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## NOTES

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### *Kossuth's Views on Economics in his Lectures on National Economy at London University\**

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#### I.

It is presumably unnecessary by way of an introduction to the present paper to dwell at length on the great influence which Kossuth exercised on his nation and at the same time on world opinion. Yet, while Kossuth's versatility and his chequered career are familiar, it is surprising to learn that he also delivered university lectures on theoretical economics. One of his biographers, Lóránt Hegedüs, a former Hungarian Minister of Finance and political author, does, it is true, make incidental mention of the fact in a work published in the mid-thirties,<sup>1</sup> and also points out that the manuscripts of these lectures by Kossuth were preserved.

According to Hegedüs it was during Kossuth's second period of emigration in London, between 1852 and 1859, that he first held political meetings, and then delivered university lectures. He was impelled to do so not only in the endeavour to establish contacts with British political life, but also by the bitter necessity of finding a means of livelihood. It was this second consideration that predominated in the shift of his activities, during his second London period, from organizing single meetings with very insecure financial

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\* The author has already, in a brief communication, drawn the attention of Hungarian academic opinion to the richness of the economic ideas of Kossuth's manuscript: *Haladó gondolatok Kossuth egyetemi közgazdaságtani előadásáiban* (Progressive ideas in Kossuth's university lectures on economics), *Jogtudományi Közlöny* (Gazette of Jurisprudence), 1953, 10-11, pp. 415 seq.

<sup>1</sup> LÓRÁNT HEGEDÜS, *Kossuth Lajos, legendák hőse* (Lajos Kossuth, Hero of Legends), Budapest, n. d. (time of publication: 1933), pp. 255 seq.

returns to the delivery of university lectures that would provide him with a regular income. The 207 quarto pages of manuscript preserved as No. 1212, under the title « National Political Economy », in the manuscript department of the National Széchenyi Library at Budapest, are therefore highly valuable documentary evidence on this period of his life.<sup>2</sup> The research done on Kossuth's life in emigration by the eminent historian Gyula Szekfű, who sided with the new Hungary, furnished valuable guidance on the motives — beyond those of the need to make a living — that may have played a part in bringing about Kossuth's university lectures. Szekfű mentions a letter of Kossuth to Klapka, in which Kossuth analysed the causes of the failure of the struggle for freedom and pointed to the deficient knowledge of the military skills shown by the military leaders of the time. Here he stressed that those in exile must also study history and tactics, in preparation for returning to the field of action, in order to render better service to their country than during the period of the struggle for freedom.<sup>3</sup> This reference — in the present author's view — provides a better insight into Kossuth's state of mind than anything else and also provides a suitable point of departure for concluding that Kossuth probably studied economic theory not only for the purpose of earning a living, or even of establishing contact with British political circles, but for immediate political purposes.

The author is prepared to go even further in pursuing this line of thought. In his view Kossuth's profound and intense interest in the problems of economics follows not only from his patriotism and sense of political vocation, but also from his entire previous political career and his brief span as a Minister of Finance. Kossuth may be said, almost from the beginning of his career as a practical politician, to have shown a passionate interest in the economic basis of major political problems and, guided by this approach, to have availed himself of every opportunity of engaging in an intensive study of the great questions of economics.

## II.

To examine Kossuth's lectures more closely, it is first of all necessary to state that at present we may say no more about them than can be ascertained from the manuscript material available in Hungary. Research *in situ* of this valuable material has not so far been possible. Nevertheless,

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<sup>2</sup> LAJOS KOSSUTH, *National (Political) Economy*, 207 pp. *Manuscript sources at the National Széchenyi Library, 1789-1867*, Budapest, 1950, 94 pp., No. 1212. At the time of acquisition of the original, the catalogue number was: *Quart. Angl.* No. 14, papers of Ferenc Kossuth (Intermixed English and Hungarian texts).

<sup>3</sup> GYULA SZEKFÜ, *Az öreg Kossuth 1867-1894* (The old Kossuth, 1867-1894). Memorial volume on the 150th anniversary of Lajos Kossuth's birth. Publication of the Hungarian Academy of Sciences, Budapest, 1952, vol. II, pp. 341 seq.

this limitation on research and exploration does not prevent the development of a more or less correct picture of the material as a whole. In order, however, to obtain a better understanding, it is necessary, before proceeding to contents, to make a few technical observations on the volume, its organization, the date, and origin of the material.

