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Tackling War-Time Injustices: Ideas of Justice in the Writings of British Economists during the First World War*

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Abstract

This essay explores the views of three British economics – Arthur Pigou, Edwin Cannan, and J. A. Hobson – in relation to the ethical appropriateness of different aspects of policies and actions in Britain during the First World War. The focus of the piece is on three themes: (1) the importance of tackling distributive injustices associated with Britain's war finance policies, (2) working-class perceptions of injustice as a social-psychological force capable of generating industrial discontent, and (3) political injustices associated with the war-time suppression of legal rights and individual liberties.

JEL Codes: B10, B31, D63, N44

Introduction

Discussion of the role of justice within economics cannot be limited to abstract, philosophical principles. Justice is the finest of the social virtues, the noblest of human emotions, and a powerful force within human motivations. These ideas are clear in Gustav Schmoller's famous article, "The Idea of Justice in Political Economy" (Schmoller 1894), where the principle of justice is identified as a guiding force for tackling social inequalities. But in what other ways can we explore the characters of 'justice' and 'injustice' in economic and political life? The study of contextual economics identified with *Schmollers Jahrbuch* recognises that "economic life is continually evolving and driven by changes in the human context and environment." (Goldschmidt, Grimmer-Solem and Zweynert 2016, 9). This essay develops from this idea, and focuses on

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three case studies to illustrate contemporary interpretations of various injustices – associated with policies, actions and events – set against the changing context and environment of Britain during the First World War.

The themes of the essay reflect my wider interest in the economic literature of the First World War, particularly material produced by British economists for different audiences in publications such as *The Economic Journal*, the *Economist*, the *Nation*, and the *Contemporary Review*.[1] While large parts of this war-time literature remain underexplored (or, in some cases, unexplored) by historians, even the briefest examination highlights the numerous public interventions that economists made in response to the economic, social, and policy issues thrown up by the chaos of military conflict.[2] The particular studies selected for this essay have been drawn from the war-time writings of three British economists. The first of these is Arthur Cecil Pigou (1877 – 1959), Professor of Political Economy at the University of Cambridge from 1908 to 1943. Out of the three case studies discussed below, Pigou's war-time writings are the best known and explored, and particular attention should be given here to the excellent work of Aslanbeigui and Oakes (2012 and 2016).[3]

The second case study draws on the work of Edwin Cannan (1861 – 1935), Professor of Political Economy at the London School of Economics from 1907 to 1925. The choice of Cannan reflects the range of his war-time writings, much of which – both published and unpublished – was later collected in his 1927 book, *An Economist's Protest*. The title of this book perfectly captured the character of Cannan's war-time writings. As he wrote in the introduction: "What should I answer if anyone had the impertinence to ask me 'What did you do in the Great War?' … The best answer I can think of is 'I protested'" (Cannan 1927, v). However, Ebenstein's intellectual biography of Cannan (1997) offers hardly any discussion of his war-time writings, and what little recent research that has been published has largely focused on Cannan's theory of optimum population.[4]

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1 Research interest in this subject is certainly growing. For example, the various economic policy issues and intellectual debates surrounding the First World War have recently been addressed in a 2016 special issue of the journal *Œconomia: History/Methodology/Philosophy* (entitled "Economics in the Shadow of the First World War"), as well as several chapters in Bientinesi and Patalano's collection, *Economists and War: A Heterodox Perspective* (Bientinesi and Patalano 2017).

2 For a wider discussion about the public interventions of economists, see Mata and Medema's *The Economist as Public Intellectual* (2013).

3 A rather brief survey of Pigou's writings on war-time economic policies can also be found in Kumekawa (2017, 91 – 93).

4 In his obituary essay on Cannan, Theodore Gregory noted that one of Cannan's most original and permanent contributions to economics had been his development of the doctrine of the optimum size of populations (1935, 337).

