THE MARXISM OF GEORGE BERNARD SHAW 1883-1889

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ABSTRACT

Although Shaw’s biographers always acknowledge his debt to Marx, intellectual historians always seem to belittle this debt. This gap can be closed by placing Shaw's Marxism in its contemporary context - Shaw shared most of the Marxist beliefs of the members of the Social Democratic Federation. A study of Shaw's Marxism shows that he was not an anarchist, that secularism played an important role in his thought, and that George's intellectual influence was not as great as is normally thought. Shaw rejected Marxism when he turned to Jevonian economics but even then much of his Marxism remained in tact and divided him from other leading Fabians.
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I

All of Shaw's biographers recognise the importance of Marxism for his intellectual development in the 1880s. In 1911, Henderson wrote of Das Kapital that no book "influenced Shaw so much." Pearson later claimed that Das Kapital "changed his [Shaw's] outlook, directed his energy, influenced his art, gave him a religion, and, as he claimed, made a man of him." Most recently, Holroyd has said that "it seemed to him [Shaw] that Marx was 'a giant and a genius', who was to change the world more fundamentally than Jesus or Mahomet." Here Shaw's biographers merely echo Shaw who claimed that his last novel was "pure Marx" and that "Marx made me a socialist."

Yet those intellectual historians who study Shaw's development during the 1880s downplay his Marxism. Crompton claims that "revolutionary British groups like the Social-Democratic Federation and Socialist League were hostile to the clergy," whereas Shaw "after his early manhood was never a rationalist or secularist." Besides, Crompton adds, Shaw rejected the class war and replaced Marx's optimistic theory of history with a pessimistic outlook "colored by the Old Testament (and Carlylean) idea that national calamities are God's (that is, history's) punishment for national sins." Crompton concludes, therefore, that Shaw was at most "willing to adopt Marxism as a tentative creed" and to admire Marx as a denouncer of injustice. Similarly, Wolfe recognises that Shaw called himself a Marxist but adds that "it was a curious and very limited interpretation of Marx - scarcely 'Marxist' at all from the point of view of the S.D.F. [Social Democratic Federation]." Wolfe himself prefers to describe Shaw as an anarchist who followed a "libertarian path" to Fabianism.
There remains, then, a strange gap between Shaw's biographers who assert the importance of Marxism for Shaw during the 1880s and intellectual historians who deny the importance of Marxism for Shaw during the 1880s. My intention is to close this gap by placing Shaw's early beliefs in the context of contemporary Marxism thereby showing that Shaw was a Marxist and even that his version of Fabianism retained features of his earlier Marxism.¹² Further, I hope thereby to contribute to the debate on why there was no Marxism in Great Britain, or, more accurately, why the Marxism there was did not give rise to a mass Marxist party. The intellectual development of Shaw provides an example of the way in which British Marxism became embroiled in a broader socialist, radical, and working-class movement. The example of Shaw reminds us that Marxism is an intellectual tradition, not a political party, and that this tradition played an important part in both the socialist revival and the emergence of the Labour Party.¹³

II

When Shaw first arrived in London he led a bohemian lifestyle as a penniless writer.¹⁴ He spent his days reading or writing in the British Museum and his evenings frequenting lecture halls and debating societies. He belonged to both the London Dialectical Society which was formed in the late 1860s to discuss the works of John Stuart Mill, and its younger offshoot the Zetetical Society which was formed in 1878 to "search for truth in all matters affecting the interest of the human race."¹⁵ Shaw described the Zetetical Society as "strongly individualistic, atheistic, Malthusian, evolutionary, Ingersollian, Darwinian, Herbert Spencerian."¹⁶ Clearly, therefore, his milieu was both radical and secularist. Indeed, he dubbed himself an infidel, distributed copies of The Fruits of Philosophy during the trial of Bradlaugh and
Besant, and lectured for the National Secular Society.\textsuperscript{17} He was a defiant freethinker who later shocked the staid members of the Shelley Society by proclaiming, at their first open meeting, that, like Shelley, he was "a socialist, an Atheist, and a Vegetarian."\textsuperscript{18} On 5 September 1882, Shaw heard Henry George address a meeting in the Memorial Hall, Farringdon Street.\textsuperscript{19} He was so impressed that he brought a copy of George's \textit{Progress and Poverty} and became involved with the group who formed the Land Reform Union (L.R.U.). At this time, the leading members of the Union, Champion, Joynes, and Frost, were becoming increasingly involved with the Marxists of the Democratic Federation (D.F.). In 1883, Shaw too attended a meeting of the D.F. where he accused the Marxists of neglecting the real issue of land reform. Hyndman, the head of the D.F., scoffed and accused Shaw of naivety. Shaw went home, read the first volume of \textit{Das Kapital} "and returned to announce my complete conversion by it."\textsuperscript{20} He had become a Marxist. "From that hour," he later recalled, "I became a man with some business in the world" - well, at the very least, he became a candidate member of the D.F. who spoke at D.F. rallies and even attended a meeting of the D.F.'s executive.\textsuperscript{21} In May 1884, Hubert Bland, who was also hanging around the edges of the D.F., told Shaw about the newly formed Fabian Society, to which Bland belonged. The next day Bland sent Shaw a copy of the first Fabian Tract and an invitation to a Fabian meeting.\textsuperscript{22} Shaw went to the meeting on 16 May 1884, enrolled in the Fabian Society on 5 September 1884, and was elected to the Society's executive on 2 January 1885.\textsuperscript{23}

So far so good; everyone agrees that Shaw stood successively on the edge of the secularist movement, the Georgist movement, and the Marxist movement, before finally joining the Fabian Society. The problems arise when we try to untangle the relationships between these movements and determine what Shaw actually thought
from 1883 to 1889. Before dealing with these problems, however, we must consider contemporary Marxism in Britain.

