

THE PLACE OF LAISSEZ-FAIRE ECONOMICS IN EDMUND BURKE'S POLITICS OF ORDER

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I wish to focus upon what until now has been a largely unanswered question: "What is the relationship between Burke's economic theory and his political theory?" The implications of this question and the built-in assumptions are that Burke's political economy is entirely libertarian, stressing laissez-faire principles in a free-market setting, and that his political philosophy emphasizes order, hierarchy, tradition—all of which comprise a conservative world-view, recalcitrant towards change, prizing order and virtue over economic liberalism.

It is primarily due to the path-clearing works of Peter Stanlis on *Edmund Burke and the Natural Law* and Francis Canavan's *The Political Reason of Edmund Burke* that the true principles of Burke's politics were salvaged from the invariant and unyielding "Utilitarian" interpretation purveyed among virtually all Burkean expositors. The natural law foundations of Burke's politics were retrieved from his *Works* in which they lay in clear light, and the natural moral law is grounded in the eternal law of God, as Burke maintains. For Burke man is a creature of God "who gave our nature to be perfected by our virtue," and thereby "impressed an invariable law upon it." (*Tract on the Popery Laws*) But for commentators such as the English Marxist C.B. MacPherson, who claims to advance us beyond the natural law versus liberal utilitarian interpretations, both views lie incomplete: "Both fail," MacPherson laments in his small volume Burke, to resolve, indeed largely fail to see, the seeming incoherence between Burke the traditionalist and Burke the bourgeois liberal." (Burke, Oxford, 1980, p.4). Here, Burke is seen to employ the language of "Natural Law" as a rhetorical device to sanction a tradition based, hierarchical society, which is already being transformed into a free market, capitalist economy. For Burke, "Utility and Natural Law were the same because capitalism and the traditional order were the same," claims MacPherson, "because capitalism needed the sanction of tradition and habit." The result: Burke is a bourgeois political

economist who grounds the economy -and here is a dose of traditionalism coming through-not on contract but on status. And thus the rhetoric of "Christian Natural Law" is utilized to justify Burke's own brand of economic reductionism.

Now to swallow MacPherson's account of not only Burke's political economy but to take the greater leap and ground his entire political philosophy on the same only requires that we discount what Burke himself says, deconstruct him in light of a marxian world-view, and dismiss him as a petty apologist for the entrepreneurial zeal of a social order still mired in a hierarchical mode of existence.

We must seek to unravel apparent contradictions between Burke's economics and his political philosophy. In doing so I wish to argue that Burke's political thought is supported on the scaffolding of an Aristotelian teleology which requires that, as Francis Canavan notes, "purpose and obligations are more fundamental than rights and consent." (**Edmund Burke: *Prescription and Providence***) The state exists to aid persons in the realization of the moral ends for which they exist, endowed with a human nature, a nature which requires the freedom to life, the requisite amount of liberty compatible with virtue and social order, and property. Reconciling the moral ends of man with economic freedom within the context of Burke's political thought is crucial to the problem of coherency in Burke. But can it be done?

The burden of this task stems largely from Burke's ***Thoughts and Details on Scarcity***. This work, written in 1795 near the end of Burke's life, is seen to be a straightforward justification of laissez-faire economics, presenting a minimalist view of government, disavowing any form of public welfare beyond the charity of individuals, and denouncing all forms of regulation of commerce. This work was occasioned by a specific problem in Speenhamland, a place in Berkshire not far from Burke's own estate. Two poor harvests in 1794-95 pushed the wages of farm laborers below subsistent wages. Their wages were in turn subsidized by decree of the Justices of the Peace out of the rates paid by local ratepayers, thereby transferring the problem of low wages to other laborers, resulting in a catastrophe for all involved (**Cf. Francis Canavan, *The Political Economy of Edmund Burke*, p. 129. The arguments set forward in this paper are in large part influenced by the work of Fr. Canavan**). It was this very specific economic catastrophe that led Burke to urge the Prime Minister, William Pitt, to avoid governmental interference in the market on pain of greater economic hardship. ***Thoughts and Details on Scarcity*** is in effect a memorandum to the Prime Minister. As such it is not a carefully crafted, formal treatise on economics and yet it is the closest work we have from Burke on political economy.

