

# MODERN CIVILISATION IN SOME OF ITS ECONOMIC ASPECTS

## PART I

# The Characteristic Features of Modern Civilisation

# CHAPTER I

#### THE CONDITIONS OF MATERIAL PROSPERITY

1. There probably never was a time in the history of our country when so much attention was given to the material prosperity of the nation. Social subjects form a large part of every political programme, and the fashionable philanthropy of the day seems to be principally concerned with providing material comforts and enjoyments. The wide view they take of national prosperity is the most remarkable feature of such contemporary discussions. Adam Smith investigated the wealth of nations; but he was really considering the permanent conditions of the prosperity of the nation as a body politic, rather than that of the individuals who compose it. He did a great deal to give the science of Political Economy its present bent; but we have come to take far more account than he did, of the



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individual men, women, and children, who compose the nation. When we speak of the nation, we think not so much of the country as a whole, as of the lives and comfort of each individual human being. Adam Smith studied the conditions of steady industrial and commercial progress, which served as the basis of sound finance; but we aim at securing the best available conditions for each individual Collectivists and Individualists may differ about the best expedients for attaining and maintaining such a state of things, but all are agreed in striving, so far as may be, to make progress in this direction. Christians, who regard this world as a place of preparation and discipline, and Materialists, who refuse to look beyond it, have different conceptions of the possibilities of human life; but they would agree in desiring that the material opportunities of attaining the best objects of human aspiration, whatever they may be, should not be withheld from any human being. There is much common ground where different parties meet; each claims to be able to occupy the whole field in the wisest fashion, and each is ready to propound a nostrum or a course of treatment for dealing with the evils of existing society.

Many of us would perhaps wish to keep aloof from the confusion, which arises from the heated discussion of these complicated subjects. But we cannot if we would. The issues raised have an immediate and personal interest for many of us. Projects are mooted from which some hope much, while others fear that they will only bring ruin upon themselves and indirectly cause wide-spread disaster among their dependents. Many of us have a part in the government of the country, and the suffrages of almost every free citizen are asked in regard to all sorts of legislative



#### NEED FOR SYSTEMATIC STUDY

remedies for existing evils; we are called upon to make up our minds and to give effect to our opinions, even though we may have little confidence in our own judgment. There is reason to fear that we may sometimes be swayed by sentiment to interfere in a fashion that only remedies a present mischief, at the expense of causing greater evils in the time to come. The whole matter is so complicated, the opposing parties are so vehement, the different issues are so subtly interconnected, that we cannot hope to think self-consistently about the different questions which are forced on our attention in turn, unless we try to examine them systematically, and take some definite standpoint from which we may endeavour to survey the whole.

2. Apart from all the difficulties already alluded to, there is one special reason for the complexity of all economic and social problems. We have to deal partly with man and partly with his surroundings, partly with his intellectual and moral qualities and partly with the physical and material conditions of his life. In many other sciences one or other of these sides may be practically left in the background altogether. Chemistry and Physics treat of the qualities and quantities of material objects; the mental and moral qualities of human beings only come into such studies occasionally, when there is need to take account of the "personal equation" of some investigator; while the pure sciences of space or number give us results, which are true for all human intelligences and do not depend on any argument from material things. But in economics,

<sup>1</sup>That is to say when his special peculiarities of mind or body, his favourite theories or defective vision, appear to have affected the results of his investigation.

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these two sides, the mental or moral and the material, must both be taken into account; in all human progress they act and react on one another. Human energy gives rise to better material conditions, and better material conditions afford the opportunity for greater energy. There is this constant reciprocal action; and half of the controversies which arise on social subjects are due to the fact that one writer accentuates one side only, and another only its counterpart; but we must fall into error if we neglect either one or the other. It is common enough to hear one man urge that the very poor cannot be humanised until they have better houses, or better material conditions; while another holds that they cannot get any good from improved conditions till they are better themselves and are more self-restrained and trustworthy. It is abundantly true that human qualities and material conditions react on one another; and any student or social reformer is self-condemned who leaves either one or the other out of account.

