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THE 1880'S: SEEDBED OF THE LABOR SYNTHESIS

OF TWENTIETH-CENTURY ENGLAND

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CHAPTER I

THE 'EIGHTIES AS A SEEDBED

(1)

A cacophonous debate on social, political, and economic questions monopolized the decade of the eighteen-eighties in England. It grew out of an apparently endless cycle of depression, partial and brief recovery, and depression, producing a multiplicity of voices and opinions which ranged from "Laissez-faire!" to "Revolution!"

The "Great Depression"[1] formed the outer framework of debate. Within it were argued such specific issues as: (1) housing for the poor; (2) sweated labor; (3) reform of the Poor-laws; (4) land reform; (5) the proper role of trade unions; (6) the merits and demerits of socialism, both evolutionary and revolutionary, partial and complete;

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[1]For an account of the economic-historical discussion of this term, see S. B. Saul, The Myth of the Great Depression, 1873-1896. Studies in Economic History (London: Macmillan, 1969). Among contemporaries there was virtual unanimity that a depression existed. Disagreement came only over the proper remedies.

(7) free trade; (8) tax reform; (9) the wages and hours of the working classes; and (10) education--technical versus traditional and state-supported versus non-state-supported. As a composite, these issues stimulated a broader and more important debate concerning the very structure of society and economics: how the economic and social relationships should be arranged for the purpose of greater justice and more general prosperity--in short, the problem of democracy in political, economic, and social relationships.

A study of the contemporary writings makes clear the widespread and profound sense of consternation over the paradox of massive wealth and extensive poverty growing out of the industrial-capitalist system. Why was it, men asked, that while England had created the economic marvel of the age in productive capacity, so many Englishment were no better off than their forebears had been, and, indeed, seemed to be worse off in many cases? What had gone wrong with the magnificent promise of plenty for all from the development of the industrial system? Why was it that

> men starve because there is too much food, go half-naked because there are too many clothes, shuffle along barefoot or ill shod because there are too many boots, live two and three families cooped up in one room because too many houses cannot find occupants?[2]

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[2]H. M. Hyndman, "The Social Democratic Party," The Newcastle Weekly Chronicle, March 21, 1885, p. 4.

Was there a possible remedy within the capitalist system as it was evolving? Or were the Marxists, who appeared in force in England at this time, correct when they insisted--on the basis of dialectical materialism, the surplus value theory, and the growing mass of miserable proletariat--that the economic system prevailing must be destroyed by some form of revolution and supplanted by a dictatorship of the proletariat? Some men argued that only as the system progressed towards complete laissez-faire could there be any improvement through the elimination of the unfit. Others believed that only a new attitude towards the working classes--viewing them primarily as potential consumers rather than merely as producers of one factor of production--could save the essential system by sufficiently reforming it. Still others argued that the system was already moving of its own momentum towards a mixture of capitalism and socialism, and that it could be accelerated by educating the ruling classes to accept the socialist concept of public ownership of the means of production.

In many ways the 'eighties were merely a continuum of the past. Queen Victoria celebrated her Golden Jubilee in 1887. The same groups ruled in England as before through the Tory and Liberal Parties and would continue to do so for many years to come. Englishmen continued and accelerated the building of their empire, and Britannia

ruled the waves. Finally, beneath the facade of laissez-faire in foreign trade, a trend in the opposite direction had slowly been developing in domestic economic affairs during the century.

And yet, the 'eighties were also a seedbed of the future in a way in which the 'seventies were not, and the 'nineties would merely nurture what had been planted in that seedbed. Because of the prolonged depression, real or presumed, and the resultant intellectual struggles of the decade, history's course was prepared for a turning in economic and political affairs. The years of economic insecurity and argument had the crucial effect of reordering men's attitudes and stimulating new thinking along economic and social lines. This produced the Labor synthesis, with which this paper shall deal, and anticipated the national economic blending of capitalism and socialism which comprises the twentieth-century British welfare State. The intellectual controversies, then, are important. Professor H. Stuart Hughes has written that

> the essence of history is change--and change must be at least partially the result of conscious mental activity. Somewhere at some time someone must have decided to do something. "Vast impersonal forces" are simply abstractions--the sum of an infinite number of small but strictly personal decisions.[3]

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[3]H. Stuart Hughes, Consciousness and Society. The Reconstruction of European Thought, 1890-1930 (New York: Vintage Books, 1958), p. 5.

Max Nicholson has described periods of social ferment, such as the 'eighties, as times when "men become angry or emotional, and their feelings burst unbidden into words which the record catches." There, the historian finds "vividly reflected the tensions and undercurrents which usually flow more or less hidden from our view." Such periods, he says,

> are often moments of truth, when, as was remarked in one of them, the skies are darkened with broken promises and neglected opportunities of past years coming home to roost. Rarely, despite appearance, do such crises arise without warning and wholly from external sources. It is the cumulative divergence between national needs or expectations and national provisions for effectively satisfying them which become transformed into an intolerable dilemma by some event.[4]

When this happens, history prepares for a turning, or series of turnings. A seedbed has been prepared. But the harvest may differ considerably from expectations, since many people share in the planting. In the case of the 'eighties the seedbed was planted with many different ideas which were anticipatory of ideas and policies in the next century's hybrid welfare State. These, perhaps, cannot be traced directly from the 1880's to the mid-twentieth century, but what can be traced is the emergence of the Labor synthesis which produced the Labour Party. In the contemporary writings one can catch the changing moods and attitudes of the time.

