

Edmund Burke and the Problem of Value

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ON 1 MAY 1796, the reformer and writer Arthur Young traveled to Edmund Burke's estate at Beaconsfield, hoping to secure from the retired statesman his opinions on the regulation of wages. A minimum wage for agricultural laborers had been proposed in Parliament in December, and Burke had prepared a critical response. Young came away from his visit empty-handed: Burke had written something on the regulation of wages, but it would not be until 1800, three years after his death, that the public would see it.

Young wasn't bothered much by his failure to obtain the document; he was more concerned about the state of Burke's mind. Burke was nearing the end of his life (he would die a year later), his son and brother had died not long before, and his ambitions for a concert of Whigs pitted against revolutionary France lay in ruins. "His conversation was remarkably desultory," Young wrote, "a broken mixture of agricultural observations, French madness, price of provisions, the death of his son, the absurdity of regulating labour, the mischief of our Poor-laws, and the difficulty of cottagers keeping cows."

Yet a close reading of three of Burke's late writings—*A Letter to a Noble Lord*, *Letters on a Regicide Peace*, and *Thoughts on Scarcity*—suggests there was more design than despair in his rant. Not only are French madness, his son's death, the regulation of labor, and the poor laws all addressed in these texts, but they are brought together on behalf of a remarkable unity of vision about the nature and determinants of value. In the last years of his life, Burke repeatedly returned to the problem of value—primarily, though not exclusively, in the economic sphere. In his effort to make sense of a world in which some labors fetched a price while other sorts remained priceless, in which value was measurable yet unpredictable and variable, he laid the foundations for a vision of the market that was simultaneously commercial and chivalrous, ultramodern and ultramontane.

Scholars such as C. B. Macpherson have long noted the tension in Burke between his embrace of capitalist markets and his aristocratic traditionalism—though Macpherson ultimately waves it away with the claim that the traditional order in Burke’s Britain was a capitalist order; status and contract were one and the same. While these tensions in Burke’s writing may be overplayed, as historians like J. C. D. Clark and J. G. A. Pocock have argued, moments of pressure in the texts cannot be ignored. Burke’s critique of the abstract ideal of equality, where each person is shorn of her social identity and is treated as if she were no different from any other individual, for example, sits uncomfortably with his endorsement of the capitalist abstraction of labor. In his *Reflections on the Revolution in France*, Burke refuses to indulge “any thing which relates to human actions, and human concerns, in all the nakedness and solitude of metaphysical abstraction.” Against the revolutionaries in control of France, attempting “to confound all sorts of citizens . . . into one homogenous mass,” Burke holds up the “coarse husbandman” who has “enough of common sense not to abstract and equalize” his sheep, horses, and oxen “into animals, without providing for each kind an appropriate food, care, and employment.” Yet five years later, writing about the labor market in his *Thoughts on Scarcity*, Burke proves more solicitous of abstraction, recommending that laborers quite different in their talents and temperament nevertheless be treated as if they were one mass:

Unquestionably, there is a good deal of difference between the value of one man’s labour and that of another, from strength, dexterity, and honest application. But I am quite sure, from my best observation, that any given five men will, in their total, afford a proportion of labour equal to any other five within the periods of life I have stated; that is, that among such five men there will be one possessing all the qualifications of a good workman, one bad, and the other three middling, and approximating to the first and the last. So that in so small a platoon as that of even five, you will find the full complement of all that five men *can* earn. Taking five and five through the kingdom, they are equal.

Likewise, Burke's lament over the social contract's liquidation of history in *Reflections* cannot be easily reconciled with his indifference to the economic contract's erasure of history in his *Thoughts on Scarcity*. Nor does his counsel in the earlier text to heed the slow wisdom of the past jibe with his readiness in the later text to toss away two centuries of English Poor Law and tradition.

Yet it was in this crucible of value, heated to the highest degrees by the French Revolution, that Burke found a potential if uneasy settlement between the market—including, critically, an unregulated market of wage labor designed to serve the cause of capital accumulation—and the aristocratic order. In the meeting ground of the market, where personal identities were opaque but roles transparent, where the preferences of the buyer were as whimsical and weighty as the judgments of a king, Burke found an analogue to the irregular theater of the ancien régime. Burke knew the days of that regime were numbered. Not just in revolutionary France, where even a restoration of the monarchy would “be in some measure a new thing,” as he admitted to an émigré, but also in Britain, where the “antient divisions” of old Whigs and Tories were “nearly extinct.” But with the help of his new vision of value, Burke laid the foundation, in these last years of his life, for a system of rule in which the market might replicate the manor.

That he could not, in the end, fully envision the edifice that would be erected upon that foundation—and to the extent that he could, would shield his eyes from it—matters less than we might think. In the centuries that followed, others—most notably the conservative economists of the so-called Austrian School emerging out of fin-de-siècle Vienna—would take up his cause, creating an understanding of the economy in which the demiurges of capital would step forth as the modern equivalent of the feudal aristocracy. As Joseph Schumpeter was to write of these men in 1911, “What may be attained by industrial and commercial success is still the nearest approach to medieval lordship possible to modern man.” That vision was first mooted in these late works of Burke.



