pp. 34–53. See also the 40-page Part III: The State versus Liberty in *The Ethics of Liberty* (Atlantic Highlands, NJ: Humanities Press, 1982), pp. 159–96, with short articles on "The Nature of the State," "The Inner Contradictions of the State," "The Moral Status of Relations to the State," and "Of Relations between States."

[7.] Rothbard, *Egalitarianism as a Revolt against Nature*, pp. 36–37. Quoting Chap. II "The Genesis of the State" in Franz Oppenheimer, *The State: Its History and Development viewed Sociologically, authorized translation by John M. Gitterman* (New York: B.W. Huebsch, 1922). /titles/1662#lf0315_label_032.

[8.] For a discussion of Rothbard's theory of class see David Osterfeld, "Caste and Class: The Rothbardian View of Governments and Markets," in *Man, Economy, and Liberty: Essays in Honor of Murray N. Rothbard*, ed. with an Introduction by Walter Block and Llewellyn H. Rockwell, Jr. (Auburn, AL: Ludwig von Mises Institute, 1988), pp. 283–328.

[9.] I have compiled a fairly thorough collection of texts which illustrate the classical-liberal theory of class here <davidmhart.com/liberty/ClassAnalysis/Anthology/>.

[10.] A history of the four-stage theory can be found in Ronald L. Meek, *Social Science and the Noble Savage* (Cambridge University Press, 1976).

[11.] Ludwig von Mises, *Bureaucracy,* ed. and with a Foreword by Bettina Bien Greaves (Indianapolis, IN: Liberty Fund, 2007) /titles/1891; *Interventionism: An Economic Analysis,* ed, with a Foreword by Bettina Bien Greaves (Indianapolis, IN: Liberty Fund, 2011) /titles/2394; and *Omnipotent Government: The Rise of the Total State and Total War,* ed. with a Foreword by

Bettina Bien Greaves (Indianapolis, IN: Liberty Fund, 2011) /titles/2399.

[12.] Ludwig von Mises, "The Clash of Group Interests" (1945) reprinted in *The Clash of Group Interests and Other Essays, with a Preface by Murray N. Rothbard. Occasional Paper Series #7.* (New York: The Center for Libertarian Studies, 1978), pp. 1–12.

[13.] Walter E. Grinder and John Hagel, "Toward a Theory of State Capitalism: Ultimate Decision-Making and Class Structure" (1974) in *Journal of Libertarian Studies*, vol. 1, no. 1, 1977, pp. 59–79; and John Hagel III and Walter E. Grinder, "From Laissez-Faire to Zwangswirtschaft: The Dynamics of Interventionism" (1975) reprinted in *The Dynamics of Intervention: Regulation and Redistribution in the Mixed Economy*. ed. P. Kurrild-Klitgaard. *Advances in Austrian Economics*, Volume 8, pp. 59–86 (Amsterdam: Elsevier, 2005).

[14.] See several works by Tullock in *The Selected Works of Gordon Tullock* (Indianapolis, IN: Liberty Fund, 2004–5), vol. 5. *The Rent-Seeking Society* (Liberty Fund, 2005); vol. 6. *Bureaucracy* (Liberty Fund, 2005), especially "The Politics of Bureaucracy" (1965); and vol. 8. *The Social Dilemma of Autocracy, Revolution, Coup d'Etat, and War* (Liberty Fund, 2005), especially "The Exploitative State" (1974) and "The Goals and Organizational Forms of Autocracies" (1987).

[15.] Margaet Levi, "Chap. 2 The Theory of Predatory Rule," in *Of Rule and Revenue* (Berkeley: University of California Press, 1988), pp. 10–40, first published as "A Theory of Predatory Rule," *Politics and Society*, vol. 10, no. 4, 1981, pp. 431–65.

[16.] Ralph Raico, "Classical Liberal Exploitation Theory: A Comment on Professor Liggio's Paper," *Journal of Libertarian Studies*, vol. 1, no. 3, (Summer, 1977), pp. 179–83; and Ralph Raico, "Classical Liberal Roots of the Marxist Doctrine of Classes" (1988, 1992) in *Requiem for Marx,* edited by Yuri N. Maltsev, (Auburn, AL: Ludwig von Mises Institute, 1992), pp. 189–220.

[17.] Tom G. Palmer, "Classical Liberalism, Marxism, and the Conflict of Classes: The Classical Liberal Theory of Class Conflict" in *Realizing Freedom: Libertarian Theory, History, and Practice* (Washington, DC: Cato Institute, 2009), pp. 255–75.

[18.] Karl Marx, *The 18th Brumaire of Louis Napoléon* (1852) in *Karl Marx: Surveys from Exile: Political Writings, Volume II*, David Fernbach, ed. (New York: Vintage Books, 1974).

[19.] Vilfredo Pareto, *The Rise and Fall of the Elites: An Application of Theoretical Sociology*. Introduction by Hans L. Zetterberg (Totowa, NJ: The Bedminster Press, 1968), 1st ed. 1900.

[20.] *The Book of Fallacies* (1824), in Jeremy Bentham, *The Works of Jeremy Bentham, published under the Superintendence of his Executor, John Bowring* (Edinburgh: William Tait, 1838–1843). 11 vols. Vol. 2. /titles/1921#lf0872-02_label_846; and Frédéric Bastiat, *Economic Sophisms,* trans. Arthur Goddard, introduction by Henry Hazlitt (Irvington-on-Hudson: Foundation for Economic Education, 1996) /titles/276

[21.] John Wade, *The Black Book: An Exposition of Abuses in Church and State, Courts of Law, Municipal Corporations, and Public Companies; with a Précis of the House of Commons, Past, present, and to come. A New Edition, greatly enlarged and corrected to the present time. By the Original Editor. With an Appendix* (London: Effingham Wilson, Royal Exchange, 1835).

[22.] Ferdinand Lundberg, *America's Sixty Families* (New York: Vanguard Press, 1937).

[23.] Bentham, Chap. XXIV "Special Juries" in *Principles of Judicial Procedure, with the Outlines of a Procedure Code* (1827), in Jeremy Bentham, *The Works of Jeremy Bentham, published under the Superintendence of his Executor, John Bowring* (Edinburgh: William Tait, 1838–1843). 11 vols. Vol. 2. /titles/1921#Bentham_0872-02_2360

[24.] Gordon, NO. 72. SATURDAY, APRIL 7, 1722. "In absolute Monarchies the Monarch seldom rules, but his Creatures instead of him. That Sort of Government a Gradation of Tyrants." In Thomas Gordon and John Trenchard, *Cato's Letters, or Essays on Liberty, Civil and Religious, and Other Important Subjects. Four volumes in Two, edited and annotated by Ronald Hamowy* (Indianapolis, IN: Liberty Fund, 1995). /titles/737

[25.] Knox, SECTION XXXII. "On Political Ethics; their chief Object is to throw Power into the Hands of the worst Part of Mankind, and to render Government an Institution calculated to enrich and aggrandize a few, at the expense of the Liberty, Property, and Lives of the many," in Vicesimus Knox, *The Works of Vicesimus Knox, D.D. with a Biographical Preface. In Seven Volumes* (London: J. Mawman, 1824). Vol. 5. /titles/630.

[26.] Friedrich A. Hayek, Chap. X. "Why the Worst Get on Top," in *The Road to Serfdom* (The University of Chicago Press, 1979).

[27.] Cobbett, "Paper Aristocracy" (24 Sept., 1804) in William Cobbett, *Selections from Cobbett's Political Works: being a complete abridgement of the 100 volumes which comprise the writings of "Porcupine" and the "Weekly political register." With notes, historical and explanatory. By John M. Cobbett and James P. Cobbett.* (London, Ann Cobbett, 1835). Vol. 1. /titles/2688#lf1627-01_head_113.

[28.] Of his many works see R.A. Nisbet, *The Sociological Tradition* (London: Heineman, 1970).

[29.] See for example, Stanislav Andreski, *Parasitism and Subversion: The Case of Latin America* (New York: Schocken, 1969).

[30.] Jayme S. Lemke, "An Austrian Approach to Class Structure," in *New Thinking in Austrian Political Economy. Advances in Austrian Economics,* Volume 19, (2015), pp. 167–192.

IDENTIFYING CLASSES AND METHODOLOGICAL INDIVIDUALISM

by Gary Chartier

The classical-liberal/libertarian tradition embraces a distinctive understanding of class. On this understanding, class membership is constituted not, as on Marxist and similar views, by relationships to the means of production (though these are certainly implicated in various ways), but rather by relationship to predatory power.[31] This distinctive understanding possesses substantial illuminating power, and it is a vital component of any classical-liberal or libertarian political theory. This is so because it helps to make clear that the libertarian or classical liberal understands, is sensitive to, is concerned about those deep-seated frustrations that give rise to movements like Occupy! and the Tea Party. Perhaps more importantly, it also helps to underscore the fact that the libertarian or classical liberal can offer an effective response to these frustrations that is consistent with her own political philosophy, and so is not *ad hoc*.

David Hart has performed an invaluable service over more than two decades as a prime chronicler, interpreter, transmitter, and exponent of this mode of class analysis. In his lead essay, he helpfully notes a wide variety of historical topics and contemporary issues on which our Liberty Matters conversation this month might focus. In this initial response, I want briefly to address two: the relationship between class analysis and methodological individualism, and the definition of class with reference to state-conferred benefit.

Class and Methodological Individualism

We have good reason to be methodological individualists. The methodological individualist insight is that all actions are actions undertaken by real persons, identifiable agents, who make choices in light of their own beliefs and preferences. Social phenomena may be, and ultimately can only be, explained in terms of the choices of these agents. But viewing individual agents as explanatorily irreducible needn't mean thinking away class.

There might, indeed, be a conflict between methodological individualism and class analysis if engaging in class analysis meant denying the agency of the individuals who make up classes or if it meant treating the classes as agents over and above their members. But, as far as I can see, it needn't mean either.

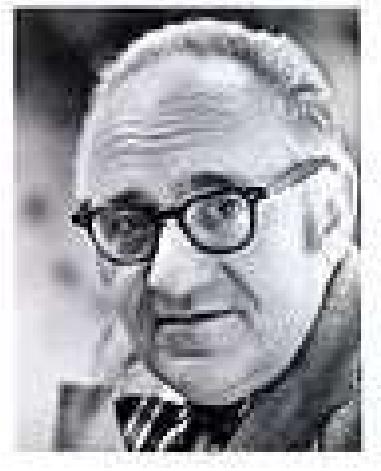
A class-analytic view simply begins with the assumption that (*i*) we can identifiable common circumstances, outlooks, and interests, (*ii*) these common circumstances, outlooks, and interests predictably influence (even if they do not determine) agents' choices, and (*iii*) it is not only

the case that the preexisting circumstances, outlooks, and interests of similarly situated agents influence all of these agents in predictable ways but also that the ongoing choices these agents make in light of these factors influence each other's attitudes and actions as well. In addition, it will sometimes also be the case that (*iv*) a subset, perhaps a quite influential subset, of a group whose members are effectively linked because of these factors may act self-consciously and deliberately in pursuit of the interests of the class (or of the interests of the subset in ways that yield spillover benefits to the group as a whole). The perception of common interests isn't necessary for people with shared characteristics to constitute a class, but of course awareness of such interests can help to constitute a class as such.

None of these characteristics depends on the denial of individual agency or on the postulation of any sort of supra-individual agency. The methodological individualist can see shared features, the influence of these features, the feedback effects exerted by actions made in light of this influence, and, sometimes, self-conscious, coordinated action by group members as fully explicable in individual terms and yet, at the same time, as usefully characterized with reference to class membership. This is so because, even though the methodological individualist understands the individual as the ultimate explanatory unit, she will have perfectly good reason to acknowledge that the language of class helps us to *see* individual reality more clearly. It provides an illuminating lens through which to organize our understanding of the roots, dynamics, and consequences of individual action.

Identifying Classes

Hart rightly notes the difficulty with analyzing class in terms of net tax consumption and similar variables. He emphasizes that we are all tax consumers in one way or another, even if some of us benefit more than others. I submit that the difficulty lies not only in the complexities associated with performing the needed computations and making the needed accounting decisions (how to allocate this or that benefit, etc.) but also in the focus of this sort of analysis, familiar though it is from such class theorists as Calhoun and Rothbard, on the *outcome* of state action.



Murray N. Rothbard

Of course, the growth of the regulatory-cum-administrative state has meant that state benefits can't all be seen in terms of cash transfers. Tariffs would have played a significant role in shifting wealth to privileged groups in the eras of Smith and Say, Bastiat and Calhoun. But today state regulations of all kinds also help to confer class position. These include everything from occupational licensing rules to building codes to institutional accreditation requirements (for entities like banks and hospitals). Artificial property rights—especially rights to "intellectual property"—are also obviously vital. And while these factors, along with straightforward subsidies and tariffs, help to shift wealth and influence to well-connected groups, they do so in complicated and subtle ways.

It's not just the multiple sources of class privilege that should be seen as relevant in constituting classes from a libertarian/classical-liberal perspective, however. Equally important is the role of those who possess or seek privilege in *influencing* or *effecting* grants of privilege. And it is this additional factor—related to the springs of state action and not merely its outcomes—that helps to distinguish the rulers and their allies on the one hand from mere beneficiaries of state action on the other.

Except in the fantasies of some naïve culture warriors, single mothers benefiting from government financial

assistance do not constitute an effective power bloc. While those who receive such assistance may, indeed, acquire more from the state than they pay in taxes, they are not members of the ruling class or closely associated with it, since in no obvious sense are they in a position to move the levers of power, nor are they, in general, seeking to do so. No doubt state actors *do* sometimes confer financial benefits on the poor and marginal to keep them pacified or to promote other benefits sought by the powerful and well-connected; and no doubt wealthy elites sometimes encourage the conferral of such benefits for this reason. But when this sort of thing occurs, it doesn't somehow make the poor and the marginal into politically efficacious actors.

It is also worth emphasizing that, while poor people may sometimes receive more in tax revenue than they pay in taxes, treating them as net consumers of state benefits will often make sense only if we ignore the multiple disabilities imposed on them by the state,[32] not to mention the "subsidy of history" effected by massive asset theft by wealthy and well-connected elites.[33] State actors and their allies have thus *both* actively dispossessed poor people (with obvious, even if not always inescapable consequences for their successors in interest) *and* shackled them with constraints that make achieving economic well-being difficult. When these factors are taken into account, it is much less clear that many poor people, even if they do receive state-conferred benefits, qualify as net beneficiaries of state action.

Whether they do or not, however, I believe the active role played by elite factions and their allies in securing state benefits for themselves (and imposing regulatory and other costs on others) distinguishes these groups from the economically marginal in an important way. This distinction helps to justify referring to these groups as elements of the ruling class (or as that class's upper- and upper-middle-class associates) quite apart from the specific benefits they receive.

Class analysis remains a fruitful field of study for libertarian and classical-liberal historians, philosophers, lawyers, economists, and sociologists. This is so even if they are, rightly, committed to methodological individualism: class analysis is quite compatible with methodologically individualist assumptions. And it is also quite compatible with acknowledging that the dominant classes are defined not only by their immediate receipt of cash transfers from the state but also by their active and effective role in securing state benefits.

Endnotes

[31.] In practical terms today this will mean, in general, relationship to the state. But it need not in the abstract. Organized *Mafiosi*, for instance, might play a similar role in some contexts.

[32.] See Charles Johnson, "Scratching By: How Government Creates Poverty As We Know It," *The Freeman*, December 2007, <https://fee.org/articles/scratching-by-how-government-creates-poverty-as-we-know-it/>, and Gary Chartier, "Government Is No Friend of the Poor," *The Freeman*, January 2012, <https://fee.org/articles/government-is-no-friend-of-the-poor/>.

[33.] See Kevin A. Carson, "The Subsidy of History," *The Freeman*, June 2008, <https://fee.org/articles/the-subsidy-of-history/>.

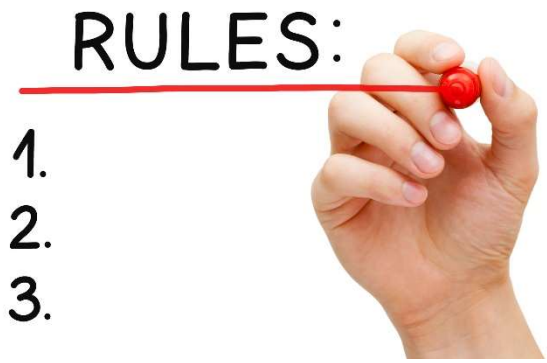
CLASS STRUCTURES AS COMPLEX SYSTEMS

by Jayme Lemke

David Hart provides an excellent introduction to the concept of class in classical-liberal thought. I would like to begin by highlighting two related points from his synopsis. First, distinctions between groups or classes of people have historically been recognized as important within the classical-liberal tradition. Second, most of the attention has been directed towards the divide between the political haves—those who have disproportionate access to the use of the state's monopoly on violence—and the political have-nots. As Hart puts it in describing the first of his three ideas common to different versions of classical-liberal class analysis: "societies can be divided

into two antagonistic groups, most simply put as 'the people' vs. their "rulers.'"[34]

Classical-liberal scholars have historically focused on the difference between the political haves and the political have-nots for good reason. The idea that even democratic forms of government generate privileges for those in power is and has been a great contribution of classical-liberal scholarship. Rules can create privileges that give particular individuals or types of people power over others, and although rules emerge from many sources, the strongest and most stable of these privileges are no doubt those enforced through the state's monopoly on violence. State power as such is a significant and often underappreciated source of inequality in authority and opportunity.



But what I would like to suggest in this brief essay is that, in many societies, people cannot easily be sorted into those who rule and those who are ruled.[35] Class structures are instead better conceived as complex systems in which power and privilege can vary across social groups in many different ways simultaneously. Considering class structure in this way puts the focus on rules and how they affect different groups of people rather than on particular external characteristics like race, gender, family membership, or economic status (though these could turn out to be quite important if rules do discriminate on those characteristics). Further, the classical-liberal tradition provides many valuable tools that can facilitate conceptualizing class in this way, including the focus on institutional analysis and emphasis on the significance of even effects which cannot be seen.

All rules in effect in a society—including laws, regulations, and consistently enforced social norms—have the potential to give authority to some that is denied to others. For example, a law requiring plumbers to procure a license from the state gives some individuals the authority to legally accept compensation in exchange for installing a shower while simultaneously denying others the right to do the same. Although the law will certainly have a greater impact on some *individuals* than others, it may or may not privilege a particular *group*.[36] To the extent the law applies equally to all, it is best considered a general law.[37]

Other rules are non-general, meaning that people acting in the same way are treated differently under the rule. For example, a law that prohibits women from driving means that the choice to drive is met with different consequences for them than for men. The possibility of punishment is an additional cost borne only by women that they must consider when deciding whether to pursue a course of action that involves driving. Consequently, in a society in which this rule exists and is enforced, it is likely that women will make systematically different choices from men, even with no difference in their interests or abilities.[38]

The system of rules in effect in a particular society can potentially include multiple non-general components. Class distinctions are most obvious when the same group is repeatedly singled out for differential treatment based on gender, religion, race, family name, place of birth, or some other identifiable characteristic. Think slave societies, caste-based societies, and other obviously discriminatory systems, such as those faced by women and racial and religious minorities in many different countries across the globe. These institutional systems are of great concern to most of the liberal tradition, and it would be a missed opportunity for the classical-liberal voice to be missing from that discussion.