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[4]Max Nicholson, The System. The Misgovernment of Modern Britain (New York: McGraw Hill Book Company, 1967), pp. 209-10.

The Labour Party was conceived in principle during the eighteen-eighties, although birth did not come for more than a decade after 1889, and the christening still later. The gestation period was difficult because of the uneasy marriage between trade unionism and non-revolutionary socialism. There were severe family quarrels, great emotional strains, and temporary ruptures, but the lessons of the 'eighties, particularly of 1889-90, ultimately prevailed. In 1906 the Labour Party, so christened, appeared when the Labour Representation Committee, founded in 1900, decided to change its name.

All leading groups of thinkers acknowledged the problem of depression, explored the possible remedies, and helped in some way to shape the eventual responses which were supplied. From the conflict of opinion came the synthesis which the labor movement forged and, perhaps, even the broader national synthesis of the twentieth century, although this is only a speculative idea at this point. Some groups contributed wittingly and willingly, others from expediency, still others unknowingly or negatively, with no awareness of where their conclusions and arguments would lead. We shall now examine in some detail the competing categories of thought which comprised the intellectual struggle with profound and largely unforeseen results.

(2)

In 1892, Joseph Chamberlain, who had observed and participated in the debate of the preceeding decade, wrote

an article in which he counted no fewer than six distinct schools of opinion emerging from it.[5] He listed: (1) individualists, (2) "old" trade unionists, (3) "new" trade unionists, (4) collectivists, (5) anarchists, and (6) state or municipal socialists. At that, he omitted the Tory-paternalists and the Positivists. Nor does the co-operative movement fit his definition of collectivists. All these categories possessed sufficiently distinct characteristics to stand as separate groupings with the possible exception of "old" and "new" unionists, but within each there was divergence of opinion, at times rather severe, and among the categories there was overlapping on specific issues. Still, they provide a convenient framework within which to examine the aspects of the debate. The categories, with their sub-groupings, reflect the complexity of English thought and society and the fact that there was often as much, if not more, disagreement within the socio-economic classes as there was between them.

The individualists included the extreme advocates of laissez-faire, such as Herbert Spencer and Auberon Herbert, whose ideas we shall examine, and the far less extreme Gladstonians, who had long been the "stock-in-trade of the Liberal Party."[6] Among their economic tenets

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[5]Joseph Chamberlain, "The Labour Question," The Nineteenth Century, XXXII (November, 1892), 679-87.

[6]Ibid., p. 679.

were: belief in the law of supply and demand, with emphasis upon the supply side, which came from the classicists' teachings; Adam Smith's belief in free trade as the key to open and competitive exchange and economic growth; the Ricardian concept of rent; the Malthusian-Ricardian "iron law of wages"; Nassau Senior's theory of abstinence; the concept of the wages-fund, and Say's "law" which said that supply creates its own demand. As supporters of unfettered capitalism, their methodology was laissez-faire, at least in theory.[7] Their governing philosophy was grounded in an overriding concern with the production function, with a belief in a "harmony of interests," and in the individual self-help formula which dictated that "all restrictions to individual liberty are to be removed except so far as they are absolutely necessary to protect the liberty of other individuals."[8]

As long as relative prosperity was thought to dominate the economic picture, as it was during the central decades of the nineteenth century, these men were not seriously challenged on economic dogma--a dogma, incidentally, which they assumed to be universally applicable. They looked, or believed that they looked, out upon an

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[7]There were many violations. See J. Bartlet Brebner, "Laissez Faire and State Intervention in Nineteenth Century Britain," The Journal of Economic History, Supplement, VIII (1948), 59-73.

[8]Chamberlain, "The Labour Question," p. 679.

England progressing under the doctrine of laissez-faire and found it good. But once the long period of falling prices set in, they found themselves challenged on all sides by alternative economic theories. Some felt compelled to defend their beliefs with increasing rigidity, but others, seeking accommodation within their general system, put forth some ideas which became part of the economic synthesis of the next century. The Reverend William Blackley and the Reverend Samuel A. Barnett, whose ideas are taken up in the next chapter, exemplified this group. While one cannot show a cause-effect relationship between what they proposed and what was done later, it can at least be said that they did anticipate later policies.

The individualists identified the cause of depression as over-production, or over-supply, both of commodities and labor. Although they recognized that the problem was made worse by foreign competition and tariffs, they insisted that the downward spiral was a necessary result of over-production which, in turn, arose from higher costs of production. The economic decline would have to continue, unhampered by artificial interference, until the inefficient laborer and capitalist and the glut of commodities had been "naturally" eliminated. This would occur through starvation, emigration, or bankruptcy for the laborer and capitalist, and through falling prices of goods. Once the

production process was cleared of the deadwood and surplus commodities, inevitable recovery would follow.