Hegedüs published a separate volume of the documents on which he based his conclusions to substantiate his book in which he first mentioned the existence of these manuscripts. He here stated that Kossuth's lectures at the time corresponded to the extra-curricular courses which the continental universities called « *Spezialkollegium* ». <sup>4</sup> Judging by the texts, however, the author's impression is rather that, even though Kossuth's lectures may have been extra-curricular, he actually delivered a full University course in political economy, while the examination of his students took place not under his surveillance, but under the auspices of the curricular University lecturer Prof. Waley, whose name is not very familiar to us. The lectures therefore probably took place along the lines laid down for the curricular course, presumably based on standard literature. Hegedüs correctly pointed out that the material consists of 17 lectures, but did not mention that the texts are not continuous, being indeed fragmentary in a number of parts. The manuscripts begin with an introductory chapter which is incomplete in the early part, and in the lectures numbered I-XXII contain what appears then to have been the most modern treatment of political economy current in Britain. However, lectures XII, XV, XVII, XX and XXI are completely missing, or available in so fragmentary a form that their line of thought cannot be reconstructed. The material is nevertheless fairly voluminous, for the writer used both sides of the 207 manuscript leaves, and the quarto pages could accommodate a good deal of information.

Judging by the reference which can be gleaned from the various chapters, the contents of the material may, apart from the introductory discussion of economic theory, be divided into three main topics — the problems of production, distribution and circulation, supplemented, in compliance with Ricardo's tradition, by the problems of taxation as the fourth major topic. The section on the production of wealth treats the factors of production following the three headings of Jean-Baptiste Say — those of labour, capital and nature — including John Stuart Mill's basic propositions on capital. This is the material of lectures I-V, while the second main topic, that of distribution, is dealt with in lectures VII-X. Here Kossuth discusses the theories of wages, profits and rents, inserting before his consideration of rent the antagonism resulting from the distribution of incomes between labour and capital — what he calls « The great social question ». It is

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<sup>4</sup> LÓRANT HEGEDÜS, *Kossuth Lajos, legendák hőse* (Lajos Kossuth, Hero of Legends, evidence), cit.

<sup>5</sup> This is referred to in the Hungarian language introductory remark to Lecture IX.

important to point out that, between the two great problems of the « Production of wealth » and the « Distribution of wealth », Kossuth inserted as the material of lecture VI the « Principles of population ». The third group of questions concerned with « Exchange », (i.e. theories of exchange, money, credit and foreign trade, setting out from the theory of value), are treated in lectures Nos. XI to XIX inclusive. The fourth topic, the theoretical problems relating to taxation, is expounded in lectures XX, XXI and XXII and possibly the subsequent fragmentary material.

### III.

Kossuth deduces the scientific foundations of political economy from a consideration of human wants: « Whoever contributes to an increased adaptation of matter to human wants and enjoyments is a producer of wealth... Therefore production of wealth means the production of an utility... ». The need for production and distribution follows, and these raise the basic question: « Are the principles under which the production and distribution of wealth take place, so regular and uniform in operation, as to allow of systematic arrangement and investigation, assigning to Political Economy a place among the Sciences? » After posing the problem he goes on to deal with a marginal heading which reads: « The mechanism of the most marvellous industrial system ». It is characteristic of Kossuth's approach that he immediately proceeds to stress the importance of organization: « It is obvious that the industrial operations of society cannot be the result of blind chance. There must be an organization in them, an adaptation of means to ends, a relation of cause and effect ». Kossuth was thus far from being mechanistic in his approach, and it is evident from this sentence that he interpreted even chance in a teleological sense, as opposed for instance to Bastiat,<sup>6</sup> to whom he refers when making « Want-effort-satisfaction » the key words of his subsequent discussion. From the third of these he also deduces the need for exchange, but the fourth set of problems, the theory of taxations, is not yet introduced. Instead he bases his discussion on Senior's familiar theories,<sup>7</sup> thus providing an answer to the problem of whether political economy is a science. According to the custom of the time, he defines political economy as a science on these four axioms. Even so, Kossuth was a little more concrete than was usual at the time in referring

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<sup>6</sup> Cf. Ch. GIDE-Ch. RIST, *A History of Economic Doctrines from the Time of the Physiocrats to the Present Day*, Authorised translation from the 2nd revised and augmented edition of 1913 under the direction of the late Prof. W. Smart by R. Richards, London, 1945 — with a reference to the last page of F. BASTIAT's, *Les Harmonies Economiques*, Paris, 1849, on p. 331. (In English).