It is also possible for the system of rules in effect in a particular society to include multiple non-general rules that do not always single out the same population. Political privileges and unequal power relationships could potentially be distributed quite widely through the population, possibly even in ways such that group

membership is not static.[39] To the extent this is true, a single system of rules can contain many different hierarchical power structures.

In a system with multiple hierarchies simultaneously in effect, it is possible for the same two people to have a different relationship to each other depending upon where and how they are interacting.[40] Consider the position of a city councilwoman. Her position gives her a privileged authority with respect to a particular set of decisions—things like which roads will be plowed first after a storm, or perhaps whether or not to levy a property tax on vehicles garaged within city limits. But the councilwoman does not have privileged authority relative to the other residents of the town in all areas of life. The members of the school board will be privileged with respect to what curriculum her children will be required to study. The chief of the police department will be privileged with respect to how strictly she will be required to obey the posted speed limit. The IRS agent who lives in the city will have to pay the vehicle tax assessed by the councilwoman, but the councilwoman will be subject to the IRS agent's authority when the accuracy of her income tax return is assessed. I leave it as a matter for further debate whether the head of the neighborhood association in which she lives, the pastor at the church she attends, and the supervisor at her day job might be considered to also have differential authority. The answer is likely a function of both one's definition of power and the specific institutional context.

Particularly in a polycentric system in which rules are created by multiple types of organizations simultaneously,[41] possibly even with multiple organizations regulating the same types of decisions, teasing out the structure of class relationships in a particular society can be quite challenging.[42] This suggests an important direction in which classical-liberal class analysis could differentiate itself from other versions of class theory. Instead of beginning analysis with the assumption of a class relationship, classical liberals can take as their first task the identification of the many different rules in effect that shape the allocation of power throughout a class structure.

This leads directly to two reasons why I think scholars working in the classical-liberal tradition are particularly well suited to study class structures. First, institutions matter, and this has always been an important part of the tradition of classical-liberal scholarship.[43] If the way to understand power and class structures in society is by first identifying the rules in effect and the ways in which those rules might privilege particular groups, then class analysis is effectively a form of institutional analysis.

Frédéric Bastiat

Second, in the words of Frédéric Bastiat:

> [FEE trans.] [A]n act, a habit, an institution, a law, gives birth not only to an effect, but to a series of effects. Of these effects, the first only is immediate; it manifests itself simultaneously with its cause -- it is seen. The others unfold in succession -- they are not seen: it is well for us, if they are foreseen. Between a good and a bad economist this constitutes the whole difference -- the one takes account of the visible effect; the other takes account both of the effects which are seen, and also of those which it is necessary to foresee.
>
> [New LF trans.] In the sphere of economics an action, a habit, an institution or a law engenders not just one effect but a series of effects. Of these effects only the first is immediate; it is revealed simultaneously with its cause, *it is seen*.

> The others merely occur successively, *they are not seen*; we are lucky if we *foresee* them. The entire difference between a bad and a good Economist is apparent here. A bad one relies on the *visible* effect while the good one takes account both of the effect one can *see* and of those one must *foresee*. [44]

Bastiat's message about the importance of unseen and second-order effects may be the most valuable insight classical-liberal scholars could bring to the study of class structures. The non-general rules that create differential powers and privileges don't just have the immediate effect of systematically distorting the costs of action along group lines. The group divisions they create will continue to have consequences, potentially very far into the future. For instance, what are the long-term ramifications of historical non-general rules such as the Jim Crow laws, or the Progressive Era decisions by the Supreme Court that upheld the constitutionality of gender-specific legislation? What are the likely effects of new non-general policies being considered today, such as proposals to limit the international mobility of particular groups according to their nationality or religion?

Class analysis can be a way to bring important classical-liberal insights about society and the nature of power to discussions about the long-term impacts of discriminatory laws. This is not only important for understanding history, but also because of Bastiat's admonition that it would be "well for us" if these long-term consequences could be foreseen. [45] We may not be able to rectify the damages of class divisions created in the past, but it may be possible to avoid causing further damage if we can avoid perpetuating systems that differentially advantage particular groups at the expense of others.

Endnotes

[34.] David Hart, "Classical Liberalism and the Problem of Class."

[35.] With some important exceptions, the most extreme being slave societies. In a slave society it is very easy to see who has authority and who does not, and the power relationship is strongly unidirectional.

[36.] Whether or not a definable group receives a differential advantage is an empirical question that depends on a variety of other factors, including other related regulations in effect and the history of the occupation (e.g., has a particular group been encouraged or denied the ability to work or train as plumbers in the past?).

[37.] This is the same distinction as made by, e.g., F. A. Hayek, *The Constitution of Liberty* (Chicago: University of Chicago Press, 1960), and James M. Buchanan, "Three Amendments: Responsibility, Generality, and Natural Liberty," *Cato Unbound,* December 4, 2005, <https://www.cato-unbound.org/2005/12/04/james-m-buchanan/three-amendments-responsibility-generality-natural-liberty>.

[38.] The only reason we cannot say for sure that women will choose differently is that the cost difference may be small enough that it won't result in observable changes in behavior, though that is not likely in this case. Or, there could theoretically be other discriminatory rules that either decreased the cost of driving for women or increased the cost of driving for men that would counterbalance the expected effect.

[39.] An interesting question open for analysis is to what extent privileges are likely to consolidate over time. This relates closely to Hart's call to study "the circulation of elites."

[40.] I further elaborate on this argument in Jayme S. Lemke, "An Austrian Approach to Class Structure," in eds. Christopher J. Coyne and Virgil H. Storr, *New Thinking in Austrian Political Economy,* (Bingley, UK: Emerald Group Publishing Limited, 2015), pp. 167-92.

[41.] See Vincent Ostrom, Charles M. Tiebout, and Robert Warren, "The Organization of Government in Metropolitan Areas," *American Political Science Review*, 55 (1961), pp. 831-42, for an introduction to polycentricity.

[42.] This complexity could contribute to why an individual's interests might not always align with those of

their perceived class, as discussed in James M. Buchanan and Gordon Tullock (*The Calculus of Consent: Logical Foundations of Constitutional Democracy* (Indianapolis, IN: Liberty Fund, 1999 [1962]), p. 26.

[43.] See, for example, Ronald Coase, "The New Institutional Economics," *The American Economic Review* 88 (1998), pp. 72–74, which explains the connection between new institutional economics and ideas about the functioning of economic systems which extend at least as far back as Adam Smith.

[44.] FEE trans.: Frederic Bastiat, "That Which is Seen, and That Which is Not Seen," (1850), </titles/956#lf0181_label_033>. New LF trans.: "What Is Seen and What Is Not Seen" </pages/wswns>.

[45.] Ibid.

A COMMENT ON DAVID HART'S "CLASSICAL LIBERALISM AND THE PROBLEM OF CLASS

by George H. Smith

David Hart has given us a concise and very useful overview of the classical-liberal and libertarian approach to class analysis as it has existed for several centuries. Included in his discussion are differences among classical liberals themselves in how they framed their class analyses in terms of the rulers and the ruled. I will discuss another difference in this comment.

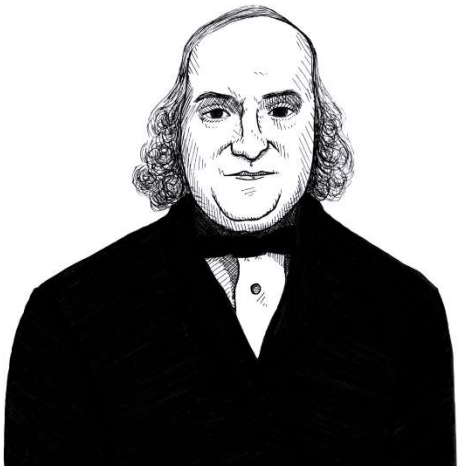
Although "classical liberal" and "libertarian" are frequently used as interchangeable labels in modern literature, there is a significant difference between these two camps in their approach to class analysis. Among classical liberals, criticisms of the ruling class were almost always directed at governments as they existed at a particular point in time. We see this in Jeremy Bentham's assault on the "sinister interests" in Britain, by which Bentham meant the landed aristocracy that passed legislation to promote its own interests (mainly economic interests) at the expense of the common good. But Bentham proposed a solution to this rule by a special class, namely, universal suffrage, which would bring about a harmony of interests between the rulers and the ruled. Bentham believed that people would never (or almost never) vote against their own interests, so a democratic system would largely solve the problem of exploitation by government.

Jeremy Bentham

In contrast to Bentham, classical liberals in the Lockean tradition appealed to some version of social-contract theory to legitimize government. The "consent" involved here, as we find in Locke himself, was typically tacit consent, not express consent. To appeal to express consent would be to render all government illegitimate, because no government could possibly meet this requirement. This is what the liberal clergyman Josiah Tucker had in mind when he claimed that "the Lockian System is an universal Demolisher of all Civil Governments, but not the Builder of any."[46] If Locke's principles "were to be executed according to the Letter, they would necessarily unhinge, and destroy every Government upon Earth."[47] This had been a basic theme among critics of social-contract theory for many years, and it would later be incorporated into Edmund Burke's *Reflections on the Revolution in France* (1790).

The point here is that most classical liberals did not view government per se as an exploitative ruling class; only

certain forms of government, such as absolute monarchies, qualified for this epithet. A limited government based on consent, which was commonly envisioned as existing in a "republican" form, would be vulnerable (like all governments) to the abuse of power, but the institution itself was not regarded by classical liberals as *inherently* exploitative. Indeed, the social-contract model was frequently used to justify a minimal amount of taxation. In exchange for the protection afforded by a just government, citizens had tacitly agreed to surrender a certain amount of their alienable property in exchange for that service.



Thomas Hodgskin

Only among the *radical* liberals, or libertarians—those who rejected the social-contract model--do we find the argument that government is *inherently* invasive and predatory. This was the position, for example, of the important libertarian theorist Thomas Hodgskin, who worked as the senior editor of *The Economist* for a number of years during the 1840s and 1850s.

Hodgskin categorically rejected the Benthamite formula of "the greatest happiness of the greatest number" as a meaningless guide to legislation, owing to the impossibility of interpersonal utility comparisons. Thus: "If the greatest happiness principle, be the only one that justifies lawmaking, and if that principle be suitable only to Omniscience—man, having no means of measuring it, there can be no justification of all Mr. Bentham's nicely adapted contrivances, which he calls civil and penal laws."[48]

Hodgskin's analysis of legislation anticipates the modern economic school known as "public choice theory," which seeks to understand political behavior as stemming from the pursuit of self-interest by those in government. As he put it: "Let us look closer at who is the legislator, and what is his object in making laws." Just as Adam Smith had posited self-interest as an explanatory principle in economics, so Hodgskin extended this method to the realm of politics. The impulse of self-interest, in politics as in economics, is everywhere operative. It is naïve to suppose that lawmakers do not act from the same motives as other men. Although the law is often defended as necessary to maintain property rights, in fact it is designed to enable those in government to maintain their power:

> When we inquire, casting aside all theories and suppositions, into the end kept in view by legislators, or examine any existing laws, we find that the first and chief object proposed is to preserve the unconstrained dominion of law over the minds and bodies of mankind. It may be simplicity in me, but I protest that I see no anxiety to preserve the natural right of property but a great deal to enforce obedience to the legislator. No misery indeed is deemed too high a price to pay for his supremacy, and for the quiet submission of the people. To attain this end many individuals, and even nations, have been extirpated. Perish the people, but let the law live, has ever been the maxim of the masters of mankind. Cost what it may, we are continually told, the dominion of the law, not the natural right of property, must be upheld.[49]

Government, in Hodgskin's view, is essentially an exploitative institution; and law is the mechanism by which those in government, who produce nothing, expropriate the property of others. "Our leaders invent nothing but new taxes, and conquer nothing but the pockets of their subjects."

> Actually and in fact [laws] are intended to appropriate to the law-makers the produce of those who cultivate the soil, prepare clothing, or

> distribute what is produced among the different classes, and among different communities. Such is law.[50]

According to Hodgskin, laws are made not by those who labor to produce wealth but by those who live off the labor of others and who expropriate what they have produced. This is essentially the same view later expressed by the anarchist Murray Rothbard. As David Hart notes, Rothbard was influenced by the writings of Franz Oppenheimer and Albert J. Nock, but we should be aware of an important difference. Both Oppenheimer and Nock distinguished between a *state* and a *government* in a manner that Rothbard did not. Only states are inherently predatory, according to Oppenheimer and Nock. Governments, in contrast, may serve a legitimate purpose, such as protecting individual rights.

I may have more to say about the distinction between *state* and *government* in a later comment. For the present I wish to suggest that a true class analysis of the state is not found in the writings of most classical liberals, who typically justified government by appealing to a social contract and consent (per Locke) or by appealing to social utility (per Bentham). In these schemes government is morally neutral; it can be used for good or bad purposes, depending on who controls the reins of power, their authorization for such control, and their intentions. Only among the more radical libertarian philosophers do we find a consistent approach to class analysis in which the state (or government) plays a central role.

Endnotes

[46.] *A Treatise Concerning Civil Government* (1781), in *Josiah Tucker: A Selection from His Economic and Political Writings,* ed. Robert Schuyler (New York: Columbia University Press, 1931), 459. Online </titles/1674>.

[47.] Tucker, *A Letter to Edmund Burke*, 2d ed. (1775) in ibid., 378.

[48.] Thomas Hodgskin, *The Natural and Artificial Right of Property Contrasted* (1832; rpt. Clifton, NJ: Augustus Kelley, 1969), ii. Online </titles/323>.

[49.] Ibid., 44-45.

[50.] Ibid., 47.

FORGOTTEN BUT NOT SUPERFLUOUS

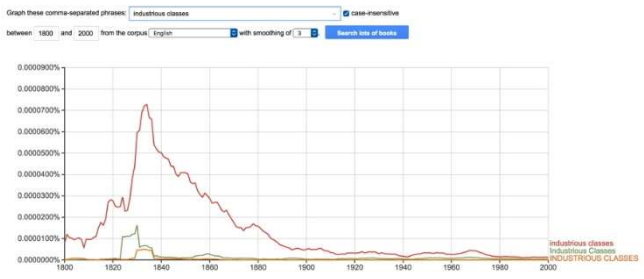
by Stephen Davies

The class theory of classical liberalism was a central but now almost forgotten part of the body of historical liberal thought. It was central to much of the analysis and argument of a whole range of thinkers, activists, and politicians, and also figured prominently in literature and overtly nonpolitical writings. Its disappearance as a central element of liberal thought is a historical puzzle, the answer to which casts light on other questions about the trajectory and fate of liberal thought and politics since the later 19th century. As David Hart indicates, its recovery and refurbishment should be a major intellectual project for classical-liberal scholars from a number of disciplines, including economics, political science, sociology, and history.

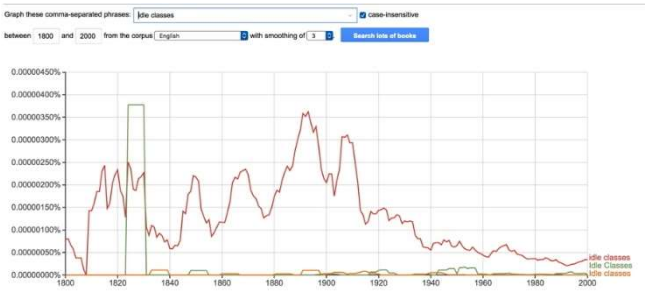
David Hart's masterful survey brings out the main features of classical-liberal class analysis (hereafter CLCA) and shows how it came to be formulated in a number of places, notably Restoration France and Regency England, and how it was closely connected to a number of other important elements of classical-liberal thinking, such as the stadial model of history. His account lists both key ideas and the various groups of thinkers who contributed to the ideas. His points however bear extending in a number of ways.

The first is that the list of thinkers he gives is, of course, nowhere near exhaustive. However, what is even more significant is the way that the concepts of CLCA were used by all kinds of people in addition to economists and other theorists. In particular it was hugely important in popular liberal politics from the middle of the 19th century onwards, in Britain and elsewhere. This was not a matter of a fringe idea or one that was popular with the unenfranchised masses but with little effect on elite politics. As Eugenio Biagini points out in his magisterial survey of popular liberalism in Britain, mainstream liberalism was a mass movement which had a set of radical ideas on many topics, including such matters as land ownership, access to credit, taxation and the national debt, and the nature of social classes. CLCA was central to this, and for many working-class liberals in particular was central to the way they thought about the world and understood society and their place in it.[51]

Nor was it simply a matter of politics. The idea that society was marked by a division between the productive classes and exploitative classes, who used the political process to enrich themselves, pervaded popular culture and can be found in literature of all kinds, but most notably self-help writings and popular didactic literature. It is found for example in the work of Samuel Smiles and Harriet Martineau.[52] It was also a prominent feature of popular fiction and journalism, as for example in the writings of George W. M. Reynolds. Very often the ideas of CLCA were not spelt out or elaborated at length but simply alluded to, normally through the use of key expressions or terms. There are constant references for example to "the industrious classes" in the central part of the century with a marked peak in the 1840s, as the Google Ngram shows.



The Ngram for the corresponding term "the idle classes" is even more striking, with a series of peaks that correspond to upsurges in popular radical liberalism.



The crucial point here is that the people who used the vocabulary of CLCA and embedded its arguments and analysis into their writings did so without elaborating it. What this shows is that the ideas were so widespread and generally known that they could be alluded to with confidence that the reader would understand the argument simply from the reference. In other words, CLCA was a pervasive and widely understood idea that was an important part of both political culture and language and popular culture more generally.

The ideas and analysis, however, were not hegemonic, in either England or France, for example, because they were also strongly contested by authors who mounted robust defenses of traditional hierarchies and divisions. The was particularly marked in the United States with the propagation in the years before and after the Civil War of what came to be known as the "mudsill" theory of society and manual labour, by authors such as Robert Lewis Dabney, James Henry Hammond, and William Harper.[53] According to this theory, it was both inevitable and good that societies were divided between a set of ruling elites and a lower class of laborers. Civilization and high culture depended on the existence of a leisured elite who rested upon the "mudsill" of uneducated workers. The relations and use of power denounced by CLCA were seen as being both necessary for a functioning society and beneficent because they made civilized living possible and maintained appropriate social relations.