The final case study explores some of the war-time writings of the economist, political commentator and imperial critic, John Atkinson Hobson (1858 – 1940). Hobson was a "passionate advocate in the cause of liberty" (Menon 1940, 112), and his increasing engagement in political issues during the war included roles in the Union of Democratic Control, the National Peace Council, the League for Peace and Freedom and the League of Nations Society. The war also witnessed his break from the Liberal party following its decision to abandon the principles of free trade. Although there are several detailed studies of Hobson's life and ideas, including Townshend (1990) and Freeden (1990), important aspects of his war-time writings – including themes covered below concerning the 'Prussianization' of British society and injustices arising from the violation of individual liberties – have not attracted the attention of scholars.

In drawing on these three case studies, this essay will explore the different interpretations offered by Pigou, Cannan and Hobson concerning various war-time economic and political injustices. The piece is structured as follows. The first section will consider Pigou's analysis of distributive injustices associated with Britain's war finance policies. The second section focuses on Cannan's interpretation of working-class perceptions of injustices, and hence the role of justice as a powerful (and potentially dangerous) social-psychological process capable of generating false interpretations and aggravating unnecessary industrial unrest. The third section considers the role of justice within the political arena (economics being, to a large extent, subordinate to political forces in times of war), and explores Hobson's condemnation of injustices arising from Britain's war-time suppression of political and legal rights. Having set out the different views offered by Pigou, Cannan and Hobson on war-time injustices, the fourth section explores their ideas in relation to Melvin Lerner's psychological construction of the 'justice motive.' This section also briefly considers differences between the economic analysis presented by Pigou and the social-psychological perspective offered by Cannan and Hobson. The concluding section offers some observations and comments on the contribution of these war-time writings to the wider study of justice in economics.

War-Time Financial Policy and Distributive Justice: Arthur Pigou

The First World War was a source of intense personal strain for Pigou. In addition to his professional duties at Cambridge, he spent his vacations in voluntary ambulance work in France, Belgium and Italy, and was sickened and disturbed by his experiences.[5] Furthermore, he faced repeated malicious actions

[5] Evidence of Pigou's feelings of revulsion against the war can be found in his letter to *The Nation and Atheneum* (February 1915) when he wrote that "I have seen the shat-

by two historical economists, Herbert Foxwell and William Cunningham, who sought to overturn Cambridge University's request for Pigou's exemption from military service (Aslanbeigui 1992). Yet set against these personal and professional difficulties, Pigou focused his attention on examining the political economy of the war, and in particular the issue of war finance (Johnson 1960, 153).[6]

During the First World War, the standard rate of British income tax increased progressively from 12 per cent in 1914 to 30 per cent by 1918. Combined with the lowering of the exemption limit from £160 to £130 in 1915, this ensured that the number of taxpayers stood at over 3.5 million by 1918. The enormity of the costs of the war meant, however, that they could never be met exclusively through taxation. Indeed, only approximately 25 per cent of Britain's war-time expenditure was secured through current revenue (Balderston 1989, 226), with the government's main financial needs covered by Treasury bills and three enormous war-loans – £350 million (1914), £900 million (1915), and £2,2127 million (1917). The overall effect was an escalation of Britain's national debt from just over £700 million in 1913/14 to nearly £7,500 million by 1918/19 (Broadberry & Howlett 2005, 219).[7]

Pigou noted that the impossibility of financing the war through domestic taxation alone automatically cast the debate in terms of the productive and distributive reactions of domestic war-loans (specifically reactions on the economic fortunes of the current and future generations) through the creation of an enormous, parasitic, national debt. From this starting point, Pigou's analysis of war-time distributive justice – presented in several of his war-time writings (Pigou 1915b; Pigou 1916a; Pigou 1916b; Pigou 1918; Pigou 1919) – revolved around two, interconnected themes. These were: (1) the distribution of burdens *between* the present generation and future generations, and (2) the distribution

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tered ruins of Ypres Cathedral; I have watched the mud-stained soldiery staggering in homeward from their trenches; I have been nearby when children in Dunkirk have been maimed and killed from the air. And the sorrow, terror, and pain of these things represent – the pitiful slaughter of the youth of seven nations, the awful waste of effort of organisation power, the dulling and stunting of our human sympathies …" (1915a, 590).