The inaugural conference of the D.F. was held on 8 June 1881. Some delegates held vaguely Marxist ideas - Hyndman handed out copies of his *England For All* which mixed Marxist economics with radical Conservatism - but it was not until August 1884 that the D.F. actually adopted a programme calling for "the means of production, distribution and exchange to be declared and treated as collective or common property." The early Marxists were not a homogenous group. In January 1885, a majority of the D.F.'s executive broke away to form the Socialist League. Personal issues divided the two groups, but they were also divided on whether or not to take political action, and, if so, then what the aim of political action should be. Nonetheless, the Marxists agreed about the meaning of Marx's writings. They thought of Marx primarily as a scientific economist and secondarily as a historian who had discovered the importance of the class war. Hyndman argued that Marx's genius lay in his economic analysis and his theory of history which together provided a scientific basis for the ideas of the Chartists. He explained that, "socialism . . . no longer consists in mere Utopian schemes . . . it is a distinct, scientific, historical theory, based upon political economy and the evolution of society, taking into account the progress due to class struggles." Similarly, Bax thought that Marx had revolutionised the study of economics but that Marxism needed a metaphysical and moral basis.

Finally, although Morris combined Marxism with a Ruskinian sociology of art, his Marxism too rested on a firm belief in the class war. The early British Marxists also shared a common view of the content of Marx's economic theory. They ignored Marx's distinction between use and exchange value arguing instead that there is only one type of value and that that value is determined by the labour embodied in any
given commodity. Thus, they explained surplus value by arguing that the workers have to work or else they will starve, that the workers can not work without access to the means of production, and that the capitalists' monopoly of the means of production enables the capitalists to charge the workers for access to the means of production. They also claimed that the amount that the capitalists can charge the workers is determined by an iron law of wages according to which competition among the workers drives wages down to subsistence level. When Shaw called himself a Marxist, he meant that he subscribed to this economic theory. After all, to Shaw the Marxism of the D.F. was Marxism since there was virtually nobody else espousing Marxism in Britain at that time. Shaw's conversion to Marxism meant, therefore, that he now subscribed to a labour theory of value, an iron law of wages, and the idea that monopolies underlie exploitation. Later he recalled that "in 1885 we used to prate about Marx's theory of value and Lassalle's Iron Law of Wages as if it were still 1870."30

Shaw thought that markets were a necessary consequence of human nature.31 Individuals produce more if they specialise and since their self-interest means that they want to produce more they therefore specialise. Specialisation entails a division of labour and so a system of production for exchange. The market is merely the exchange mechanism required by such a system. Human nature also determines how markets operate. Everybody tries to satisfy their desires at a minimal cost by buying things as cheaply as possible and selling things as dearly as possible. Thus, markets presuppose competition with buyers competing for commodities and vendors competing for customers. Markets and competition, however, are neither good nor bad in themselves. What matters is the social context.
As a Marxist Shaw held a labour theory of value: if "it has taken twenty hours to produce a sovereign" then "a table worth a sovereign is a table which, from first to last, it has taken twenty hours to produce." He argued that if society allowed the market free reign then competition would force prices down to the cost of production, that is, given his labour theory of value, to an amount equivalent to the labour embodied in the given commodity. Thus, the market would be a good thing. If, however, as in contemporary society, the social context gives certain groups monopolies, then these groups will avoid competition, so the market will be a bad thing producing inequality and poverty. In contemporary society, the worker "possesses nothing but his labor force, and that is useless to him without materials to employ it on." Nature supplies materials in the form of land and minerals, but "the landlord has intercepted the supply, and has sold to the capitalist what he cannot use in his own way." Shaw fleshes out his Marxist theory of exploitation with an example of a monopolist who wants to build a railway:

He [the monopolist] will deal with five hundred food producers first, saying nothing whatever to them about the railway, but merely stipulating that, on condition of his permitting them to use his land (which they absolutely must do, or else starve) they should produce in addition to their own subsistence, subsistence for five hundred other men besides himself, and hand that stock of food over to him as rent. This done the five hundred others are absolutely at his mercy, as he has their food in his possession. So he makes his own terms with them; and these terms are, that when the railway is made they shall continue to work just as hard as before, and that the increase in production which will result from the greater economy of the railway system shall go into
his pocket. When the railway is finished the workers are no better off and he is enormously richer.\textsuperscript{35}

Here the land monopoly enables the monopolist to charge the agricultural workers for access to the land, forces the industrial workers to agree to the terms of the monopolist, and enables the monopolist to acquire the capital with which to pay the industrial workers. It is the iron law of wages, however, that determines how much the monopolist can charge the workers.\textsuperscript{36} The workers must eat and so must sell their labour "in the market as a commodity" where competition between the workers means that the value of their labour is the cost of producing their labour, that is, subsistence wages.\textsuperscript{37}

Finally, Shaw argued that because all surplus value is a consequence of monopoly, the workers can end all exploitation by destroying the monopolies of the landlord and the capitalist and so making competition work positively.\textsuperscript{38} This argument led him to envisage a free trade utopia. Once the land is nationalised and the workers are given free access to the means of production, competition will work beneficially: "when England is made the property of its inhabitants collectively, England becomes socialistic"; for, "artificial inequality will vanish then before real freedom of contract; freedom of competition, or unhampered emulation, will keep us moving ahead; and Free Trade will fulfil its promises at last."\textsuperscript{39}