What this highlights in turn is the close association between class analysis and a number of other ideas in

classical-liberal thought on both sides of the Atlantic. One of these was that of the inherent dignity and worth of all kinds of work and trade (as opposed to the traditional aristocratic view that manual work was ignoble and degrading, and trade or commerce morally suspect). This went along with a critical view of those who did not do anything productive but lived from rents and transfers (a category that included aristocrats and clergy on the one hand and paupers, people dependent on poor relief, on the other). Another was the idea of the "democratic intellect," the belief that culture and ideas should be available to anyone interested in them regardless of their occupation, with corresponding skepticism about any kind of special class of the educated (a clergy or clerisy in other words).[54]

What this means is that we cannot properly understand classical-liberal thought, politics, and culture unless we understand both the main ideas and arguments of classical-liberal class analysis and its centrality to classical liberalism. In particular it makes historical liberal thought and politics appear much less radical and subversive than it seemed to contemporaries, and indeed actually was. It also leads to an excessive focus upon economics as the core of classical-liberal thought when in fact it was only one part of it and arguably not the most significant.

Saint Augustine

This in turn leads to another area where David Hart's account can be strengthened. Looking at the survey of groups he gives and the key ideas associated with them, we can make more sense of the development of these ideas as a process if we combine these into an analytical narrative. In the first place we have ideas that have been around for a very long time, such as the notion of a divide or conflict between rulers and ruled or St. Augustine's well known remark in *City of God* that all governments were in their origins simply bands of robbers.[55] There were also thinkers such as La Boetie and the Levellers who looked at the way rulers persuaded and convinced people to obey them even when it was not in their interests to do so or at the way in which certain interests were enriched by favors and privileges at the expense of the general population. These ideas were not integrated into a general or thought-out theory, however, not least because they were typically cast in the formulae and language of moral argument rather than being connected to an empirical and theoretical account of what privilege was and how different social classes came into being and were distinguished from each other.

The second phase, which David Hart focuses on, saw the explicit creation of a theory of class conflict and the working out of its implications. This began in the later 18th century with people such as John Millar and Anne Robert Jacques Turgot, but as Hart describes, really happened in the 1820s and 1830s in both Great Britain and France. There are several aspects of that process that should be highlighted. The first of these is the way that many of the formulators, such as James Mill and the Philosophical Radicals or Charles Comte and Charles Dunoyer, were actively involved in politics. In fact the worked-out theory of CLCA was developed in and through politics, and it was in its origins a political critique or analysis. It was aimed at the monarchical and aristocratic forms of government, which had been predominant for most of human history in most parts of the world, and the whole of CLCA was essentially a project to analyze, understand, and ultimately unmask this kind of government and rule, both in the abstract and in the concrete or actual (as in the work of John Wade, for example). More specifically it was a critique of the actual form that monarchical and aristocratic government had taken in Europe during the Baroque era. In some cases, such as that of the Philosophical Radicals and before them the Physiocrats, the political program that the analysis was associated with was one of radically

reforming government to put it on a different basis, while in other cases the program was one of minimal statism or even anarchism – at least in the future. Its combination of the concrete and the general, or theoretical, meant that this was an attack upon and critique of not only specific people and policies but of the entire system of politics and government (the Thing, in William Cobbett's memorable terminology).[56]

Charles Comte

Another thing to notice was the key role played by campaigning journalists and publications, such as Reynolds, Cobbett, and Wade in Britain and Comte and Dunoyer in France. This shows how the roles of intellectual and journalist were still very close and not as distinct as they have now become; some people such as Tom Paine combined the three roles of journalist, thinker, and politician. In other words the intellectual world that produced CLCA (and other equally forgotten ideas of classical liberalism such as the "voluntary theory") was open and pluralistic and not dominated by the academy in the way that the contemporary world has become. However, although many of the formulators were indeed polemicists as well as scholars, they did not fall into the trap of producing pure and simple polemic. The intellectual content remained central.

Perhaps the most striking feature, however, is the relatively small role played by economists. The place of philosophers, historians, and early sociologists was much more important. David Hart mentions the important part played by Augustin Thierry, but we could also emphasize the contribution of early British economic historians such as James Thorold Rogers.[57] The work of people like Millar in developing a sociological as well as historical account of the origins and development of classes and ranks was also hugely important. What this means is that CLCA, as it came to be in the early to middle 19th century, was not simply an economic theory or an application of economic thinking to politics and governance. Rather it was a multidisciplinary approach that used a range of perspectives to think about the question of social divisions and their connection to power and the activity of government.

The third phase that we can identify in David Hart's account might be called the reevaluation and further-development one. This took place in the later 19th and very early 20th century, and the key figures here were definitely sociologists and political scientists, such as Vilfredo Pareto, William Graham Sumner, Gaetano Mosca, and Franz Oppenheimer. One of the major changes that can be seen in their work was the abandoning of the idea that society was evolving in the direction of less government, and therefore of reduced class divisions, and the gradual disappearance of the ruling classes (given that they owed their existence to their use of a state to capture and engross wealth and income from the productive classes). Instead there was a much more cautious or even pessimistic view in which the continued existence of government was assumed and in which the main question now became one of the nature of the ruling class and the degree to which it was open or closed, united or divided, and subject to replacement or semipermanent. This was particularly marked in the work of Pareto and Mosca but can be seen in other writers as well. The main contributions of these later theorists to the theory itself were firstly a much more sophisticated understanding of both the types of ruling class and the institutional structures that they relied on in the modern world (such as political parties), and secondly a kind of speculative historical account of the origins of government and hence of the division between ruling classes and productive classes. This last was initially articulated by Oppenheimer and can be thought of as a

way to put St. Augustine's insight mentioned above onto a firmer basis. Although initially speculative rather than empirical, subsequent research has confirmed much of the argument, as in the work of Charles Tilly for example.[58]

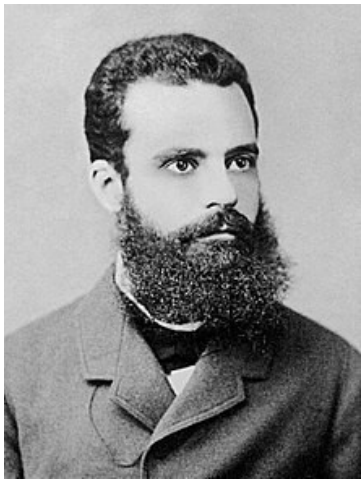
The final stage is the one that David Hart looks at first, which is the reaffirmation of this analysis by Rothbard. In his case and that of subsequent authors, such as Leonard Liggio, Walter Grinder, and John Hagel, this was a matter of intellectual archaeology, of rediscovering and reformulating a body of ideas and analysis that had almost been forgotten. At the same time people such as the Virginia School of Gordon Tullock and James M. Buchanan independently developed arguments that can be seen as making the same kind of points as much CLCA, even though they do not derive directly from it. For most contemporary libertarians and classical liberals the revived and reinterpreted CLCA articulated by Rothbard is the one that they know about. This is actually problematic for several reasons. One is that Rothbard's theory lacks the richness and variety of the older tradition. It is much more of a theory driven by economics and lacks the dense sociological and historiographical support that the older theory had (although Rothbard himself was interested in and supportive of such work by others). It has a tendency to a conspiracy-theory view of politics, which may reflect the difficulty alluded to in David Hart's essay of reconciling a sociological account with strict methodological individualism. Above all it is, like the original CLCA, associated with and driven by a specific kind of politics, and the project in question is somewhat dubious. Essentially, Rothbard's political project was one of mounting a populist revolt against the established American state. The problem is that in reality it is very hard to have a politics of that kind that does not also involve a strong element of cultural conservatism and ethnic-identity politics along with a simplistic contrast between the corrupt elite and the honest populace. All of this makes the overall package that includes Rothbard's revived CLCA very troubling for many people of a classical-liberal bent and serves to discredit the class theory by association. Moreover it does not generate a useful or productive research program (as opposed to one that is purely polemical).

Leonard Liggio

The obvious major question, which David Hart's essay raises, is simply this: what happened? Why did such an elaborate body of theory and ideas, so widely known and understood and drawing upon so many disciplines, suddenly disappear? Why is it that today the great majority of classical liberals do not know of the main arguments and insights of CLCA in the way that they know arguments from economics or philosophy, never mind the general public or people who espouse other political perspectives? Reflection suggests that this vanishing act can be explained in three ways and that all of these explanations have credibility.

In the first place there are intellectual explanations that have to do with the general climate of educated opinion. These of course then raise the question of why that climate changed in the way that it did, but that is a different and wider issue. One crucial thing was the sudden decline in explicitly liberal thinking and approaches in disciplines such as history, sociology, and political science. Eventually it was only economics where a kind of liberal approach survived. This was particularly significant for CLCA because, as has been noted, it was the other disciplines that had contributed to the working out and substantiating of the theory. When sociologists in particular lost interest in the kinds of questions that inspired CLCA and focused more on the social relations

of a capitalist society while (scandalously) ignoring the role of the state or (more understandably) seeing the state and political power as an epiphenomenon of economic relations rather than as an autonomous or even determinative area of social relations, it is unsurprising that CLCA was simply discarded. As David Hart notes there were exceptions, notably Stanislaw Andreski, but he was exceptional and had little impact on the wider discipline.[59] Elite theory did have a revival in the work of people such as C. Wright Mills and G. William Domhoff, both of whom had significant insights and contributions. But that tradition (which derived ultimately from the work of people like Pareto) had succumbed to the idea that it was economic relations that ultimately drove other kinds of social structure.[60]



Vilfredo Pareto

At the same time, there was a significant shift in the way intellectuals in general and broadly liberal intellectuals in particular thought about politics and government. This was in many ways a working-out of the division among liberal thinkers alluded to earlier. While CLCA was partly a critique and analysis of the Baroque state and its associated class relations that became generalized as an account of power and class, there was an important division among the intellectuals and activists who formulated it. For many, such as the Philosophical Radicals, the idea was that if you had a different kind of state and political power, you could have a society that did not have the kind of exploitative ruling class that CLCA posited. In particular the idea was that a democratic political system would lead to a state that was not controlled by and would not generate "sinister interests." It would rather be simply the administrative organ for the will of the people as a whole, at least as regards their shared or common interests. For others, such as many of the French liberals, it was the existence of government as such that led to the division between productive and idle classes, hence the idea that progressive social evolution meant the fading away of government. Another way to think of this disagreement is that for some, CLCA was essentially a historical analysis of how power and class relations functioned in historical societies but would no longer apply once the state itself had been modernized, while the other view held that this was a picture of social relations that would continue to be accurate for as long as government existed. Undoubtedly for most intellectuals of the 20th century it was the first view that was predominant. There was still disagreement over how large and extensive government should be, but the class analysis was no longer thought to be relevant. Radical sociologists such as Mills also shared this view and held that the persistence of a power elite simply showed that the system was not democratic enough, in particular that formal political democracy needed to be supplemented by "economic democracy" (i.e., socialism).

In the second place are what we may call political explanations that look at the political context within which liberal intellectuals and activists were situated. One aspect of this was the increasingly close alliance between classical liberals and moderate conservatives or Christian democrats in a world of mass democracy and the challenge of socialism and communism. This led to several of the more radical aspect of classical-liberal thought being downplayed or abandoned, including CLCA. Moreover, after roughly the 1890s and particularly after 1917 the idea of class conflict became firmly associated with Marxism and, given that most classical liberals came to see Marxism and communism as their main opponents, they became reluctant to use language or arguments that were apparently similar (and as a matter of intellectual genealogy were related).

The third was changes in modern capitalist societies that revealed weaknesses and obscurities within the original theory and made it increasingly difficult to use it without a radical rearticulation. Although this process began with the work of the early elite theorists such as Mosca and Pareto, it was not continued for the other reasons given above. The main difficulty was the one that David Hart refers to in his essay: that the clear-cut divisions one could identify in the 18th and early 19th century between taxpayers and tax eaters, or productive classes and idle classes, were much less easy to make in the world of the later 19th and 20th centuries. The two crucial changes were the massive expansion of government with the rise of the welfare state and the emergence of the modern large-scale business corporation along with the regulatory state. Whereas it was easy to identify state pensioners and (most) aristocrats and clergy as a class that lived off state transfers, things were not so clear when it came to the owners and managers of large firms. To the extent they owed their income to political favors or regulations, they could be categorized as part of the ruling class. But you could no longer draw a sharp and clear division since they also created wealth and paid taxes.

So what can we conclude from all this? Should we regard the recovery of this set of arguments as simply a piece of intellectual archaeology, important for understanding the past of classical liberalism but of limited use now or going forward? The answer must be very much to the contrary. This kind of analysis is still applicable and hugely important because it helps us to understand a great deal of contemporary society and politics and what is going on in the world. It supplements other kinds of liberal thinking in areas such as economics and philosophy and makes argument and analysis more robust. The use of political power to extract wealth from the productive has not ceased, to put it mildly. All kinds of features of politics and society make much more sense when viewed through this prism. Above all it makes it clearer who the enemy is, where it comes from, and what the source and nature of its position is.

There are obviously challenges, which David Hart identifies. The first is that of how to identify the classes that are primarily productive and primarily exploitative. The second is to explore and understand and theorize the organization and mechanism of the process of the "political means." It may well be that this is ad hoc and unstructured, in which case the language of class is not appropriate. But it is a relatively simple matter to identify and trace the kinds of connections and collaborations that actually exist and make this kind of language useful and accurate. One task is to distinguish between a power elite and a ruling class. Basically if you have a specific and identifiable group of people who have access to political power and can use it to benefit themselves, then you have a power elite. If the people who compose that elite are, over time, largely drawn from the same families (obviously allowing for some degree of circulation), then you have a ruling class. It seems clear to me that the United States at present does have a ruling class.

One of the things to do here is to use but amend the work of radical sociologists such as Domhoff and Mills. Another author whose work is very useful empirically is Thomas Ferguson whose "investment theory" of political competition offers real insight into the way class and power relations play out today.[61] The things to strip out from these works are the assumption that democracy and even more politics are the cure for the syndrome they diagnose and analyze, and the idea that politics is not autonomous as a human activity but ultimately determined by economics. Another thing to draw on are accounts or studies of specific examples of the political class and its machinations. Kevin Phillips's masterful account of the Bush clan is one recent example, while the older work of Ferdinand Lundberg is still useful.[62]

The third challenge is how to reconcile class analysis with methodological individualism. For me this is a classic "economists only" problem. Other disciplines such as history, political science, and most notably sociology have no problem recognizing that while it is individuals who act and actually do things, they do so in patterned and often predictable ways and within a context that they themselves do not determine but which shapes and limits the kinds of choice they make and leads to what is often

purposive and coordinated action by groups of people. The "sociological imagination" described by Mills is what is needed, in other words, but this is not incompatible with methodological individualism.

There is one other major challenge that is not raised, which we might call Pareto's Question. If the existence of political power means there will inevitably be a ruling class of one kind or other that will use that power for its benefit and come to be defined by its relation to it, then unless you think that anarchism is both possible and desirable, there will always be a ruling class. In that case you will have to ask what kind of ruling class you want or prefer (maybe fear least) and how do you contain it? It also raises the very old question of how to educate and train the rulers so that they are at least decent chaps. In all of these cases, though, what is really needed is scholarly research and argument. Fortunately CLCA generates an astonishingly rich and unexplored research agenda, so there are ample opportunities out there for young scholars.

Endnotes

[51.] Eugenio F. Biagini, *Liberty, Retrenchment, and Reform: Popular Liberalism in the Age of Gladstone, 1860-1880* (Cambridge: Cambridge University Press, 2008), and Eugenio F. Biagini and Alastair J. Reid, eds., *Currents of Radicalism: Popular Radicalism, Organised Labour and Party Politics in Britain, 1850-1914* (Cambridge: Cambridge University Press, 1991).

[52.] Adrian Jarvis, *Samuel Smiles and the Construction of Victorian Values* (Cheltenham: Sutton Publishing, 1997); Tim Travers, *Samuel Smiles and the Victorian Work Ethic* (London: Routledge, 2016); and R. K. Webb, *Harriet Martineau, A Radical Victorian* (New York: Columbia University Press, 1960). See also, Samuel Smiles, *Self Help; with Illustrations of Character and Conduct* (Boston: Ticknor and Fields, 1863). </titles/297>.

[53.] See for example Robert Lewis Dabney, *Discussions Volume IV: Secular* (Harrisonburg, VA: Sprinkle Publications, 1994 [1897]).

[54.] George Elder Davie, *The Democratic Intellect: Scotland and Her Universities in the Nineteenth Century* (Edinburgh: Edinburgh University Press, 1999).

[55.] See St. Augustine, *City of God* in *A Select Library of the Nicene and Post-Nicene Fathers of the Christian Church. Vol. II St. Augustin's City of God and Christian Doctrine*, ed. Philip Schaff, LL.D. (Buffalo: The Christian Literature Co., 1887). Quotation </titles/2053#lf1330-02_label_289>.

[56.] On "the Thing" see William Cobbett, "The Royal Family of England", *Cobbett's Weekly Political Register*, Feb. 10, 1816, vol. XXX, no. 6, pp. 161-75. Quote on p. 174-5.

> After this view of the situation of this family how we must laugh at De Lolmes' pretty account of the English Constitution. After seeing that about three or four hundred Boroughmongers actually possess all the legislative power, divide the ecclesiastical, judicial, military, and naval departments amongst their own dependants, what a fine picture we find of that wise system of *checks* and *balances*, of which so much has been said by so many great writers! What name to give such a government it is difficult to say. It is like nothing that ever was heard of before. It is neither a monarchy, an aristocracy, nor a democracy; it is a band of great nobles, who, by sham elections, and by the means of all sorts of bribery and corruption, have obtained an absolute sway in the country, having under them, for the purposes of *show* and of execution, a thing they call a *king*, sharp and unprincipled fellows whom they call *Ministers*, a mummery which they call a *Church*, experienced and well-tried and steel-hearted men whom they call *Judges*, a company of false money makers, whom they call a *Bank*, numerous bands of brave and needy persons whom they call *soldiers and sailors*; and a talking, corrupt, and impudent set, whom they call a *House of Commons*. Such is the government of England; such is the thing, which has been able to bribe one half of Europe to oppress the other half; such is the famous "Bulwark

> of *religion* and *social order*," which is now about, as will be soon seen to surround itself with a permanent standing army of, at least, a hundred thousand men, and very wisely, for, without such an army, the Bulwark would not exist a month.

[57.] James Thorold Rogers, *The Economic Interpretation of History* (London: T. Fisher Unwin, 1909).

[58.] Charles Tilly, *Coercion, Capital, and European States, AD 990-1990* (Oxford: Wiley-Blackwell, 1993).

[59.] Stanislav Andreski, *Parasitism and Subversion: The Case of Latin America* (New York: Schocken, 1969), and *Military Organisation and Society* (Berkeley: University of California Press, 1968).

[60.] C. Wright Mills, *The Power Elite* (New York: Oxford University Press, 1965) and G. William Domhoff, *The Myth of Liberal Ascendancy: Corporate Dominance from the Great Depression to the Great Recession* (London: Routledge, 2015) and *State Autonomy or Class Dominance?* (London: Aldine, 1996).

[61.] Thomas Ferguson, *Golden Rule: The Investment Theory of Party Competition and the Logic of Money Driven Political Systems* (Chicago: University of Chicago Press, 2011).