<sup>7</sup> J. A. SCHUMPETER, *History of Economic Analysis*, Edited from manuscript by E. Boody-Schumpeter, Third Printing, New York, 1959, pp. 575 seq.: Axiomatics, Senior's Four Postulates.

to the necessary limitations — adopting what we would call a « statistical » approach and stating: « But it is necessary to remark: that the conclusions of political economy are founded on the principle of averages; — it deals with large bodies of persons and large classes of events; with full confidence that the deviations and irregularities of particular cases will balance one another and thus disappear from the general result. Truths established on a large scale and as rules for the average must not hastily be applied to particular instances; nor must we seek to transfer into other departments of life such principles, the application of which should be confined to industrial phenomena. With this reservation, whether we consider comprehensiveness and certainty of principles, nicety of deduction, or importance and scale of results, Political Economy has a full claim to the rank of a Science ». The interpretation of obedience to laws given by Kossuth is therefore more akin to Marshall's than to Mill's, which is by no means fortuitous<sup>8</sup> if we bear in mind Kossuth's experience as Minister of Finance and as Governor, and his early appreciation of the importance of statistics. The following considerations serve to define still further the role of statistics in drawing a distinction between theoretical and applied economics and at the same time stressing the latter's importance precisely by a reference to financial affairs: « Polit. Economy as a science is confined to the theory of production and distribution of wealth upon the assumption that the desire for wealth is a general law and motive of industry, with the addition of a few other elementary propositions derived from the nature and the physical and social condition of man; the truth and substance of which are either apparent by intuition, or open to proof by reference to first principles. But as the practical value of these inquiries depends on the light which it throws on the working arrangement and results of industry, political economy can not be confined within the narrow bounds of strict science. The leading financial and commercial expedients used in carrying on production on a large scale — banks or the fiscal relations between a state and its subjects (currency and taxation); the effect of laws intended to encourage, regulate or give a particular direction to industry (prohibitory or protective system, and free trade) — belong to the proper domain of political economy. It uses statistics, to verify with facts its own principles, which underlie many complex social phenomena; it will even bring the truths of science to bear upon practical life. And it will deduce, from its formulae, rules for the production of given economical results: and thus will combine science with art and the philosopher with the legislator ».

Kossuth next refers to J. B. Say's experimental (according to Schumpeter, empirical) method,<sup>9</sup> and treats the conclusions from Mill's passage on the

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<sup>8</sup> *Ibid.*, p. 537.

<sup>9</sup> *Ibid.*

definition and method of political economy, though the latter gives less prominence to the inductive method than the approach of Kossuth. Nevertheless he does proceed better than Senior in stressing the use of induction in place of the exaggerated emphasis on deduction, during the stage of « illustration and comparison », i.e., of « verification », in the area beyond « strict science », as regards the « Methods of industrial progress », i.e., the sphere of « application ». Kossuth here too goes beyond Mill's teaching, in that instead of a mutually confronting theoretical and applied science, or their principal methods of induction and deduction, he devotes far more stress to the need for their simultaneous, combined application: « As in every department of political and social action, so in political economy likewise it is necessary to combine philosophical principles with knowledge of history, experience and familiarity with business; neither the one nor the other can be neglected without disaster ». By way of example, Kossuth refers to the attitude to money and to the balance of payments adopted in mercantile theory, and points — following Say — to the erroneous views held on the social utility of nonproductive expenditures. He next defines the three factors of production, exposition of which he undertakes in the next lecture, No. 1. This last passage itself goes a shade ahead of the contemporary conception in that Kossuth, in his own individual approach, also stresses the importance of historical experience, beside the roles played by theory, practical proof and business practice.

Even on the basis of this introductory part, two important conclusions may be reached with respect to Kossuth's exposition. The one is that Kossuth's relatively concise and very lucid summary of the theoretical and scientific problems so faithfully and accurately reflected the basic tenets of contemporary British economics, as only to be reproduced at a distance of almost a hundred years by a scholar of the stature of J. A. Schumpeter — though of course the latter's analysis is on a different level. The other conclusion is that due to Kossuth's experiences previously outlined and his unbiased approach to British economists after Smith — particularly to the phase represented by Say, Senior and Mill — he was able on several points to achieve more precision and finer shades of meaning, which are by no means devoid of significance to historians of the discipline. This question therefore deserves our special attention and requires a few additional remarks. The fact is that, if we search for the reason why Kossuth considered these more precise formulations and shades of meaning to be necessary, we are forced to the conclusion that Kossuth did not share the final deductions of contemporary British economists on the possibilities of economic development, precisely because not only his practical experiences but also his acquaintance with and acceptance of List's teaching influenced him in the opposite direction. All eminent historians of the discipline have justly described the version of the classical English school that developed in the 'fifties of the nineteenth