Revival of the economy towards full employment of resources was construed as inevitable as soon as falling prices, wages, and profits had eliminated the inefficiencies in the market place. When the downward spiral hit its maximum low point--that point at which prices were so low that increased consumption could not be resisted-- the upturn would come about. The individualists had no conception of income flow or that the economy could strike an equilibrium at some point below full employment. Instead, they assumed that the economy was constantly in motion upwards or downwards. Trade cycles were natural phenomena governed by the law of supply and demand in a completely unfettered market, and man and government must not interfere. The watchword was laissez-faire.[9]

With regard to the individualists' view of trade unionism, the belief was that within a free market, wages,

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[9]The first classical economist to reassess this position, and he only partially, was John Stuart Mill in his Principles of Political Economy with Some of Their Applications to Social Philosophy, edited with an introduction by W. S. Ashley (London: Longmans, Green and Company, 1915), pp. 199-200. He argued that while "the laws and conditions of the production of wealth, partake of the character of physical truths," the same was not true of the distribution of wealth which was "a matter of human institution solely," and that once the goods were produced, "mankind individually or collectively, can do with them as they like." This is Mill's "socialism," the viewing of the distribution of wealth as a social problem rather than a purely economic one. As for his view of production as a "physical" matter, he seemed to overlook the role of technology.

like all prices of goods, found their "natural" level, and misery for the working classes resulted when the supply of labor grew beyond the demand for it. Trade unionism was an artificial interference with natural laws and made matters worse by pushing up wages for trade union members during brisk times and thus depriving other workers of jobs because of the depletion of the wages fund.[10]

Since the workers were considered, first and foremost, to be suppliers of a raw material to the production process, they must, like all suppliers, set their price and limit their supply to the demands of the market place. The most that the rigid individualists would concede for the working classes was their liberation from governmental restraints upon their individual freedoms of contract, although by the late 1870's the less fanatical were willing, with some misgivings, to accept the idea of collective freedom of contract or trade unionism. Men of Herbert Spencer's mind were not. They grudgingly admitted that private charity was permissable in cases of extreme poverty, provided always that it was given only to the "deserving poor." But the "good-for-nothing," as Spencer wrote, could suffer the penalty of his follies.

> Inconvenience, suffering, and death are the penalties attached by Nature to ignorance, as well as incompetence

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[10]For a good summary of the individualists' economic theory with relation to trade unionism, see Sidney and Beatrice Webb, Industrial Democracy (London: Longmans, Green and Co., Ltd., 1914), part III, chapters i and ii, pp. 603-702.

> --are also the means of remedying these. Partly by weeding out those of lowest development and partly by subjecting those who remain to the never-ceasing discipline of experience, Nature secures the growth of a race who shall understand the conditions of existence and be able to act upon them . . . Acts of parliament to save silly people from the evils which putting faith in empirics may entail upon them . . . are therefore bad. It is best to let the foolish man suffer the penalty of his foolishness.[11]

Had the individualists' emphasis been placed upon the consumption function rather than upon the production function, and the workers seen as consumers rather than primarily as producers, then the wages-fund idea and the "iron law of wages" would have been discarded. Higher wages would have been interpreted as economically beneficial within the capitalist system. They would have meant greater aggregate demand and consumption, increasing production, greater aggregate profits, and, finally, more steady economic growth. The result would have been a better balance between foreign trade and domestic trade, and a willingness to accept a more positive, social role for the State in economic affairs.[12] This, in brief, was the context of the economic system constructed by John M.

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[11]Herbert Spencer, "Sanitary Supervision," Social Statics Together with Man vs. the State (New York: D. Appelton and Co., 1893), p. 205.

[12]Karl Marx, who constructed his revolutionary system upon the classicists, also failed to grasp the importance of the consumption function--or else, he rejected it since to accept it would make revolution unnecessary. He was, at any rate, never an "under-consumptionist." See G. D.H. Cole, A History of Socialist Thought, Vol. II: Marxism and Anarchism, 1850-1890 (London: Macmillan, 1964), p. 293.

Keynes many years later, but, as we shall see, there were men in England, especially the "old" unionists, who saw, during the 1880's, the same thing Keynes saw and who advocated the solutions he did, though in a more rudimentary form. It was, perhaps, unfortunate for England that such men were not in policy-making positions at the time, for much of the wealth which flowed into the empire and into foreign countries in search of profits, to be later lost, might have stayed at home with highly beneficial results. By the time Keynes came along, it was, of course, too late.

Since the individualist saw the worker primarily as a supplier of a factor of production, and since the source of economic growth was seen to lie in profits, the wages-fund and the "iron law of wages" was accepted as unalterable. Wages were composed of money allotted from capital, or past-profits, to cover a cost of production. They must, therefore, be kept as low as possible to keep costs of production down and future profits high. For the trade unions to drive up wages for their members merely meant that non-union workers must suffer or profits must be reduced, neither of which was beneficial over the long run. According to the wages-fund idea,

> If undisturbed . . . the natural laws of competition acting on wages as on commodity prices, would settle their level at the point where the whole fund was distributed to all the workers. The amount of wages was determined by the size of the fund, which at any one moment was fixed, and the only way the workers could increase it was, paradoxically, by accepting lower wages. Smaller profits and high wages harmed

> the working man, for if the inducement to save slackened, "the amount of Capital accumulated will decrease; the Wage-Fund will consequently be diminished, and there will be a smaller amount to distribute amongst the labouring classes."[13]

Thus, in the mind of the individualist, higher wages, far from contributing to economic growth, had the opposite effect, for by lowering profits, they reduced the desire to save and contributed to economic decline. Everybody then suffered. Therefore, the worker's ability to curtail the supply of labor by limiting the size of his family, and his willingness to work longer hours for his fair share of the wages-fund, determined the extent of his prosperity or poverty. In the same way, the capitalist's willingness to abstain from immediate consumption of profits for purposes of re-investment, and his ability to reduce his costs of production determined his prosperity or misfortune. These were self-enacting laws, said the individualists, which both classes of producers must abide by.