This double character of all social and economic problems is one reason for the great difficulty of trying to construct a social system from first principles of right and wrong. The primary virtues of honesty and truthfulness, temperance and justice, hold good universally in all times and places, but their precise application to economic conditions must vary from age to age; because man's relations to his surroundings vary from time to time, and the consequent relations of man to man differ too. The rules of justice that suit a nomadic people would scarcely be applicable to the questions that would arise among men who had taken to tillage. Hence we can hardly hope that arguments from such first principles will enable us to lay down what is right universally, and therefore ought



## QUESTIONS OF EXPEDIENCY

to be introduced under our present complex conditions.<sup>1</sup> We have for the most part to be content with trying to detect what is wrong here and now, and to examine the various forms under which dishonesty or injustice lurks; we may then set ourselves to punish it and to prevent its recurrence. We cannot work from abstract justice, man's moral nature by itself, but only with reference to actual wrong, the conditions of human life and labour here and now.

Not that our actions need be confined to the negative task of punishing wrong-doers; we may and we ought to try and introduce improvement, but even here the same difficulty appears. In such efforts we shall for the most part have to do, not with what is clearly right, but with what is expedient. There can, for instance, be no absolute duty incumbent on a town to make a public park; it is a question of expediency to be determined by considering, on the one hand, the probable advantage in health and satisfaction, and the probable addition to the rates and the consequent burden on the other. And so with all proposals for an alteration either in the amount of property, or in the terms on which the property of any person is held, with the view of lessening the inequality between rich and poor. Projects such as the recent changes in the death duties cannot be debated as matters of abstract justice, but only as questions of expediency in their bearing on the future of society.

This is one reason why there may be among persons who are really earnest and right-minded, such startling differences of opinion as to what is right in social affairs.

<sup>1</sup>The abolition of slavery was, however, eventually carried out on grounds of abstract justice.

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Two men may be agreed on all main principles, and yet form different estimates of the probable effects of any proposal, and thus differ as to its expediency. We are all too apt to attribute selfishness or moral delinquency to those who doubt the efficacy of, and therefore hold aloof from, schemes of reform which rouse our own enthusiasm.

From this point of view then, it must be reluctantly admitted, that we have not the means of laying down rules as to social and economic principles that are absolutely and universally wise and just; it is well to put forward no false pretensions. All that we can hope to do is to take existing society as it is, to set ourselves to check the evils we find in it, and to busy ourselves about trying to improve it by introducing what is expedient as means to an end in view. We adopt some course because it is likely to tend to the permanent welfare of all individuals, present and future, in the society so far as we can forecast it. Still, we must remember that we can neither see where the roots of evil lie, nor what it is wise to foster, unless we try to understand existing society as it is, in its strength and in its defects.

3. From this double character of the subject, as a study of the action of man on his surroundings and their reaction upon him, arises the chief difficulty which we have to face in attempting to study existing society. We

<sup>1</sup>We may give this a more definite interpretation by saying that material wealth gives the opportunity for welfare of every kind (p. 9), and that we may approve what is expedient with reference to material progress, not for its own sake but because of the welfare it renders possible. The question how far, or rather under what conditions material progress is a benefit is discussed below (§ 71).



#### MAN AND HIS SURROUNDINGS

do not know where to begin. For most of us there is a temptation to oscillate between two half truths; first we take the attitude of ascribing degradation to the physical surroundings in "slums"; and then veering round we speak of it as due to such moral causes as the improvidence of the poor and their early marriages. We can only get at the truth of the matter if we honestly try to give each side the attention due to it at every point.

It seems that if we turn to the past we can get some light as to the relative importance of the two factors, man and his surroundings; for it is possible to indicate the respective parts which each of these factors has played in the material progress of mankind. Favourable physical conditions have offered opportunities for development, but these opportunities have sometimes been neglected for centuries; as in Australia or South Africa. Fertility is of little account unless human beings have skill and enterprise to take advantage of the opportunities within their reach. Unfavourable physical conditions have interposed obstacles and barriers to certain forms of progress; countries like Poland, with no coal and iron of their own, are ill adapted for manufactures; countries without a seaboard, like Switzerland, are at a disadvantage in foreign commerce; but these obstacles are not insuperable, and human energy and enterprise may succeed in overcoming them. These physical circumstances seem to affect the rate of progress and to some extent the directions of progress; but the active forces, which bring about advance, and which overcome obstacles, lie in the enterprise and skill of human beings. These are the more important factors, because they are active and effective; it is by studying them that we may best come to understand the