century as pessimistic, as opposed to the Carey-List school which could justifiably be called optimistic. It was Schumpeter who most recently pointed this out, though Mill considered the chances of development to be somewhat more favourable than those visualized by his great precursors — Malthus, West, Ricardo and James Mill — he nevertheless still grossly underestimated the perspectives of capitalist development in comparison with List'.<sup>10</sup> As Schumpeter has indicated, Marx gave the most favourable estimate of these future opportunities, though in a special sense in that Marx considered the development of the apparatus of production to the highest possible stage as one of the most important pre-conditions of the transition to socialism.<sup>11</sup> No evidence is available of the extent to which Kossuth was acquainted with the Marxian concept on this from the documents which had appeared up to 1858. We do know, however, that the large-scale exposition of Marx's economic teaching took place later — his « Contributions to the Critique of Political Economy » only appeared in 1859, « Capital » in 1867, while « Theories of Surplus Value » was only published as a posthumous work in 1905. In fact no personal contact took place between the two great scholars — the nationalist Kossuth and the internationalist Marx — despite the fact that they resided contemporaneously in London and that certain socialist circles sought to establish contact with Kossuth, as a « revolutionary ». However, even his contact with List's theories was sufficient for Kossuth to perceive how removed contemporary British economics had become from real life. This was despite the fact that the theoretical elaboration of List's trend was considerably inferior to the contemporary sophistication and standards of the English classical school and that List was also already under attack for the alleged superficiality of his system.<sup>12</sup> The above thesis seems to be somewhat contradicted by the fact, which we previously pointed out, that Kossuth in his introductory paper accepted Senior's four basic propositions, including as the second the Malthusian doctrine on population and as the fourth the theory of diminishing returns from the land. It should, however, be pointed out at this juncture that even in the introduction he did not do so without reservations, for Kossuth appended the following remark to these two statements: « Although there is no reason to doubt that with the lapse of time and the general progress of industry, the productiveness of the soil is capable of increasing indefinitely ». This latter allusion to List's thesis of « Entwicklung der Produktivkräfte » is plainly a reservation, as is the reference

<sup>10</sup> GIDE-RIST, *op. cit.*, p. 327, includes only Carey among the optimists, while mentioning List among the nationalists, *q.v.* pp. 264 seq.; SCHUMPETER, *op. cit.*, p. 572, however, declares the development theory of both to be decidedly of the « optimistic type ».

<sup>11</sup> SCHUMPETER, *op. cit.*, p. 573.

<sup>12</sup> *Ibid.*, pp. 272 seq.

to its validity over a long period and the emphasis on the role of time. The missing Lecture II — which we may presume to have treated the part played by nature as a productive factor — would convey more about Kossuth's attitude in this respect, but even in its absence it may be established that Kossuth placed the emphasis in economic development not on the forces of nature, but on human labour. The statements made in Lecture V clearly and unambiguously reflect this view: « Whatever may be thought of the progressiveness of humanity in other respects, there is no doubt of its making vast and rapid strides in industry. If we examine the astonishing march of industrial progress, we shall observe that it is to a very great extent due to improvement in 1) the speculative and practical knowledge connected with the art of production, 2) improvement in the methods of combining and applying labour, — these two branches of progress are strongly connected with one another, they depend in many respects one upon another ».

And later in the same lecture: « The progress of industry is continuous, it embraces the past, the present, and doubtless also the future — and every step implies a corresponding growth in the scale, development and organization of exchange, which binds together the nations of the world ».

These views of Kossuth's, indicative of his optimism and his closeness to realities, are also — though with a view to Prof. Waley's attitude perhaps a trifle less expressly — substantiated by his attitude on the population problem.

#### IV.

Kossuth treats the population problem by immediately pointing to its controversial character: « We have to inquire: whether or not the progress of population is governed by assignable laws? — if so, what are those laws? — and in what relation they stand to the well-being and progress of the species. With this subject is inseparably connected the name of Malthus. His celebrated Essay on the principle of population (1st edition 1798. 6th and last 1826) gave rise to much controversy, to some extent still unsettled, and has been much decried... it has discredited this science (pol. economy) and rendered it unpopular with the public at large ».

