**Discussion Questions: Thompson and Hodgskin**

1) Hunt argues that during the first few decades of the 19th century, as the troubles of the working class (riots, unions, and machine wrecking) intensified, the defenders of the laborers began to attribute their oppression to a new source. What was this source and do you agree with Hunt’s assessment? Explain.

2) Who was Robert Owen and how exactly did he believe he could help the poor?

1. ***Robert Owen was a humane middle-class capitalist. To help the poor, he believed the answer laid in the formation of voluntary “cooperatives,” in which the producers themselves would jointly control their own economic destinies. A system of cooperatives could coexist and compete with existing capitalist enterprises and eventually replace them entirely.***

3) What does Thompson mean when he writes about “security” and argues that capitalism could never be a “system of security.” Explain his reasons. Do you agree with Thompson’s argument? Why or why not?

4) Hunt argues that utilitarianism is both a psychological theory and an ethical theory. Use plain language to explain the meaning of this argument.

5) Hunt argues that utilitarianism seems to support egalitarian sentiments and to be a democratic philosophy, but these apparent egalitarian and democratic characteristics are illusory. Explain the ways that utilitarianism seems democratic but turns out to provide powerful intellectual justification for the status quo. Does this mean that utilitarianism demonstrates that the status quo is superior to any alternative? Explain.

6) How did utilitarianism undermine Thompson’s proposal for a more equal distribution of income. Explain how he ultimately did argue more equality would be good social policy.

7) Hunt argues that utilitarianism cannot be used to justify “radical reform of society” in an intellectually consistent way and that utilitarianism serves as an ideal defense of the status quo and/or capitalism and existing property rights. Explain Hunt’s argument and then explain whether you agree or disagree with Hunt.

8) How did Thompson reconcile his seemingly harmonious view of exchange with his view of capitalism as a system of conflict between the capitalists and the workers? That is, what did he assume about the workers and their labor they led him to conclude that conflict was the overpowering condition of the day?

9) Discuss similarities and between capitalism, competitive market socialism and egalitarian market socialism. Briefly explain the (five) “evils” of competitive market socialism that Thompson identified. Do any of this criticisms rings true in our current economy? Explain your reasoning.

10) Explain Thompson’s argument that women would be systematically oppressed in competitive market socialism or the “individualistic pursuit of wealth.” Is it different in capitalism? Why or why not? What did he concluded would be women’s lot in this system and why was that the case? Did he imagine a situation in which this would not be the case? Explain.

11) One notable historian of economic ideas (Ronald Meek) wrote that “Thomas Hodgskin was a name to frighten children. What was “frightening” about Hodgskin’s writings? Explain. Identify the economists we have studied thus far who probably influenced Hodgskin, or at least made arguments very similar to his. Develop these “links.”

12) Hunt argues personal judgments about 1) the importance of history and 2) what a thinker takes as “given and eternal” are important elements in the perspective that one tends to adopt. Explain why these factors might influence which perspective seems more useful and revealing about the functioning of capitalism. Explain why these factors might influence one’s assessment of the social merits of free, mutually beneficial exchange in well-functioning markets?

**Discussion Questions: Marx**

1) Marx argued that the “greatest deficiency of most [of the economists we’ve studied] was their lack of historical perspective.” What general sort of shortcomings did this lead to in their understanding of the workings of capitalism? Explain. Identify two of the confusions or distortions that Marx considered to be particularly important.

2) Explain Marx’s argument that taking capitalist property rights as universal/sacrosanct and viewing capital as common to all forms of production tends to conceal what is unique about capitalism as a mode of production. What is left for economists to analyze if they take existing property relations as given and assume capital is common to all forms of production? Explain.

3) How does Marx define a *commodity* and what is meant by the use-value and the exchange value of commodities?

4) What historical conditions are necessary for society to become a *commodity-producing society*, that is for a society to become “dominated in its length and breadth by exchange value”? Explain. Isn’t most of human history characterized by commodity-producing societies? Explain.

5) Explain the way(s) that a *commodity-producing society* is distinguished from a *capitalist* society.

6) What does Marx have to say about the *sphere of circulation* or exchange? Does he find this sphere revealing/useful to understanding the critical features and “laws of motion” of capitalism? Why or why not?

7) Briefly define what Marx means by (the commodity) *labor-power*. How is labor-power different than labor. Explain.

8) Explain why labor-power being sold as a commodity is the defining feature of capitalism and how this distinguishes capitalism from commodity-producing society.

9) What is the exchange-value of labor-power and how is this perfectly consistent with Marx’s (and Ricardo’s) LTV? Explain. What is the use-value of labor power? Explain.