Despite their proximity in time, the various circumstances that occasioned Burke's three late statements on value were different. Until recently, *Thoughts on Scarcity* was thought to be a response to the Speenhamland system, a mode of poor relief described by Karl Polanyi as the last gasp of "reactionary paternalism," which helped forestall the emergence of a national market of wage labor in Britain. In the mid-1790s, a rise in grain prices, brought about by two years of bad harvests and wartime limitations on imports from the Continent, provoked a wave of food riots in Britain of the sort that had preceded the French Revolution and propelled it on its ever-wilder course. Britain's ruling elites were mindful of the parallels, which were reinforced by popular cartoons of the day. As Young would comment a few years later, "the relief which formerly was and still ought to be petitioned for as a favour, is now frequently demanded as a right." In May 1795, the magistrates of Berkshire, a county in southeastern England adjacent to Burke's Buckinghamshire, met at an inn in Speenhamland to address the problem. They determined that agricultural workers were entitled to a living wage, which would vary in relation to the size of their families and the price of bread. If work failed to supply the requisite income, the shortfall would be made up by the local government.

In recent years, Burke scholars like F. P. Lock and Donald Winch have deemphasized the Speenhamland connection, linking *Thoughts on Scarcity* instead to a more complicated set of negotiations in Parliament over how to respond to the food crisis. Sometime in the fall of 1795, Pitt canvassed Burke and other trusted allies for their opinion on whether and how the government should intervene in the grain markets, perhaps by creating public granaries. In a memorandum to Pitt, Burke took sharp issue with any mode of government intervention. By December, the debate in Parliament had shifted to Whitbread's bill, which would have authorized local magistrates to set a minimum wage for agricultural workers (as the Berkshire magistrates had done in Speenhamland). Hovering in the

background now was Charles Fox, with whom Burke had broken publicly and violently over the French Revolution. Fox supported Whitbread, reinforcing Burke's sense that there was a connection between economic regulation at home and Jacobinism abroad. Burke drafted a second statement on the regulation of wages. He never finished it, but in 1800 his literary executors cobbled parts of it together with his memorandum to Pitt, and published the result as *Thoughts on Scarcity*.

Burke's *Letters on a Regicidal Peace* was composed in fits and starts over the last two years of his life. He began one of the letters—there would ultimately be four—in the last months of 1795 and was still at work on another when he died in July 1797. The prod to these exertions was Pitt's effort to negotiate an end to the war with France and Burke's fear that Britain's counterrevolutionary fervor was diminishing. Pitt and his allies—careful, cautious, conservative—took Thermidor and the Directory as signals that the Revolution was winding down and the French were ready for business. Burke would have none of it. He called for a renewed war against Jacobinism, with restoration of the ancien régime as the final aim. (This should put to rest Marx's calumny in *Capital* that Burke was a “sycophant...in the pay of the English oligarchy.” To the end of his life, Burke was out in front of the counterrevolutionary crusade, struggling to pull his putative allies along.) He called for a fresh division of the political field: the days of Whig and Tory were over; a new distinction was called for. From now on, one would have to identify as either a Jacobin or a partisan of the “ancient order of things.” In this new era of revolutionary and counterrevolutionary struggle, there would be no room for “creatures of the desk” and “creatures of favour” like Pitt and his associates. Only men of unyielding conviction, ideologues with a touch of that “generous wildness of Quixotism,” could win the war against Jacobinism.

It was amid these statements that Burke undertook—deep into the third letter, which he composed in December 1796—a lengthy excursus on the question of value. The immediate provocation was the growing sense among pamphleteers and parliamentarians that

Britain could no longer afford its war with France and popular criticism of the government for relying on the infamous “loyalty” loan—with its generous terms to financiers—to wage it. Not only did Burke defend the terms of the loan, but he also seized upon the criticisms as an opportunity to reflect on the nature of markets and value, on the relationship between men of money and the state, and on the “puling jargon” of the phrase “labouring poor.”

The context for the other major work of his final years, *A Letter to a Noble Lord*, was more personal. Throughout his career, Burke was plagued by debts, which were estimated in 1794 to have been about £30,000. Lacking the means to sustain the life of a gentleman—which included two estates, a house in London, an expensive education for his son, and a retinue of servants and other employees—Burke relied to a great extent upon loans from his patron, Lord Rockingham, all of which were forgiven after Rockingham’s death by a provision of his will. But Burke’s creditors were relentless. Toward the end of his life he grew fearful that he would die in debtor’s prison. He fantasized about fleeing to “America, Portugal, or elsewhere.” He even remarked to one visitor that he might learn Italian in order to “end his days with tollerable Ease in Italy.”

Beginning in 1793, there was talk in ministerial circles of securing Burke a peerage and a pension. The topic was sensitive. Earlier in his career, Burke had led the effort to prevent the Crown from using positions and pensions as sources of patronage; an act he sponsored in 1782 capped Civil List pensions at £1,200. Once he came out against the French Revolution in 1790, the charge was made repeatedly—most famously by Paine and Wollstonecraft—that he had turned his back on reform for the sake of a pension. Burke hotly denied this. Thanks to his friends, however, he was able to secure a Civil List pension of £1,200 and two annuities. Between the three sources of government income, as well as rent from his estates, he was able to clear most of his debts and live out the remainder of his life unharried by creditors.