After an account of the two major and three auxiliary propositions of Malthus, Kossuth deals with Malthus' conclusions on the cause of the divergence between the actual and potential growth of the population. Having pointed to the vehement reaction of public opinion and to the « flat denial » which Malthus returned to the counter-arguments advanced to refute those expounded in his work, he considers it necessary to reveal the motive forces behind the origin of the work in order to appraise it correctly: « However, in taking a general view of the celebrated Essay on population we may say: that, though profound and philosophical and enriched with an astonishing amount of learning and reflection, it is neither compact nor

well digested in form, it does not disengage sufficiently permanent results from transitory associations — there is a want of method and distinctness in it and even some inconsistency; — we may say that it is a fatiguing book to read and one from which it is difficult to carry away distinct ideas of the intended conclusions... If we desire to form a correct estimate of his work, we must keep in mind the occasion which originally suggested it. The occasion was the speculations current at the end of the last century on the possibility of so remodelling social institutions as to eradicate vice and misery and replace them by universal benevolence and happiness. In those theories the institution of property and the inequality of conditions attending on it were represented as the great obstacle to social regeneration. This speculative warfare against the institution of property was the occasion for Mr. Malthus's *Essay* ». As to the other « occasion », Kossuth pointed to the development of the « Allowance-system », which had become a great social burden. After this he once more re-phrases the Malthusian Law in a milder form which corresponds to its essence, i.e., that there is « a continual tendency in population to press against the means of subsistence », beside which the figures of the geometrical and arithmetical progressions may be regarded as peripheral. In place of the available food stocks he made the « wages fund » the measure of « subsistence ». Dealing with the controversy arising from the difficulties of definition on this point, he treats McCulloch's « necessary rate of wages » and Senior's distinction between the concepts of « necessities, decencies, luxuries ». With regard to the latter he remarks: « This may appear to be a pretty accurate view of the matter ». This is followed by an account of the controversy between Senior and Malthus, of Whately's mediating proposals, preceded by Godwin's contribution of 1820. Kossuth underlines the whole of Prof. Waley's pertinent opinion, according to which the positive obstacles to growth of population disappear almost completely in civilized states, growth of capital is faster than that of the population, and so wages also show an increasing trend. Since the « decencies » of one generation become the « necessities » of the next, and in the succeeding generation the « luxuries » become « decencies », the working class quickly achieves the level of development where the spontaneous exercise of « prudential restraint » establishes an equilibrium. Kossuth lends polite approval to this view, but remarks: « However, it is but too certain that the condition of the poorer classes is far from being so favorable as not to be exposed to premature mortality. The preventive check is far from having superseded the action of the positive checks + +. In Paris between 1817 and 1836 in the 12th arrondissement principally inhabited by poor people, the proportion of annual deaths was one in 15 inhabitants. In the 2nd arrondissement chiefly inhabited by the better off classes it was 1 in 65. In certain quarters of Manchester the mean duration of life is only 17 years, in other quarters it is 42 years! » Kossuth's sense of reality led him also to append to these

convincing statistics a « Private remark », as a footnote to the place marked ++ in the text: « Nor ever will. — Social institutions may do much towards making the occurrence of extraordinary calamities more and more rare, — abstinence from family life will certainly not avert them. A good sanitary policy — guaranteed well-being — of the working classes resulting from progressive public prosperity, enabling the labourer to feed well, dwell well and clothe well, will do more towards averting public calamities which sweep away thousands of the poor, — than any speculations of Malthus on the social duty of prudential restraint for which not one out for a million will ever sacrifice his individual happiness ». Through this reasoning Kossuth rejects the possibility of over-population and proceeds to substantiate this with what he says about the functioning of the capitalist system, *viz.*, that without the growth of population savings, capital and the rate of profit could also not grow, nor of course could the wages fund, so that economic development as a whole would become impossible. In agreement with Prof. Richards he considers that « moral restraint » is the stabilizing factor, incorporated in the economic and social aspects of the civilized countries, which does not permit the population to descend under the « subsistence level » in the development of the undulating, but in its ultimate trend rising, standard of living of the working class. In Kossuth's view it was then a question of fact that the population of Britain was increasing, and in treating Godwin's previously mentioned « Essay on Population » of 1820, which denied this, he had earlier pointed out that « Such and alike statements are inconsistent with statistical facts accumulated since ».