[62.] Kevin Phillips, *American Dynasty: Aristocracy, Fortune, and the Politics of Deceit in the House of Bush* (Hammondsworth: Penguin, 2004), and Ferdinand Lundberg, *America's Sixty Families* (New York: Vanguard Press, 1937).

ON RULES, RADICALS, AND OTHER TRADITIONS

by David M. Hart

I thank the other contributors for their thoughtful and challenging comments. I will comment on each briefly and leave more detailed comments to later posts.

Gary Chartier and the "Dependent Classes"

Gary Chartier raises a key issue by distinguishing between "the springs of state action and not merely its outcomes." By this he means that there is a difference between, to borrow a phrase from Bastiat, what is immediately "seen," such as the consequences, or "outcomes," of privileged access to state power in the form of unearned money or other benefits from taxpayers, and the "unseen," which might take the form of behind-the-scenes lobbying or manipulating of those in power to grant those privileges. The example he discusses is that of "single mothers benefiting from government financial assistance," who are technically "net tax consumers" under traditional CL theory but who cannot be regarded as part of the "ruling class." They did not initiate or design the welfare state, which provides them with a meagre living, yet they can be counted as "net tax consumers" and hence part of the ruling class under older CL notions of class analysis. But this categorization would be a false one.

Frédéric Bastiat

I prefer to call them members of a "dependent class," whose existence helps the true ruling class legitimize its position in society ("we look after the poor and the disadvantaged") as well as constituting part of the voting block which steadfastly votes for parties that advocate pervasive interventionism (e.g., the Democratic Party in the United States and the Labor Parties elsewhere). Many members of the dependent class are also victims of a class-based system which traps them in poverty and creates perverse incentives for those who might wish to move out of it. This raises the important question for revisionist historians of the welfare state: how were such perverse systems created by, in many cases, well-meaning people who did not understand economics, and other

groups that Bentham would describe as having "sinister interests" in wanting to win over or buy off the poor and working classes so they could pursue other kinds of political and economic privilege? I'm thinking here of Otto von Bismarck's invention of the modern welfare state in late 19th-century Germany. By offering state-run and -controlled health care and old-age insurance, the ruling Junker class could forestall the threat of social revolution from below so they could expand the power of the military and the profits of the tariff-protected large landowners. The poor Germans who received taxpayer-funded pensions were "net tax receivers," as were the industrialists who built the new German navy under the Tirpitz plan, but they were not in the same league as the aristocratic politicians, industrialists, landed elites, and general officers who designed the system in the first place. Some poor Germans and their supporters in the socialist parties may have lobbied for state-run welfare, but the aristocratic politicians, industrialists, landed elites, and general officers would be far better described as the "ruling elite" since they built and designed the system to buy off opposition and to serve their needs as well.

Jayme Lemke on "Rules"

Jayme Lemke makes the very Buchananite point about the role played by "rules" in both private and governmental organizations, and that it is a false distinction to divide society into "those who rule and those who are ruled." This is a result of the complexity of the modern state, with its overlapping or even competing government agencies which set rules that others are forced to obey. Thus a functionary in one bureaucracy (say a city council) who can enforce council rules on those who live in the city must in turn obey other rules imposed by other state bureaucracies, such as the IRS. Another example might be drawn from government agencies which are working at cross purposes in the enforcement of their rules, for example, lawyers in the Department of Justice trying to enforce rules governing the issuing of arrest or search warrants being resisted by functionaries in the various spy and surveillance agencies (NSA) who want to operate without judicial supervision, even against the law. So in these cases, one can legitimately ask "who rules whom?"

I believe an answer to this question can be found in two related scholarly activities: firstly in drawing up a "taxonomy of rules" in order to understand the complex relationships between rule-enforcing bodies in society. This would be an examination of the "horizontal" application of rules and use of force within a society. The second would be an examination of the hierarchy of power-wielding bodies within the state, of the "vertical" application of rules and use of force within a society. Not all power-wielding bodies are equal, and it is the task of the historian and sociologist to identify what these bodies are, how they interact with each other, and where ultimate power resides. In our own society my hunch is that pinnacle of power-wielding bodies is occupied by financial and banking, intelligence and security, and military and foreign-policy groups.

George Smith's Distinction between CL and Radical Libertarianism

The purpose of my comprehensive list of authors who have written on class in the "individualist" or CL tradition was to show how widespread, common, and very radical some of the rhetoric of class was. The fact that it was shared by both classical liberals who believed in limited government (like Bastiat and Cobden) and more "radical" libertarians who tended towards a form of anarchism (like Molinari and Spencer) raises a number of questions, as George Smith notes. One question is whether this terminology was just political rhetoric on the part of the classical liberals (and not to be taken too literally), or whether it concealed a deeper and very radical understanding of how the state operated.

Gustave de Molinari

George is quite right to show how this antistatist rhetoric might lead others to go too far down the anarchist slippery slope (as Tucker observed about Locke's theory of consent). In the case of the French, Bastiat had very radical antistatist rhetoric concerning state activity (calling it plunder, rape, and theft, among other things), and yet he also advocated a minimal state restricted to providing police, defense, and some public goods (the standard Smithian line). The logic of his argument should have pushed him towards anarchism, as it did for his friend and colleague Molinari who, in 1849, did take the final step towards the private provision of security and competing insurance companies.[63] Bastiat refused to follow him by arguing that what the state was "legitimately" limited to do was in fact just and proper and not another example of plunder or theft of the taxpayers and consumers. He thus seemed to say that up to a certain point the ruling class plundered the people and were thus illegitimate, but beyond some defined point (the provision of police and defense) this same class had a monopoly which protected the people's life, liberty and property, thus making their actions legitimate.

The problem for classical liberals like Bastiat was to explain how greater democracy or the creation of a republican form of government would miraculously change the ruling class into a productive, legitimate, and truly representative servant of the people -- in other words, that they could "tame" the government and keep it limited to these very few functions for good. As Steve Davies notes in his essay, towards the end of the 19th century a certain pessimism had set in among liberals, who increasingly came to believe that the state and its ruling and privileged class could not be limited for long and would be with us forever, even growing rapidly as socialist and democratic forces took control of European and American societies.

Steve Davies on the Links between Economics, Politics, and History in CL Thought

Steve Davies has inspired me to create some Ngrams for some of the key phrases I mentioned in my opening essay. I will do this in a later post.

Out of his lengthy analysis I can only comment on a one point here. It is to note that he is correct to point out that a significant difference between CL thought in the 19th century and today is the tight linkage which existed then between political, economic, and what one might call "social" ideas about liberty. Larry Siedentop made this same point in his essay "The Two Liberal Traditions" (1979)[64] where he argued that French liberalism constituted a "second tradition" within European liberalism (in contrast to the "first tradition" which emerged in England). It was the different historical experience of French liberals which led them to ask different questions about political and economic power, thus making their form of liberalism different from their British colleagues. The economic crises of the *ancien régime*, the class conflict of the revolution, the rise of a military dictatorship, the return of the conservative and authoritarian monarchy, and the slowness of industrialization compared with Britain, naturally led French liberals to strike out in a different direction. This second tradition emerged in the Restoration period following the fall of Napoleon, when French liberals like Benjamin Constant, Charles Comte, and Charles Dunoyer added "a social dimension" to what had been the primarily political and economic concerns of British classical liberals. These French liberals were able to create an interesting blend of political constitutionalism, laissez-faire economics, and a historically and socially focused

interest in class and economic development. So when they came to analyze the state or advocate liberty, they did so from these three perspectives -- the political, the economic, and the sociological -- in what they thought was a seamless whole. This was very different from how the mainstream British classical liberals viewed the world. It was however a world view shared by many less well-known English radicals, as Steve correctly notes, but which unfortunately Siedentop does not. A more contemporry scholar who does recognise the importance of the "sociological dimension" to the French liberals in general and Bastiat in particular is the Canadian sociologist Robert Leroux.[65]

Endnotes

[63.] In 1849 Molinari wrote two essays on the private and competitive production of security: Gustave de Molinari, "De la production de la sécurité," in *JDE*, T. 22, no. 95, 15 February, 1849), pp. 277–90, translated as *The Production of Security, trans. J. Huston McCulloch, Occasional Papers Series #2*, ed.Richard M. Ebeling, (New York: The Center for Libertarian Studies, May 1977); and chapter 11 of Gustave de Molinari, *Les Soirées de la rue Saint-Lazare; entretiens sur les lois économiques et défense de la propriété* (Paris: Guillaumin, 1849). Molinari explored these ideas further in *Cours d'économie politique, professé au Musée royal de l'industrie belge,* 2 vols. (Bruxelles: Librairie polytechnique d'Aug. Decq, 1855); 2nd revised and enlarged edition (Bruxelles et Leipzig: A Lacroix, Ver Broeckoven; Paris: Guillaumin, 1863), Douzième leçon, "Les consommations publiques," pp. 480–534. Online version: </titles/1829>.

[64.] Larry Siedentop, "The Two Liberal Traditions," *The Idea of Freedom: Essays in Honour of Isaiah Berlin*, ed. Alan Ryan (Oxford University Press, 1979).

[65.] See, Robert Leroux, "Bastiat and Political Economy" (July 1, 2013), with response essays by Donald J. Boudreaux, Michael C. Munger, and David M. Hart. </pages/bastiat-and-political-economy>; Robert Leroux, *Lire Bastiat: Science sociale et libéralisme (Reading Bastiat: Social Science and Liberalism)* (Paris: Harmann, 2008); transated as *Political Economy and Liberalism in France: The Contributions of Frédéric Bastiat* (London: Routledge, 2011); and *Aux fondements de l'industrialisme : Comte, Dunoyer et la pensée libérale en France* (Paris: Harmann, 2015) translated as *The Foundations of Industrialism: Charles Comte, Charles Dunoyer and French Liberal Thought* (Peter Lang, 2016).

SOCIAL CLASS AND THE MEANS OF PRODUCTION

by Gary Chartier

"THE SHORT ANSWER IS *NO*."

Social class in the Marxist and related traditions is constituted by relationships to the means of production, so that the ruling class just is the class that owns the means of production. The state, on this view, serves as the executive committee of the ruling class and safeguards the property rights claimed by this class. By contrast, social class in the classical-liberal-cum-libertarian tradition is constituted by relationships with predatory power. Does this mean that, on this view, answers to questions about the means of production are irrelevant to identifying the ruling class and the associated upper and upper-middle classes or to understanding class dynamics and class rule?

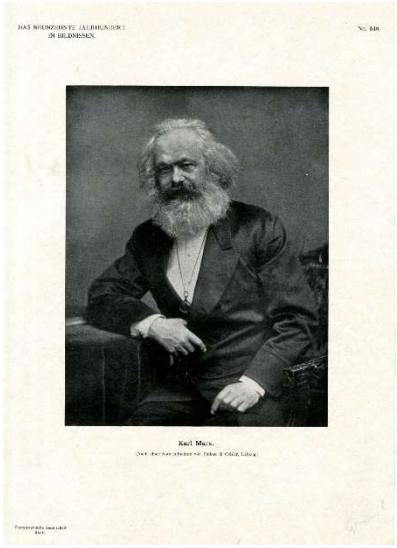
The short answer is *no*.

(i) For CLCA (to use Hart's helpful abbreviation), ownership of the means of production will sometimes serve as a *signal* of class position. While class position is not *constituted* by ownership of the means of production, a relationship with predatory—ordinarily state—power increases the odds that someone will have access to the means of production. This is true for multiple reasons. (a) The state may directly present someone with monopoly privileges, privileges without which ownership of this or that productive asset would be legally impermissible. (b) The state may use confiscatory power to acquire a productive asset and transfer it to a favored person. (c) Someone may be able to pay for the acquisition and maintenance of a productive asset precisely because she has received a contract from the

state the fulfillment of which involves using the asset. (d) Someone may be able to acquire and maintain a productive asset simply because she is wealthy in virtue of state-secured privilege. (e) An intimate relationship with the state may further access to social networks that facilitate acquisition and maintenance of productive assets. (f) Politicians and senior bureaucrats can use their positions of state power, and so of class position, to acquire productive assets or the resources needed to acquire such assets, and so, even if they are not already wealthy, to become owners of the means of production in virtue of their preexisting state positions.

(ii) It will also be true for CLCA that access to the means of production may give someone access to state power and thus to state-secured privilege. This will be true for multiple reasons. (a) Wealth, even legitimately acquired wealth, may be used directly to exert influence on state actors. (b) Business relationships with the state will facilitate access to state actors, and simple access can enhance influence. (c) Business relationships with the state can create indirect opportunities for those who own the means of production to do nonmonetary favors for state actors in their official and unofficial capacities. (d) Wealth can be used to influence the climate of public debate in ways that influence state actors to confer privileges on holders of productive assets.

Thus, while for CLCA one is not a member of the ruling class or its satellite classes simply *in virtue* of owning productive assets, owning productive assets can serve as a *pathway* to membership in the ruling class or its satellite classes and as *evidence* that one belongs to these classes. Proponents of CLCA can agree, therefore, with Marxist theories and their cousins that talk about ownership of the means of production and talk about class belong together.



Karl Marx

This helps to explain why CLCA can readily find common ground with populist movements like Occupy! or the original Tea Party. While CLCA has no commitment to the idea that wealth inequality *as such* is morally or politically objectionable, it can regard actually existing inequalities as frequently problematic for two reasons. (a) These inequalities not infrequently result from state-secured privileges. (b) They also can be and not infrequently are used to facilitate the acquisition of such privileges. Thus, while not all inequalities are objectionable from the perspective of CLCA, many actually existing ones will be. Proponents of CLCA will wish sharply to distinguish wealth acquired peacefully through the direct or indirect satisfaction of consumers from wealth acquired primarily as a result of state-secured privilege, and will not wish to endorse the politics of envy practiced by some populists. But they can and should join with populists in condemning those inequalities that result from state-secured privilege.

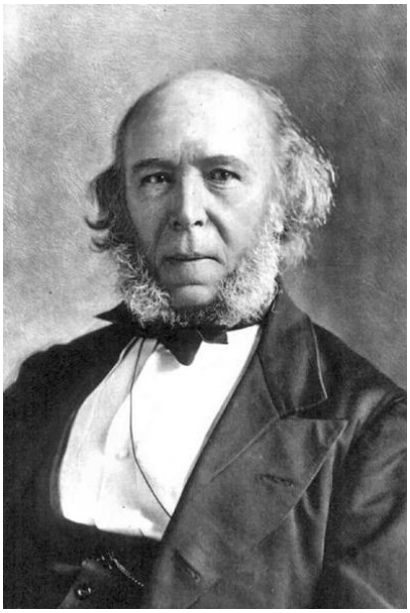
THE ROLE OF INSTITUTIONAL ANALYSIS IN A LIBERTARIAN THEORY OF CLASS

by George H. Smith

In this comment I wish to expand on a point I made previously. I maintain that there is a significant difference between the class analysis typically found in the writings of mainstream classical liberals and the class analysis developed by the more radical liberals—or what today we call "libertarians." When mainstream classical liberals attacked the exploitative behavior of a ruling class, they usually had in mind a *social* class that had ensconced itself in government and was using state power for nefarious, self-interested purposes. This critique did not target the state itself, however, which if confined to its legitimate functions--basically, the enforcement of individual rights and protection against foreign aggressors—would *not* be exploitative. The problem, in their view, lay not in the institution of government itself but in how that institution is used.

In contrast, radical liberals (such as Thomas Hodgskin) viewed the state itself as the ultimate source of exploitation. The activities of the state are inherently unjust, regardless of who is in power and what their intentions may be. Members of the state, especially those in high positions of authority, become part of the ruling class in virtue of their relationship to the institution known as the state. In this view, the state taints the people who work for it, not vice versa. Anyone who controls the reins of political power or who reaps significant benefits from that power is a member of the ruling class, regardless of his or her social or economic status.

The radical liberal (libertarian) view of class analysis depends on an *institutional analysis* of the state; but, with one exception, I know of no early libertarians who attempted to develop this kind of analysis in detail. The exception is Herbert Spencer, especially in his sociological writings about the rapid growth of bureaucracy in the modern state. As I noted in one of my essays on Spencer for Libertarianism.org, Spencer "called attention to the development of entrenched bureaucracies that take on a life of their own, become politically autonomous, and control vast areas of social and economic activities."[66]



Herbert Spencer

Spencer anticipated some of Max Weber's observations about the key role played by bureaucracies in maintaining and expanding state power. Weber wrote:

> Once fully established, bureaucracy is among those social structures which are the hardest to destroy. [A]s an instrument of rationally organizing authority relations, bureaucracy was and is a power instrument of the first order for one who controls the bureaucratic apparatus….Where administration has been completely bureaucratized, the resulting system of domination is practically indestructible.[67]

Weber went on to observe that a state bureaucrat "is entrusted with specialized tasks, and normally the mechanism cannot be put into motion or arrested by him, but only from the very top. The individual bureaucrat is, above all, forged to the common interest of all the functionaries in the perpetuation of the apparatus and the persistence of its rationally organized domination."[68]

Weber's remarks point to an essential element of an institutional analysis of the state, namely, that anyone who fills a role in a state bureaucracy furthers the interests of that institution, regardless of what that person's intentions and values may be.

Max Weber

The highly specialized functions in the modern state generate the need for a division of labor. This division of labor is not spontaneous, as we find in the social sphere of voluntary interaction. Rather, specific tasks are designed to further the purposes of the state, which is itself a designed institution. (The *primary* purpose of the modern state, as Weber and other sociologists have argued, is to maintain territorial sovereignty.) This means that any person who fulfills the role assigned to him in a bureaucracy furthers the purposes of the state, regardless of what his intentions may be. Suppose a rabid anarchist, who declares his eternal hostility to the state, works for a government bureaucracy. Even that anarchist would advance the interests and purposes of the state, however unintentionally, insofar as he fulfills the requirements of his role, i.e., so long as he does his job. The personal values and beliefs of the anarchist are irrelevant; he will be contributing to the interests of the state, even if he has no desire to do so and took his job only to make a living. He will have made himself a member of the ruling class, objectively considered. (There are obvious degrees of participation and responsibility, but I cannot explore that issue here.)

My explanation of institutional analysis, however sketchy and inadequate, is what I think radical liberals had in mind when they condemned the state per se as the foundation of an exploitative ruling class. In Marxian terms, this is an *objective* theory of class because it does not depend on the subjective beliefs and intentions of individuals. Moreover, as I noted previously, this class theory is neutral in regard to the social and economic status of individuals. Even if positions of power are filled exclusively by escaped slaves, they would become members of the ruling class in virtue of their *institutional roles* within the state.

Endnotes

[66.] "From Optimism to Pessimism: The Case of Herbert Spencer, Part 6," at: https://www.libertarianism.org/publications/essays/excursions/optimism-pessimism-case-herbert-spencer-part-6

[67.] Max Weber, *Economy and Society: An Outline of Interpretive Sociology*, ed. Guenther Roth and Claus Wittich (Berkeley: University of California Press, 1968), II: 987.