(3)

The generally accepted interpretation of "old" and "new" trade unionism draws a fairly distinct line between the two. The "old" unionists are said to have been those who formed an "aristocracy" of skilled labor and who

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[13]R. V. Clements, "British Trade Unions and Popular Political Economy, 1850-1875," The Economic History Review, second series, XIV (1961-62), 94.

adhered almost blindly to orthodox political economy. They were suspicious and resentful of positive State interference in economic affairs, preferring to rely upon their unions, now freed of legal restraints, to advance the skilled workers' cause. At the head of the labor movement, they tended to ignore the masses of unskilled labor standing outside their narrow horizon. They willingly co-operated with the capitalist class and, as long as they dominated the Trades Union Congress and local trades councils, they pursued a relentless policy of laissez-faire. Progress lay in co-operation with the employer class which meant avoiding provocation by heavy use of the strike weapon. Therefore, they concentrated upon the friendly-society benefits of their unions.[14] Being "too old to change," they waged a great defensive battle during the 'eighties and 'nineties against socialism and "new" unionism which demanded

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[14]Chamberlain, "The Labour Question," pp. 680-81; Sidney and Beatrice Webb, The History of Trade Unionism, revised edition (New York: Longmans, Green and Co., 1920), pp. 368, 374, 397; Helen M. Lynd, England in the Eighteen-Eighties. Toward a Social Basis for Freedom (London: Oxford University Press, 1945), p. 275; B. C. Roberts, The Trades Union Congress, 1868-1921 (Cambridge: Harvard University Press, 1958), pp. 94-114; Henry Pelling, A History of British Trade Unionism (London: Penguin Books, 1967), pp. 76-86; G. D. H. Cole, A Short History of the British Working-Class Movement, 1789-1925 (London: G. Allen & Unwin, Ltd., 1925), II, 137, 141; and Eric J. Hobsbawm, Nineteenth Century in the Making, Vol. III: Labour's Turning Point, 1880-1900, general editor, Dona Torr (London: Lawrence & Wishart, 1948), pp. xiv-xvii.

"purely independent working-class action" and positive utilization of the State in economic affairs.[15]

"New" unionism, which grew out of revolutionary socialism late in the 'eighties, began as an attitude in the minds of certain trade unionists who joined the revolutionary socialist movement in 1884 out of a sense of frustration and despair over what they considered the trade unions' subservience to the laissez-faire philosophy. The points by which contemporaries and historians set "new" unionism apart from "old" are these: (1) that "new" unionism was oriented towards a national and even an international organizational pattern; (2) that it included both skilled and unskilled labor; (3) that it stood for the solidarity of labor against capital; (4) that it sought to force all workers to join unions to eliminate "blackleg" labor in times of strikes; (5) that it placed heavy emphasis upon the strike weapon to win concessions from employers and rejected the combination of friendly-society functions with trade union tactics, which allowed it to charge very low fees and dues so that the poorest-paid laborer could afford to join; and (6) that it advocated the use of State power and machinery to advance the cause of labor and, accordingly, sought the establishment of an independent labor party to elect members to parliament and

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[15]Cole, A Short History of the British Working-Class Movement, p. 137.

to force legislative concessions from the two major parties.[16]

"New" unionism appeared in tidal-wave proportions during 1889-1890, as a result of the successful dockers' strike. It allegedly forced the "old" unionism to abandon its laissez-faire philosophy and to embrace certain socialistic objectives. The result of the socialist and "new" unionist challenges was, first, a fight by "old" unionism to retain its philosophy and leadership of the labor movement, and, then, to seek a compromise or synthesis

> which followed neither Broadhurst and his friends of the Parliamentary Committee of the Trades Union Congress nor Hyndman nor even Keir Hardie and the Independent Labour Party. The New Unionism and the old blended and intermingled; and out of the political struggle rose the Labour Representation Committee, hovering uncertainly on the fringe of Socialism, but casting many a longing glance back at the old Liberal love with which it was still disposed to maintain a clandestine liason.[17]

The turning point towards the synthesis, say the historians, began in 1889, and the initiative for blending socialistic objectives with trade union tactics came from the socialists and the "new" trade unionists. The dockers' strike made it "no longer possible for the Parliamentary

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[16]Chamberlain, "The Labour Question," pp. 681-82; Webb, History of Trade Unionism, pp. 402-7; Pelling, A History of British Trade Unionism, pp. 100-4; Roberts, The Trades Union Congress, pp. 122-23; Lynd, England in the Eighteen-Eighties, pp. 285-92; and Cole, A Short History of the British Working-Class Movement, pp. 152-58.