Kossuth's treatment of the problem of population thus differed from that of Mill. He does not link the law of the growth of populations with the diminishing returns of the land,<sup>13</sup> but applying a highly developed critical faculty lays its foundations with the help of factual evidence, particularly statistics. Although he makes certain concessions to the contemporary view that linked this question with the wages fund, he held the problem to be rather a function of the general trend of economic development than of the wages fund in the narrower sense. In this his approach was far ahead of the views of the orthodox economists of his day, though he agreed with them — as opposed to Mill — in continuing to consider the question of population as one of the important and fundamental problems of political economy. Yet perhaps the aspect in which he was furthest in advance of the economists of 1858 was that he clearly appreciated the need to base investigations of the development of the population on a statistical basis and to treat the problem on such a basis in the theory of economics.<sup>14</sup> It was this approach that led Kossuth to a closer proximity with Engels and Marx,

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<sup>13</sup> *Ibid.*, p. 581.

<sup>14</sup> *Ibid.*, p. 542.

since they also used statistics to examine the actual conditions of the working class and the mutual dependence of the growth of population and economic growth.<sup>15</sup> They, too, did not doubt the continuity of economic and social progress in this process. Another similarity between their views — and again, like the previous one, a point of agreement characteristic of the politician and the social philosopher rather than the expressly economic approach — was Kossuth's deep sympathy with the working class and his preoccupation with the future course of its progress amid the conditions of capitalist development. Of course, in this question he never went as far as Marx and Engels, but in many respects he was ahead even of Mill, among the contemporary British economists.

## V.

The fact that Kossuth adopted an optimistic view of the economic possibilities of capitalist development by no means implies — as has already been partly evident with respect to the questions previously treated — that he did not see clearly the negative aspects of this development. For example, a « private remark » in Lecture IV showed very logically that a growth in the « subsistence fund » also involved a growth in marriages and in the population, which meant that there was a danger of the rise in living standards being frustrated. A similar remark in Lecture V over the advantages of the social division of labour again points to the disadvantageous aspects. Say himself had referred, in connection with an example of Smith's on needle manufacture, to the danger of the worker's labour becoming one-sided. He had, however, considered that the division of labour would compensate the workers by permitting them to develop their intellectual gifts in their leisure time. Kossuth's opinion on the subject was as follows: « Private remark: this might be true if those facilities were within the reach of the masses of the working-men, — but they are not, — the great majority of them can scarcely keep up the bare existence of themselves and family... and it is easy to point to the facilities for improvement afforded by civilization but these are a poor consolation for this... ». Following on the development of the theory of wages and profits, Kossuth devoted a full lecture to this question. This was Lecture IX, whose introductory passage treated the problem with brilliant lucidity:

« While we engage in bringing together the long train of abstract propositions and in following through their conclusions, we in effect assume to dispose of the destiny and settle questions affecting the comfort or the indigence, the happiness or the misery of vast masses of human beings. It is therefore fit to turn our attention from the regions of speculation to the field of life. Hence

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<sup>15</sup> Cf. the author's « Die Beiträge von Marx zur Grundlegung der statistischen Wissenschaft, *Wirtschaftswissenschaft* », 1955, I, pp. 61 seq.

we have before us the ever recurring phenomenon of a prodigious disparity in the distribution of social and material advantages. This inequality (appearing in different forms according to circumstances) tends to assume in wealthy and industrious countries — like England — the form of a harsh and painful contrast between the situation of the labourer and the employer of labour. While the growth of opulence and commerce is perpetually enriching the latter with more ample and refined means of enjoyment; the former, to whose class the great mass of the community belongs, remains in a condition approaching indigence, engaged in hard and unceasing struggle with the workhouse, the penalty of failure, and with little more than a bare subsistence as the reward of success. The questions connected with the state of the labouring classes — the inquiry whether their hard and scanty condition is the result of political and social inequalities, or the consequences of irreversible natural laws? — how far it admits of amelioration, and by what means? — attract a continually increasing degree of attention and have come to be considered and designated as: the great social problem. To this department of inquiry belongs: the consideration of the relations between capital and labour; — of the modes of action by which it has been sought to readjust those relations — and of the modifications suggested with a view to their improvement ». Kossuth approached the problems of life primarily through considerations of history and economic history, related to the evolution of the « poor law » and the « allowance-system ». With respect to these he stresses that even members of the abstract school of thought, Ricardo and Malthus, have perforce to pay homage to the power of facts: « Ricardo as well as Malthus was of the opinion that laws for the compulsory relief of the poor were essentially pernicious; but they both agreed that to abolish them otherwise than by gradual and well considered steps would produce the most overwhelming distress ». Next, Kossuth proceeds on the basis of the « Poor Law Amendment Act of 1834 » to deal with the situation pertaining at the time of this lectures and condemns it despite the opinions of certain authorities — including Prof. Waley — particularly on account of the centralisation of aid. The « private remark » on this subject runs as follows: « ... I reject the idea of centralisation in the most absolute manner; politically it is dangerous, economically it is wrong, morally it is a source of degradation and of vice. — Much of the pauperism of a state is a result of the bad laws and vicious institutions of the state, therefore poor laws may not be the right cure for the evil. But whenever political errors rendered poor laws necessary, before all and above all let centralisation be avoided... The society can only be revived by the reviving of local government ». Kossuth also enters into a dispute with Mill, when the latter states in a passage which he quotes: « It was shown by facts that the guarantee of support could be freed from its injurious effects upon the minds and habits of the people, if the relief, though ample in respect to necessaries, was accompanied with conditions, which they