[68.] Ibid., II: 987-88.

THE FAUSTIAN BARGAIN WITH THE RULING CLASS

by Jayme Lemke

Steve Davies asks: "If the existence of political power means there will inevitably be a ruling class of one kind or other that will use that power for its benefit and come to be defined by its relation to it, then unless you think that anarchism is both possible and desirable, there will always be a ruling class. In that case you will have to ask what kind of ruling class you want or prefer (maybe fear least) and how do you contain it?"

This question implies a type of Faustian bargain.[69] Even those who are aware of the dangers of

empowering a ruling class (or classes) may support empowering a state anyway in order to capture the perceived benefits of the non-anarchic provision of law and order. This is true for both students of society and for those actually participating in creating or modifying the rules for a social order.

Presumably, whether in their roles as observers or as citizens, most will decide whether or not it is worthwhile to entertain the Faustian bargain only after comparing the conditions they expect to emerge under a system dominated by a ruling class to the conditions they expect under anarchy or self-governance. The decision as to which system to support will then be further complicated by what kind of deal they expect to be able to successfully obtain through negotiation. If the actual negotiation process is expected to be costly or to involve significant concessions, then anarchic or self-governing alternatives might look better than they would have under different bargaining circumstances.

This leads directly to what is arguably one of the most difficult problems in constitutional political economy: the problem of how to create initial conditions in which the diverse members of a society see eye to eye well enough to come together for negotiation.[70] This requires that all members of the social group have a sufficiently strong shared understanding of what constitutes appropriate conduct. If a group of people can't agree on the rules for what constitutes a civil conversation, then there would seem to be little-to-no hope for their coming to mutual agreement on the content of a society-wide constitution.

James Buchanan

The problem of shared understanding is most difficult when there are fractious divisions within society. This is why Jim Buchanan and Gordon Tullock viewed their theory of constitutions as the product of nonmarket exchanges as severely limited in its application to classed societies: "our analysis of the constitution-making process has little relevance for a society that is characterized by a sharp cleavage of the population into distinguishable social classes or separate racial, religious, or ethnic groupings sufficient to encourage the formation of predictable political coalitions."[71] Historically, groups that do not abide by the same behavioral norms as the most influential social group are often left out of the process of law or constitution-making entirely.

Unfortunately, divided societies are also those in which a ruling class or classes can be expected to be most dangerous to those over whom they wield power. The result is that those most in need of constitutional protections against the ruling class are those most likely to be left out of the constitutional conversation. As such, the problem of inclusiveness is the first significant problem that must be resolved in order to proceed with any conversation about the design of institutions to constrain the ruling class.

Endnotes

[69.] Vincent Ostrom, 1984, "Why Governments Fail: An Inquiry into the Use of Instruments of Evil to Do Good." In *The Theory of Public Choice—II*, ed. James M. Buchanan and Robert D. Tollison (Ann Arbor, MI: The University of Michigan Press), p. 422-36.

[70.] See, for example, chapter 1 of James M. Buchanan, *The Limits of Liberty: Between Anarchy and Leviathan* (Indianapolis, IN: Liberty Fund, Inc., 2000 [1975]).

[71.] James M. Buchanan and Gordon Tullock, *The Calculus of Consent: Logical Foundations of Constitutional Democracy*, Indianapolis, IN: Liberty Fund, 1999 [1962]); Quote: </titles/1063#Buchanan_0102-03_213>.

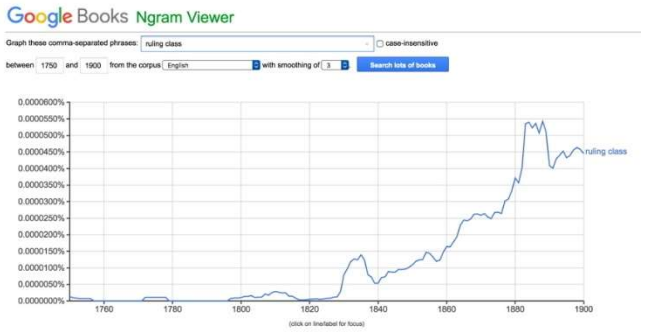
THE CHANGING VOCABULARY OF CLASS PART 1: ENGLISH CLASSICAL LIBERALS AND RADICALS

by David M. Hart

In a previous post I said that Steve Davies' use of Ngrams to plot the frequency of use and time specificity of the terms "industrious classes" and "idle classes" prompted me to do the same for some other terms used by classical liberals in their theory of class. In addition to "idle" curiosity" I also had an "industrious" purpose in mind.

My hunch is that one reason for the success of Marxist notions of class since the appearance of *The Communist Manifesto* in 1848 was how quickly Marxists and their supporters were able to settle on a set of key terms to describe their theory, terms such as the capitalist class, the working class, the proletariat, the bourgeoisie, and so forth. Classical liberals on the other hand were not able to settle on a similar set of limited terms to describe their ideas about rule and exploitation by a politically privileged elite. When they did use terms to describe their ideas they were very time specific, thus making the ideas behind them seem appear idiosyncratic and perhaps even quaint as the century wore on.

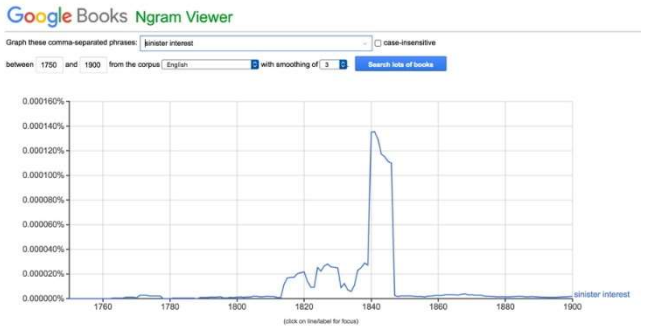
By the end of the 19th century the generic notion of "the ruling class" had become commonly used, most probably as part of a socialist view of class domination (whether Marxist or Laborite), as the graph below indicates (the time period is between 1750 to 1900 for all the graphs I generated).



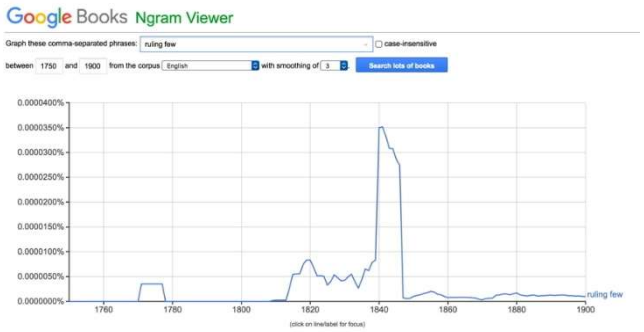
Generic notion of "the ruling class"

The following are some examples selected from my larger list of CLCA theorists, in this post focusing on English Classical Liberal and Radical word usage.

The Philosophic Radicals around Jeremy Bentham and James Mill developed their own unique vocabulary dealing with class with such terms as "the sinister interest" and "the ruling few". Use of these terms reached a peak in the late 1830s after the success of the campaign for electoral reform with the passage of the First Reform Act in 1832 which ushered in a series of liberal reforms including the repeal of the Corn Laws in 1846. After that, the use of the Benthamite vocabulary of class practically disappeared - along with, I would argue, their notion of class.

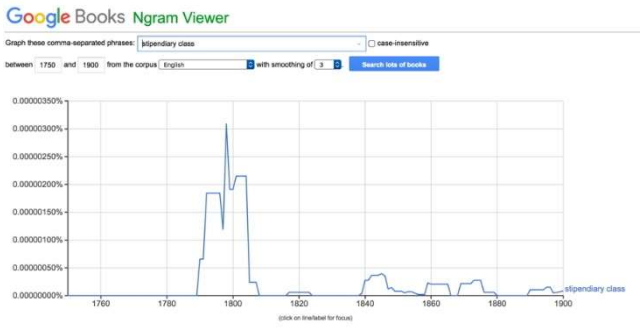


Benthamite term - "the sinister interest"

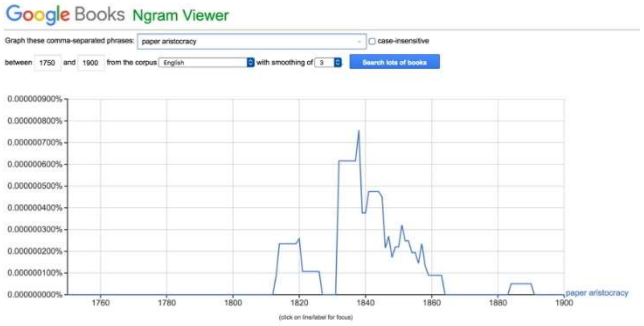


Benthamite term - "the ruling few"

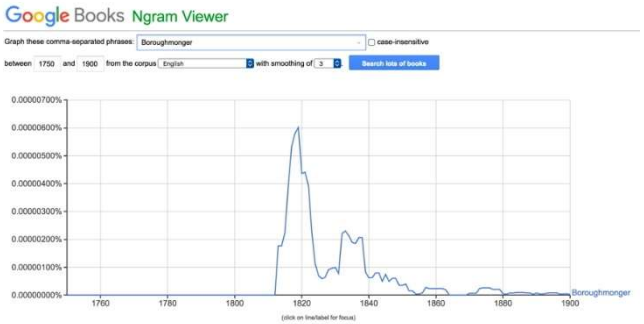
Other terms which were common among late 18th and early 19th century radicals were the physiocrat Turgot's idea of "the stipendiary class" (also used by English speaking authors), those who lived from incomes (stipends) from government service or payments on government loans (peaked in the 1790s); and William Cobbett's term "paper aristocracy" also used to describe those who lived off the returns of government loans (peaked in 1820 and again in the 1830s), and "boroughmongers" who were able to control elections to the House of Commons by using the seats which were attached to their extensive land-holdings (peaked in 1820 and again during the agitation for the Reform Act of 1832).



Turgot's "the stipendiary class"

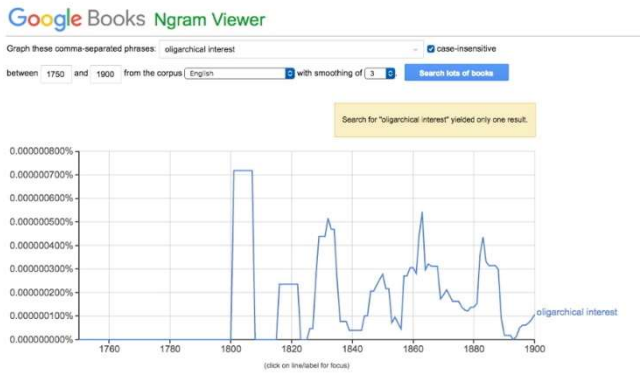


William Cobbett's idea of the "paper aristocracy"

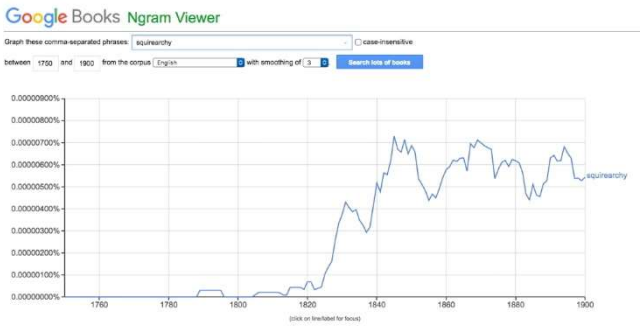


William Cobbett's term "boroughmonger"

Two exceptions to this tendency for certain terms to peak at the time of some specific piece of legislative reform and then die out afterwards seems to be John Wade's (a Radical) use of the term "oligarchical interest" with which he used to describe English elites between the 1820s and 1840s, which also had a use periodically throughout the rest of the 19th century when his form of Radicalism had largely disappeared. The same goes for Richard Cobden's use of the term "squirearchy" to describe the large landowners who benefitted from agricultural protectionism and their control of elections to the unreformed House of Commons. Thus reached a peak during the campaign against the Corn Laws in the 1840s but continued to be quite widely used throughout the rest of the century. It is likely that these terms appealed to other radicals and socialists who used them frequently later in the century.

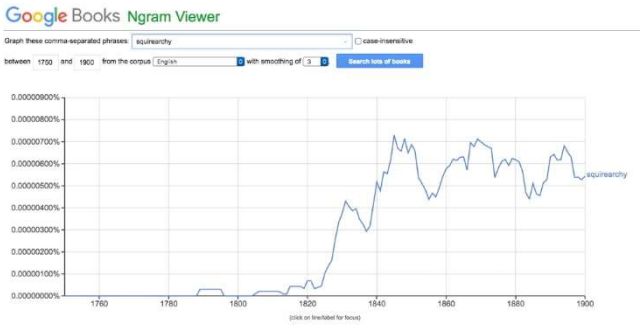


John Wade's and the Radical's idea of "oligarchical interest"



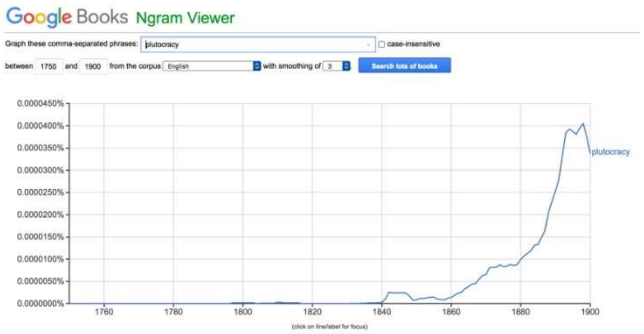
Richard Cobden's term "squirearchy"

Later in the century, beginning in the 1870s and continuing for another 20 years, Herbert Spencer began to write his monumental works on political sociology in which he developed ideas like "the militant type" and the "industrial type" of society. The use of the term "militant type of society" peaked in the early 1880s and again around 1890. The graph for the term "industrial type of society" matches this almost exactly, suggesting the two were used as a pair.

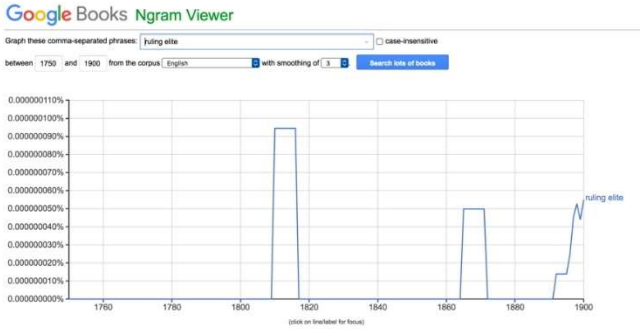


Herbert Spencer on "the militant type of society"

Two other rather generic terms which became popular in the late 19th century are "plutocracy" which was used by the American sociologist William Graham Sumner (peaking in the 1890s) and "ruling elite" which was taken up by Vifredo Pareto in the late 1890s (his notion of "the circulation of elites"). This is another example of a term used by both Classical Liberals and as well as by others and which quickly lost any specifically liberal connotation it might have had.



Sumner on "plutocracy"



Pareto and "the ruling elite"

I believe that CLCA was hampered by the lack of a commonly accepted vocabulary with which to discuss class rule by privileged elites which put them at a serious disadvantage compared to the Marixts and socialists. This reflects the gradual loss of interest CLs had in this idea as the century wore on as well as the fact that class analysis was never fully integrated into modern CL thought as it seemed to be on the verge of doing earlier in the 19th century.

In another post I will examine some Ngrams concerning French Classical Liberal ideas about class analysis which showed similar divergent use of terminology.

OF WHAT USE IS CLASS ANALYSIS?

by George H. Smith

Ludwig von Mises

A social or political class is a mental construct, a categorization of individuals based on common characteristics. As Ludwig von Mises observed in *Theory and History*:

> No logical objection can be advanced against distinguishing various classes among the members of [a] society. Any classification is logically permissible, however arbitrarily the mark of distinction may be chosen.[72]

In his critique of the Marxian theory of class conflict, Mises expressed skepticism about a "doctrine … that deals with classes and not with individuals." Marx failed to explain "why the individuals give the interests of their class preference over their own interests." Mises continued:

> We may for the moment refrain from asking how the individual learns what the genuine interests of his class are. But even Marx cannot help admitting that a conflict exists between the interests of an individual and those of the class to which he belongs. He distinguishes between those proletarians who are class conscious, i.e., place the concerns of their class before their individual concerns, and those who are not.[73]

The Marxian approach to class analysis—not its content but its very form—generates an insuperable problem for the methodological individualist, for it invests classes per se with an ontological status that no methodological individualist can accept. For Marx, the course of history is determined not by individuals and their subjective values but rather by objective class interests. The distinguished medieval historian Gordon Leff put this problem as follows:

> [T]he Marxist view of society … regards class as an actual entity, at once the source of economic, social, legal, institutional and ideological life and the agent in their development. It therefore endows class both with ontological and empirical meaning; it is the underlying reality of which all societal forms are an expression, and … class provides the dynamics for all change…. What men think—as what they do—is subsumed under the interests of the class to which they belong. Paradoxically we are here nearer to a form of Platonism or medieval realism than to materialism; for although the material conditions are made the determining factors they are conceived not in terms of actual individuals but as self-subsistent natures or essences or wholes, which are autonomous of the individuals which comprise them. Like the realist the Marxist assigns an ontological priority to the whole over the individuals which are subsumed under it; they are what they are in virtue of their participation in the whole: just as an individual Smith or Jones is a human being through having the nature man, so Marxist man is a capitalist or a proletarian through bearing the characteristics of his class; they are no less part of his social nature than to be able to talk or think is part of his human nature.[74]

Given the radical difference between the Marxian approach to class analysis and that available to methodological individualists, and given that classical

liberals (and libertarians) have typically been methodological individualists, we may reasonably ask: Of what value is class analysis to classical liberals? Does class analysis contribute anything substantial to the liberal view of sociology and history?

"OF WHAT VALUE IS CLASS ANALYSIS TO CLASSICAL LIBERALS? DOES CLASS ANALYSIS CONTRIBUTE ANYTHING SUBSTANTIAL TO THE LIBERAL VIEW OF SOCIOLOGY AND HISTORY?"

I am frankly uncertain about this matter. The significance of class analysis for classical liberals must lie in the crucial distinction between persuasion and coercion as alternative methods of dealing with others. John Milton put the matter concisely in 1644: "[H]ere the great art lies, to discern in what the law is to bid restraint and punishment, and in what things persuasion only is to work."[75] The traditional classical-liberal suspicion of the state was rooted in the fact that states characteristically employ coercion, in contrast to voluntary persuasion. In his classic account, Franz Oppenheimer called these the political and economic means of acquiring wealth. This led Oppenheimer to define the state as "an organization of the political means."[76]

If there is an objective foundation for class analysis in libertarian ideology, this is surely it. Yet, as David Hart remarked in his initial article, the modern state is so enmeshed in social activities that it is problematic to regard every person who is paid by government as members of the ruling class. Is the public-school teacher a member of the ruling class, whatever his or her political views may be? To claim this would be stretching the point, to say the least.