It cannot be denied that ***Thoughts and Details on Scarcity*** is a powerful statement in support of a free-market, capitalist economy. Take for example the problem of wages. "Labor is a commodity like every other," Burke proclaims, "and

risers or falls according to the demand. This is the nature of things." (*Thoughts and Details*) On the whole the labor market provides adequately for men in their necessities. As a commodity, labor is, Burke continues, "as such an article of trade . . . subject to all the laws and principles of trade." (*Ibid*) If government forces up farm wages then one of two things will result: "the demand for labor will diminish or the price of food will rise to the disadvantage of the laborers." Thus, "The just price of commodities is the market price." (*Ibid*) Carrying forward this point, Burke proclaims that "The balance between consumption and production makes price. The market settles, and alone can settle that price. Market is the meeting and conference of the consumer and producer, when they mutually discover each other's wants." (*Ibid*)

From labor as a commodity, to an "article of trade," to "the laws and principles of trade" we are led to one of the more problematical statements of Burke: "We, the people, ought to be made sensible, that it is not in breaking the laws of commerce, which are the laws of nature, and consequently the laws of God." (*Ibid*) The problem here is that Burke appears to equate the laws of economics and commerce with the natural moral law originating from the eternal law of God, knowable by human reason reflecting upon human nature and human action. Granted that both physical laws of nature and natural moral laws can be construed as laws of God in that God is the divine Creator of the natural order of things both physical and moral. As such the physical laws are descriptive and the moral laws are prescriptive. This is a crucial distinction if one is to argue that Burke's political economy, while strongly inclined to free market principles, does fit securely within his natural-law based political philosophy which places, ultimately, the common good and public benefit even above Burke's strong commitment to a laissez-faire economics. Thus, while the laws of trade and commerce are the laws of God, they are not the same as the moral law, but reflective of the way in which the natural order functions, which, for Burke, constitutes "the nature of things." (*Correspondence 3:403*)

In fact, it is "the nature of things" that results in a natural inequity "which," Burke writes in a private letter, "grows out of the nature of things: by time, custom, succession, accumulation, permutation, and improvement of property" and "is much nearer that true equality, which is the foundation of equity and just policy, than anything which can be contrived by the tricks and devices of human skill." (*Ibid*) Yet this natural inequality, as a bulwark against imposed equality and tyranny grown up over a great period of time, in no way planned or contrived, allows the pursuit of our "own selfish interests," Burke records in *Thoughts and Details*, "to connect the general good within their own individual success."

Is this connection between individual interest and the common good invariable? Does it entail the restraint against all government intervention or regulation of the market? Do exceptional circumstances, beyond a province, engulfing even a

nation in a hardship such as the Irish famine in the mid-19th century, allow an exception to Burke's free-market advocacy? We know that Burke considered it "the common doom of man that he must eat his bread by the sweat of his brow." We also know from Burke, as he exclaims in *Thoughts and Details*, that the "most momentous of all meddling on the part of authority [is] the meddling with the subsistence of the people." Burke's only statement on economic rights, which occurs in his *Reflections on the Revolution in France*, is that men "have a right to the fruits of their industry; and to the means of making their industry fruitful. They have a right to the acquisition of their parents." Furthermore, each "has a right to a fair portion of all which society, with all its combinations of skill and force, can do in his favour." Certainly, the "fair portion" passage does not imply redistributionist socialism, but it does refer to a "partnership" in which "all men have equal rights but not equal things. He that has but five shillings," Burke reasons in the *Reflections*, "in the partnership has as good a right to it as he that has five hundred pounds has to a larger proportion. But he has not a right to an equal dividend in the product of the joint stock." We have a right to that which we have gained through our toil and free labor, our ingenuity and craft, accumulated for our family and ourselves. We have a right to the fruits of our labor and to the security of our property.