Shaw's economic theory reflected the standard Marxism of the D.F. He espoused a labour theory of value, a critique of monopoly as the cause of exploitation, and an iron law of wages. Further, most contemporary British Marxists agreed with Shaw that the land monopoly was the root cause of all other social ills. The D.F.'s newspaper, Justice, explained that the capitalist acts by extorting "from those labourers who are excluded from the land a share of all that they produce, under threat of
withholding from them the implements of production.”40 Hyndman wrote a book showing how the acts of enclosure and the dissolution of the monasteries had driven the workers from the land into the clutches of the capitalists.41 Finally, the importance of the land question to the early Marxists is again clear from the fact that the D.F. adopted land nationalisation even prior to its inaugural conference whereas it did not advocate any other social reform until 1883.42

True, Shaw's attitude to competition differed from that of most contemporary British Marxists. He saw economic laws and so competition as facts that could be deduced from the basic fact that humans act out of self-interest whereas they saw economics as a human institution to be controlled by moral agents. Nonetheless, a free trade utopia did not go against the grain with most members of the D.F. Contemporary British Marxists explained surplus value in terms of the capitalists' monopoly of the means of production. They thought that surplus value was a consequence of an artificial monopoly placed on top of a natural exchange process. They did not, as many later Marxists have, see surplus value as integral to any system of production for exchange or any system in which labour is bought and sold. Consequently, the early British Marxists argued that if socialists removed the artificial monopolies of the landlords and capitalists, the exchange process would function in a natural and beneficial manner. They did not make a song and dance over competition as did Shaw, but neither did they condemn competition. Contemporary British Marxists looked to a time when there would be no monopolies, a time when workers would have free access to the land and to the tools of their trade. Their concern was the independence of the workers from the monopolists, not the abolition of the market or the end of the competitive system. The socialist revolution, Justice explained, "will render the workers their own employers."43 Similarly, Hyndman extolled the "golden"
era of the middle ages as a time when independent yeomen worked the land and independent craftsmen owned the tools of their trade.\textsuperscript{44} Certainly some Marxists, normally members of the Socialist League, shared Morris' vision of a socialist society in which there would be neither markets nor competition.\textsuperscript{45} Yet even their hostility to competition was not integrally linked to their Marxist economics since they did not think that a competitive system necessarily produced exploitation. They opposed competition because they thought that competition was immoral or because they thought that competition led to alienation and the production of shoddy articles.\textsuperscript{46} Their economic theory implied that to end exploitation they had only to end monopoly.

Shaw, however, added his own twist to contemporary Marxist economics. He argued that competition amongst the capitalists forces the capitalists to lower prices in order to win customers. Just as capitalists can "only secure profit by obtaining from their workmen more products than they paid them for," so capitalists can "only tempt customers by offering a share of the unpaid-for part of the products as a reduction in price."\textsuperscript{47} Competition, in other words, forces prices down below their true value so that consumers obtain some of the surplus value through lower prices.

More conventionally, Shaw argued that large firms produce goods more economically than small firms thereby forcing small firms out of business. Thus, competition between the capitalists creates a tendency towards monopolies and trusts, and "it is in this way that the capitalist system has evolved from its own essential principle of competition the instrument of its own destruction."\textsuperscript{48} Now, when Crompton says that Shaw did not share Marx's optimistic view of history, presumably he means that Shaw did not think that capitalism inevitably would give way to socialism. Clearly, however, Shaw was an optimist who thought that capitalism necessarily evolved towards socialism.
III

Having established that Shaw's economic theory was basically that of contemporary Marxism, we are now in a position to consider his views on history and politics. During the mid-1880s Shaw's economics led him to accept the class war as it was understood by contemporary Marxists. His economic theory showed that landlords and capitalists directly exploited the workers by underpaying them. Thus, the interests of the workers were directly opposed to the interests of the monopolists. Crompton, however, tells us:

Nor was he [Shaw] able to accept Marx's theory of class warfare. In Shaw's eyes the crucial political conflict in England was not between the poor and wealthy. The rich employed a large army of retainers and gave business to workers in luxury trades, all of whom tended to vote conservative, seeing their welfare bound up with their employers' and patrons'.

Crompton seems to think that Marx defined the class war in terms of income differentials, as rich against poor, not in terms of relationship to the means of production, as capitalists against workers. This strange interpretation bears little relation to the view taken by Shaw and his contemporaries. Early British Marxists saw the class war in terms of workers against monopolists. They attacked capitalists only for being monopolists; capitalists were useful if they worked: thus, for instance, Justice explained that "those who organise labour are always worthy of their hire," so "it is only the absolutely idle who are simply the enemies of the workers." A class war between workers and monopolists, in other words, is equivalent to a class war between workers and idlers. Further, a division between workers and idlers readily translates into a division between on the one hand useful workers and on the other hand both
idlers and useless workers. Morris, for example, spoke of the struggle between the workers and "the non-working classes (with, mind you, their sworn slaves and parasites, men who can't live without them)." In a sense, therefore, Crompton is quite right about what Shaw thought - though perhaps we ought to emphasise the division between workers and idlers more than he does and the division between useful workers and useless workers less than he does. Yet, because Crompton compares Shaw's views with some sort of true Marxism, he fails to see how close Shaw's views were to those of contemporary British Marxists.