Almost immediately, the pension came under attack. The Duke of Bedford fired the opening salvo in November 1795, calling

Burke a hypocrite for taking a kind of payment from the Crown he had previously denounced. Bedford further insinuated that there was a connection between Burke's hypocrisy, the war against France, and the expense Britain had incurred in waging it. Bedford's charges were echoed by the Earl of Lauderdale. Both men were Whigs who sympathized with the French Revolution, affecting its clothes and hairstyle in the House of Lords. In responding to their attacks Burke not only defended his contribution to the Crown and the compensation he had received for it, he also compared the value of his contribution and compensation to Bedford's. He staged a classic confrontation between the leisured aristocrat and the resourceful bourgeois in which the criminal past of the landed gentry was arrayed against the present utility of the man of talents. The script could have been written by Robespierre or Desmoulins; it was even compared to the writings of Paine and Rousseau.

There is a reason that Burke found himself, despite these differences of context and circumstance, repeatedly driven back to the question of value. Looming over all the particular controversies and arguments was the specter of revolution and the destruction of the *ancien régime*. Not only had the French Revolution toppled the *ancien régime* but it also pried open, as Burke predicted it would, a great many other regimes to scrutiny. "The real object" of the Revolution, he warned Parliament in February 1790, is

to break all those connexions, natural and civil, that regulate and hold together the community by a chain of subordination; to raise soldiers against their officers; servants against their masters; tradesmen against their customers; artificers against their employers; tenants against their landlords; curates against their bishops; and children against parents.

With so many traditional orders of rule under siege, it's not surprising that the systems of value that undergirded them would be subject to the most ruthless criticism as well. As Nietzsche would later argue, all systems of value are predicated upon a hierarchy of judgment and status, taste and place. Rank entails reward—offices,

privileges, wealth—and reward must be worthy of rank. It was simply impossible to threaten so many orders of society without raising the question of their ranks and rewards, and the schemes of value that underlay them. At a moment of free fall like the mid-1790s, when the usual justifications for rule had been taken away or challenged, how could questions of value be resolved without interrogating the contributions of the persons who composed these ranks and received these rewards? What had any of these men done to merit his position? What contributions ought to merit rank or reward? Even those most resistant to raising these questions, like Burke, found themselves dragged into discussions of value—whether it was the wage of the laborer, the rate of the financier, or the rank and reward of the statesman.

The crisis of value that the French Revolution inaugurated found a corollary in the economic sphere with the imposition of price controls, grain requisitions, bread rations, and other market regulations. The latter were hardly new, but since the 1770s they had been implemented against a backdrop of growing unease about the conflict between equality and *laissez-faire*. With the arrival of the French Revolution, that conflict intensified. Every economic choice was now refracted through the vocabulary of morals and politics; every economic development seemed a portent of a larger renovation of the human estate. Robespierre and the Convention had made it their top priority to keep Paris pacified with bread, at times nearly starving the provinces with requisitions for the capital. When the Directory began to loosen those controls and the bread lines started growing, Paris remembered. As one policy spy explained in March 1795, “There is talk of the regime of before 9 Thermidor, when goods were not as dear and money and assignats [the paper money of the Revolution] were worth the same.”

The fact that value was now up for debate in so many realms meant that whatever systems of value came out of that debate—and whatever ranks and rewards were determined to coincide with these systems—would forever carry the taint of their having been debated. It would be difficult to forget that these values had once been argued

over and chosen. Where theological notions of chosenness—Moses receiving the tablets at Sinai—endow the chosen and their values with an aura of the holy, secular chosenness does not generate the same glow. Values that are chosen in secular (as opposed to sacred) time are stained by their originating moment: they were chosen, but they might not have been chosen. Any chosen system of value, and the social distributions (of rights, resources, powers, and privileges) that follow from it, will seem contingent, even arbitrary. More important than its content is the fact that it has been ordained by real men and women at a not-so-distant moment in the past. Having been made in time, it must bear the weight of its contingency, the possibility of its nonbeing, throughout time. A sense of the accidental and the arbitrary will continue to haunt it.

The fact that values were now understood to have been made, rather than given, focused men and women on the activity of making more generally, on the act of bringing things into the world. While there are many ways of conceiving that activity of introduction and inauguration, no model at that moment seemed as pertinent as the production of commodities and the creation of wealth. Still in its infancy in the eighteenth century, the discourse of political economy captured this sense of creating something from nothing, of generating more from less. Labor epitomized that activity, as even Burke acknowledged when he associates the commandment to labor with God's "creation wrought by mere will out of nothing." So labor—with its concomitant theory of value—was put at the center of political economy. *The Wealth of Nations* does not open with the landlord or the merchant or the market; it opens with workers in a pin factory, figuring out ways to economize their actions, increase the pace of production, and thereby create the conditions for the creation of value.