6 To quote Pigou at length on the political economy of war: "From the time of Adam Smith British economists have studied the working of economic processes in normal conditions. They have watched a nation of many million persons regularly clothed, fed, houses and amused, not as the result of some tremendous piece of deliberate organisation … but by an extraordinary complex system of mutual exchange built around the motive of private money profit … There has, however, been a change. In the four years that ended on November 11, 1918, the unconscious processes of normal life were abandoned, and Europe swung reeling to the conscious agony of war … To the Political Economy we have read hitherto there is needed a companion volume, the Political Economy of War" (Pigou 1921, 1–2).

7 The details of Britain's escalating war debt are given in fiscal years (i.e. 1913/14 refers to 1 April 1913 to 31 March 1914).

of burdens *within* the present generation. Some use of war loans as an element of war finance was inevitable, meaning that some portion of the burden would inevitably be forced onto future generations through excessive post-war taxation. The only question was the severity of this burden.

To compel future generations to accept the heavy burdens imposed through excessive war-time borrowing was easily done. It was therefore the responsibility of the war-waging generation to limit the burden they inflicted on the future, especially since this could be minimised through increases in war-time taxation. A new basis of war-time financial policy, framed specifically in terms of increased taxation, would, in Pigou's opinion, ensure a just distribution of the financial burden of the war between the present and the future (Pigou, 1916b).

The distribution of the war burden within the present (war-waging) generation was also vitally important, as it would further ensure distributional justice between the present generation and future generations. Distribution within the present generation was centred around the stability of the pre-war ratio of the aggregate financial burden (between incomes and taxes) borne by different income groups. Given the impossibility of securing a proportionate war-time sacrifice between citizens of different 'financial strength,' coupled with the war-time escalation in 'non-fiscal' burdens that fell disproportionately on the poorer members of the 'war-waging' generation (e.g. the burden of serving in the trenches fell with particular severity on working class men of military age), the pre-war relationship between incomes and taxes had been fundamentally altered. Economic justice dictated that some effort be made to equalise the relative war-time burden between the rich and poor in society:

> Young men embody the main part of the nation's physical strength. But old men embody a great part of its financial strength. They are largely instrumental in making others fight; ought they not themselves to be made to pay? … I submit that, for the period of the war, the income-tax should be so remodelled that everybody, of whatever age or sex, who is not engaged in combatant service pays on a very much higher scale that persons in similar economic circumstances who have joined the Army or Navy … The Military Service Act which deals with men's lives, knows nothing of proportion. The man with a stronger and fuller life is not asked to risk one limb while his weaker comrade risks two. On the contrary, just because he is the stronger, he will often be sent into greater danger. On what principle of justice are those who are strong in money treated in a different way (Pigou 1916c, 1003 – 1004)?

The principle of securing additional war-time contributions from the rich had to serve as a vital determining factor for war-time financial policy. (Pigou 1916b, 430 – 431; Pigou 1916c; Pigou 1916d; Pigou 1918, 38; Pigou 1921, 84)

In setting out the case for higher war-time taxation, Pigou's aim was to ensure a just distribution of the burden within the 'war-waging' generation, thereby further reinforcing the distribution of the burden between the present generation and future generations. Distributive justice necessitated increases in

taxation to equalise these respective burdens. Yet the British government had favoured borrowing over taxation. Pigou attributed this decision to the government's failure to recognise the distinct characteristics of war-time and post-war taxation: the government's interpretation of economic theory had focused on the negative effects of taxation – namely, that sustained taxation over a prolonged period would impact upon national output – while failing to identify war-time taxation as special taxation that was inherently bound up with powerful appeals to patriotism, and levied exclusively for the purposes of financing an unprecedented war. Post-war taxation would be profoundly different as it no longer possessed the stimulus of war-time patriotism (Pigou 1916b, 435; Pigou 1916d; Pigou 1916e; Pigou 1917; Pigou 1918, 35–36).[8]