Let us turn now to Wolfe's view of Shaw as an anarchist. The main evidence for regarding Shaw as an individualist anarchist has always been an article he wrote in 1885 entitled "What's in a Name (How an Anarchist Might Put It)." Here Shaw described democratic government as just as much of an infringement on personal liberty as Czarism. He wondered "what objection would he [the Czar] be open to that does not apply to popular government just as strongly," and he concluded that "the sole valid protest against Czardom, individual or collective, is that of the Anarchist, who would call no man Master." Subsequently, however, Shaw denied that the article expressed his own views. Certainly the guarded nature of the article's title would seem to suggest that, as Shaw explained, his intention was "to show Mrs Wilson my idea of the line that an anarchist paper should take in England." Wolfe however points out that Shaw also said that "there is nothing in [the article] that I object to commit myself publicly to" and that Shaw used parts of the article in another lecture. Clearly, the evidence is inconclusive. Besides, we should focus not on a single article but on all of Shaw's writings during the mid-1880s. After all, Shaw often stimulated discussion by taking a particular view to an apparently logical conclusion, and it would be foolish to argue that he always held the extreme positions thus reached. Wolfe examines Shaw's
contemporary writings and concludes that Shaw was not an anarchist in that he did not want to abolish the state as a political institution but that he was an anarchist in that his economic ideal was economic individualism functioning without capitalism. We have already seen that Shaw thought that the destruction of the monopolies of land and capital would free a natural exchange process. Now, anyone who wants to can call a vision of a natural exchange process an anarchist vision, but we should remember that many British Marxists shared this vision. Consequently, even if Wolfe is right to call Shaw an anarchist, he is still wrong to distinguish such anarchism from contemporary Marxism.

There remains, however, the question of the role of the state in a socialist economy. Here Shaw saw the state "doing the work itself - competing with private enterprise." His logic was simple. He did not want the state to own all of the means of production as that would make the state a new monopolist; but he did want the state to control some industry since by doing so the state would break the monopolies of the landlords and the capitalists. The state would provide free access to the means of production, but if individuals wished to purchase some of the means of production then they were to be free to do so. After all, if the state owned some of the means of production, private capitalists would not be able to exploit the workers because should they try to do so, the workers would be able to move to state owned enterprises where they would have free access to the means of production. The fact is that because Shaw believed that exploitation was due to monopolies, not to the buying and selling of labour, he thought that the mere introduction of the state as a competitor would end exploitation by ending monopoly control of the means of production. There was no need to collectivise all private property.
I think that the existence of the state as an economic competitor clearly means that Shaw's economic ideal was not that of an anarchist, for surely an anarchist is someone who opposes the state. Nonetheless, someone might want to make the weaker claim that Shaw was not a Marxist because he did not want to abolish all private ownership of the means of production. Certainly by the mid-1880s Hyndman was talking of bringing all of the means of production under state control. Indeed, I think that Shaw's "anarchist" article should be seen as an attack on Hyndman's out-and-out collectivism; he was doing exactly what Mrs. Wilson had suggested when she asked him to write the article - he was "attacking our common enemy, the collectivists." I do not think, however, that Shaw's attitude enables us to say that he was not a Marxist. For a start, his vision was a reasonable deduction from contemporary Marxist economics and it certainly did not contradict contemporary Marxism which rested on economic and historical theories which Shaw himself shared. Further, many members of the D.F. held a vision very similar to that of Shaw. Until 1884 the D.F. demanded nationalisation only of the land and things such as mines and railways for the simple reason that many of the D.F.'s members agreed with Shaw. They too thought that if there were no private monopolies and if the workers had free access to the means of production, then exploitation would no longer be possible. Many contemporary Marxists believed that land nationalisation would end exploitation by destroying the private monopoly of the means of production.

Wolfe also identifies Shaw with the anarcho-Marxism of the Socialist League. He reminds us that Robert Banner, one of the founders of the Socialist League, introduced Shaw to Das Kapital, and he claims that "for several years thereafter Shaw continued to derive his most important ideas from Scheu," another leading figure within the League. Yet, we have seen that Shaw wanted the state to remain as both a
political and an economic entity and so that he certainly did not share the anarcho-
communist vision of Scheu and Morris.

The main difference between the Socialist League and the S.D.F. was over political strategy. The S.D.F. favoured parliamentary action whereas many members of the League were anti-parliamentarians who sought a social revolution. Wolfe would seem to have this difference in mind when he says that a desire for a clean sweep to end capitalism "made Shaw a natural ally of William Morris and his fellow members of the revolutionary wing of English Marxism." There is some evidence for Wolfe's view. Shaw said that in 1885 most members of the Fabian Society hoped for "a tremendous smash-up of existing society, to be succeeded by complete socialism." He also recalled that the Fabians broke with the S.D.F. over the Tory Gold scandal (the S.D.F. entered three candidates in the general election of 1885 but afterwards Hunter-Watts, the treasurer, revealed that the money had come from Conservative Party agents through Champion). Nonetheless, Shaw never opposed parliamentary action. He thought that the S.D.F. should not have accepted money from the Tories because he thought that doing so was tactically naive. He did not disagree with electoral action as such. Rather, he argued that whilst "the idea that taking Tory money is worse than taking Liberal money is clearly a Liberal party idea and not a Social-Democratic one," the action of the S.D.F. weakened the position of the socialists because it alienated "London radicalism" and revealed how weak the socialists actually were. In so far as Shaw opposed parliamentary action, he did so, not like Morris out of principle, but because he thought that people over-estimated the strength of the socialists and so made concessions to the socialists that they would not make if electoral action revealed the true weakness of the socialists. Hence at the time of the Tory Gold scandal Shaw wrote:
Out of our wonderful show of 50-70-80 or a hundred thousand men at Dod St. [where the socialists had led a campaign for free speech], the polling has proved that not a hundred were Socialists. The Federation are convicted of offering to sell their fictitious numbers to the highest bidder (in money, not reforms). The League have no feeling in the matter except one of gratified spite at the disgrace of their rivals. All England is satisfied that we are a paltry handful of blackguards.  

Parliamentary action was fine in principle, but the S.D.F. had chosen the wrong moment to contest an election. Indeed, within a year Shaw and other Fabian parliamentarians were siding with the S.D.F. in a verbal battle against anti-parliamentarians such as Morris at a conference called especially for that purpose.