It seems to me that the value of class analysis lies in the convergence of interests among those who seek to expand the power of government. This class includes not only those who work for the state at high levels of decision-making but also those citizens in a democratic society who, through voting, actively support the expansion of government. To call such people a "class" may serve some purpose—but this is a limited purpose indeed, especially when compared to the Marxian approach.

Endnotes

[72.] Ludwig von Mises, *Theory and History: An Interpretation of Social and Economic Evolution* (1957; New Rochelle, NY: Arlington House, 1969), p. 113.

[73.] Ibid., pp. 112-13.

[74.] Gordon Leff, *History and Social Theory* (University, AL: University of Alabama Press, 1969), pp. 170-71.

[75.] John Milton, *Areopagitica,* in *The Student's Milton,* ed. Frank A. Patterson (New York: F.S. Crofts & Co., 1946), p. 741.

[76.] Franz Oppenheimer, *The State*, trans. John Gitterman (San Francisco: Fox and Wilkes, 1995 [1914]), p. 15.

TOWARDS A TAXONOMY OF CLASS

by David M. Hart

George Smith raises a very important question in his recent post, "What's the Use of Class Analysis for Classical Liberals?" Specifically he questions the value of lumping the public-school teacher (who receives a check from the taxpayers) or the average voter who votes in favor of some government benefit (such as Medicare) into the group known as "the ruling class." Let me attempt to provide an answer to that question.

Franz Oppenheimer

As I said in my opening essay, the modern libertarian notion of class has its roots in the "Rothbardian synthesis" which emerged during the 1950 and 1960s, especially his rediscovery of Calhoun and Oppenheimer. By basing his theory on the very crude distinction made by Calhoun between "net tax-payers" and "net tax-receivers" Rothbard did not advance CLCA as far as he might have wished. The relevant quote from Calhoun is the following:

> Such being the case, it must necessarily follow, that some one portion of the community must pay in taxes more than it receives back in disbursements; while another receives in disbursements more than it pays in taxes. It is, then, manifest, taking the whole process together, that taxes must be, in effect, bounties to that portion of the community which receives more in disbursements than it pays in taxes; while, to the other which pays in taxes more than it receives in disbursements, they are taxes in reality—burthens, instead of bounties. This consequence is unavoidable. It results from the nature of the process, be the taxes ever so equally laid, and the disbursements ever so fairly made, in reference to the public service.[77]

This is a very blunt knife with which to carve the statist turkey. Historians and methodological individualists instead need a sharp scalpel to make sense of the complex nature of political and economic power structures which we wish to understand by using class analysis.

Thus I suggest the following taxonomy of classes as a starting point for further discussion. (See below for a graphical illustration of these categories.) It is still based upon the basic distinction between "net tax-payers" (NTP) and "net tax-receivers" (NTR), but it is more flexible and nuanced in order to clarify the complexities which exist in modern welfare/warfare states:

1. **Ruling Elite** - those who control the "commanding heights" of the state (the presidency, Congress, military, intelligence services, Federal Reserve (or state bank), Supreme Court, etc.) and run the show. This group is a very small minority of those who benefit from access to state power. Some theorists also call this group the "Deep State" which was first developed to explain the power structure within the modern Turkish state.
2. **Political Class** - elected politicians who sit in Congress (especially those who head important committees which control spending and formulate legislation); senior bureaucrats who run the main government bureaucracies; and wealthy and influential "private individuals" from finance, banking, think tanks, industry (especially defense and communications); and media moguls who advise the government on policy matters.
3. **Bureaucratic Class,** or **Functionaries of the State** - those who carry out and implement the government policies which they are given. These people, like lowly office workers, public-school teachers, post-office workers, etc., are by no means members of the "ruling class," but they are in a technical sense "net tax-receivers" and have a long-term interest in voting to maintain government (or rather tax-payer) funding for the institutions which employ them and pay their retirement benefits.

4. **Plutocratic Class,** [78] or **Crony Capitalist Class** - very wealthy and influential business owners who actively seek to get or retain special privileges from the state in the form of subsidies, contracts, monopolies, favorable legislation, favorable monetary policy, etc. This class is quite complex to understand using the crude NTP/NTR distinction since they may still receive most of their income from the private sector (hence making them technically NTP). However, they benefit enormously from their access to the state by getting the entire economic system skewed in their favor.

5. **State-Dependent Firms and their Employees** - nominally private firms which receive the bulk (perhaps all) of their income from the tax-payers via state contracts and are thus NTR.

6. **Dependent Class** - people who receive benefits from the state such as health, retirement, or other welfare benefits. Some were NTP when they were working (probably in the private sector) but are now NTR in their retirement. Others have always been NTR. Some others are very poor and/or sick people who have been trapped in the cycle of poverty which has been created by the welfare state over the past 60 years. This latter group might also be categorized as "victims" rather than "beneficiaries" of the modern welfare state.

7. **Net Tax-Payers** - another complex category which Rothbard's crude Calhounian distinction does not always help to clarify. There may be some clear examples of "pure net tax-payers" still in existence, but in this thoroughly statized and regulated world most of us would fall into a "grey zone" where we pay taxes but also "consume taxes" in the form of using streets and getting police protection from robbers. Then there are the people who change their class status over time, people who are net tax-payers in their prime working years and then become net tax-receivers in their retirement.

To return to George Smith's question, the historical explanatory power of class analysis comes from understanding the tensions and rivalries which exist between these classes (especially the overarching tension between the NTP and the NTR classes) as well as that between the subgroups within these classes. This analysis can be greatly enriched with the following insights which come from methodological individualism, whether of an Austrian or Public Choice perspective:

1. People who have shared interests (in this case "class interests) often associate in order to further those interests. On the one hand, it might be to expand state benefits and privileges or protect those that are already in place, or to increase taxes and government expenditure. On the other hand, it might be to organize in order to reduce government regulation and taxation.

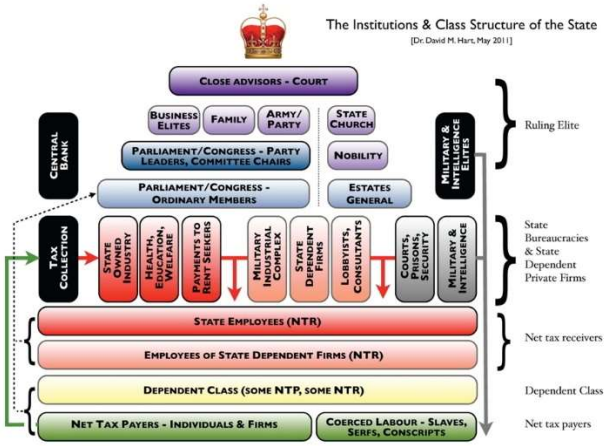
2. People who have different interests will engage in rivalrous behavior in order to see that their interests will prevail over those of their rivals, especially if they perceive politics to be a zero-sum game. Since the gains from getting access to state power are so enormous these this rivalrous behavior will be bitter and very expensive, as recent elections have shown.

3. Given the way modern democracies work, competing vested interest groups lobby the political class in Congress, and the result is compromise, special deals, log-rolling, and so on. The final result, to paraphrase Adam Ferguson, is "the result of human action but not of human design." It produces all sorts of unintended political and economic consequences, many of which are perverse and uneconomic in the long run.

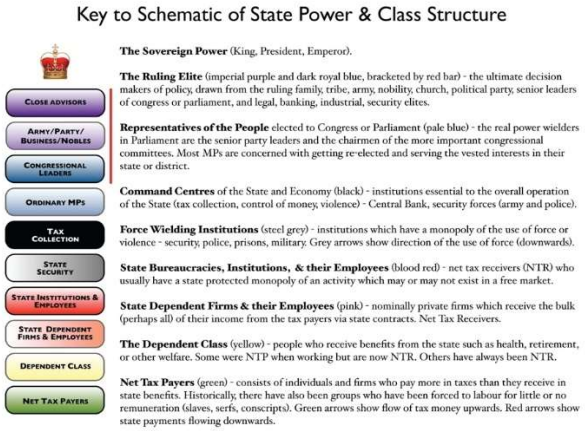
4. Periodic crises like the Great Recession of 2008 or the outbreak of war in 2001/3 often reveal the competing forces at work in all class-based societies. Why are some banks or investment

firms "rescued" by state bailouts and subsidies while others are not? What groups are pushing for an invasion of another country and why? I believe that class analysis, especially of the rivalries which exist between powerful groups within the uppermost levels of the ruling elite and the state, provide very important explanatory value for these crises and their aftermath.

I have tried to put some of these ideas into a graphical format, which I include below.



The Institutions and Class Structure of the State



Key to the Schematic of State Power and Class Structure

Endnotes

[77.] John C. Calhoun, *Union and Liberty: The Political Philosophy of John C. Calhoun,* ed. Ross M. Lence (Indianapolis, IN: Liberty Fund, 1992). </titles/683>. It is a curious fact, though not unexpected given Calhoun's class interest, that he thought of taxes as a burden and a form of exploitation in some cases (i.e., northern tariffs), but not the compulsory labor he forced his slaves to endure while working in his fields. It apparently never occurred to him to think about the exploitation of the "net expenders of coerced labour" by the "net beneficiaries of coerced labour."

[78.] I have borrowed this term from Roderick Long's essay "Toward a Libertarian Theory of Class," *Social Philosophy and Policy* 15, no. 2 (Summer 1998), pp. 303–349, in which he makes the distinction between two sub-classes within the ruling class, the "statocrats" (the full-time apparatus – the kings, politicians, and bureaucrats who man and operate the State) and the "plutocrats" (the groups who have maneuvered to gain privileges, subsidies, and benefices from the State).

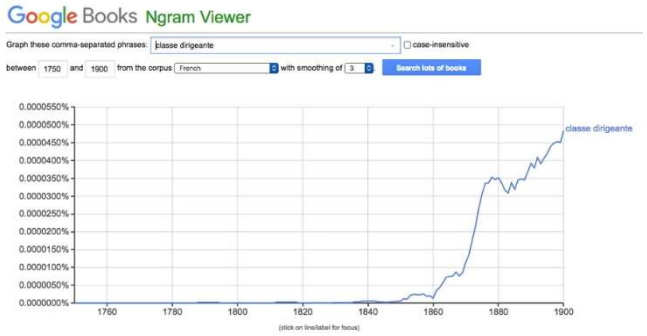
THE CHANGING VOCABULARY OF CLASS PART 2: FRENCH CLASSICAL LIBERALS AND THE POLITICAL ECONOMISTS

by David M. Hart

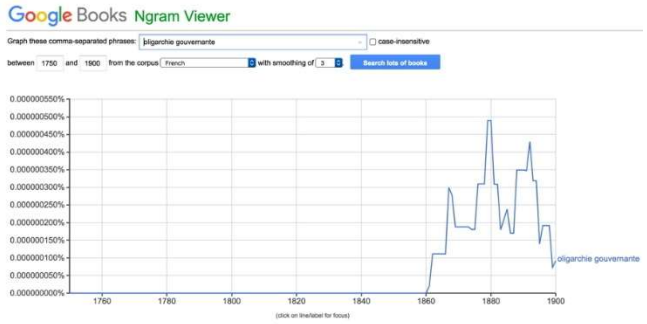
Here I want to examine some French language terms to describe class analogous to what I did earlier for English language terms.

Likewise, by the end of the 19th century the generic notion of "la classe dirigeante" (the ruling class) had become commonly used, most probably as part of a socialist view of class domination, as the graph below indicates (the time period is between 1750 to 1900 for all the graphs I generated). There is a suddeen spike in the late 1870s which I attribute to the rise of socialist parties

in the new Third Republic. There is a similar pattern for the general term "l'oligarchie gouvernante" (the ruling oligarchy).

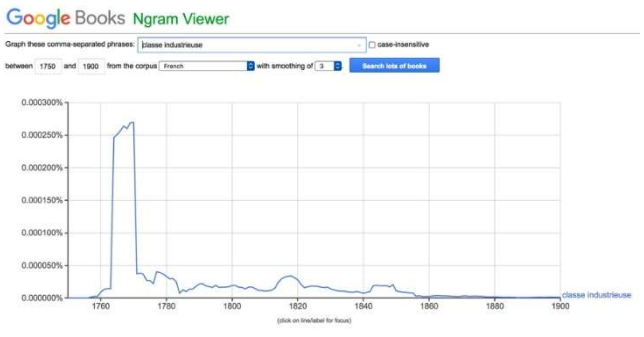


Generic notion of "la classe dirigeante" (the ruling class)

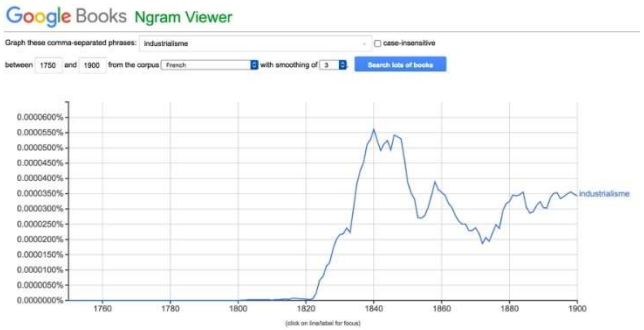


The general term "l'oligarchie gouvernante" (the ruling oligarchy)

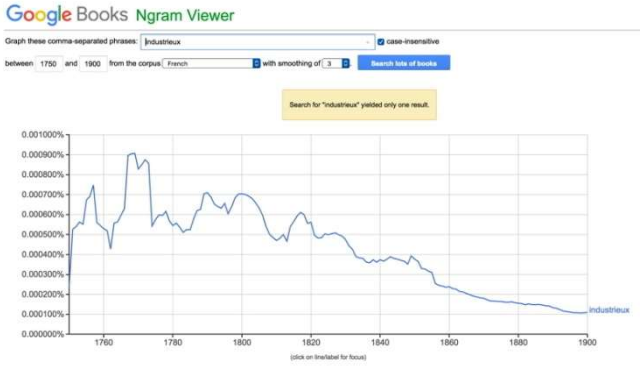
During the 1810s and 1820s, under the influence of the economic ideas of the 18th century Physiocrats and in the Restoration period the work of Jean-Baptiste Say and Benjamin Constant, Charles Comte and Charles Dunoyer developed a theory of "industrialisme" (industrialism) by which they meant a system where the productive class, known as "les industrieux" or "la classe industrieuse" (the industrious or productive class), had the freedom to produce and trade with others with minimal or no regalation and taxation by the state and other "unproductive classes". After the 1848 Revolution the term "industrialism" lost its liberal Dunoyer-inspired meaning and became a general term to describe the industrial economy as we know it today.



The Physiocratic term: "la classe industrieuse" (the industrious or productive class)



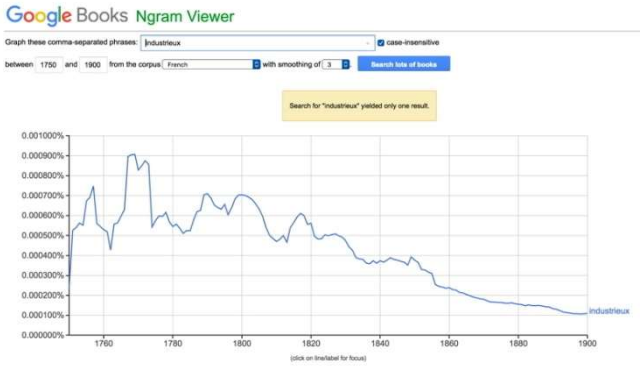
Comte and Dunoyer's theory of "industrialisme" (industrialism)



Comte and Dunoyer's term the "industrieux" (industrious)

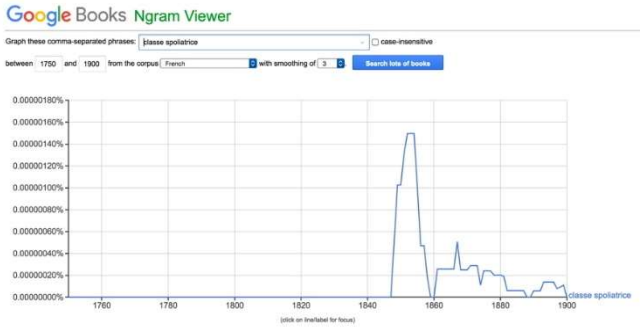
Frédéric Bastiat adopted the phrase "la classe électorale" (the electoral class) to describe the very limited number of wealthy people who were allowed to vote during the July Monarchy (1830-1848) and who were able to use this political dominance to impose tariffs to protect French agriculture and manufacuring from foreign competition.

The use of the term reached a peak around the time of the Revolution of 1848 which introduced universal manhood suffrage. It reached another peak at the time of the discussion of the constitution of the Third Republic in the early 1870s.

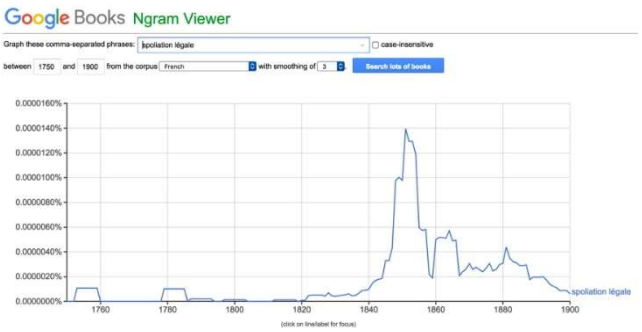


Bastiat's phrase "la classe électorale" (the electoral class)

Another key term in Bastiat's theory of class is the idea of "la spoliation" (plunder). Those who benefited from tariffs and subsidies were called "la classe spoliatrice" (the plundering class) and those who were plundered he called "les spoliés" (the plundered). The use of the term "la classe spoliatrice" (the plundering class) reached a peak in the late 1840s just before Bastiat died, and another smaller peak when the second edition his *Collected Works* were pubished in the 1860s. Related to this was his theory of "la spoliation légale" (legal plunder) which he used to describe the institutionalisation of plunder by the state.

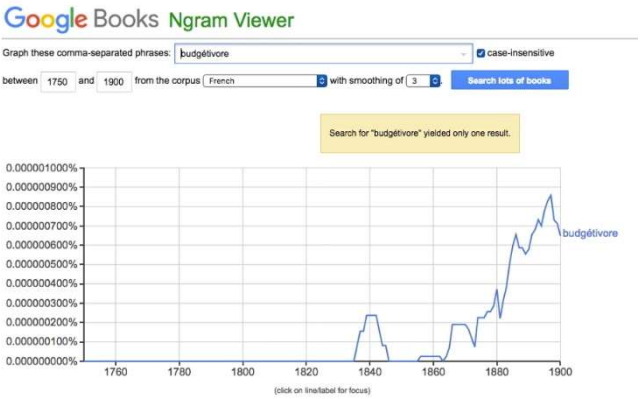


Bastiat's term: "la classe spoliatrice" (the plundering class)



Bastiat's term "la spoliation légale" (legal plunder)

Bastiat's younger friend and colleague Gustave de Molinari used the charming term "la classe budgétivore" (the budget eating class) to describe how vested instersts and government employees "ate" tax payers' money and thus formed a disctinct class in opposition to taxpayers. He began using the term in the 1850s and continued to use it after he became editor of the *Journal des Économistes* in 1881. I can't explain the spike in its use around 1840.