It is thus not surprising that Burke should have returned to questions of value in the last years of his life. The French Revolution had unsettled the distribution of ranks and rewards throughout all of Europe. Whether the topic was the price of bread or the wage of the worker, the fees of the money man or the rank of the man of state,

the question of value could not be avoided. Nor could its contingency or the labor that went into its making.



In countering the regulation of wages and criticism of the financiers' high interest rates, Burke argues in *Thoughts on Scarcity* that there is no value to a commodity apart from its price at market. That price is the product of a mutual agreement between buyer and seller. Each has the greatest interest in and knowledge of the matters upon which he is contracting, so both should be free to strike whatever bargain they make. Value is price; price is market; market is the communion between desire and capacity.

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. Nobody, I believe, has observed with any reflection what market is, without being astonished at the truth, the correctness, the celerity, the general equity, with which the balance of wants is settled.

One of the reasons the market is such an effective determinant of value is that it performs an alchemy whereby our conflicting interests are tossed into a mixer and transformed into a harmonious blend of identical interests.

I deny that it is in this case, as in any other of necessary implication, that contracting parties should originally have had different interests. By accident it may be so undoubtedly at the outset; but then the contract is of the nature of a compromise, and compromise is founded on circumstances that suppose it in the interest of the parties to be reconciled in some medium. The principle of compromise adopted, of consequence the interests cease to be different.

You and I may set different values on my labor before we enter the market, but once we enter that market, those differences will even out with our agreement on a price. Indeed, it is only when those different estimations materialize as price—that is, as a mutually agreed-upon charge for services—that we can say a value exists. It is only at the moment of sale that we can know that the value I put on my labor constitutes more than idle wish or private whimsy, that the value I put on my labor is capable of commanding the assent of a buyer, that a mere idea can materialize as a real price. The market doesn't just settle value; it makes it: "The value of money must be judged, like every thing else, from its rate at market."

Burke here anticipates a celebration of the market that the historian Daniel Rodgers has argued is more characteristic of social thought since the 1970s than it is of the classical economics of Smith and Ricardo. More than producers or consumers, it is the impersonal market that grounds and drives the argument. More than individuals pursuing their self-interest, it is the market that does the work of creating harmony out of dissonance, settlement from conflict.

Deeper into the argument, however, Burke moves away from the market as the settler or maker of value. We hear less of two estimates materializing as one price and more of the man of money as the decider, the diviner, of value. In the same way that Marx, in moving from the market to the workshop, speaks in *Capital* of a change "in the physiognomy of our dramatis personae"—"the money owner now strides out in front as a capitalist; the possessor of labour-power follows as his worker. The one smirks self-importantly and is intent on business; the other is timid and holds back, like someone who has brought his own hide to market and now has nothing else to expect but—a tanning"—so does Burke effect a change in his dramatis personae. It is no longer the market settling price but the man of capital determining value, whether he's buying or selling, whether the commodity is labor or money.

In *Letters on a Regicide Peace*, Burke writes, "Monied men ought to be allowed to set a value on their money." In *Thoughts on Scarcity*, he insists that "labour is a commodity like every other, and

rises or falls according to the demand” of the buyer of labor. The worker’s wage need not provide for the worker’s sustenance; it must, however, afford a profit to his employer: “There is an implied contract, much stronger than any instrument or article of agreement, between the labourer in any occupation and his employer—that the labour, so far as that labour is concerned, shall be sufficient to pay to the employer a profit on his capital, and a compensation for his risk.” Whether the man of money is a seller, as he is in *Letters on a Regicide Peace*, or a buyer, as he is in *Thoughts on Scarcity*, it is his needs, risks, and concerns that signify.

The monied men have a right to look to advantage in the investment of their property. To advance their money, they risk it; and the risk is to be included in the price. If they were to incur a loss, that would amount to a tax on that peculiar species of property. In effect, it would be the most unjust and impolitick of all things, unequal taxation.

The needs, risks, and concerns of labor do not register.

I premise that labour is, as I have already intimated, a commodity, and as such, an article of trade....When any commodity is carried to market, it is not the necessity of the vender, but the necessity of the purchaser that raises the price....If the goods at market are beyond the demand, they fall in their value; if below it, they rise. The impossibility of the subsistence of a man, who carries his labour to a market, is totally beside the question in this way of viewing it. The only question is, what is it worth to the buyer?

There is one moment in *Letters on a Regicide Peace* where Burke considers the needs and interests of labor in the setting of prices. After asking why it is so difficult to lure men from their ordinary labors to become soldiers, he concedes that there is “abundant occupation” and “augmented stipend” to be found on farms and villages; such men must be given an incentive to leave. “The price of

men for new and untried ways of life must bear a proportion to the profits of that mode of existence from whence they are to be bought.” What is remarkable about this statement is how isolated it is—this is the only instance of such a consideration anywhere in the essay-length *Thoughts* or in the expansive *Letters*, which took up more than one volume of the earliest editions of Burke’s works—and how far it runs counter to most of Burke’s economic formulations. Unlike Smith, who applied such considerations in *The Wealth of Nations* to both capital and labor—just as the capitalist must be assured a particular rate of profit, for profit is “the proper fund of his subsistence,” so must the worker be assured a particular wage, for it is his “subsistence”—Burke paid almost exclusive attention to the needs of capital. When it comes to determining value, the market fades into the scenery, labor moves to the wings, the man of money strides to center stage.