10) Explain how this difference between the *exchange-value* and *use-value* of labor power provides the capitalist with a commodity “whose use-value possesses the peculiar property of being a source of [surplus] value.”

11) What ideas did Marx attach to the following simple diagrams? Explain, being as thorough as you are able to be about what particular types of things the M’s and C’s represent.

a) C—M—C b) M—C—M’ c) M—C…P…C’—M’

12) According to Marx, how is it possible for firms to make profits in capitalism even in long-run equilibrium (when all things exchange at their values)? Explain in some detail and (once again) use the concepts of “use-value” and “exchange-value” in your explanation.

13) Explain the concepts of *necessary labor*, *surplus labor* and *surplus value* and then explain how these terms are linked to the actual struggles between capitalists and workers over the length of the working day.

14) How does Marx define or describe “capital” and how is it important to his arguments about profit? Explain.

15) Contrast Marxian and utility theories of value (e.g., Say and Senior) on **wage determination**. That is, use plain language to express and contrast what wages will reflect (in the long run) in these two frameworks. Explain the arguments or assumptions that underlie these varying descriptions/predictions.

16) So… is Marx just saying that “cheating” workers is the source of profit? (This does not seem a simple “yes or no” answer to me.) Briefly explain.

17) Marx has all kinds of nasty things to say about capitalists. He created a character called ‘Moneybags’ and writes of capitalists’ “unrestrained passion” and “were-wolf hunger for surplus value.” How are Smith/Say/Senior’s theories of capitalist behavior fundamentally different than Marx’s? Explain.

18) On page 233 Hunt quotes Marx as referring to a group of stories or ideas as “insipid childishness.” What are those stories/ideas and which of the authors we have studied seem to promulgate them? Explain?

19) What name did Marx use to describe the actual historical processes/events that are concealed by this “intellectual food of the infant” or “insipid childishness”? Briefly describe the general features of what Marx argues is a more accurate account of this “insipid childishness” or group of stories. Recount a few of the “highlights” that Marx describes in what he considers a more accurate portrayal.

20) Marxian analysis seems to “predict” certain outcomes over time in capitalism (even in highly competitive markets). Identify some of the “predictions” you see in Marx. In terms of general predictions about how capitalist society would evolve, discuss some of the ways in which Marx seems to have gotten it “rather wrong” and some of the ways in which he seems to have gotten it “rather right.”

21) We’ve read the Marx chapter and we read a short excerpt and watched a [video clip](https://www.youtube.com/watch?v=67tHtpac5ws) from Milton Friedman. Milton and Marx could not be further apart in their general views about capitalism. Given this, are you able to identify significant ways in which Milton and Marx seem to be saying similar things about capitalism? Explain. In what ways do these two seem to have fundamental disagreements about capitalism? Explain.

22) Hunt includes long sections from Marx on pages 241. In one excerpt Marx asserts that the worker “*no longer feels himself to be free in any but his animal functions…. and in his human functions he no longer feels himself to be anything but an animal*.” As best you can, summarize the arguments that Marx (and Hunt) is making in this section of the chapter. Do you find it at all convincing or does it seem like nonsense to you? Explain.

***I will assign this reading later.***

23) In *The Modern Theory of Colonization,* Marx says ‘the political economist…christens them “capital” under all circumstances, even when they are its exact opposite. Thus is it with Wakefield. Further: the splitting up of the means of production into the individual property of many independent labourers, working on their own account, he calls “equal division of capital.”’ Explain why Marx would argue that splitting the means of production evenly between many workers is the “exact opposite” of capital.

24) Explain the argument(s) Marx is making when he writes:

“*After Wakefield has contrasted the English capitalist agriculture and its “combined” labour with the scattered cultivation of American peasants, he unwittingly gives us a glimpse at the* ***reverse of the metal****. He depicts the mass of the American people as well-to-do, independent, enterprising and comparatively cultured, whilst “the English agricultural labourer is a miserable wretch, a pauper...*”

25) This one is challenging but is a good barometer for your command of Marx’s arguments.

Use the excerpt from *The Modern Theory of Colonization* to briefly do all of the following:

1. Identify a passage(s) in the text that reveals Marx is arguing that the colonies represent a *commodity-producing society* but not *capitalism*. Briefly explain.
2. Identify the aspects of Marx’s economic theory that are reflected in the line *“With such queer people as these, where is the “field of abstinence” for the capitalist?”*
3. Identify an example Marx offers that tends to support the view (held by Smith, Godwin, Hodgskin and others) that government generally intervenes in the interest of the powerful or “propertied.”