Labour Discontent, Inflation and Justice: Edwin Cannan

In contrast to Pigou's focus on war-time distributive injustices arising from financial policies, Edwin Cannan's approach to the issue of war-time economic justice centred around working-class perceptions of injustice generated by war-time changes in the distribution of income. The total increase in war-time money wages – which, between 1915 and 1916 alone, had been nearly double the total increase between 1895 and 1914 (Nicholson 1917, 479) – had altered the distribution of earnings both between and within different industries. Cannan argued that such distributional changes had generated a profound sense of injustice amongst skilled British labourers by the introduction of semi-skilled and unskilled men and women into work previously the preserve of skilled workers, and the introduction of new production processes that yielded a higher wage for semi-skilled and unskilled workers. For example, if one class of skilled labour (such as gauge makers or tool makers) had been accustomed before the war to earning twenty per cent more than unskilled workers, it would be regarded as a 'cruel injustice' by this group if they received an increase of only fifteen percent while the unskilled received an increase of fifty per cent (Cannan 1917, 457). The situation was further complicated by the fitful and haphazard changes in the distribution of earnings of different classes of workers within the same industry. As Cannan noted:

> The war changes have not only altered the distribution of earnings between different industries, but have altered the distribution between different classes of workers in each industry at haphazard, so that individual workers in the same shop have seen their relative positions reversed. The dispassionate outside observer sees no reason for

[8] As D. G. Champernowne noted in his obituary of Pigou, "in his lectures to undergraduates he taught that the main purpose of learning economics was to be able to see through the bogus economic arguments of the politicians" (1959, 265).

> supposing the new distribution to be less just or more unjust than the old, but the popular mind is devoted to the doctrine of vested interests and legitimate expectations (1917, 456 – 457).

Whether individuals were suffering an injustice or not was seen as irrelevant. From Cannan's perspective, it was working-class *perceptions* of an injustice around, for example, changes in the distribution of income (between and within different industries) that was the vital issue. It is worth briefly noting here that Cannan had elaborated similar views on the chief causes of industrial bitterness in his 1911 essay, "Equality and Economy in the Remuneration of Labour:"

> [T]here is one important cause that we find at the bottom of almost every dispute … and this is the profound belief, which seems implanted by Nature in the mind of almost everyone, that his income 'ought' to be, that is to say, would be, if justice prevailed, somewhat bigger – about 25 per cent is the average – than it actually is (1912 [1911], 299).

The ideas of some 'natural' justice of distribution was therefore seen by Cannan to possess a powerful aura of legitimacy in the popular mind, and it was the resulting working-class perceptions of injustice – perception that some benefit was not being fulfilled or respected – that served as the chief contributor to war-time industrial unrest.

Another important theme related to this was the impact of war-time inflation. The respective price indices of the *Economist* and the *Statist* covering the period from August 1914 to April 1917 showed a rise of more than double that for the entire period from 1896 to 1914 (Nicholson 1917, 478; Broadberry and Howlett 2005, 219). As workers found themselves caught in a spiral of rising prices, war-time increases in money wages became, as Cannan noted, "illusory and disappointing" (1917, 456). Views regarding food prices and the inadequacy of pay touched at the highly delicate issue of war-time morale and contributed yet further to feelings of acute working-class resentment and discontent. As Cannan notes: "The ordinary person's feelings are outraged by any change in prices which tells against him much more than they are gratified by changes in his favour" (Cannan 1917, 456). Once again, feelings of discontent were seen to draw upon an inherent sense of injustice, and it was this, Cannan argued, that had contributed to a societal misunderstanding of the causes of war-time inflation. The problem could not easily be resolved, since the inherent sense of injustice meant that the working class was blind to the complexities of war-time finance and instead sought to lay the blame for their discomfort on a particular individual or group. This deep-rooted working-class perception of injustice and exploitation was seen by Cannan to have manifest itself in a working-class conspiracy theory, influenced by misleading statements in the press:

> They [the working class] complain that they are being exploited – that 'profiteers' are 'taking advantage of the war' to display a wickedness which is mysteriously kept in

> check in time of piece. Middle-class newspapers see 'good copy.' The great majority of the newspaper-reading public is always ready to listen to an accusation of scoundrelism against any small minority from whom it happens to buy some commodity (1916, 474).