In these writings, Burke pursues a vision that, depending on which moment of the argument we’re looking at, will define either the consensus of neoclassical economics more than a century later (the market as the settler of value) or the economics of the Austrian School of Carl Menger, Ludwig von Mises, and Friedrich von Hayek, in which the subjective nature of value and the shaping preferences of capital play a tremendous role.

That Burke should have come to these positions at all—much less when and how he did—is more surprising than we might think. Whether one takes Burke to be arguing that the market settles price and that price is value, or that the men of money determine the price and thus the value of commodities, his position is sharply at odds with the arguments of Adam Smith, whose writings already dominated the age and whose thinking Burke believed to be in harmony with his own. In this respect, as in so many others, Burke wrote less as a conventionalist than as a controversialist, the lead player of a still-incipient avant-garde. While Smith was obviously alive to the role of supply and demand, he didn’t believe that they alone settled the

price or the value of commodities, particularly labor. And while he was alive to the fact that men of money are able to set the price of labor, he did not believe that was an intrinsic feature of markets. Instead, he thought their outsized influence was due to their wealth and power and the favor of the law.

Underlying Smith's writing about the market and market price is the claim that though the price of a good is a manifestation—really, an approximation—of its value, it is not in and of itself the value of that good. For Smith, the real value of a good at market is however much we are willing to give up in the getting of it. While price can be a measure of value, it is not a reliable or consistent measure because the value of money changes over time. Today's dollar is not the same as yesterday's or tomorrow's. There has to be a more reliable measure of value, a fixed “standard by which we can compare the values of different commodities at all times and all places.” That standard is labor. Not only is labor “the first price, the original purchase-money that was paid for all things”—i.e., the means by which we originally procured for ourselves all that we needed—but it remains “the only universal, as well as the only accurate measure of value.” Labor provides a transhistorical measure of value because it reflects the effort of the human body and what it is like for that body, given its capabilities, to make that effort.

The real price of every thing, what every thing really costs to the man who wants to acquire it, is the toil and trouble of acquiring it. What every thing is really worth to the man who has acquired it, and who wants to dispose of it or exchange it for something else, is the toil and trouble which it can save to himself, and which it can impose upon other people. What is bought with money or with goods is purchased by labour, as much as what we acquire by the toil of our own body. The money or those goods indeed save us this toil. They contain the value of a certain quantity of labour which we exchange for what is supposed at the time to contain the value of an equal quantity.

Assuming that the body and its capacities, as well as human nature, do not fundamentally change across time, labor provides a reliable standard of value, for the cost of its exertions to the body and the self that inhabits that body remains constant across time.

While labor is the measure of value, it is not for Smith the determinant of value. It is not because an item requires x units of labor in order to become a commodity that we say the value of that commodity is x . Labor is a factor in the cost of that commodity, but so are rent and profit. When Smith says labor is the measure of value he is referring, as the Cambridge historian Phyllis Deane explained, not to “the labour *embodied* in a commodity” but to “the labour *commanded* by a commodity.” How many units of labor that commodity can be exchanged for, how much labor that commodity saves us or enables us to purchase, is what determines the value of that commodity.

While there is an obvious distinction to be made, then, between the value of a commodity and its price, what is most instructive about Smith’s account of the price of labor is his insistence that wages reflect more than what the market will bear. Smith claims that all wages, “even of the lowest species of labour,” have a floor, a minimum that can’t be breached. He describes that minimum as either a subsistence wage to procure the worker’s survival or a family wage enabling a family not only to maintain and reproduce itself but also to advance itself. Not only must wages provide “the necessaries and conveniences of life,” but what constitutes those necessities and conveniences will depend upon the overall wealth of a society. As the wealth of society increases, so must the necessities and conveniences of life—and wages, too. Beyond subsistence, maintenance, and convenience, wages must reflect the worker’s contribution to society. Workers performing onerous but necessary tasks should enjoy at least the goods provided by those labors. “It is but equity, besides, that they who feed, cloathe and lodge the whole body of the people, should have such a share of their produce of their own labour as to be themselves tolerably well fed, cloathed and lodged.” Finally, there must always obtain a certain “proportion” between the rate of profit and the wages of labor.

Wages, Smith acknowledges, often don't conform to these strictures of sustenance, maintenance, contribution, and so on. Some part of that disparity has to do with market disequilibria, the inevitable lag between changes in supply and demand. But Smith identifies two additional factors: the power of employers and the favor of laws. Were there not such disparities of economic power between labor and capital, and were the laws either neutral between labor and capital or more favorable to labor, markets would settle in such a way that wages would reflect these principles. The natural forces of the market, in other words, are not completely indeterminate, permitting capital to extract whatever it can from labor; if it is working properly, the market should break on terms favorable to labor. (And indeed one of Smith's central justifications for capitalism is that it improves the lot of the laborer and "the lower ranks of the people.")