Just as Shaw was no anti-parliamentarian so he was no revolutionary. Indeed, his main disagreement with the S.D.F. was on exactly this point. He was so far from Morris' belief in a workers' revolution that he did not even think that the workers could be galvanised into a socialist party. Indeed, he left the D.F., not because he rejected Marxist economics or because he thought that the class war was mumbo-jumbo, but because he did not think that the proletariat was a revolutionary class. Shaw complained that the workers are "more conventional, prejudiced, and 'bourgeois' than the middle-class." The hero of Shaw's Marxist novel found his niche reading blue books and patiently putting the socialist case to his own class not proletysing amongst the workers. And in 1885 Shaw himself appealed to middle class socialists to participate in the socialist movement in order to prevent it degenerating into "a mob of desperate sufferers."

We can say, therefore, that Shaw was a Marxist from 1883 until about 1886, and further that he was a Marxist in the mode of the members of the S.D.F. rather than
in the mode of the members of the Socialist League. He believed in both contemporary Marxist economics and the class struggle, and his socialist ideal was close to that which the S.D.F. had just abandoned for a more statist vision. His main disagreement with the Marxists of the S.D.F. was that he did not think that the working class either would or could establish socialism.

IV

Now that we understand Shaw's Marxism, we can analyse its relationship to both his secularism and his Georgism. It is not clear when Crompton thinks that Shaw ceased to be a secularist - he uses the vague phrase "after his early manhood" - but Crompton clearly claims that Shaw "believed that ultimately social instincts, to be vital and courageous, must rest, not on logic or self-interest, but on religious convictions." 69 This is simply not true of Shaw's beliefs during the 1880s. Not for Shaw the moralism of so many of his fellow socialists. In a contemporary lecture, he argued that socialism was more efficient than capitalism but no more virtuous since it too rested on self-interest. 70 In another lecture, he told his audience that socialism would be built by self-interest and that given half a chance the workers would exploit the capitalists just as much as the capitalists now exploit the workers. 71 And as late as 1890 he wrote a letter to a fellow Fabian explaining that:

If you tell me that selfishness is a bad principle, I admit that it is so qua principle (not qua selfishness); but if you go on to say that the working classes are going to take over the land and capital of the country in a spirit of pure self sacrifice, or for any other reason than that it will benefit themselves, then I lacerate the very soul of Wood by my derisive laughter. 72
Crompton's more general point is that Shaw's religious instincts divided him from the early British Marxists. I think, on the contrary, that Shaw was a secularist throughout the 1880s and that his secularism helped to bind him to the Marxists since, like several of his contemporaries, he associated both secularism and Marxism with the iconoclasm that also underlay his defence of Ibsen. Iconoclasm was the essence of contemporary secularism - Bradlaugh had signed his newspaper articles 'iconoclast' - and Shaw's own iconoclasm is apparent in his objection to any principle *qua* principle. Shaw extended freethought to a general assault on the accepted values of the middle and upper classes. He championed the new art of Whistler, Wagner, and Ibsen, because he interpreted them all as challenges to the easy platitudes of the Victorians. Further, Shaw tied his iconoclasm to his Marxism by blaming capitalism for the dominance of obdurate principles and false icons within Victorian society. He complained that "virtue, morals, ethics, are all a noxious result of private property." Here Shaw echoed the sentiments of Marxist secularists such as Bax who was both a member of the S.D.F. for most of his life and a secularist who directed his most scathing barbs at the moral values of the capitalist hearth, describing the bourgeoisie as "vulgarity in a solution of hypocrisy." No wonder that Bax and Shaw were good friends; they had much in common: Bax had thought of becoming a composer and he found Shaw work as a music critic in the early 1880s, Shaw later wrote of his debt to Bax as "a ruthless critic of current morality" in the preface to *Major Barbara*, and it was surely their shared iconoclasm that led Shaw as late as 1926 to say that he and Bax "would have been hanged long ago if our brave bourgeoisie had had the least notion of our opinion of it." Edward Aveling was another Marxist recruit from the secularist movement who shared Shaw's iconoclastic spirit. Indeed, Aveling and Eleanor Marx-Aveling, like Shaw, championed Ibsen because they saw him as a critic of Victorian
values: Aveling wrote a scathing review of the first bastardised performance of Ibsen's *A Doll's House*, and later Shaw played the part of Krogstad in a reading of *A Doll's House* in which Eleanor Marx-Aveling played Nora.\(^7^7\) Shaw's Marxism, therefore, fitted snugly alongside his secularism since in Victorian Britain both were identified with an iconoclastic spirit that appeared in such things as a liking for Ibsen.

What though of Shaw's Georgism? Wolfe argues first that Shaw, following George, "derived" socialism "as an ethical corollary" of "classical Liberal assumptions," and so second that an ethical socialism - which "was alien to the S.D.F" - "remained the permanent foundation of his [Shaw's] social faith."\(^7^8\) Certainly, Shaw shared a number of the assumptions of classical economics, but then so did all contemporary Marxists, and even Marx himself. Presumably, therefore, Wolfe thinks, first, that George and Shaw believed in bourgeois economics in a way that members of the S.D.F. did not, and, second, that the economic theories of George and Shaw required a stronger ethical argument than did the economics of the S.D.F. Against Wolfe, I have shown already that Shaw's economic theory corresponded very closely to that of the S.D.F. Further, Shaw's economic theory did not require a strong moral argument. His economic analysis showed that the monopolists obtained surplus value because they possessed a monopoly. The only moral argument he needed was that this state of affairs was wrong, and all those contemporary Marxists who shared his economic analysis required a similar moral argument. Shaw's moral argument was that people are morally entitled to the value they create, that "if six hours useful labour exchanges for six hours labour, ten hours for ten, and so forth without regard to the degree of skill involved, the result is socialism."\(^7^9\) Not only was this the only moral argument that Shaw needed, it was also the only moral argument that he made during the 1880s. We have seen already that he opposed all the paraphernalia of ethical
socialism such as the idea that socialism represented a higher co-operative ideal or the idea that socialism would produce more noble people. Consequently, Shaw's Marxism superseded his Georgism. His economic theory was that of the contemporary British Marxists and it only coincided with that of George where theirs happened to do so. Similarly, his ethical arguments were closer to those of contemporary British Marxists with their secularist leanings than to either the moralism of Ruskin or the overt Christianity of George.