As a consequence of this conspiracy theory, Cannan argued, war-time inflation was widely (and erroneously) interpreted amongst the working-class as the consequence of deliberate, unjust agreements between immoral farmers, merchants and shopkeepers.[9]

Liberty, Democracy and Justice: J. A. Hobson

In several articles published in 1916 – "The Liberties of Englishmen" (published in the *South Place Monthly List* in February 1916[10]) and "The War and British Liberties" (a series of short pieces published in *The Nation and Atheneum* between mid-April and late July 1916) – J. A. Hobson traced Britain's war-time suppression of basic political and legal rights to the sudden intrusion of a German model – "Prussianism" – into British political life.[11] Hobson argued that the tyrannical characteristics of Prussianism were clearly definable in terms of a powerful feudal spirit that had enabled Germany's military-bureaucratic state to restrain political and civil rights. German citizens had been instilled with habits of blind obedience, to the extent that there were no limits, either in times of war or peace, to the power of the Prussian state (Hobson 1916d, 307). The arguments given by British statesmen in the summer of 1914 had presented war against Germany as a conflict of political ideals – the de-

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[9] The same view can also be found in other articles by Cannan published during the war. For example, in dealing with early war-time inflation, he noted that the working class firmly believed themselves as "being iniquitously robbed by an unscrupulous gang of speculators, middlemen, blood-sucking capitalists, or rack-renting landlords" (Cannan 1915a, 312). Similarly, in dealing with rising coal prices in Britain in the early months of the war, he commented upon the "old, old cause of [working-class] excitement in the presence of scarcity – the belief that the rise of price was due, not to the obvious scarcity, but to the wicked conspiracy of sellers, who, by holding back a really plentiful commodity, manage to draw enormous profits" (Cannan 1915b, 265).

[10] Based on a lecture, "The Liberties of Englishmen," delivered at Conway Hall on 16 January 1916.

[11] Hobson's autobiography, *Confessions of an Economic Heretic*, has two interesting chapters on the First World War, although their focus is primarily on the importance of political and economic institutions and the need for international government. The themes addressed in this section of the essay – Hobson's views on the war-time suppression of legal rights and individual liberties – received little attention when he came to write his autobiography. The main comment to be found in the book is a short reference to work done during the war by 'thinking minorities' (including him) who sought to tackle the "menaces to democracy, liberty and peace" brought about by "restrictions and impositions laid down by the War Government" (Hobson 1938, 103).

fence of British freedoms "against the aggressive tyranny of Prussianism" (Hobson 1916b, 68). The central theme of Hobson's argument was that while the British state had long repudiated ideas of political absolutism, a constitutional revolution associated with the distorted implementation of war-time legislation – specifically, the Defence of the Realm Acts in 1914 and 1915 – had brought about the Prussianisation of British institutions (Hobson 1916b, 69).

War-time legislation under the Defence of the Realm Acts (D.O.R.A) gave the British government draconian war-time powers to secure the public safety, subject citizens to military law, and restrict information that could prove useful to the enemy (Townshend 1993, 56–79; Ewing and Gearty 2000, 36–93). For Hobson, the legitimacy of such measures had been stretched to a point where they deliberately concealed the terrible burdens of the war and repressed those mechanisms – for example, freedom of expression – that had long served to guarantee moral and political liberty (Hobson 1915; Hobson 1916a; Hobson 1916b). Various war-time measures such as the extension of censorship, the falsification or stoppage of news, and the withdrawal of the ancient right to public trial illustrated the unjust character of the British state and repeated threats to the machinery of democracy (Hobson 1916c; Hobson 1916d). The most terrible consequences of such actions were seen by Hobson in the deliberate concealment of information (citizens left ignorant of the military situation and the true, grinding human misery of events), which, in turn, had generated an exaggerated (misinformed) sense of obligation and duty, and ultimately the transformation of healthy young men into human cannon fodder in the trenches (Hobson 1916e, 524). In his article "The Liberties of Englishmen," Hobson summarised the wider dangers facing war-time society:

> [W]ar brings to militarists more victories over their own countrymen than over the enemy in the field. Forces are at work which are undermining the moral foundations of our national life, and unless we awake to the nature of the dangers which threaten us we shall emerge from this war a morally damaged people with diminished powers of recuperation and progress (1916a, 5).