Smith is highly sensitive to the imbalance of power between labor and capital. There are fewer employers than employees, so employers can combine more easily. Even when they do not coordinate their actions, informal codes and unspoken rules ensure that they will not break with each other. Concert thus comes easily to capital. But more important than concert, capital has capital. Vast reserves of wealth free employers from necessity. Though they ultimately need labor to realize the value of their capital, "ultimately" is a long way off; in any dispute, capital can afford to wait labor out.

Capital also has the law on its side.

Whenever the legislature attempts to regulate the differences between masters and their workmen, its counsellors are always the masters. When the regulation, therefore, is in favour of the workmen, it is always just and equitable; but it is sometimes otherwise when in favour of the masters.

Capital controls the legislature, so the only laws regulating wages that are allowed by capital are those that put a cap on wages rather than a floor beneath them. Labor is prohibited from acting in concert; capital is not. Should workers summon the wherewithal to defy their employers, the latter will "never cease to call aloud for the

assistance of the civil magistrates, and the rigorous execution of those laws which have been enacted with so much severity against the combinations of servants, labourers, and journeymen.” As a result, the collective efforts of the workers “generally end in nothing, but the punishment or ruin of the ringleaders.”

What ultimately undergirds Smith’s specific claims about labor as the measure of value—and concomitant claims about the distortions wrought by capital’s power and control of the legislature—is a vision of labor as the prime mover in the world. Insofar as labor is a universal measure of value, it is also a marker of our common humanity: what we, as human beings, have to do in the world in order to secure what we want from the world. It is how we make our way in the world. As Smith was to say in his *Lectures on Jurisprudence*:

The rich and opulent merchant who does nothing but give a few directions, lives in far greater state and luxury and ease and plenty of all the conveniencies and delicacies of life than his clerks, who do all the business. They too, excepting their confinement, are in a state of ease and plenty far superior to that of the artizan by whose labour these commodities were furnished. The labour of this man too is pretty tollerable; he works under cover protected from the inclemency in the weather, and has his livelyhood in no uncomfortable way if we compare him with the poor labourer. He has all the inconveniencies of the soil and the season to struggle with, is continually exposed to the inclemency of the weather and the most severe labour at the same time. Thus he who as it were supports the whole frame of society and furnishes the means of the convenience and ease of all the rest is himself possessed of a very small share and is buried in obscurity. He bears on his shoulders the whole of mankind, and unable to sustain the load is buried by the weight of it and thrust down into the lowest parts of the earth, from whence he supports all the rest.

That picture, in all its detail, is different from Burke’s. Where Smith insists on distinguishing between value and price, Burke collapses the two. Where Smith sees labor as the measure of value, Burke sees

the market as the measure of value. Where Smith sees the needs and contributions of labor as partial determinants of the price of labor, Burke disclaims any interest in the needs or contributions of labor. The price of labor is a function of capital's demand for labor; any consideration beyond that, says Burke, is "passed out of that department" of commerce and justice and "comes within the jurisdiction of mercy" and Christian charity. Where Smith sees capital using its economic and legal power to extract the most damaging contracts from labor, Burke sees the free market at work. Where Smith seems to countenance those legislative interventions that favor labor—and points out all the ways in which the legislature already favors capital—Burke insists that "the moment that Government appears at market, all the principles of market will be subverted," while remaining silent about all the ways in which the government already appears at market on behalf of capital. And where Smith sees labor as the driving agent of the world, Burke sees capital contributing "all the mind that actuates the whole machine."



On the specific question of value and labor, Burke's views are closer to those of Thomas Pownall, governor of the Massachusetts Bay Colony and later member of Parliament, who had written Smith a lengthy critique of *The Wealth of Nations*. In his *Letter from Governor Pownall to Adam Smith*, Pownall declared: "What then is to be the real standard of measure [of value]? Not labour itself. What is to give the respective estimation in which each holds his labour?...value cannot be fixed by and in the nature of labour; it will depend upon the nature of the feelings and activity of the persons estimating it." Against Smith, Burke seems to hold, with Pownall, what we now call a subjective theory of economic value. There can be no common measure of value, even one grounded in labor, because there is no universal human nature, no universal response to the facts of the economic world, even to the fact of labor. All we have in the economic world are the disparate responses of disparate individuals to the possibilities on offer in that world. Absent a universal standard of value,

we are left with only the subjective preferences of buyers and sellers in the market.

Yet Burke is not quite ready to completely dissolve the economic universe into a market of discrete particulars. When it comes to value creation, there are two coherent blocs in the market: capital and labor. It is capital's role, as a class, "to set a value" on its goods at market, and it is labor's role, as a class, to be the object of capital's estimation: "the only question is, what is it [labor] worth to the buyer." Capital is the maker of value, labor bears its stamp.