disliked, consisting in some restraints on their freedom... ». At this Kossuth indignantly remarked: « So, the destitute will be secured from starving, provided he consents to being treated as a criminal, submits to restraints of his freedom! Why! this certainly is no testimony in favour of the existing system, — it is condemnation as guilty of treason to human dignity ».

Kossuth's lectures now proceed to deal with the right to work. Under the title « Right to relief of the poor based upon their exclusion from the use of land », he considers this right as a corrective of the system of private ownership, having deduced this from the legislative activity of the French Revolution of February 1848. Kossuth evinces understanding for the Revolution with a view to the « unfavourable circumstances », yet concludes his discussion of the « Experiment in France » with the following severe judgement: « This mortifying extract from modern history is but an illustration of the fate which must attend every attempt to transform pauperism from a misfortune and a reproach into one of the privileges of the citizen ». According to Kossuth's criticism the declaration of the right to work was an « empty boast » of the provisional government of the February Revolution, and in his opinion the civil state is not in fact able to assume such burdens. This is where the lecture proceeds to the question of strikes as another corrective of the social problem. Kossuth also examines the legal foundations and points out that right up to 1824 when the « Combination Laws » permitted the Justice of the Peace to commit any worker to jail for three months if he combined with others to achieve a rise in pay. There was thus no opportunity to strike. Kossuth condemns McCulloch's view that strikes are only justified if the pay is less than the « natural and proper rate of wages ». According to Kossuth, strikes « ... may perhaps serve sometimes to rectify an inequality in wages unfavourable to the labourer, especially in trades of small extent in which there exists a combined organisation of the masters, as was the case with the typesetters and papermakers who were thus enabled to keep their workmen at an artificially reduced standard of wages ». In line with theoretical economics the workers should then, in obedience to the principle of competition, transfer to another job, but « That exaggerated division of labour has so stunned the elasticity of their (i.e. the workmen's) faculties, as to make them practically unfit to change profession ». Summing up, Kossuth gave his opinion that « Whatever be the original merits of the question in which a strike has its origin, it is (like every other casus belli) too apt to be quite lost amidst the din of arms when once the war of capital and labour has commenced. The contest usually degenerates into one of brute force and stubborn endurance, in which the labourer as the weaker party is pretty sure to be worsted with great immediate suffering, generally accompanied by more or less permanent injury to his condition. Experience quite confirms this view... ».

Kossuth next treats those other sanguine hopes which some people entertained with regard to the possibilities of mending the capitalist system, discussing primarily the profit-sharing system and cooperatives in this respect. In his treatment of the first he does not content himself with the examples collected by Mill, but in the course of a « private remark » quotes examples not only from shipping and industry, but also from the agriculture of Ireland and Hungary: « In Hungary landed estates are generally cultivated by the proprietor himself. Immense estates are thus cultivated by gentlemen in the highest social rank. Hence they of course are obliged to keep a vast body of administrative personnel. And I know of cases where the system of allowing a share in the revenues (percentage on everything sold) was introduced with very great success (as by the late Count Casimir Batthyány among others) and where the principle was extended to farm servants (labourers) — who in Hungary are usually hired by the year — the success proved still more marked; while the cost of control and administration was remarkably less. Whether in large factories (often founded on fictitious capital and sustained by artificial credit operations, implying many delicate secrets) this system would do or not I can not judge: — but as to agriculture, I am thoroughly and practically convinced of its incomparable value and of its many advantages ». Even if in no greater measure, then at least to this extent Kossuth would, it seems, have liked through his proposal to help the people of his native land from afar. With regard to the cooperatives, he clearly saw that they could develop equally on a capitalistic or a communistic basis, he adopted a theoretically approving attitude considering that the difficulties lay in the sphere of practical realization, since the French examples were as yet not convincing and Britain did not even have as much experience to date as France in this question. The conclusion of this lecture ends with his remark on the cooperatives: « ... most sound thinkers will desire that this favourite should be permitted to start fairly in the race, that it should not be unduly handicapped by adverse institutions, but should receive free scope, so as to obtain a measure of success which its capacity allows... ».