V

Three main changes distinguish Shaw's beliefs of 1889 from his beliefs in 1885: he rejected Marx for Jevons, he adopted a differential theory of rent, and he turned to collectivism. Questions arise over why he changed his opinions and over the relationship between the different changes. I will argue that he became a Jevonian under the influence of Wicksteed and that he advocated collectivist policies because of the theory of differential rent that he believed followed from the Jevonian theory of value.

Wolfe argues not only that Shaw was not a Marxist when he became a Jevonian but also that "his chief reason for accepting Jevons's theory . . . was probably that it gave him a new stick with which to beat the English Marxists." All the evidence, however, suggests that Shaw ceased to be a Marxist when, and because, he became a Jevonian. The main challenge to Shaw's Marxism came from Wicksteed who wrote an article attacking the labour theory of value from a Jevonian perspective after which Shaw came to Marx's defence only to be converted by Wicksteed's final rejoinder. Thereafter Shaw became a convinced Jevonian who sat at Wicksteed's feet during the fortnightly meetings of Beeton's Economic Circle. It seems, therefore,
that Wolfe regards Shaw's Jevonianism as another chance to attack Marxism solely on
the assumption that Shaw was an anarchist who therefore must have opposed the
Marxists. Yet Shaw himself is quite clear. He entered the value debate to defend
Marx: "when Philip Wicksteed, converted by Jevons, attacked the famous value theory
of Marx . . . I had to defend it because nobody better was available."\(^\text{84}\) And he moved
away from Marx under Wicksteed's influence: "when I had thoroughly mastered what
was left valid of Capitalist political economy I found that . . . as to abstract value
theory Marx was wrong and Wicksteed right."\(^\text{85}\) Clearly, then, Shaw believed that "the
canker of infidelity in me" against Marx "had first taken the form of refusing to pooh-
pooh Wicksteed as an idiotically perverse bourgeois."\(^\text{86}\) Until 1887, Shaw had never
criticised Marx's theory of value. In May 1887, he wrote an article that expressed his
disagreement with Marx's theory of value.\(^\text{87}\) In August 1887, he wrote a critical review
of Das Kapital.\(^\text{88}\) Shaw, in other words, only ceased to be a Marxist sometime
between the middle of 1885 and the beginning of 1887, and he did so only because
Wicksteed convinced him that Jevons' theory of value was right and that Marx's theory
of value was wrong.

In 1887, Shaw defined anarchism as "a doctrine . . . having for its economic
basis an invincible ignorance of the law of rent."\(^\text{89}\) His meaning is clear. Differential
rents are the result of natural advantages such as the greater fertility of some land over
other land. Consequently, rent is a form of unearned increment that is not a
consequence of monopoly and so cannot be returned to the worker by abolishing all
monopolies. Besides, differential rents are due to natural advantages of fertility not the
worker and so belong to the whole community not to the worker. A knowledge of the
law of rent, therefore, shows that rent must be collected by the state and put to social
use. Rent makes anarchism untenable.
Wolfe traces Shaw's understanding of differential rent back to George. But, if Shaw took the idea of differential rent from George, with whose work he had been acquainted since 1882, then why did he not recognise the implication of differential rent for anarchism until 1887? The problem arises only because Wolfe regards Shaw as a Georgist not a Marxist. Once we recognise that Shaw was a Marxist then we see that he did not criticise anarchists for ignoring rent because his Marxist economics did not include a law of rent. Indeed, Shaw himself recalled that in the early 1880s, "in spite of Henry George, no socialist seemed to have any working knowledge of the theory of economic rent."91

Now, however, we face the question of why Shaw adopted a theory of rent in 1887. The answer is, because of his conversion to Jevonian economics. According to Shaw's Marxism, in the absence of monopolies prices fall to the cost of production which, given a labour theory of value, equals the amount of labour embodied in the commodity; thus, it is necessary only to end all monopolies to create a just economy. Jevonian economics, however, began with a marginal utility theory of value, that is the belief that value depends on the utility of the last increment of any given type of commodity.92 Thus, rent is not necessarily a deduction from the value created by labour. Rather, rent can represent the greater marginal utility of some land over other land. Such rent has nothing to do with a monopoly; it exists because better land has greater marginal utility, and so greater value, than worse land. Thus, such rent would remain even if socialists eradicated all monopolies. Further, since such rent is a result of natural differences in the quality of land, it should be collected by the state and used to benefit the good of the whole community. It was, then, from Jevons and Wicksteed, not from George, that Shaw took the idea of differential rents.
Shaw developed his Jevonian economics from 1887 to 1889. Take two plots of land, he said, "A" in a fertile region close to the market and "B" on poor quality soil far from the market. Assume the annual profit from "A" to be ten thousand pounds. "B" will yield less even if an identical amount of labour is expended on it since it is less fertile and the cost of transporting its produce to the market is greater. Assume therefore that the annual profit from "B" is five thousand pounds. The owners of the two plots of land could do a deal. The owner of "B" could work "A", pay the owner of "A" five thousand pounds of the annual profit from "A", and keep the other five thousand pounds for himself. Under this arrangement the owner of "B" would have as much wealth as before and yet gain the advantages of living close to the town, whilst the owner of "A" would become an idle landlord living on the rent paid to him by the owner of "B." Such rent is a consequence of the variable fertility of land, not a monopoly.