Not only are there two coherent blocs—one setting value, the other having its value set—but each possesses a value that transcends the subjective estimations of the market; it is that transcendent or objective value that makes capital the estimator and labor the estimate. This kind of value inheres in the personal qualities of the members of each class. In the case of labor, this is a value that can be measured—not by attending to the distinctive capacities and talents of each individual worker but by abstracting from a group of workers a composite type that represents the whole. To repeat this statement from Burke's *Thoughts on Scarcity*:

Unquestionably, there is a good deal of difference between the value of one man's labour and that of another, from strength, dexterity, and honest application. But I am quite sure, from my best observation, that any given five men will, in their total, afford a proportion of labour equal to any other five within the periods of life I have stated; that is, that among such five men there will be one possessing all the qualifications of a good workman, one bad, and the other three middling, and approximating to the first and the last. So that in so small a platoon as that of even five, you will find the full complement of all that five men *can* earn. Taking five and five throughout the kingdom, they are equal: therefore, an error with regard to the equalization of their wages by those who employ five, as farmers do at the very least, cannot be considerable.

The value of labor, in this regard, can be properly measured beyond its rate at the market. It is homogenous, and so long as it does not include the old and the infirm, women and children, it can be quantified and abstracted. It is precisely the fact that labor can be measured in this way, beyond the market, that it can be valued at market.

Capital also has common characteristics, which set it apart from labor, in the economy and the polity. In the sphere of employment, capital is the “thinking and presiding principle to the labourer.” In the same way that the laborer “is as reason to the beast,” so is the employer the reason of the employee. In ancient times, labor was “called the *instrumentum vocale*,” a tool that speaks; it belonged within the larger category of tools that included “*instrumentum semi-vocale*” (farm animals) and “*instrumentum mutum*” (carts, ploughs, hammers, and hoes). Labor needs a principle of reason to guide it; that principle is to be found in capital. It is thus critical that the hierarchy between capital and labor be maintained: “An attempt to break this chain of subordination in any part is equally absurd.”

Within the wider economy and polity, capital contributes its funds to the sustenance of the people and the state. Its “desire of accumulation” and “love of lucre,” however vicious and foolish the excesses of those passions may be, is “the grand cause of prosperity to all States.” Capital also provides a more direct service to the state, particularly in a time of war. Insofar as they are members of the “higher classes,” the men of money “furnish the means” of war—wealth, resources, and equipment—and “contribute all the mind that actuates the whole machine.” In the same way that capital provides reason to labor, so do the monied classes apply “a cool, steady, deliberate principle” to the “unthinking alacrity of the common soldier, or common sailor.” Theirs is a reason that blends heart and head, that balances temper and temperance, fortitude and forbearance.

Because of the specific genius of these various contributions, the value of capital—not the money that men forward as a loan or an investment but the class of human beings, the men who front the capital—cannot be measured as the value of labor is. Capital’s

contributions are great—certainly greater than those of labor—but they cannot be abstracted or quantified. Certainly not with the calculators one would use to measure the value of labor. Their value is peculiar to each of them as individuals. It is *sui generis*.

Thus we have in Burke two views of value. On the one hand, value is subjective, dependent on the wit and whimsy of the men of capital. On the other hand, there is a hierarchy of value that divides and distinguishes rich from poor, capital from labor. That value is objective. In the case of labor, it can be quantified and measured; in the case of capital, it is beyond measure. So it is the task of capital to set the value at market of whatever it is selling and whatever it is buying. The final intimation of Burke, never developed or realized but hinted at and suggested, was of an objective order of ranks and rewards, in which the better man occupied the superior rank, while the worse man occupied the lower one.



Two moves would follow, for Burke, from the blend of subjectivism in the market and objectivism in the social order. The first would be to call into question not the legitimacy of social hierarchy as such, but the composition of the higher orders, to raise the question of who is rewarded by membership in the nobility. The second would be the growing sense that the proving ground of that social hierarchy—the determination of higher and lower value, not just in the economy but throughout society—was to be found in the market.

In *A Letter to a Noble Lord*, Burke toys with both moves by calling into question the historical sources of Bedford's and Lauderdale's nobility and their contributions to society as a whole, and by comparing those contributions to his own. It makes for riveting prose, with Burke summoning the full force of his achievements—and stricken fury of his humiliations—in order to stake his claim, his entire rank and reward, on his merits. "Whatever they are," Burke says of his merits, they "are original and personal." "His," he nods at Bedford, "are derivative."

I was not, like his grace of Bedford, swaddled, and rocked, and dandled into a legislator; "*Nitor in adversum*" is the motto for a man like me. I possessed not one of the qualities, nor cultivated one of the arts, that recommend men to the favour and protection of the great....At every step of my progress in life (for in every step was I traversed and opposed), and at every turnpike I met, I was obliged to shew my passport, and again and again to prove my sole title to the honour of being useful to my country, by a proof that I was not wholly unacquainted with its laws, and the whole system of its interests both abroad and at home. Otherwise, no rank, no toleration even, for me. I had no arts, but manly arts. On them I have stood.

Throughout the text, Burke resorts to the language of labor, of strain and effort, to demonstrate his singular, nonderivative merits. "I have on a hundred occasions, exerted myself with singular zeal" on behalf of others. Of his efforts in India he says, "They are those on which I value myself the most; most for the importance; most for the judgment; most for constancy and perseverance in the pursuit." Of his defense of Europe's aristocratic order he says, "I have strained every nerve to keep the duke of Bedford in that situation, which alone makes him my superior." Burke mobilizes this record of labor not merely to justify his rewards but to challenge the record of that "poor rich man" Bedford, the original limousine liberal, defending the French Revolution from the comfort of the House of Lords while questioning the modest pension of a humble servant of the government of Britain. A man like Bedford who inherited everything "can hardly know any thing of publick industry in its exertions, or can estimate its compensations when its work is done." Of course he can't: Bedford was swaddled, rocked, and dandled into a legislator. He did not give birth to anything; he was born with everything.