This is probably sufficient of Kossuth's lectures on economics to show that he stressed the drawbacks of the capitalist system even more than Mill and that the realistic picture which Mill gave by his emphasis on the role of classes, habits, economic learning and institutions<sup>16</sup> was developed further in Kossuth's lectures. Kossuth agreed with Mill, though he did not attain any systematic development of these questions in his lectures, and it can, for lack of other evidence, no longer be decided at a distance of over a hundred years whether he intended to discuss these questions separately or not. However, and this much may certainly be stated on the basis of the existing material, Kossuth did share in the « warm-hearted humanitarianism » and « solicitude

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<sup>16</sup> SCHUMPETER, *op. cit.*, p. 543.

for the welfare of the labouring class », which Schumpeter attributed to Mill.<sup>17</sup> He also shared the view of Mill that « all institutions in particular... are man-made, changeable, malleable and progressive »,<sup>18</sup> but he went beyond Mill in the use of the statistical method,<sup>19</sup> and in some cases in his perspectives of the capitalist system.

## VI.

The author considers that the material presented above itself provides a sound foundation for concluding that Kossuth's ideas on economics underwent considerable development as a result of becoming acquainted with late classical English economic theory, dominant in the eighteen fifties. On the basis of these writings of Kossuth which have here been subject to the first scientific analysis, it may also be shown that Kossuth — due partly to his earlier ideas and practical experiences, partly to his critical approach — adopted an even more social and more progressive attitude on certain key questions than J. S. Mill. This even though the latter's views in their ultimate form pointed beyond the frame-work of the capitalist system, towards evolutionary socialism.<sup>20</sup> On the other hand the material also clearly shows the limitations that prevented Kossuth from progressing far along this path. He was not guided by the desire to evolve a completely new system of economics which would, through a full critical revaluation of current teachings, have swept away from the path of development everything that had become useless, or at least a hindrance to progress, and have preserved and developed all those truths which necessarily turned out to be indispensable to the economic explanation of the future. Kossuth's limited objective, that of achieving critical acquaintance with contemporary classical English economics, only permitted the revision of bourgeois economics on certain questions of detail.<sup>21</sup> Even in so far as he did achieve new results in certain fields — of which items may be found in the material quoted — he was not able to fit these details into the framework of a new, comprehensive conception. Indeed, he did not wish to, for he did not consider himself a representative of « academic economics », and thus called upon to undertake such a task. He simply thought of himself as a politician and statesman, whose 'armoury could not do without a knowledge of the latest and most modern version of the important political *vademecum* of classical political economy.

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<sup>17</sup> *Ibid.*, p. 531.

<sup>18</sup> *Ibid.*, p. 542.

<sup>19</sup> *Ibid.*

<sup>20</sup> *Ibid.*, p. 531.

<sup>21</sup> Lenin forcibly emphasized that revolutionary changes cannot be achieved in science either on the basis of partial criticism. (Cf. V. I. LENIN, *Materialism and Empiriocriticism*).

The forces of history did not permit Kossuth to return to his beloved country and to carry out those economic and political measures — making use among other things of the most up-do-date theories of political economy — which he considered indispensable in the interests of his country's bourgeois advancement. His lectures on economics were as fully lost to the Hungarian nation as was the formative power of his political genius. Later developments furnished sad proof that Hungarian economics suffered a grievous loss, in that Kossuth's intellectual effort far from his homeland was unable to contribute to the spread of the ideas and literature of scientific economics.

It is the aim of this first presentation of Kossuth's London lectures on economic, to draw attention to the fact that we still do not know Kossuth's personality sufficiently in all its aspects, and that his name shines as brilliantly in the field of our literature on economics as in that of our political traditions in the period after the collapse of the struggle for freedom, which were so intensely burdened with national disappointment.