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course of progress. Merely natural conditions have changed but little, since the most primitive times; but man has altered in his power of understanding and utilising his physical surroundings; every step in invention or discovery and every improvement in social organisation mark stages of advance. Hence the beginnings of changes become intelligible when we study the development of the human powers which initiated them, rather than the natural conditions which have been constant. The human side best repays study; though the material side must never be forgotten, even if it be left out of sight for a time; it is continually asserting itself, as we shall see when we come to examine the Law of Diminishing Returns (§ 30) or to discuss proposals for improving the conditions without increasing the efficiency of labour (§ 49).

4. When we once realise that human skill and human enterprise in the use of property have been the two principal factors in progress, we get a fresh light on the very meaning of civilisation. A nation may be said to have attained to a high civilisation, if its physical resources are successfully utilised and the social arrangements favour the growth and exercise of enterprise and skill; it is in a sound state, and is likely to increase in material prosperity and to afford opportunities of high culture and widely diffused comfort as well.

Material prosperity is not the only thing by which an age or a nation may be judged; there may be many rude virtues among savages; there are many kinds of skill in which the American Indian excels, while the white man has either lost, or has never attained them. Individuals who live in a rough and uncouth age may be masters of varied learning and keenly appreciative of beauty and art; as



#### WEALTH AND OPPORTUNITIES

were the Irish monks of the eighth and ninth centuries. But neither in the prairies of the Wild West, nor in ancient Ireland were physical resources wisely utilised or turned to the best account. The material prosperity of our own century may seem to be a poor thing if it is weighed in the balance with the personal bravery of the savage, or the artistic feeling of the monk who wrote the Book of Kells; but it need not be weighed against them at all, indeed it ought not to be thought of as worth pursuing in itself, and for its own sake. We shall value material prosperity highly and rightly, if we regard it as supplying greater opportunities for the development and diffusion of human powers and human virtues of every kind. Hence a civilisation may be said to be unsound, if there is carelessness about physical resources, and if it fails to give opportunities for the development and exercise of enterprise and skill.

The mere statement of these conditions serves to bring out the difference between ancient and modern civilisations. In ancient lands, in Egypt or in India, there have been magnificent efforts to make the most of the natural resources; the system for utilising the waters of the Nile, and the great tanks in many parts of India are monuments of the pains that were taken for this purpose (p. 185). The people of those countries had attained to a high degree of skill of many kinds, as we see from the relics in Egyptian tombs and the native arts of India. It is difficult to say that the individual man in the ancient worlds was less skilful than in modern times; <sup>1</sup> he was ignorant of some modern inventions, but he cultivated kinds of skill which have fallen into disuse. The chief difference between

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<sup>&</sup>lt;sup>1</sup> Compare the interesting argument in Sir A. Mitchell's Past in the Present, 23.



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the old and the new lies in the fact that long ago there was little opportunity for, or encouragement to, individual enterprise in the use of property either in industry or trade. The opening up of the new world, the founding of a world-wide commerce, and the introduction of machinery of every kind, have revolutionised industry and trade in modern times; these characteristic features are the result of the free play afforded to individual and to associated enterprise in the use of property.

5. The increased opportunity for enterprise in modern times is clear enough, even if we do not look so far afield, but review some changes that have occurred in our own island. Enterprise is the conscious effort at progress, by using property for opening up some new trade or carrying on an art in some better fashion. In Norman or Plantagenet times there was very little opportunity for anyone to exercise this quality. Each separate estate or manor was organised as a self-sufficing whole; it had very little necessary communication with its neighbours. The labourers were confined to the soil they cultivated, and there were very few ways in which even an energetic proprietor could develop his estate. He might plough up a small additional area; he might introduce the 'three-field' in preference to the 'two-field' system, but there

<sup>1</sup>Cunningham and McArthur, Outlines of English Industrial History, p. 30. Walter of Henley's Husbandry (edited by E. Lamond) p. 4, xiii, 144.

<sup>2</sup> Before the rotation of crops was understood, the usual method of attempting to avoid exhausting the soil by tillage was that of alternating crop and fallow each year; or of using the land for wheat, barley and fallow in successive years. This second system gave better returns for the same outlay where it could be introduced.