[17]Cole, A Short History of the British Working-Class Movement, p. 137.

Committee to denounce the Socialists as a set of intriguers," now that "new" unionism counted 200,000 members.[18] Such an interpretation, I believe, overlooks what had been happening within the "old" trade union movement from the outset of the 'eighties. As this paper will show, the "old" unionists had begun in 1881 if not before to move along a road that led to an economic system in which limited socialistic objectives are secured through the gradual political actions of government and which blended capitalism and socialism under the tutelage of the State. Since it rested upon the belief that there were, under unfettered capitalism, too many social costs relative to social benefits, and since the pivotal role in socializing the prevailing capitalist system was the central government, and, finally, since the government's power was to rest upon democracy, the term "democratic state socialism" can be applied to this evolving system. It is a term which contemporaries used and understood, and it distinguishes the non-Marxian socialists from the Marxian socialists who called themselves Social Democrats, a term which at this period contained the central idea of the overthrow of capitalism and the replacement of it by proletarian, Marxian socialism in which the complete transfer of the ownership of the means of production was

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[18]Webb, History of Trade Unionism, pp. 407-8.

to be made from private to public control.[19] There were democratic state socialists, such as the Fabians, who desired such a transfer, but they ultimately rejected the revolutionary aspect of the Marxian system in favor of the evolutionary method. But the bulk of the state socialists desired to retain a certain proportion of private enterprise and ownership, while bringing about certain nationalization projects and social control of the economy. We shall, shortly, examine Chamberlain's definition of state socialism.

With regard to "old" unionism, it is also important to point out that, contrary to what most historians say, "old" unionism did not adhere to orthodox political economy as a faith, for too many of its tenets went against the grain of trade unionism. The thesis stated by R. V. Clements, concerning trade unionism during 1850-75, is equally valid for trade unionism of the 1880's, as this paper will show. Clements writes:

> First . . . that contemporary writers often denied that trade union activities were regulated by orthodox economic doctrines; second, that trade union action did not accord with such theories; and third, that many trade unionists themselves explicitly denied the truth of some of these doctrines--denials that deserve equal weight with examples of agreement. . . . That many trade unionists were deeply influenced by orthodox political economy where it clashed with the traditions and needs of the unions and of their members is dubious. Nor is it likely that their views

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[19] Cole, A History of Socialist Thought, Vol. II, chapters xiv and xv.

> of these needs were more than palely coloured by such an influence.[20]

There was, to be sure, a great struggle during the decade between "old" unionism, on the one hand, and socialism and "new" unionism, on the other. It did not, however, center in the theoretical reaction of "old" unionism to socialism per se, but rather in the socialists' insistence upon revolution, whether by peace or by force as the only alternative for labor. The major struggle came between 1884 and 1889, when socialism was calling for revolution, and "new" unionism was still only an attitude and, thus, was more radical than it became in 1889, when it did emerge as an actual movement. The crux of the battle between "old" unionism and socialism was the question of whether the prevailing economic-political system could be sufficiently reformed and socialized--that is, brought to a point where social as well as economic problems held equal importance in policy-making--or whether it had to be destroyed and supplanted by a Marxist system.

Under the first alternative, trade unionism could survive and retain its leadership position in the labor movement and its effectiveness in economic affairs. Under the second alternative, it could not. As long as "new" unionism remained inchoate--between 1884 and 1889--it sided with the Marxists in demanding the second alternative, but

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[20]Clements, "British Trade Unions and Popular Political Economy," p. 94.

apparently believing that the two could be combined. During and after 1889, when it became a vital force, it took up the first alternative, rejected the call for revolution, and joined "old" unionism in a labor synthesis of democratic state socialism. This is not to say that there were no longer disagreements between individual "old" and "new" unionists, or that some "new" unionists did not continue to hope for full nationalization of the means of production. But it did mean that the revolutionary ideas were replaced by gradualism, and, as time told, partial nationalization only. After 1889, the two types of trade unionism, as movements, did not differ in general.

Two important developments, which historians do not appreciate to sufficient degree, contributed to the shaping of labor synthesis which, in turn, became the Labour Party: (1) the progress, during the 'eighties, of "old" unionism along the road towards democratic state socialism, and (2) the rupture, during 1887-89, between the Social Democratic Federation and the leaders of "new" unionism. The first brought "old" unionism to the point of virtual identity with the goals of "new" unionism by 1889-90 on all major points except the need to overthrow the capitalist system and the prevailing political system. The second made "new" unionism reject the idea of revolution and assume characteristics which brought it to the point of virtual identity with "old" unionism. So close did the identity become that

John Burns, a "new unionist," who had severely chastised "old" union leaders throughout the decade and who sneered at them in 1890 for appearing at the Liverpool Trades Union Congress dressed like "respectable city gentlemen," infuriated Keir Hardie in 1892 by appearing to take his seat in Parliament dressed the same way. Soon Burns was willingly co-operating closely with the Liberals, spending weekends in their country homes, and, in 1905, he even entered the Liberal Cabinet.[21]

Historians argue that the socialist movement produced "new" unionism. Yet, it might be claimed that the "old" unionism played as important a role, for, although the men who were to lead the "new" unionism did join the Social Democratic Federation, they never severed their ties with their respective unions as they did with the S.D.F. in 1889.[22] In this sense, they remained merely a left wing of trade unionism from 1884. What makes them seem to stand apart is that their agitations and writings between 1884 and 1889 were done through the socialist organization and publications rather than through the T.U.C. Still, once a fact, "new" unionism transformed itself and merged back into trade union milieu, language, and orientation.