But what if our labor fails to maintain us? Or what if nature withholds her natural abundance through the blight or pestilence wreaking havoc on an agricultural based economy? Further, what would Burke have done in the face of the Irish famine given his strictures against governmental intrusion into the market. In fact, in 1796 he urged Pitt he to oppose relieving the poor from the tea tax by exclaiming: "In the name of God what is the meaning of this project of Mr. Pitt concerning the further relief of the Poor. What relief do they want except that which it will be difficult indeed to give to make them more frugal or more industrious." (*Correspondence 9:155*)

The reply to the hypothetical question of what Burke would have done in the face of the Irish famine can be considered in terms of Burke's own personal charity, his doctrine of prudence and his own writings calling for exceptions to the otherwise general exclusion of governmental interference in the economy. A propos his personal charity, in 1795 and 1796 during the period in which his "free market" tract *Thoughts and Details* was written, the price of corn exceeded the ability to purchase for many of the poor. Burke arranged for the corn to be ground at Butler's Court for the poor of Beaconsfield and had bread made at his own estate and sold to the poor at a reduced price. Concerning prudence Burke writes "that the decisions of prudence (contrary to the system of the insane reasoners) differ from those of judicature and that almost all the former are determined on the more or less, the earlier or the later and on a balance or advantage and inconvenience, of good and evil." (*Letter to Sir Hercules Langrishe*) Concerning exceptions to non-interference in the

market by government, Burke, reflecting on the excesses of the East India Company through its agents against a certain region in India, held that "In order that the people, after a large period of vexation and plunder, may be in a condition to maintain government, government must begin by maintaining them. Here the road to economy lies not through receipt, but through expence." (*Speech on the Nabob of Arcot's Debt*) In this instance reservoirs providing irrigation for rice fields had been destroyed. It fell to the Government, Burke reasoned, to bear the cost of rebuilding these reservoirs. While it would "require a serious attention and much cost to re-establish them, as the means of present subsistence to the people, and of future revenue to the state," still such an action is incumbent on "a virtuous and enlightened ministry." (*Ibid*)

Two conclusions are obvious: 1- Burke's basic commitment to laissez-faire economics is subordinated, when circumstances demand it, to his doctrine of prudence, or "political reason," which Burke defines as being "a computing principle, adding, subtracting, multiplying, and dividing, morally and not metaphysically or mathematically, the true moral denominations." (*Reflections*) Indeed, there were some few instances in which government interference was necessary to rectify an injustice for Burke. And, 2- yet Burke's fundamental commitment for dealing with those unable to provide for themselves was to call on personal charity -certainly in an era of landed aristocracy, a sense of obligation especially fell to those who possessed in abundance to alleviate the plight of the indigent. Burke greatly feared that if government was to assume a welfare function then England was likely to follow the tyrannical path of French Jacobinism.

Turning to the role of property in Burke's political economics, Burke asserts that it is a fundamental end of government that it protect, define and promote property. Burke holds to a limited end of government asserting that "The coercive authority of the State is limited to what is necessary for its existence." (*Thoughts and Details*) This is not to deny that there are loftier ends of civil society and even the state for Burke, for it is the case, he asserts, that "He who gave our nature to be perfected by our virtue willed also the means of its perfection: He willed therefore the State: he willed its connection with the source and original archetype of all perfection." (*Reflections*) But it falls to government to secure property as Burke affirmed in a speech before Parliament, "the basis upon which they [i.e., the ends of society] were all erected-the soul that animated, the genius that protected them." (*Parliamentary History: 31:380-381*) Thus in securing and fostering property government sustains a ruling class which in Burke's time was the landed aristocracy, which, at its best, is meant to be itself a buffer between the Crown's overweening appetite for expanded power, and the common people. It should be noted that Burke was not a lackey of aristocracy, albeit remaining loyal to the Marquis of Rockingham throughout the latter's life. "I am no friend of aristocracy," Burke records, "in the sense at least in which that word is usually

understood. . . . He is but a poor observer, who has not seen, that the generality of peers, far from supporting themselves in a state of independent greatness, are but too apt to fall into an oblivion of their proper dignity, and to run headlong into an abject servitude. Would to God it were true, that the fault of our peers were too much spirit." (*Thoughts on the Present Discontents.*)

