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Dilke's *Source and Remedy*: fictitious capital, unproductive labour, inconvertible paper money, superfluous things

By Tom Walker

It is a 200-year old question that could easily be asked about today's work arrangements. A question that anticipated an eloquent echo in John Stuart Mill's mid-19th century speculation whether "all the mechanical inventions yet made have lightened the day's toil of any human being." A question posed following a discussion of "surplus value" that served as an inspiration for Karl Marx's analysis in *Capital*. And it is a question that stood as the hinge between that preliminary discussion and an acute, radical libertarian critique of the artificiality of economic categories:

How is it that notwithstanding the unbounded extent of our capital, the progressive improvement and wonderful perfection of our machinery, our canals, roads, and of all other things that can, either facilitate labour, or increase its produce; our labourer, instead of having his labours abridged, toils infinitely more, more hours, more laboriously...?

Published anonymously in 1821, *The Source and Remedy of the National Difficulties* was, according to Frederick Engels, saved by Marx from "falling into oblivion." Up to the time of Engel's remark, however, reference to the pamphlet in Marx's published writings consisted of a cryptic footnote in Volume I of *Capital*. Paraphrasing Marx's view as expressed in the unpublished notes for *Theories of Surplus Value*, Engels acclaimed the pamphlet as "but the farthest outpost of an entire literature which in the twenties turned the Ricardian theory of value and surplus value against capitalist production in the interest of the proletariat."

Marx also declared that the pamphlet was an advance beyond Adam Smith and David Ricardo in its conscious and consistent distinction between the general form of surplus value or surplus labour and its particular manifestations as land rent, interest of money or

profit of enterprise. In his *Economic Notebooks of 1861-63*, Marx returned several times to what he upheld as the “fine statement”: “a nation is really rich if no interest is paid for the use of capital, if the working day is only 6 hours rather than 12. WEALTH IS DISPOSABLE TIME, AND NOTHING MORE.”

Another citation of that same phrase occurs in Marx’s *Grundrisse*, immediately after the following characteristically revolutionary proposition: “Forces of production and social relations -- two different sides of the development of the social individual -- appear to capital as mere means for it to produce on its limited foundation. In fact, however, they are the material condition to blow this foundation sky-high.” Indeed, in his reinterpretation of Marx’s critical theory, *Time, Labor and Social Domination*, Moishe Postone placed the issue of disposable time at the “essential core” of Marx’s analysis in *Capital*. Although Postone did not mention the pamphlet itself, he emphasized precisely the passage from the *Grundrisse* that concluded with the pamphlet’s “fine statement.”

Just how successful Marx was in saving the 1821 pamphlet from oblivion remains to be seen. Obviously, the pamphlet was spared from *total* oblivion or I wouldn’t be writing this. A copy of it was included in the microfilm Goldsmiths-Kress Library of Economic Literature. Routledge is reprinting the pamphlet toward the end of 2004 as part of a ten-volume collection of 19th century Owenite and related pamphlets, edited by Gregory Claeys. Aside from the few references by Marx and Engels, there have been scattered mentions of the pamphlet but, to my knowledge, no sustained consideration, which seems odd considering the importance that Engels -- and in his manuscripts, Marx -- assigned to it.

Perhaps one of the difficulties has been the anonymity of its authorship. That mystery would appear to have been solved by the disclosure in the biography of the 19th-century editor and literary critic, Charles Wentworth Dilke, *Papers of a Critic*, written by his grandson, Sir Charles Wentworth Dilke. The younger Dilke reported having found an annotated copy of the pamphlet, acknowledging authorship, among his grandfather’s papers. Subsequent authorities on Dilke and on the *Athenaeum*, the literary journal he

edited and owned from 1830 to 1846, appear satisfied with the plausibility of this attribution, given Dilke's writing style, his proclivity for anonymous and pseudonymous publication and his political commitments. There doesn't appear to have been any concerted effort to either definitively establish or to refute Dilke's authorship. So Dilke qualifies as the leading and, so far, only candidate for authorship.

If Dilke was indeed the author, this presents at least two rather significant bits of context to the pamphlet as well as several minor but intriguing ones. First, Dilke was an ardent disciple of William Godwin and his *Principles of Political Justice*. The poet John Keats, who was a close friend and next-door neighbour, chided Dilke's stubborn belief as a "Godwin perfectibility man.." Dilke was said to have retained that radical liberal political inclination throughout his life. Second, in his career as editor of the *Athenaeum*, Dilke campaigned famously against journalistic "puffery" -- the practice of publishers placing in literary journals, for a fee, promotional material for their books under the guise of independent reviews.

Both of those contextual items could be significant for an interpretation of *The Source and Remedy* precisely because the pamphlet lends itself readily to a reading as a Godwinist tract (rather than a pre-Marxist, socialist one) but also to a reading as a polemic against yet another brand of puffery -- puffery by political economists about the extent to which the actually existing system of capital resembles the postulated competitive model. As for "turning the Ricardian theory of value against capitalist production," such an intention would hardly seem to fit an essay that on its closing page counts among the great advantages of the measures proposed therein that "*their adoption would leave the country at liberty to pursue such a wise and politic system of financial legislation as would leave trade and commerce unrestricted* [emphasis in original]."