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[21]Paul Thompson, Socialists, Liberals and Labour. The Struggle for London, 1885-1914 (London: Routledge and Kegan Paul, 1967), p. 152.

[22]There was some re-connection of ties between the "new" union leaders and the S.D.F. after 1889, but never as closely as during the 'eighties.

Even before 1884, as we shall see, when Marxism appeared as a force in England, "old" unionists were proposing such socialistic measures as positive governmental interference in and regulation of industry for labor's advantage, nationalization of the land, redistribution of the land under State power, a legislated eight-hour day, free education, and publicly-sponsored housing for the poor. The trend towards democratic state socialism, though the "old" unionists themselves did not use the specific term, was established early on. Throughout the decade the direction of "old" unionism was forwards, not backwards, as historians imply. After 1889, "new" unions took on three of the most outstanding traits of "old" unionism--traits which their leaders had vociferously denounced between 1884 and 1889: (1) caution in the use of strikes for greater effectiveness, (2) combining friendly-society functions with militancy at the factory gate, and (3) a degree of cooperation with the employer class and the Liberal and Tory Parties.[23] In addition, they abandoned the call for the overthrow of capitalism. The merger with "old" unionism was crystallized at the Liverpool Trades Union Congress of 1890. The fact that such an event was possible reveals, I

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[23]Webb, History of Trade Unionism, pp. 417-18. This was not done by all "new" unions, true, but then, all "old" unions did not have benefit-society aspects. See George Howell, "The Labour Platform: Old Style," The New Review. A Critical Survey of International Socialism, IV (1892), 477.

think, that a good part of the initiative towards the synthesis of ideas belongs to "old" unionism.

(4)

According to the collectivist creed,

> the State is to be the sole owner of the land, of capital, and of all the means of production, and it is to distribute the results of labour, giving to each in proportion to his work. Private property will be abolished; competition will entirely cease; everybody will be obliged to work for his living; and work will be found for all sufficient to procure for everyone the means of rational and comfortable existence.[24]

Although trade unions and the co-operative movement were collective in approach, they do not fit the definition of collectivism given by Chamberlain here, for they rejected the idea of the elimination of private property. Nor do the Anarchists belong in the collectivist category as here defined, for, while advocating a certain sort of collectivism, they rejected the idea of a strong central government and, in many cases, any government at all. The groups which do belong are: some of the Christian socialists,[25] the Fabian Society,[26] the Social Democratic Federation, and

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[24]Chamberlain, "The Labour Question," p. 684.

[25]For a list, see Peter d'Arcy Jones, The Christian Socialist Revival, 1877-1914. Religion, Class, and Social Conscience in Late-Victorian England (Princeton: Princeton University Press, 1968), p. 432.

[26]The Fabians were also state or municipal socialists, but, in contrast to trade unionism, they advocated the complete socialization of the economy. State socialism, by definition, aimed only at limited socialistic

the Socialist League. There was also a small, militant, trade unionist grouping which left the Socialist League in 1888 with Edward Aveling and Eleanor Marx to form the Labour Union, but this lasted only until 1890.[27]

Peter d'Arcy Jones has said of the Christian socialists of the 'eighties that they were far less unified as to political methods than previously. These differences stemmed from the advanced state of socialism and labor in Britain and from "the greater complexity of the social and economic problems posed by structural historical changes."[28] The same, of course, is true of all other groups of opinion, with the possible exception of the Tory-paternalists, and explains the multiple facets of the debate which made the 'eighties the seedbed of the future.

All Christian socialists shared the belief that Christianity could be applied to life and that the core of it was the brotherhood of man.[29] Their disagreements arose over methods of implementing this belief. Some took up the teachings of Henry George which stopped far short of total nationalization or socialism. Others took up full-blown socialism on the grounds that the capitalists as well as

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objectives, which could be achieved within an essentially capitalistic structure. Thus, the Fabians fit more snugly into the Collectivist definition.

[27]Thompson, Socialists, Liberals and Labour, p. 153.

[28]Jones, The Christian Socialist Revival, p. 435.

[29]Ibid., p. 443.

the landlords belonged to the exploiting class of society, something the Georgists did not accept. Overall, the Christian socialists, as a movement, tended towards eclecticism.[30]

In 1885, the Fabians, in common with the Social Democratic Federation and the Socialist League, sought the total overthrow of capitalism. In the words of George Bernard Shaw in 1892:

> We (of the Fabian Society) were for a year or two just as anarchistic as the Socialist League and just as insurrectionary as the SDF. . . . The object of our campaign was to bring about a tremendous smash up of existing societies to be succeeded by complete socialism.[31]

During the early years of the socialist challenge there was a great deal of intermingling among these groups. As the decade progressed, though, a certain crystallization of differences and rivalries appeared. Still, even at the end of the decade, certain individuals were able to move back and forth between groups without too much difficulty.[32]

The primary reason for the separation among the socialist leaders, aside from regional and local differences,

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[30] Ibid., pp. 446-48.