Shaw's theory of rent derived from liberal economists such as Jevons and Wicksteed. In order to make it socialistic he needed to combine it with a critique of capital and interest. Here, however, Shaw returned to his Marxism to condemn capital in terms of monopoly, not differential rent. He argued, firstly, that land is a natural monopoly. He argued, secondly, that the absence of readily available land forces the workers to sell their labour. Further, being a crusading Jevonian, he defined the value of the worker in terms of the marginal utility of labour, arguing that because there is so much labour available the utility of the last increment is zero; thus, workers "are valueless and so can be had for nothing," for mere subsistence wages. Shaw's marginalism, in other words, yielded an iron law of wages similar to that of his Marxism. Now, given that the value of a worker is subsistence wages, the owner of "B" - who has rented "A" for five thousand pounds - can pay a wage-slave subsistence
wages to work "A" for him whilst he retires as an idle landlord. Clearly, the money here paid to "B" is not rent but rather "a payment for the privilege of using land at all - for access to that which is now a closed monopoly." Finally, Shaw argued, thirdly, that capitalist exploitation also depends on a monopoly and the iron law of wages. Here, the availability of labour means that capitalists who have a monopoly of capital can hire workers for subsistence wages. Thus:

If a railway is required, all that is necessary is to provide subsistence for a sufficient number of labourers to construct it. If, for example, the railway requires the labour of a thousand men for five years, the cost to the proprietors of the site is the subsistence of a thousand men for five years. This subsistence is technically called capital. It is provided for by the proprietors not consuming the whole excess over wages of the produce of the labour of their other wage workers, but setting aside enough for the subsistence of the railway workers. We can see, therefore, that much of Shaw's Marxism remained intact even after he became a Jevonian. The labour theory of value was wrong and some surplus value was due to natural differences in the fertility of land, but most surplus value was still a consequence of monopolies that enabled landlords and capitalists to charge the workers for access to the means of production and of an iron law that drove wages down to subsistence level.

As late as 1890, Shaw still analysed most surplus value in the same way as did contemporary British Marxists. He explained that the "excess of the product of labour over its price is treated as a single category with impressive effect by Karl Marx." He had done little more than jettison the labour theory of value which he considered out-dated by marginalism, and then provide a Jevonian defence of the contemporary Marxist theory of surplus value. Shaw believed that there was a contradiction in
Marx's theory of value but that the rest of Marxism could stand just as well on a marginalist theory of value; he said, "Wicksteed, detecting the contradiction, rejects the theory and replaces it, without essential damage to Marx's superstructure, by a more modern analysis of value." 98

Wolfe argues that Shaw became a collectivist because he adopted the Jevonian belief in "the social determination of values," that is the belief "that the pressure of public demand against the margin of supply, rather than the labor of individuals or classes, was the chief factor in determining such economic values." 99 Here Wolfe muddles the theory of Jevons with that of Marshall: Marshall thought that the interaction of supply and demand at the margin of cultivation determined value, Jevons thought that marginal utility determined value - the two are different. 100 Besides, as we have seen, Shaw continued to complain that monopolists took most of the value created - albeit indirectly - by the workers. The only exception was land rent which Shaw now saw as a result of natural advantages. All the rest of the unearned increment was taken from the workers by the monopolists and such exploitation still could be ended simply by destroying all monopolies. As Shaw explained:

The whole, except economic rent, can be added directly to the incomes of the workers by simply discounting its extraction from them. Economic rent, arising as it does from variations of fertility or advantages of situation, must always be held as common or social wealth, and used, as the revenues raised by taxation are now used, for public purposes. 101

Land rent alone did not fit Shaw's old Marxist scheme and so land rent alone led him to advocate collectivist policies. Shaw, in other words, adopted collectivism because he believed that rent was a natural phenomenon, not because he believed in the social determination of value.
Shaw, then, was a Marxist from 1883 until Wicksteed convinced him of the truth of the Jevonian theory of value. Further, Shaw continued to hold many of his Marxist beliefs even after turning to marginalism and so perhaps remained, as he claimed, "as much a Marxist as ever." 102 Certainly, the continuing influence of Marx on Shaw distinguishes his beliefs from those of the other leading Fabians. 103 His economic theory with its Marxist orientation differed from that of Olivier, Wallas, and Webb. 104 And his attacks on bourgeois morality differed sharply from the ethical positivism of these Fabians. After reading his paper on Ibsen to the Fabians, he said "I have opened fire from the depths of my inner most soul against their confounded ideals of Truth, Duty, Self-Sacrifice, Virtue, Reason." 105
This essay first appeared in History of Political Thought 13 (1992), 299-318.

Throughout I concentrate on the 1880s, the period during which Shaw initially considered himself to be a Marxist and then moved towards a form of Fabianism. My interest is in the emergence of Shaw’s Fabianism, not in his mature political theory as represented by, say, G. Shaw, The Intelligent Woman’s Guide to Socialism (London, 1928). Consequently, I do not consider well-known polemics against, and studies of, Shaw’s later thought, such as C. Caldwell, “George Bernard Shaw: A Study of the Bourgeois Superman”, in Studies in a Dying Culture (London, 1938); and E. Strauss, Bernard Shaw: Art and Socialism (London, 1942).