Molinari's term - "la classe budgétivore" (the budget eating class)

Once again, we see the diversity of terms used by French classical liberals and political economists to describe class and class exploitation with no commonly agreed upon terminology being adopted. I believe this hampered the development of this "second tradition" of liberal thinking about class and left the field clear for a socialist or Marxist vocabulary and way of thinking about class to become the dominant one.

CONCEPTS AND VOCABULARY IN CLASS THEORY

by Stephen Davies

David Hart's enterprising use of the Ngram shows, as he says, just how many terms were used by the early classical liberals to label the thing they were talking about. I agree that this very diversity of terminology hampered the adoption of the theory in academia as that arena became professionalized in the later 19th and early 20th century. However, I think his findings reveal something further and more profound, which is that there was not one CLCA but several, with very different ideas about the nature and origin of the "ruling class" and consequently different analyses and proposals.

William Cobbett

One set of terms, such as Cobbett's "paper aristocracy" and Sumner's "plutocracy," stressed the existence of a group of the wealthy that both owe their wealth to some degree to government institutions and policy (such as paper money and credit) and in turn use their wealth to buy politicians and political power, the ability to direct policy or at least to veto it being crucial. In this case, however, they do not need to actually staff the political process or the machinery of government -- that would be the domain of a different social formation.

This might be seen as a particular case of a second theory which is the one captured in Benthamite terms such as "sinister interests." Here the idea is that at least in theory the political process is (or can be made to be) neutral and disinterested, working for generally agreed and universal interests but prone to being seized or used by specific interests (or "factions" to use another old term) to serve their own sectional interest. (Leave aside the question of who exactly these actors are, which I will look at in another post.) Both of these are explorations of interest-group conflict -- they do not necessarily imply or contain an objective theory of the nature of state power or social-group formation.

The vocabulary of Turgot, Wade, and Calhoun is more tightly focused on the existence of people or social groups who derive a net benefit from the state through payment out of public revenue. At one time this was a useful way of thinking because these were easily identifiable types of people (basically state pensioners and employees, the clergy, and paupers). At the same time the class of taxpayers, those who directly funded the state, was also relatively small and easily defined. As several of our authors have pointed out however, this doesn't work in the contemporary world, where the churning of income through the system of state spending and taxation means the categories of taxpayer and tax-eater have become too vague to mean anything. The idea of an oligarchy or ruling elite is also both too precise in some ways and too simple in others. In one sense this is simply the recognition that there is in any political order a minority of people who have real power, the ability to direct or influence the course of state action. They are the political or power elite in the sense that they have more power than anyone else (just as the financial elite has more money, the sporting elite greater sporting talent, and so on for any given category). The crucial extra element is the idea that this group of people has a collective or group interest and therefore a sense of themselves as a group. (Anyone who thinks that political elites do not have this in many cases should try chatting with members of the British "Establishment," who are quite clear that such a thing exists and that they are part of it).

The version of CLCA that is the most radical and which I would regard as the core notion is the one articulated by the French theorists using the language of plunder or rule. In its simplest or crudest form this means that in a given society, there are some who gain wealth via the institutionalized use of physical force or fraud. The more profound idea developed from this is the objective analysis of government that George Smith describes. In this the existence of institutionalized force itself creates a class or category of people who depend upon it and use it and who are objectively dependent upon that kind of social relation, regardless of what their personal motives and beliefs are. In the other implicit theories the institutionalized force is already there and is then used by or attractive to social formations that may already exist for other reasons. In this way of thinking, it is that kind of social relation (a relation of predation rather than production, we might say) that actually creates the social class and the division between it and the rest of society.

The first point I would make is that this plethora of names reveals the way that several quite distinct perspectives coexisted and were often conflated. However the radical French one (also shared by Spencer, as George points out) was the one that had the greatest purchase intellectually, partly because of its multidisciplinary origins. Unfortunately the term "ruling class," which best captures what its argument was, was appropriated early on by the Marxists, and once a term of label is claimed in this way it becomes difficult (though not impossible) for other groups to use it.

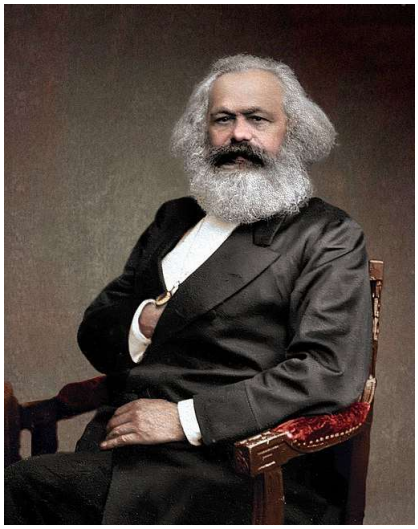
The second point is that these various perspectives are not exclusive. We can keep them distinct while using them all, since they identify distinct phenomena. The radical French theory is in some sense the foundational, or master, theory, particularly when combined with a historical/anthropological account of how power-based relations arise in the first place. The other theories are then accounts of important secondary phenomena such as the way that the existence of a power center and of a class of people associated with and created by it gives rise to other social pathologies. This would also fit in with the typology or classification David sets out, in which there is a core social category of a distinct ruling class and then other classes defined to a great extent by their relation to that first class.

WHAT IS A 'CLASS' AND CAN CLASS ANALYSIS BE 'WERTFREI'?

by David M. Hart

The concept of class is extremely flexible. It can be whatever one defines it to be, such as "things that are A" as opposed to "things that are not A." In set theory in mathematics, that is pretty much all that one needs to know (with my apologies to the mathematicians for this gross oversimplification).

In the social sciences the matter is more complex. Normally one selects a criterion which defines a class of objects because one thinks it is important for explaining social phenomena, such as the class defined as large landowners who got their holdings by royal grant or charter (aristocrats) versus those usually smaller landowners who purchased their land on their own account (market-oriented peasants or farmers), those workers who earn an income from wages (the industrial working class) as opposed to those who earn their income via profits from a business they own (capitalists), the salaries for managers who work in that company, those who receive dividends from shares owned in that company, and so on. Social theorists have historically chosen the following as significant criteria to help them understand how societies function or which explain the conflicts that exist within societies: gender, nationality, status, skin color or race, caste, occupation, wealth, source of income, sexual orientation, and so on. The test for selecting a criterion to define one's understanding of class is, I would argue, its explanatory value for the problem one is trying to explain or solve. And the problem both Marxists and CLs want to solve is who has political (or economic) power, how do they benefit from the exercise of that power, and who pays for it?



Karl Marx

In the case of both the Marxist and classical-liberal traditions of class analysis, there is a *moral, or normative, aspect* and a *systemic, or functional, aspect*. The *moral, or normative, aspect* is that it is wrong to "exploit" (Marxist) or "use violence" (CL) against others to achieve one's own goals. An extension of this is the idea that it is wrong to treat individuals unequally (particularly under the law) based upon their race, gender, sexual orientation, etc. The *systemic, or functional, aspect* is that the selected criterion is socially significant and thus goes to the very heart of how a society functions and perpetuates itself, or does not function well and gets torn apart by political and social conflict, war, and revolution.

In the Marxist framework the *systemic aspect* is that the production of "profits" by means of the "exploitation" of wage labor is the key to understanding how the "capitalist system" functions and perpetuates itself, although it will eventually lead to the system's own downfall. The mere existence of "wage relations" in a society dooms it to being exploitative. The *moral aspect* is that Marxists also argue that not paying the wage worker the "full value" of what he or she produces and charging interest on loans and rent on land are unjust and immoral and should be changed (by violent revolution if necessary).

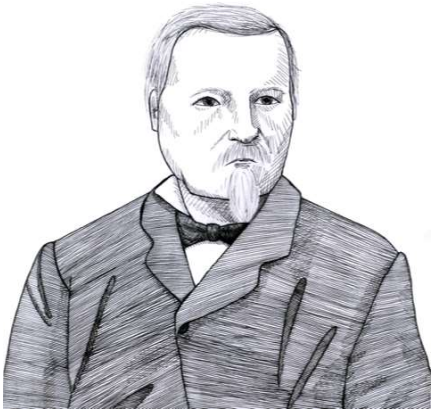
Within the CL framework the *systemic aspect* is that the key to understanding how the "capitalist system" works is the idea that profit-seeking capitalists produce and sell things wanted by consumers, and that if the the capitalists fail to do this adequately they will make losses and perhaps go out of business. The "capitalist system" is thus consumer-centric; all voluntary exchanges are *ex ante* mutually beneficial to the participants. In contrast to the Marxist *normative aspect*, CLs believe the market system is inherently peaceful, productive, and "harmonious" (to use Bastiat's terminology). If the capitalists attempt to engage in rent-seeking to bolster their profits, additional costs and inefficiencies are introduced into the economy which have far-reaching and often unforeseen consequences. Most modern economists *qua economists* are silent about the morality of these activities, seeing it as being outside of their domain. However, this was not always the case.

Also within the CL framework, *how* those profits are acquired -- whether by voluntary exchanges in a free market in which prices are freely negotiated or by the use or threat of coercion to take justly acquired property from some people and give it to others -- also matters -- or should matter. Some branches of liberal political economy wish to be *wertfrei* (value-free) and in many cases don't ask if profits are "justly" acquired -- the price system operates regardless. What matters more is that profits are sought, gained, and lost. However, historically the *moral aspect* was more important within the classical-liberal tradition. One might rightly call political economy in the late 18th and early 19th centuries a kind of "moral economy" or "social economy." This was the notion that the use of violence is wrong and that taking something that is not rightfully yours is also wrong, and that these activities profoundly affected the operation of the economy and the nature of wealth creation.

What is common (or should be) to both schools of economic thought is that it matters that wealth is acquired by means of coercion instead of voluntary and mutually beneficial exchanges.

Thus it is not surprising that the problem of coerced labor was central to the development of CLCA. It was a serious economic problem for Adam Smith and Jean-Baptiste Say, who argued forcefully that slave labor *qua labor* was inefficient and more expensive than free labor (not least

because of the incentive problem). Other CLs, like Charles Comte and Gustave de Molinari,[79] argued equally forcefully that it was just as much a moral problem (with economic side-effects) since, as acting and thinking beings, slaves resented having their freedom and property taken from them and so attempted to run away, sabotage their work, or rise up in bloody revolt and kill their masters whenever they had the opportunity to do so. These activities had enormous economic consequences and thus had to be incorporated into their economic analysis of societies.



Gustave de Molinari

Thus in the eyes of economists like Frédéric Bastiat an institution like slavery was not just an economic matter but also a moral matter which so distorted the operation of the natural "harmony" of the market that it created "disharmonies" so severe that it would eventually lead to war and revolution. To help understand the "disturbing factors" which were undermining the normal operation of the market he developed his theory of class and plunder in which slavery played a most important part.[80] Certainly in the case of Comte and Molinari, the relationship between the slave and the slaveowner was just as economically important as the relationship between the producer and the consumer in classical political economy.

I suspect that one explanation for the decline of interest in class analysis beginning in the late 19th century was the desire of liberal political economists to be more "scientific" and *wertfrei* in their analysis. So CLCA had to be ditched.

Endnotes

[79.] See in particular the long discussion of slavery in Charles Comte's *Traité de législation, ou exposition des lois générales suivant lesquelles les peuples prospèrent, dépérissent ou restent stationnaire*, which had a profound impact on French classical-liberal thought, 4 vols. (Paris: A. Sautelet et Cie, 1827). Book five deals almost exclusively with slavery.

[80.]See, David M. Hart, *Class Analysis, Slavery and the Industrialist Theory of History in French Liberal Thought, 1814–1830: The Radical Liberalism of Charles Comte and Charles Dunoyer* (unpublished Ph.D., King's College Cambridge, 1994).
Online http://davidmhart.com/liberty/Papers/ComteDunoyer/CCCD-PhD/.

CLASS AND STATE

by Gary Chartier

As Lemke notes, it is difficult to craft constitutional arrangements in the face of differences in values and factional loyalties. Differences in values reduce the likelihood of consensus on social norms—a problem that preoccupied John Rawls during the latter half of his professional life. But James Buchanan and Gordon Tullock, and Lemke as well, also note the difficulty of achieving any sort of constitutional consensus among people divided into cohesive factions by socioeconomic class. This is doubly difficult of course if, as my preferred version of CLCA holds, it is precisely the existence and operation of the state that creates the possibility of class rule. The problem, that is, is not just that a pre-existing cadre may seek to capture what might otherwise be a socially neutral state apparatus, or even that the possibility of capturing such an apparatus might lead otherwise disparate actors to coalesce into a proto-class with an eye to the benefits the state might confer, but rather that class rule is only possible when a monopoly state, or something similar, obtains.

Gordon Tullock

Some observers may, as Davies notes, be inclined to conclude that state rule is inevitable and therefore to ask which sort of ruling class might be preferable. But others will instead see the constitutive role of the state vis-à-vis class dominance as a crucial reason to seek alternatives to state rule. In considering whether to endorse constitutional arrangements that do or ones that don't make room for the state—as Roderick Long notes, anarchism is itself a variety of constitutionalism—they will thus (a point Lemke rightly emphasizes) be inclined to take into account the costs imposed by and on behalf of the inevitable ruling class. They may accept Benthamite talk about "sinister interests" as far as it goes while recognizing that the Benthamite neutral state is a will-o'-the-wisp.

No one imagined that the state was neutral so long as it was the agent of the king or queen. But the dispersal of power among wider segments of the population—accompanying increased prosperity, education, and social awareness—evidently encouraged the fantastical supposition that monopoly power could be tamed—thus the move from Bentham to Mill to 20th-century Progressive/Fabian delusions regarding the potential liberation of the state from class partiality. (These delusions didn't involve the belief that the state could be freed from class *dominance*, of course, since the Fabians and Progressives seemed rather to assume that the state would be managed by the New Class of educated, expert technocrats, even if on behalf of the entire public.)

Critical observers of the kind I've envisioned would have no time for such delusions. They will, that is, regard the state as unavoidably an organ of class rule—with the ruling class *constituted* by its relationship to state power. Given that they are powerfully motivated to seek alternatives to dominance by a ruling class, they will also be powerfully motivated to seek alternatives to state rule. They may not, therefore, find the question of "what kind of ruling class you want or prefer (maybe fear least) and how ... you contain it?," the "question of how to educate and train the rulers so that they are at least decent chaps," the most central political puzzles. Instead, they may wish to focus on organizing and motivating a (quiet, nonviolent) revolt.

CLCA AS A POSITIVE PROGRAM IN SOCIAL SCIENCE

by Jayme Lemke

George Smith in "Of What Use is Class Analysis?" and David Hart in "What Is a 'Class' and Can Class Analysis Be 'Wertfrei'?" both raise questions about the way in which scholars' values enter into class analysis. Smith asks if CLCA requires us to assume that we understand too much about the interests of the individual members of the groups we term to be a class. Hart conjectures that 20th-century social scientists turned away from class analysis out of fear of appearing unscientific if they addressed questions with obvious normative implications.

These concerns strike me as related to F.A. Hayek's discussion of social justice, in particular the claim that "only human conduct can be called just or unjust" and therefore "To apply the term 'just' to circumstances other than human actions or the rules governing them is a category mistake."[81] If we accept the idea that class matters, are we implicitly subjecting social structures to charges of injustice (even if the mode of our analysis is

value-free)? In doing so do we violate the analytic principle that the actions of individuals, taken in service of subjectively defined values and with subjectively defined expectations, are the appropriate unit of analysis in social science?

Friedrich von Hayek

I think it is useful here to distinguish between having a causal influence and being causally determinant. Understanding the class structures in effect in a society and the rules and restrictions they create, whether explicitly or implicitly, may allow the observer to identify patterns of behavior related to an individuals' position in the class structure. For example, if a person lives in a society where they are restricted from highly skilled occupations because of their caste or gender, we can predict that the restriction will discourage them from investing in education. Similarly, if a person is in a group that grants them disproportionate access to the legislative process, we can predict that they will be more likely to invest in shaping laws in ways that suit their interests than they would be if influencing law was costlier for them.

Knowledge of these effects does not mean that studying class has enabled us to predict that a particular person will or will not lobby, or pursue higher education, or undertake any other specific action. This also does not mean that these people's actions—whatever they are—have been dictated to them by their position in the class structure. As long as an individual's valuation of the many ends they could choose to pursue and the many means they could choose for doing so is subjective, then purposive action can never be fully determined by external social factors.[82] The classed nature of the society has a knowable causal influence on behavior without defining the individuals' interests or behavior, either to them or to the analyst.

The fact that class cannot and does not determine the interests or behavior of the individuals in a group is not at all a limit on the usefulness of the concept. This lack of causal determinacy and inability to generate specific predictions are true of all attempts to understand observable behavior patterns. Consider the prediction that an increase in the price of gas will lead to a decrease in gallons purchased. This simple prediction is always true in isolation, but only *ceteris paribus*. Other factors simultaneously impacting an individual's purchasing decision can easily cancel out the observed effect of the price change. Any given person may or not not actually buy less gas than they did the day or year before, because their decision is going to be influenced by so many other factors in addition to that one single price change. The change in price has a predictable causal effect on the individual's behavior without determining what they will choose. Few would suggest that this means the law of demand is not useful in understanding social behavior.

Returning to Smith's concern that CLCA might require us to assume that we understand too much about individuals' interests, I would argue that the distinction between causal influence and causal determinacy outlined above is significant to understanding how class analysis can be consistent with methodological individualism and subjectivism. Although it is possible to conduct class analysis in a way that presumes a set of interests—and indeed this has been done too often—CLCA need not understand classes as having well-specified or homogeneous interests in order to help the scholar understand a significant set of social structures and influences.

As a final note, if classical-liberal scholars have avoided CLCA out of fear of appearing inappropriately normative—a conjecture that is consistent with broader

trends in 20th-century social science—then they have done so in error. All meaningful social science will have normative implications. This does not mean that the *wertfrei* ideal need be abandoned in the process of analysis, or that social structures need to be misidentified as engaging in purposive action. Instead, CLCA can generate useful *a priori* predictions about meaningful influences in the social world without presuming too much homogeneity of interests or knowledge on the part of the expert.

Endnotes

[81.] F. A. Hayek, *Law, Legislation, and Liberty*,vol. 2: *The Mirage of Social Justice* (Chicago: University of Chicago Press 1976), p. 31.

[82.] Paul Lewis, "Solving the 'Lachmann Problem': Orientation, Individualism, and the Causal Explanation of Socioeconomic Order," *American Journal of Economics and Sociology*, 67, no. 5 (2008): 827-58.

ROTHBARD, CONSPIRACIES, AND CULTURE WARS

by Gary Chartier

Aware that the ruling class is unavoidably constituted by its relationship with the state, critical observers of contemporary politics and society will undoubtedly wish to take full advantage of the historical, sociological, and philosophical enrichments of class analysis offered by multiple contributors to the classical-liberal and libertarian conversations in recent decades. Still, they may view something like "Rothbardian synthesis" (Hart's phrase) with appreciation.