But property is not limited to the aristocracy. It is the right of all, even though this right is capable of qualification by Parliament. It is a natural right. Reflecting the natural aspirations of our human nature. Moreover, the possession of property secures individuals against state tyranny, as Burke remarks: "The strong struggle in every individual to preserve possession of what he has found to belong to him, and to distinguish him, is one of the securities against injustice and despotism implanted in our nature. It operates as an instinct to secure property, and to preserve communities in a settled state." (*Reflections*)

As central as laissez-faire economics is to Burke's politics, it is prescription and the natural moral law that is the true foundation of Burke's political philosophy and economics. For Burke, prescription is rooted in the natural law. Prescription provides the "solid rock" upon which positive law is based. "The solid rock of prescription," Burke proclaims, is "the soundest, the most general, and the most recognized title between man and man. . . . a title, in which not arbitrary institutions, but the order of things gives judgment; a title which is not the creature, but the master of Positive Law; a title, which though not fixed in its term, is rooted in its principle, in the law of nature itself, and is indeed the original ground of all known property. . . ." (*Letter on the Affairs of Ireland.*) Given the centrality of property to his Political Economy, as the "soul that animates," this passage is crucial in establishing the link between his economics and his political philosophy, for Burke affirms that prescription is rooted in the natural law. Obviously, the political good is tied to a stable society in which individuals are able to live securely and peacefully. As Burke declares, "Good order is the foundation of all good things." (*Reflections*) In fact, natural law requires government to protect property, bearing in mind that "Law being only made for the benefit for the community, cannot in any one of its parts resist a demand which may comprehend the total of the publick interest." (*Speech on Economical Reform*) Yet the public interest or common good contrasts with the Jacobin notion of rights which treats all men by nature equal, which, in the extreme, they take to be an imperative for equality of circumstances, an egalitarian doctrine leading to democratic absolutism, being a form of tyranny. Now the principle of prescription being the "solid rock" supporting property, which in its accumulation varies among orders of society, is a

"principle of natural equity." (*Speech in Parliament, 1772*) As noted earlier, there is a natural inequality that is in fact closer to true equality because it conforms to "the nature of things."

Regarding property, prescription refers to that which is "consecrated in time." Still, according to Burke, "the doctrine of prescription . . . is a part of the law of nature." While it is true that Burke maintains that "our Constitution is a prescriptive Constitution, it is a Constitution whose sole authority is, that it has existed time out of mind." (*Speech to Commons, 1782*) Yet the ends of society are both "temporal prosperity and eternal happiness." To judge the effect of time and prescription Burke reminds us that "In all moral machinery the moral results are its test."

Turning to the French Revolution, the revolt, depicted by Burke, is one of talent against property. The monied interests of attorneys and bankers-feared by Burke-resented the nobility and sensed their disrespect. The aim of the Revolution was nothing less than to change society totally: change its property, money, social structure, law, government, religion and morals. More critically, the French Revolution served to undermine morality and to elevate the appetites, stripping mankind of the necessary restraint on our passions provided by custom, tradition and religion and the moral ties binding persons in their "little platoons." Burke's own conclusion is "that men of intemperate minds cannot be free. Their passions forge their fetters." (*Letter to a Member of the National Assembly*) It is the primary goal of Jacobinism to eradicate all prejudice from the minds of men, but especially what Burke considers the "grand prejudice . . . which holds all the other prejudices together," namely religion. (*Correspondence 8:129-130*) Having removed all prejudices serving as the glue of society, creating a social bond, the slide into radical individualism results. But, ultimately, Burke holds, "Individuality is left out of their scheme of government. The state is all in all." (*Second Letter on a Regicide Peace*) This occurs when the supposed primacy of individual wills become merged in a Rousseauian General Will.