In Burke's hands, birth and lineage become more than suspect; they are often scenes of criminal acts of appropriation. Just before he narrates the story of how Bedford's ancestors came to their lands and title—essentially, they were the reward of Henry VIII's unlawful and violent dispossessions of the older nobility—he taunts Bedford with

two alternatives: he can allow Bedford's story to be told by "gentle historians," antiquarians who "dip their pens in nothing but the milk of human kindness," or he can plunge the duke's patrimony into the acid baths of real history. Almost gleefully, he opts for the latter: "Let us turn our eyes to history." Never has an inquisition into the past sounded more menacing, save in the annals of Jacobinism.

Against the past and present of Bedford, Burke arrays his own past and present, what he has done and the rewards he has received. His object is to compare the two—"thus stands the account of the comparative merits of the crown grants which compose the duke of Bedford's fortune as balanced against mine"—but it is a comparison, he comes to realize, that cannot be made. There is no relationship between Burke's labors and his compensation from the Crown. Not only were his labors so great that no reward could possibly encompass them, but the two—labor and compensation—are animals of different species: "They are quantities incommensurable. Money is made for the comfort and convenience of animal life. It cannot be a reward for what, mere animal life must indeed sustain, but never can inspire." There is the additional fact that whatever the Crown awards is just that: an award. It can be neither merited nor not merited. It should be received and thought of as a gift from a higher being. Thus, it is nearly impossible to compare his pension with Bedford's title and estate, for there is no relationship between the efforts that garnered his pension and the pension itself.

Burke appears to be caught in a vise. On the one hand, he claims that his labors are demonstrably superior to those of Bedford and that Bedford's title is a wicked and worthless thing, rooted in the "pillage of unoffending men" by a "*levelling* tyrant," taken from "possessions voluntarily surrendered by their lawful proprietors with the gibbet at their door." That is the cosmic mismatch of this world, where Bedford is a noble and Burke a pensioner. On the other hand, Burke insists that his labors can be neither gauged nor quantified; they are singular, resisting all measure and comparison. Even more poignant, it is a vise of his own making. Burke firmly believes in the objective value of men, which is found in the system of inherited

ranks and orders, yet he also knows that his value, which is far greater than that of inherited men, has to be demonstrated in a system that rewards success and failure, a system that functions in effect as the market sector of aristocratic society.

But Burke cannot go there, to that final intuition of a market determining value. He believes too much in the society of prescribed, inherited ranks. He composed not long before, in *Reflections on the Revolution in France*, the most rhapsodic of defenses of that society based on rank and privilege; he has devoted his life to “defending the high and eminent.” And it is a revolutionary age. Thus is he bound “to defend an order of things, which, like the sun of heaven, shines alike on the useful and the worthless.” It is a curious note to end on. Not merely because it registers a shrugging indifference, even agnosticism, about the objective value of the nobility, but also because it sounds so oddly reminiscent of the market subjectivism that that order of ranks is supposed to surround but not succumb to. Far from registering a contrast between aristocratic and market societies, Burke’s vocabulary of value suggests a confluence between them, a confluence that even he, try as he might, could not entirely avoid.

In a sense, Burke had been tussling with this conflict between aristocratic modes of preferment and market modes of selection since at least the 1770s. It was then that he first began voicing his misgivings about the East India Company, noting with alarm the ever-growing role of private and unaccountable modes of economic power and reason, the ways in which modern commercial forms were supplanting aristocratic modes of political power and reason. What distinguishes Burke’s late writings from these earlier texts is not only his slow warming to those economic modes of reason and power (“all the mind that actuates the whole machine”), but also the extent to which they come to stand in, at least potentially, for the lost arts of politics. That is a switch from his earlier writings on India, but it is a switch that might have been warranted, in his mind, by a change in personnel. Where the confrontation between polity and economy in India was conceived by Burke as the insinuation of men of low character yet relatively high standing into the private chambers of

Britain's ruling classes—"They marry into your families," said Burke of Hastings and his gang, "they enter your senate; they ease your estate by loans"—it was now being fought against the backdrop of an unprecedented assertion on the part of the laboring classes that it was they who supported, in Smith's words, "the whole frame of society" and they who bore on their "shoulders the whole of mankind." In that context, it might prove the better part of prudence to embrace the market as the proving ground of a new ruling class.

As I said, Burke never really could go there. He flirted with the idea but in the end had to pull back from it. He distrusted new money as much as he distrusted new power. That he himself was a creature of both sorts of novelty—his political and financial rewards were founded on a system of value closer to that of the coming society he rejected than they were to that of the dissolving society he mourned—was but one of the many contradictions he could never quite resolve. It would fall to later theorists, most notably the Austrian economists, to take up those contradictions and work out their kinks and implications.