[31] Joseph Clayton, The Rise and Decline of Socialism in Britain, 1884-1924 (London: Faber and Gwyer, 1926), pp. 21, 24-25. See also, G. D. H. Cole, The History of Socialist Thought, Vol. III: The Second International, 1889-1914, Part I (London: Macmillan and Co., Ltd., 1956), p. 107.

[32] Thompson, Socialists, Liberals and Labour, chapters vi and vii; Margaret Cole, The Story of Fabian Socialism (London: Heineman, 1961), p. 17.

had to do with the economic theories upon which they relied for shaping their courses of action. The S.D.F. and the Socialist League, as their publications reveal, constructed their programs upon an almost pure, revolutionary Marxism.[33] Although some of the Fabians accepted the exploitation inherent in Marx's surplus value theory and his view of economics as determining the course of history, most of their program grew out of the works of Jevons and Mill.[34] They rejected completely the Marxist dialectic with its revolutionary mandate. As a result, the Fabians found themselves in harmony with the historical reformism as it moved slowly through the nineteenth century towards democratic state socialism in the twentieth. The only difference outstanding was the Fabian hope for complete nationalization of the means of production which, gradually, would supplant capitalism entirely. Their closer alignment with the course of English history allowed them to make a valuable contribution to the economic

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[33] Justice, 1884-89; H. M. Hyndman, The Textbook of Democracy. England for All (London: E. W. Allen, 1881); "The Manifesto of the Socialist League," The Commonweal, February, 1885; Edward Aveling, "Scientific Socialism," The Commonweal, April, 1885 - January, 1885. See also other issues of The Commonweal, 1885-89; Cole, History of Socialist Thought, Vol. II, chapters xiv - xv; and Chushichi Tsuzuki, H. M. Hyndman and British Socialism (Oxford: University Press, 1961), pp. 80-84.

[34] Clayton, The Rise and Decline of Socialism in Britain, p. 43; Jones, The Christian Socialist Revival, p. 47; Cole, History of Socialist Thought, Vol. III, pp. 111-12; M. Cole, The Story of Fabian Socialism, pp. 19-20.

metamorphosis--although they must share it with trade unionism: the removal of the frightening aspects of socialism from the minds of the middle classes.

Edward Pease is quoted by Margaret Cole as having declared that the Fabians "broke the spell" of Marxism in England as it was manifested by the S.D.F. That group treated Marx's words "as a sacred text on which glosses only were to be permitted" and insisted that "the State was an enemy to be destroyed, in no wise an instrument which could be used in the interests of the working class." Mrs. Cole continues by saying that,

> . . . once Fabian Essays had taught the intellectuals that it was possible to be a Socialist without mouthing jargon, British Socialism was freed from that disease; and the advances in social legislation secured from both Tory and Liberal governments made nonsense of the conception of the State as no more than the policeman of the bourgeoisie.[35]

The leader of the S.D.F. was H. M. Hyndman, a middle-class, self-proclaimed Marxist.[36] Although repelled by Marx's insistence upon revolution, Hyndman nevertheless took it up as "a short-cut to Socialism" between 1886 and 1889.[37] As for the Socialist League,

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[35] M. Cole, The Story of Fabian Socialism, pp. 327-28; Cole, A History of Socialist Thought, Vol. III, pp. 112-13.

[36] Tsuzuki, H. M. Hyndman and British Socialism, p. 86.

[37] Ibid., pp. 33, 56, 80-83; Webb, History of Trade Unionism, p. 409.

at least in the beginning, it "was nothing if not Marxist,"[38] and the Labour Union was in the same pattern.

Hyndman was the most erratic of the Marxists, perhaps, both in personality and doctrine. Since he dominated the S.D.F., historians tend to credit to his oscillations between revolution and gradualism, nationalism and internationalism, and his contempt for trade unionism the fatal schisms within the socialist movement.[39] Except for Tsuzuki, Clayton, and Thompson, historians make much of the first split--between Hyndman and William Morris--and little or nothing of the far more important one between Hyndman and the "new" union leaders, H. H. Champion, John Burns, and Tom Mann, in 1887-89. It is this later one, I believe, which was crucial to developments, for it sidetracked the Marxists at a critical time, when "new" unionism came into being as a force. This left the Marxists outside and opposed to the leadership of the "new" unionism. Whereas that movement went on to become an integral part of the Labour Party, Morris's Socialist League petered out after 1889. Thus, the split between the S.D.F. and "new" unionism is the more important one, but it is too much ignored or minimized. Over the long-run, the Marxists

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[38]Clayton, The Rise and Decline of Socialism in Britain, p. 32.