Property is more than mere possession, because "the property of the nation is the nation." But even more the "Nation is," Burke declares "a moral essence, not a geographical arrangement, or a denomination of the nomenclature." (*First Letter on a Regicide Peace*) Nothing has corroded that "moral essence" more than has "atheism," which Burke maintains is "the great political evil of the time." (*Remarks on the Policy with the Allies*) That foundation upon which the true "Benefit of the people" resides is "good order, religion, morality, security, and property." (*Correspondence 6:39*) This good order was destroyed by the Revolution, putting all legal power in the National Assembly with the overthrowing of the ruling class of Great Landlords. This revolution of the "Rights of Men" theorists failed to recognize what Burke clearly understood, that purpose and obligations are more important than theories and doctrines of rights and consent. Burke

embraces, at a more fundamental level than implied in contextless references to laissez-faire economics, an Aristotelian ethical-political teleology in which the main purpose of the state is to assist persons in their perfection through virtue. Recalling one of Burke's most famous passages, affirming the Aristotelian doctrine of the social and political nature of humans, Burke declares that "Society is indeed a contract It is a partnership in all science; a partnership in all art; a partnership in every virtue, and in all perfection." (*Reflections*)

Connecting elements of this passage with Burke's claims in his *Thoughts and Details* that the "laws of commerce. . . are the laws of nature and consequently the laws of God," and holding, as I do, that these laws are descriptive rather than prescriptive, helps to further situate Burke's political economics in its proper place within Burke's overall Political Philosophy. It is not a Hobbesian state of nature, wherein we discover a war of all against all.

Returning to the passage from the *Reflections*, concerning society, "It is to be looked on with other reverence, because it is not a partnership in things subservient only to the gross animal existence of a temporary and perishable nature. It is a partnership in all science; a partnership in all art; a partnership in every virtue, and in all perfection." Now clearly the "free-market" economy is more nearly concerned with benefits necessary to sustain our "animal existence" which is part of our essential nature, but not the highest and most noble part of that nature. And clearly the "laws of commerce" which are of the "laws of nature" and hence the "laws of God" pertain to that element of our "animal existence" about which the principles of a free-market economy operate. And this is according to the "nature of things." And recognizing that the "laws of commerce" are on the order of the laws of physical nature, descriptive of the "nature of things" yet ultimately subordinate to the prescriptive nature of the moral law, which is concerned with, for Burke, the virtuous ends of human existence. It is this insight, crucial to the interpretation of a Burkean economics, which provides the rejoinder to and refutation of MacPherson's charge that Burke is a "bourgeois political economist" first and foremost.

This is not to mute Burke's call for liberty for the laborer, freely contracting his labor, or for the capitalist, seeking a profit off the industry of the laborer. But it does subordinate expressions of economic individualism to the higher end of the common good, since our liberty is achieved in association with others, not as isolated automatons. "But that, to which I attached myself the most particularly," Burke writes to a member of the Irish Parliament, "was to fit the principle of a free trade in all the ports of these Islands, as founded in justice, and beneficial to the whole; but principally to this, the seat of the supreme power." (*Letter to a Member of the Irish Parliament*) Burke's devotion to free trade is prominent but limited; it is subordinated to, in the framework of British politics, an enlightened imperialism. Ultimately, for Burke, free-trade, as

reflected in this passage, is subordinated to the public benefit, i.e., the common good "founded in justice." Burke "wanted to maintain a traditional order" Francis Canavan concludes, "that was already a market economy." (*The Political Economy of Edmund Burke, p. 130*) Indeed, it was a market economy giving precedence to landed property, "the soul that animated," insofar as it served the end of the virtuous perfection of persons through the achievement of the common good. And, finally, the people must become "conscious that they exercise, and exercise perhaps in a higher link of the order of delegation, the power, which to be legitimate must be according to that eternal immutable law, in which will and reason are the same." (*Reflections*)