"*The Source and Remedy of the National Difficulties*" that Dilke wrote appears to have had something to say quite distinct from the message Marx took away from it (not to mention what "traditional Marxists" have taken or mistaken from Marx). In his various notes on the pamphlet, Marx paid closest attention to the first six pages of the 40 page

pamphlet and glossed over the rest somewhat disparagingly or at times with an eye to the arresting quote. In his discussion of the pamphlet in *Theories of Surplus Value*, for example, the reader may wonder if Marx actually continues to discuss the pamphlet itself after a few pages or has gone off on a tangent inspired by the pamphleteer having overlooked the impact of unemployment on wages. It has to be cautioned that Marx's extended comments on the pamphlet were in manuscripts that were published posthumously. Those notes were not polished, fully-thought out positions intended for immediate publication and it would be irrelevant to criticize them for their incompleteness or digressions.

Although the first six pages that attracted Marx's attention are indeed fascinating, in the context of the pamphlet as a whole their function is to set the stage for the crucial pair of questions that appear on page seven. That is, *after* deducing from principles of political economy that capital, left to its natural course, would soon do away with further accumulation, the author asks why that seemingly inevitable result has never happened and how it is that with all the presumably labour-saving wonders of modern industry, workers work longer hours and more laboriously than ever before.

Dilke's answer was that government and legislation act ceaselessly to destroy the produce of labour and interfere with the natural development of capital. They do this indirectly by, on the one hand, maintaining "unproductive classes" at a constant proportion to productive labourers and on the other by enabling the immense expansion of "fictitious capital," based ultimately on protectionism and government finance. Government does these things so that it may raise an enormous level of revenues that it couldn't through direct taxation of the labouring population, because "it would have been gross, open, shameless, and consequently impossible." Instead, it makes the holders of this fictitious capital "particeps criminis" in a stratagem to exact a greatly enlarged revenue. And, as partner in crime, the capitalist lays claim to a generous portion of the booty. Not surprisingly, war is a "powerful cooperator" in this relentless process of destroying the produce of labour and expanding the claims of fictitious capital.

As for the “natural” claims of surplus value exacted by the capitalist, Dilke viewed it as causing the labourer “no real grievance to complain of,” a position at least apparently at odds with Marx’s views of exploitation and almost certainly incompatible with Engels’ assertion that the pamphlet turned Ricardian theory “against capitalist production.” Not only was Dilke not opposed to capitalist production, he described it as leading to a Utopian condition of freedom if only it was left to unfold according to its nature, that is, according to the nature as described in the first six pages. In his notes, Marx objected that the pamphleteer had overlooked two things in coming to such a sanguine conclusion about the trajectory of capitalist accumulation. One was unemployment; the other Marx never got around to specifying.

Dilke’s reasoning, although thought-provoking, is far from airtight. He confesses in his closing pages that his argument “is not so consecutive, that the proofs do not follow the principles laid down so immediately as I could have wished. The reasoning is too desultory, too loose in its texture.” Whether such regrets are heartfelt or simply an obligatory rhetorical flourish of humility is hard to say. The subject matter itself is elusive and no treatment of it could be exempt from some flaws. But, nevertheless, the case he presents -- the full case, not just the preliminary deductions -- is an original and important one that has as far as I know been overlooked by Marx and his intellectual heirs.

The part of the argument that Marx appropriated to his own analysis -- the author’s consistent reference to surplus value as the general form underlying profit, rent and interest was ultimately, perhaps, incidental to Dilke’s main points that nature places a limit on accumulation and that the surpassing of those natural limits occurs only as a result of government intervention, which, in effect mandates an excess exploitation of labour.

There is a problem that arises from Marx appropriating the (for Marx) correct premise of the pamphlet without first having systematically refuted the author’s own deductions from it. What if Dilke’s deductions were either equally or more plausible than Marx’s? Rather than being a focal point of class struggle, might not surplus value then be “no real

grievance to complain of?” Rather than underpinning a contradiction fated to blow the foundation of capital sky-high, might not the tension between “things superfluous” and disposable time have the potential to be operated like wing flaps to help bring capital down to a providential soft landing?

By things superfluous, I refer, first, to the unholy trinity of fictitious capital, unproductive labour and inconvertible paper money and second, to their commodified expression as luxury goods. What I am suggesting is that for Dilke it seems that the primary *contradictions* of capitalism (to use Marx’s expression) lay not so much between capital and labour as between real and fictitious capital, productive and unproductive labour, convertible and inconvertible money, necessities and luxury goods. This internalizing of the contradictions reminds me of Solzhenitsyn’s observation in the Gulag Archipelago that, “the line separating good and evil passes not through states, nor between classes, nor between political parties either, but right through every human heart, and through all human hearts.” Might we not ask if it’s not only the line between good and evil that passes through every human heart but also the line between labour and capital, proletariat and bourgeoisie?