A. Henderson, George Bernard Shaw: His Life and Work (Cincinnati, 1911), p. 90.


There is only one exception: P. Hummert, Bernard Shaw’s Marxian Romance (Lincoln, Neb., 1973). Hummert aims “to point out the importance of Marxist elements wherever they occur in Shaw’s works” (p. xii). Yet he ignores the work of Shaw’s Marxist contemporaries and searches instead for what, I assume, he regards as true Marxism. Amazingly he finds ample evidence of such true Marxism, though in doing so he misrepresents Shaw’s early beliefs. For instance, he falsely equates Shaw’s free-trade utopia based on competition with a communist society based on cooperation (p. 25).

9 Ibid., p. xxvii.

10 Ibid., p. xxviii.


13 See R. McKibbin, “Why Was There No Marxism in Great Britain?”, English Historical Review 99 (1984), 297-331. McKibbin asks: “why was it that before the First World War, political Marxism’s classical moment, Britain alone of the major European states produced no mass Marxist party, why groups - like the Social Democratic Federation - which could claim at least a vulgar Marxism were either absorbed into the Labour Party or became mere sects without a significant following?” (p. 297). His focus on social history, however, leads him to neglect the extent to which Marxism influenced British socialists who did not consider themselves Marxists, and therefore the role of Marxism as an intellectual catalyst in the emergence of the Labour Party.


16 Shaw, Sixteen, p. 56.

17 On contemporary secularism see S. Budd, Varieties of Unbelief (London, 1977); E. Royle, Radicals, Republicans, and Secularists (Manchester, 1980); and D. Tribe,

On George see C. Barker, Henry George (Oxford, 1956); and E. Lawrence, Henry George in the British Isles (East Lansing, 1957). For George’s views see H. George, Progress and Poverty (New York, 1880).

Shaw, Sixteen, p. 58.

Cited by Henderson, Shaw, p. 98.


for nothing more than political reforms and social palliatives - Justice, 19 January 1884.


28 See Thompson, Morris.


31 G. Shaw, “Competition”, BM 50700.46 (BM 50700 consists of a series of cards on which Shaw kept lecture notes).

32 Shaw, Letters, Vol. 1, p. 82.

33 Ibid., p. 83

34 Ibid., p. 83.

35 G. Shaw, “That the Socialist Movement is Only the Assertion of Our Lost Honesty”, BM 50702.

36 The iron law of wages fitted well with his secularist Malthusianism. See G. Shaw, “Socialism and Malthusianism”, BM 50700,14.


42 Daily News, 21 March 1881.

43 Justice, 10 May 1884.

44 Hyndman, Historical Basis.


46 They did not use the term alienation, which only became widespread with the discovery of Marx’s Economic and Philosophic Manuscripts. Indeed, few Marxists found evidence of a concern with the social consequences of competition in his work prior to the discovery of his early writings. Morris’s hostility to competition, for instance, owed more to Ruskin than to Marx. For Ruskin’s views see J. Ruskin, Unto this Last (New York, 1983). For essays that indicate Morris’s debt to Ruskin see Morris, Works, Vol. 22: Hopes for Art, Lectures on Art and Industry.


49 Road to Equality, ed. Crompton, p. xxix.

50 Justice, 29 March 1884.
Even Hyndman talked in terms of workers against idlers. See Hyndman, Socialism and Slavery.

Morris, Works, Vol. 23, p. 266.

G. Shaw, “What’s in a Name (How an Anarchist Might Put It)”, Anarchist, March 1885.


See, for instance, Hyndman, Socialism and Slavery.

Mrs Wilson to Shaw, 10 December 1884, BM 50510.

Wolfe, Radicalism, p. 121.

Ibid., p. 131.

Shaw, “Fabian Society”, p. 4.

Pall Mall Gazette, 4 December 1885.

Shaw, “Fabian Society” p. 6.


Forecasts of the Coming Century, ed. E. Carpenter (Manchester, 1897), p. 160.

Shaw, Unsocial Socialist.

Christian Socialist, April 1885.

Road to Equality, ed. Crompton, p. xxvii.
G. Shaw, “The Attitude of Socialists Towards Other Bodies”, BM 50700.5.


Shaw, Letters, Vol. 1, p. 266.


Daily Herald, 29 November 1926; G. Shaw, John Bull’s Other Island; How He Lied to Her Husband; and Major Barbara (London, 1931), p. 206. For a study of Bax’s influence on Shaw see R. Whitman, Shaw and the Play of Ideas (Ithaca, 1977). Whitman, however, overplays the importance of Hegelianism at the expense of Marxism and secularism.


Wolfe, Radicalism, p. 122.

Shaw, “That the Socialist Movement”.

On ethical socialism in general see N. Dennis & A. Halsey, English Ethical

81 Wolfe, Radicalism, p. 288.


84 Shaw, Sixteen, p. 81.

85 Ibid., p. 81.

86 G. Shaw, “Bluffing the Value Theory”, To-day 11 (1889), 129.

87 G. Shaw, “Marx and Modern Socialism”, Pall Mall Gazette, 7 May 1887.

Hyndman replied in Pall Mall Gazette, 11 May 1887; and Shaw wrote a final rejoinder in Pall Mall Gazette, 12 May 1887.

88 G. Shaw, “Karl Marx and Das Kapital”, National Reformer, 7, 14, & 21 August 1887.

89 G. Shaw, “A Word for War”, To-day 8 (1887) n. 84.

90 Wolfe, Radicalism, pp. 142 & 285.

91 Shaw, “Fabian Society”, p. 15.


95 Ibid., p. 43.

96 Ibid., p. 52.

97 Ibid., p. 59.


100 See Bevir, “Fabianism”.


102 Shaw, *Sixteen*, p. 81.

103 It is nice to be able to say that the best work on the other Fabians (particularly Webb) is Wolfe, *Radicalism*.

104 See Bevir, “Fabianism”.