Hobson's conclusion was straightforward: any government that presided over such injustices had to be resisted. At the time Hobson was writing, some growing recognition of the abandonment of individual liberties and the unjust practices of the war-time British state had contributing to an atmosphere of indignity and frustration. As the state sought the (sometimes violent) suppression of such opposition, Hobson believed that it could only send a yet more powerful signal to society of the injustices inflicted on British citizens, thereby further strengthening a wider, social desire for justice. In short, it was hoped that an instinctive, yet buried, desire to right the injustices inflicted by the state would emerge (Hobson 1916d). Yet while justice was an ultimate and eternal human ideal, and while there existed the possibility that a reaction of the desire for justice against the war-time state *could* emerge, Hobson confessed in 1916 to a deep fear that this buried desire for justice would remain buried. The broad

negativity of British attitudes, coupled with a sense of indifference, suggested that any reaction against the state's unjust war-time actions, and hence any efforts to reclaim lost liberties, could only emerge with enormous effort (Hobson 1916e, 525). It is worth briefly noting that in his 1917 book concerning the problems of post-war industrial and social order, *Democracy after the War*, Hobson offered a slightly more optimistic prediction, one where a "powerful and of genuine democratic feeling" would be liberated with the eventual peace, and where an "irritable and suspicious" population, released from the tensions of war, would eradicate the injustices generated through the artificial national unity of wartime (1917, 210–212)

Interpreting War-Time Injustices

What interpretations can we draw from these three case studies? In Pigou's argument against war-time injustices, we see a powerful presentation of the principles of distributive justice. The economic fortunes of future generations had, Pigou argued, been undermined through a government's ignorance of the specific character of war-time taxation (and hence the potential virtues of increases in war-time taxation) compared with post-war taxation. Pigou's argument can therefore be categorised in terms of his deep concerns for proportional equalities between the war-time and post-war generations. In a similar vein, Cannan's argument can be categorised in terms of correcting *mistaken* group perceptions of distributive injustices, perceptions born of some inherent sense of injustice and discontent that had led society to place the blame for war-time inflation squarely on fictitious conspiracy theories. Hobson's focus can be categorised under war-time political (as opposed to economic) injustices, and his desire to identify and tackle procedural injustices associated with the violation of individual liberties and infringements on the freedom of speech. While British citizens were eager to engage in a devastating war with the objective of destroying the soul of Prussianism, they had, Hobson argued, voluntarily submitted to restrictions imposed by the government, and so appeared content to allow a dangerous and repressive political structure to establish itself within their own country.

Importance differences in perspectives and approaches can also be identified. For example, in seeking to address war-time distributive injustices, Pigou's writings on war finance were confined to a rigorous, technical investigation of what he identified as inadequate economic policies. In tackling this issue through technical (neo-classical) economic analysis, Pigou's war-time writings offered no awareness or consideration of the idea that some inherent desire for justice could exert a psychological force within economic and political actions. This was not a failing of Pigou's economic analysis, since it was not an element of the concepts and methods he employed in evaluating war-time financial po-

licies.[12] This approach contrasts sharply with views offered by Cannan and Hobson, both of whom, in evaluating other war-time issues (looking beyond financial policies) commented on the ways in which a wider, psychological desire for justice could exert a powerful force on social, economic and political behaviour. In setting out my argument here, I propose to briefly draw connections with modern social psychology. Elements of what psychologists in the mid-twentieth century defined as the 'justice motive' can be located in the interpretations of Cannan and Hobson. The psychological construction of the 'justice motive' is associated with the pioneering work of Melvin Lerner[13] and addresses the "ubiquitous and sacred position which justice occupies in human endeavours" (1975, 2). Lerner's work argues that human attitudes towards injustice – reflected simply in the constant evaluation of situations as just or unjust – occur "at a preconscious level" and are revealed "in a person's reactions to a given event" (1981, 13). The need and desire to correct an apparent injustice is identified as having an automatic and compelling status in both personal lives and interpersonal relations, and is therefore seen as a basic feature of human experience and motivations, similar to anger, sadness, love, sympathy and hunger. To quote Lerner:

> [P]eople are not aware of the constant monitor they maintain on whether their fate and the fate of others correspond with their entitlements, what they deserve. There is, however, every reason to be believe, given the sensitivity and responsiveness to incidents of perceived injustice, that the monitoring process is very vigilant – for most people. Although there may be some slight differences in nuances in the way people have constructed judgements of deserving fairness, entitlement, justice, rights, 'equity', it is probably safe to consider them all equivalent in terms of social-psychological processes (1918, 13).

Although obviously lacking the psychological rigour and focus of Lerner's research, it is clear that Cannan and Hobson did comment on the emotional role that perceptions of justice and injustice could have. It should also be noted, however, that interpretations of this motivational force, in the context of economic and political problems arising from the First World War, did differ between the two men. Cannan's approach was clearly centred around the social-psychological dynamics of such justice judgements, and was tightly bound to his interpretation of a deep-rooted, working-class instinct to react against any perceived injustice. An inherent, aggressive impulse to resolve perceived eco-

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[12] For discussion of Pigou's analysis of economic policies, see Aslanbeigui and Oakes (2012).

[13] Lerner is a significant figure in the psychological study of justice. For a discussion of the 'justice motive' within the wider study of modern social psychology, see Lerner (1975), Lerner (1977), Lerner (1981), Lerner (1996) and Lerner (2002). Recent contributions to this subject, from various research disciplines including psychology, business, and law, are included in Michael Ross and Dale T. Miller collection, *The Justice Motive in Everyday Life* (Ross and Miller 2002).

nomic injustices – such as the belief amongst skilled workers of 'unjust' changes in the distribution of income, or wider working-class views about the 'unjust' erosion of living standards through war-time inflation (sentiment that was also seen to have been stirred by misleading war-time newspaper reports concerning the activities of immoral profiteers) – was interpreted as generating unnecessary anger and industrial disruption and, in the case of inflation, serving to blind the working-class to the true cause of their economic difficulties. In contrast to Cannan's analysis, the human desire for justice identified by Hobson emerged from the sharp contrast between the liberties people were fighting for and the war-time restraints imposed by a forceful militarist bureaucracy. Under these circumstances, the desire for justice was a *latent* force capable of erupting, with powerful political consequences, *only* once British citizens perceived the injustices directed against them through the 'Prussianisation' of British institutions. Society's eventual recognition of war-time political injustices would, Hobson hoped, set free the forces of a great democratic movement as citizens sought to reclaim their individual liberties. (1916e, 525; 1917, 210–212).

Concluding Comments

Through their war-time writings, Pigou, Cannan and Hobson displayed a profound desire to identify and tackle the economic and political injustices thrown up through the anarchy of military conflict. Such war-time material is interesting, challenging, and rewarding, especially when the reader is aware that neither of these three concentrated their efforts purely on abstract, scholarly debates concerning political economy and justice. All three were intellectuals who sought to address wider, more immediate public issues and concerns about injustices (or, in Cannan's case, working-class perceptions of injustice) that were seen to arise from real world (war-time) actions and decisions. All three sought explicitly to tackle the problems they identified: they observed political and economic events, they highlighted the serious problems and challenges that existed (such as the need to correct injustices arising from financial policies, or the importance of understanding the role of injustice in generating industrial unrest), and, by exposing popular fallacies, they made efforts, where possible, to influence and instruct public/political opinion.

On first examination, the writings of these British economists during the First World War appear distant from current debates in social, political and economic theory centred around understanding economic injustices and tackling wealth inequalities. Yet, as highlighted throughout this article, exploring different perceptions of injustice within the changing context and environment of the First World War provides opportunities to consider several important themes, including (1) the study of applied economics within the wider themes of contextual economics, (2) the relevance of the idea of justice within this applied

economic discourse, and (3) the evaluative, emotional and motivational complexities that underpins the powerful role of justice within social psychology.

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