Davies quite appropriately raises some critical questions about Rothbard's class-analytic project. I want to focus on two concerns Davies notes.

(i) Davies suggests that Rothbard's approach "has a tendency to a conspiracy-theory view of politics." I am not sure why this should necessarily be problematic—or why it need necessarily be incompatible with a more sociologically rich approach.

One reason to think this might be so is that the class analysis of sociologists like Mills and Domhoff is hardly incompatible with positing conspiratorial mischief-making. If those Mills called "the power elite" are essentially thugs and bandits, then there is surely good reason to expect them to engage in theft and violence. If political leaders are selected for their ambition—and so their willingness to put principle to one side—and their inclination to serve the interests of wealthy and well-connected, there is surely good reason to expect them, too, to engage in theft and violence. Thus, there's an argument to be made that a story suggesting that elites are up to no good is more likely to be true than a similar story about an ordinary member of the population.

Similarly, if elites play a significant role in shaping both state policy and the stances of media companies, there is good reason to assume that the stories injurious to the interests of the power elite are less likely to receive support from the mainstream media and government officials than stories beneficial to their interests. So it is sensible to expect that true stories of misdeeds by the power elite will not be endorsed or publicized by the mainstream media.

That elites are more likely than ordinary people to be involved in plunder and murder, and that the mainstream media are unlikely to give much attention to stories of their involvement in such activities, does not, of course, show that any particular story about elite misconduct that is ridiculed in the mainstream media is correct—each such story should be gauged on its own merits. However, it does provide good reason to suspect that some conspiracy theories might be correct and to refuse to dismiss such theories simply because they are treated as silly by the mainstream media.

Someone could, at any rate, reason this way even while granting the merits of sociological explanations of political mischief-making that look at the shared characteristics and circumstances of particular actors (this seems entirely compatible with methodological individualism) without supposing that their actions are

consciously coordinated. One can grant the merits *both* of narratives that focus on the deliberate choices of particular elite actors and those associated with them *and* of analyses that see people of particular sorts as responding in predictable ways to similar conditions. (And, of course, one can understand putatively conspiratorial actions by particular elite actors through the lens of sociological analyses that contextualize these actors within their social milieux.)

We certainly have good reason to start with sociological accounts that don't rely on assumptions about coordinated conspiratorial activities. But we needn't stop there, necessarily, when narratives of consciously organized elite mischief seem to make the most sense.

(ii) Davies suggests that a Rothbardian attempt to "[mount] a populist revolt against the established American state" will be predictably linked with "a strong element of cultural conservatism and ethnic-identity politics along with a simplistic contrast between the corrupt elite and the honest populace." I share Davies's implied disaffection for cultural conservatism and identity politics. But I am not sure why "a populist revolt against the established American state" needs to involve either. Indeed, it seems as if the reverse might be true. By emphasizing the mischief-making of entrenched elites enriched by their relationship with the state, populist campaigners could, it seems to me, mobilize potential participants in a revolt across cultural and ethnic lines. People on opposite sides of the culture wars might well share apprehension at misrule by the wealthy and well-connected and their allies in the New Class. The same is true for different ethnocultural groups. As Bill Kauffman has noted, there is a great deal of room for alliance-building between, say, hippies and drug-freedom advocates on the one hand and home-schoolers and gun enthusiasts on the other. The prospect of freedom is powerful, and it might serve to unite otherwise disparate actors in an attack on the status (statist?) quo.

IMAGES AS ANOTHER LANGUAGE TO DESCRIBE CLASS RULE

by David M. Hart

In addition to words being used to describe the nature of class rule we also have some insightful and amusing cartoons from the first third of the 19th century which say much the same thing but in a visual language. The English caricaturist James Gilltray (1756-1815), althugh not a classical liberal, ridiculed the ruling elites of his day, in particular the French and Napoleon during the wars, with images depicting war taxation as robbery, and the rent-seekers and corrupt politicians who lived off the sweat of the ordinary working people of Britain ("John Bull"). His counterpart in France was Honoré Daumier (1808-1879) who was a liberal. He has a marvellous depiction of the "pear-shaped" King Louis Philippe as a tax-eater sitting on a commode "feeding" the rent-seekers who gathered around him looking for favours. For this outrage against the king's honour Daumier spent time in prison (which only increased sales of his drawings). Finally, John Wade, the liberal-minded radial, included in his *Black Book* an anonymous etching of John Bull as Gulliver who is tied down by the rent-seekering Lilliputians who rifle through his pockets as he lies prone and helpless on the ground. We used his image at the beginning of this Liberty Matters discussion.

There are more detailed analyses of these images at the Online Library of Liberty's Images of Liberty and Power , especially

- James Gillray on War and Taxes during the War against Napoleon
- The People and the Ruling Elite in Caricatures (Wade and Daumier)

(Unknown artist), "John Bull as Gulliver" (1835).

John Bull (i.e. the British people) has been captured and tied down (like Gulliver in Jonathan Swift's Gulliver's Travels (1726) by the Lilliputians, who in this case are figures representing the army, the church, members of

parliament, and the judiciary. The Lilliputians taunt him and rifle his pockets to steal his money.[83]

(Unknown artist), "John Bull as Gulliver" (1835)

The Ruling Class as "Tax Eaters" - **Honoré Daumier, "Gargantua" (1831)**

This illustration depicts the idea that society is divided into two groups: that of the net tax "consumers" (or tax "eaters" as they are sometimes called) and that of the net tax "payers". These two groups have opposite interests and are therefore in conflict with each other: the tax "eaters" wanting to maintain or even increase their "food intake" and the tax payers wanting to minimize or even eradicate the amount they have to pay. This caricature from 1831 shows how Daumier thought ordinary people were exploited by the ruling elites through taxation and regulation. It was created at a time when agitation for democratic reforms were strong in both England and France and was drawn by the French republican artist Honoré Daumier for a satirical magazine in 1831. It depicts a fat and pear-shaped King Louis Philippe as a "tax eater" (the "Gargantua" from Rabelais' novel) who takes from the ordinary people and gives privileges to the ruling elite. The taxpayers (to the right) are loading baskets full of their tax money which are carried up a ramp into the king's open mouth. Some well dressed citizens gather around his feet to collect the coins which fall to the ground. From the king's commode (or toilet) fall official documents which grant various privileges and honours to those waiting below, before they rush off to the National Assembly in the background. For making this drawing Daumier spent 6 months in prison for offending the king.

Honoré Daumier, "Gargantua" (1831)

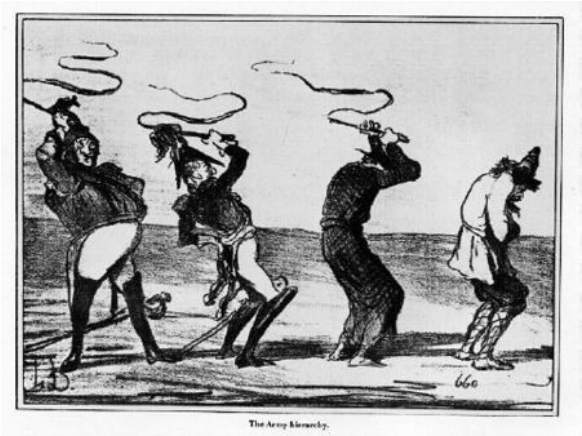
James Gillray, "The British Atlas, or John Bull supporting the Peace Establishment (1816)

The historical context of this caricature is that after nearly 20 years of war against the republic created during the French Revolution and then Napoleon's Empire the British people were impatient to see the full demobilization of British troops and to have the prosperity of peace return to Europe. Trade between Britain and the Continent had been disrupted by the war itself and also by the deliberate policy of Napoleon to prevent English manufacured goods from being traded in Europe (the "Continental Blockade").The British government had imposed numerous onerous taxes on the British people (such as the Window Tax) which they were slow to lift, and a large public debt was incurred through a new system of a national bank devoted to this as well as the suspspension of specie payments (gold). As so often seems to be the case Robert Higgs' "ratchet effect" meant that the size and scope of government after the war did not return to the level it had before the war broke out, thus forever "ratcheting up" in size and cost. The image of "Atlas" had been a popular one before and during the Revolution as a way of depicting the oppression of the ordinary people (the "Third Estate") by the Church and the Aristocracy, so it is interesting to see this image being used in Britain just after the fall of Napoleon.

James Gillray, "The British Atlas, or John Bull supporting the Peace Establishment (1816)

Honoré Daumier, "The Army Hierarchy" (1850s)

Daumier did a series of etchings and cartoons criticising the militry policies of both France and the German states in the Second Empire (1852-1870). Here he shows how power is exercised within the army from the generals down to the conscripted soldiers.



Honoré Daumier, "The Army Hierarchy" (1850s)

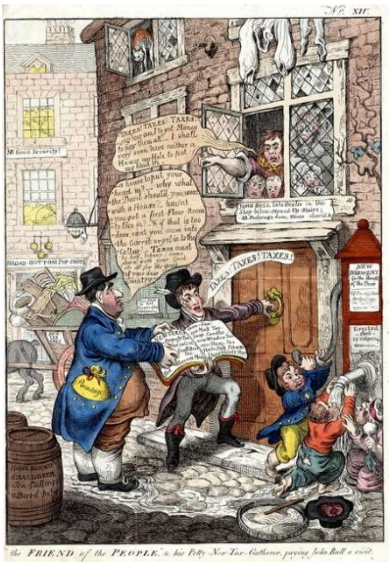
James Gillray, "BEGGING no ROBBERY; i.e. Voluntary Contribution; or John Bull escaping a Forced Loan" (1796)

This is one of several caricatures Gillray did about the "voluntary loan" which was a thinly veiled threat by the government that a "forced loan" would be imposed on taxpayers to raise money for the war effort if they did not make "voluntary" contributions to the exchequer. The government created war hysteria of a French invasion or of domestic revolution in order to frighten members of the public ("John Bull") into making contributions to the government. The author and politician Edmund Burke was very active in contributing to this hysteria with his writings in 1795 on "Letters on a Regicide Peace" (1795) in which he described the French Revolution and its supporters as a "cancer" which had to be cut out of the body politic. Wright and Evans [p. 89] believe that Burke is one of the "three banditti" in the bushes to the right (Dundas, Grenville, and Burke) and that the scene is a parody of the picaresque novel Histoire de Gil Blas de Santillane (1715) in which Gil Blas, the son of a poor stablehand and chambermaid, encounters robbers on his way to the University of Salamanca, is forced to assist them, and therefore runs afoul of the law. Here we see John Bull riding an emaciated horse which looks like it is on its last legs. He has come from "Constitution Hill" and is on his way to "Slavery Slough ("swamp") via Beggary Corner". He has been waylaid by highwaymen hiding in the bushes as he rides by and is obliged to make a "donation" of coins into their hat instead of being forced to make a loan to the government to fund the army. Note the pained expression on his face. The men in the bushes on the right have pistols pointed at him and are wearing fine robes and hats which suggest that they represent the aristocracy, the church, and the law. The man kneeling by the roadside is a soldier wearing torn and bedraggled clothes. He has in his pocket a pistol and a sheet of paper which says "forced loan in reserve". He is holding a blunderbuss on which is written "standing army". In the speech bubble above him it says "Good Sir, for Charity's sake, have Pity upon a poor ruin'd Man; drop if you please, a few bits of Money into the Hat, & you shall be rewarded hereafter." At his feet is a petition which states "Humble PETITION for VOLUNTARY CONTRIBUTIONS, Subscriptions & new TAXES, to save the DISTRESSED from taking worse COURSES."

"BEGGING no ROBBERY; i.e. Voluntary Contribution; or John Bull escaping a Forced Loan" (1796)

James Gillray, "'The FRIEND of the PEOPLE', and his Petty-New-Tax-Gatherer, paying John Bull a visit" (May 28, 1806)

Gillray has ironically called the new tax gatherers in this caricature "The Friend of the People" when obviously from the drawing John Bull and his family are in dire financial straits. A thin looking cat stands in an upper window of their house, washing hangs from a window, his wife and family look frightened when the tax gatherers knock on their door demanding payment of the new taxes, one of the children is gnawing on a meatless thigh bone. A withered grape vine grows on the front of the building. The sign above the front door says "John Bull, late Dealer in the Shop below; Moved Up-Stairs; NB. Porterage done; Shoes clean'd &" . John Bull has lost the lease to his shop (a sign outside says "This Shop to Let. Enquire of the Tax-Gatherer") and has had to move upstairs and do much more menial labour to make a living. John Bull says to the tax gatherers "TAXES? TAXES? TAXES? why how am I to get Money to pay them all! I shall very soon have neither a House nor Hole to put my head in." Two sharply dressed tax gathers (one with a quill pen behind his ear in order to write down in his ledger the taxes owed and paid - possibly Lord Henry Petty the Chancellor of the Exchequer) are knocking on the door announcing that they have come to collect the new "TAXES! TAXES! TAXES!" They are holding a book which lists all the new taxes the Bulls must pay: property tax 10%, small beer tax, taxes on servants and maids, iron tax, malt tax, window tax, stamp tax, taxes on hats, salt, tobacco, shoes, shirts, and stools. The portly tax gatherer (possibly Charles James Fox) has a large sack of money in his pocket labelled "poundage" (a percentage of a worker's wages taken by the government) and says to John Bull "a house to put your head in? why what the devil would you want with a House? hav'nt you got a first-Floor Room to live in? & if that is too dear, can't you move into the garret or get in to the Cellar? Taxes must be had. Johnny - come down with your Cash, its all for the good of your dear Country."



"'The FRIEND of the PEOPLE', and his Petty-New-Tax-Gatherer, paying John Bull a visit" (May 28, 1806)

James Gillray, "More PIGS than TEATS, or the new Litter of hungry Grunters sucking John Bull's old Sow to death" (March 5, 1806)

In this caricature John Bull is shown as a pig farmer who has come to check on his old sow in the pig stye. The sow represents the British economy which was being sucked dry by all the demands being placed upon it by the British government in order to fight the war against Napoleon, especially the new war taxes. Those doing the "sucking" are the vested interests which benefited from the policy

of war, such as members of the government, the law, the military, and the aristocracy. John Bull is shocked to see his poor emaciated sow (emaciated and near death, with a very forlorn look on her face) being besieged by "hungry Grunters" wanting to suck at her teats. John Bull says "O Lord. O Lord! I never had such a dam'd Litter of hungry pigs in all my life before! why they's beyond all count! [I count 28 (editor)]. where the devil do they think I shall find Wash & Grains for all their Guts? zookers, why they'll drain the poor old Sow to an Otomy! (?) e'cod She'll make but bad Bacon for Boney [the English nickname for Napoleon Bonaparte], when they's all done sucking o'her!!!"

"More PIGS than TEATS, or the new Litter of hungry Grunters sucking John Bull's old Sow to death" (March 5, 1806)

James Gillray, "A Great Stream from a Petty-Fountain; or John Bull swamped in the Flood of new-Taxes; Cormorants Fishing the Stream" (1806)

In this caricature, on the left we see John Bull (the personification of Britain) in a sinking boat which has been swamped by a mass of new taxes to fund the war against Napoleon. He has lost hold of an oar with the name of "William Pitt" written on it. [William Pitt the Younger was Prime Minister from 1804-1806 as well as Chancellor of the Exchequer (or minister of finance)]. On the right we see a man's head (probably Lord Henry Petty the new Chancellor of the Exchequer) from whose mouth pours a fountain of water labeled "new taxes" which are named in the cascades of the fountain (taxes on salt, tea, hops, malt, sugar, alcohol, candles, horses, servants, soap, houses, land, stamps, windows, property, etc.). In the foreground we see 10 hungry cormorants with human heads devouring the fish, crabs, and eels which thrive in the waters of the tax fountain. In the middle ground there are 2 other human-headed birds; in the distance we can see dozens more hungry cormorants heading towards the tax feast. The heads of the cormorants probably depict prominent politicians and other figures of the day. Wright and Evans observe that the Whig party when it was in opposition had opposed heavey taxation but as soon as they were able to form a government they not only retained all the taxes of the old government but introduced a large number of new ones. The Whig's new budget was brought down by the Chancellor of the Exchequer, Lord Henry Petty, whose face can be seen on the right disgorging a stream of new taxes. The cormorants depict the hungry new Whig politicians who eagerly snap up the tax revenues which flow their way. Their heads are those of Windham, Grey, Lord Derby, Duke of Bedford, Fox, Lord Moira, Lord Grenville, Sherdian, Lord Sidmouth, Tierney, Lord H. Petty, Sir F. Burdett, Horne Tooke. [pp. 261-62, no. 313].

James Gillray, "A Great Stream from a Petty-Fountain; or John Bull swamped in the Flood of new-Taxes; Cormorants Fishing the Stream" (1806)

James Gillray, "Broad-Bottom Drones storming the Hive, Wasps, Hornets & Bumble Bees joining the Attack" (May 2, 1808)

The expression "Broad-Bottom" in the title refers to a coalition of politicians from both parties (Whig and Tory)

who essentially agree on pursuing a common policy which in this case was increased taxation to fight the war against Napoleon. Hence, the attack on the Treasury was a bi-partisan movement by all the vested interests and power groups within the establishment to make use of the increased government revuenue made possible by higher and more numerous taxes imposed upon the British people. On the right is a beehive which represents the British treasury. The monarch's crown sits on the top and the hive rests on a wooden table on which is written "Treasury Bench". Beneath this are three pots named "Honey" which are brimming over with coins showing the prosperity and wealth of Britain. To the right of the hive we see three productive honey bees collecting nectar in what looks to be the flowers of a rose bush. In front of the hive are 21 bees who have come forward to protect the hive from marauding wasps, hornets, and bumble bees who have come to steal the hive's honey. These insects perhaps represent all the vested interest groups seeking money and other benefits from the government, or those groups which cost the Treasury money (say for defence). The bees appear to have beaten off one attack - the six insects at the lower left who have turned tail and are retreating. On their wings are written slogans which reveal their affiliation. Most are illegible but one has a pair of wings on which is written "No Laws" and "No Bastille", another has "Incest", suggesting that the British Treasury has been able to defeat the worst of the French Revolution. The face of the bee leading the defense has well defined human features and is probably meant to be Spencer Perceval who was Chancellor of the Exchequer from 1807-1809 and who was able to maintain the war against Napoleon without raising taxes and by cutting costs.

"Broad-Bottom Drones storming the Hive, Wasps, Hornets & Bumble Bees joining the Attack" (May 2, 1808)

Endnotes

[83.] In John Wade, *The Black Book: An Exposition of Abuses in Church and State, Courts of Law, Municipal Corporations, and Public Companies; with a Précis of the House of Commons, Past, present, and to come. A New Edition, greatly enlarged and corrected to the present time. By the Original Editor. With an Appendix* (London: Effingham Wilson, Royal Exchange, 1835), p. xxxiv.

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