[39]Cole, A History of Socialist Thought, Vol. II, pp. 394-412; Tsuzuki, H. M. Hyndman and British Socialism; Thompson, Socialists, Liberals and Labour, chapters vi and vii.

were never able to re-establish the position they had held during the 'eighties as potential leaders of the labor movement. This leads to another point: that historians place the responsibility for the loss of the Marxist challenge almost solely upon the personality of Hyndman. In my opinion, the crux of the problem was whether or not revolution was necessary. The "new" unionists, I believe, rejected this point as much as they did Hyndman's dictatorial personality, for, while the "new" union leaders were vociferous in their criticisms of trade unions during the 1880's, they continued to be identified as trade unionists, and when the choice between revolution and trade unionism came, they opted for the latter. It was as much an ideological choice--or a choice of methodology--as it was a personality conflict. This is clear from what was said and what followed after 1889, as we shall see.

In 1884, Aveling, Morris, and others left the Social Democratic Federation and formed the rival Socialist League. In 1885, following the "Tory Gold" scandal, those of the Fabian Society resigned from the S.D.F.[40] These schisms hurt the Marxist movement, but it received its worst blow during 1887-89, when Champion, Burns, and Mann broke with the S.D.F., set up a rival newspaper, The Labour Elector,

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[40]Thompson, Socialists, Liberals and Labour, p. 114. Hyndman was already at odds with Engels over Hyndman's failure to mention Marx by name in his book, England for All, which was based upon Marxism. Tsuzuki, H. M. Hyndman and British Socialism, pp. 41-42.

and joined Ben Tillett at the head of "new" unionism. One reason Tsuzuki gives, which is borne out in The Labour Elector's articles, is that Champion, Burns, and Mann "deplored this tendency to toy with violent measures," which came to be advocated by the S.D.F. after Hyndman's trial for sedition and loss in a libel suit. The finances of Hyndman and the S.D.F. were under a severe strain in 1886. At that time, James Blackwell, a compositor who had been in the United States and had seen the violence of labor politics there, returned to England with the argument that peaceful revolution was impossible and that the S.D.F. must lead "a forcible one." A. P. Hazell, another compositor, and Harry Quelch, editor of Justice, seemed to agree. The result was a change in S.D.F. policy towards the advocacy of forcible revolution. The split of 1887-89 followed.[41]

The Socialist League was dominated by William Morris until 1890, at which time the anarchists deprived him of control of The Commonweal.[42] "The differences of political theory," writes Paul Thompson, "within the Socialist League were at first even wider than within the SDF." For several years Morris was able to prevent a rupture, but in 1888, Engels, Aveling, and Eleanor Marx, with some radical trade

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[41]Tsuzuki, H. M. Hyndman and British Socialism, p. 80.

[42]Thompson, Socialists, Liberals and Labour, p. 137.

unionists in tow, left Morris "in the power of the anarchists" who had a "taste for violence," as they set up the Labour Union. The anarchists deprived Morris of control, but by 1891, the Socialist League had crumbled into a series of small anarchist groups.[43]

As for Morris himself, he never ceased to advocate revolution despite his break with the anarchists. In Cole's words:

> Right up to 1890, when he was on the eve of his break with the League, he was still expressing his entire disbelief in the value of parliamentary action as a means to Socialism. He would admit no more than that "in the last act of the Revolution the Socialists may be obliged to use the form of Parliament in order to cripple the resistance of the reactionists by making it formally illegal"; but that, he said, could only come "when the Socialists are strong enough to capture the Parliament in order to put an end to it." In the meantime, he denied that it would be possible to "jockey Parliament into Socialism."[44]

As for the move of trade unionism towards democratic state socialism, Morris had only contempt. He saw it as a move towards "collective bureaucracy," which might be a "necessary transitional stage that would prepare men for 'the revolution,' and might be, in the circumstances preferable to immediate revolutionism of a merely destructive kind," but as a permanent move, he believed it no solution at all.[45]

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[43] Ibid.

[44] Cole, A History of Socialist Thought, Vol. II, pp. 417-18.

[45] Ibid., p. 418.

Standing apart from trade unionism and collectivism, yet sharing with them the claim to be seeking solutions through the initiative of the working classes, was the co-operative movement. In the sense of teaming individuals together in economic relationships, the co-operative movement was collective, but their philosophy within collectivism was that of Liberalism: laissez-faire, self-help, and anti-socialism. Here, if anywhere, were the true Lib-Labs. There were several avenues by which the co-operators sought to convert the laborer into a partial capitalist: by profit-sharing, wholesale and retail co-operatives, and production co-operatives.

Of the three distinctly laboring-class movements, socialism, trade unionism, and co-operation, the third was the oldest. It claimed a superiority to both on the basis of embodying the best of both. It preached collective self-help--the elevation of working men and women by themselves in voluntary partnership with others. Of the three movements, it had the least quarrel with capitalism as it was then organized. It opposed state socialism which it linked to the Tory-paternalist and Positivist schools. It sent delegates to the T.U.C., but it also had its own annual parliaments. It had absolutely nothing in common with the Marxists, but it did share a general belief with trade unions that capitalism could be reformed without having to be destroyed. It also shared the anarchists'

belief that groups of men and women working together could accomplish their destinies without the construction of a powerful central government. Since it was one of the three working-class movements of the decade, there will be a chapter devoted to its contribution to the debate.

(5)

Joseph Chamberlain's view of anarchism was one of dismissal because the opinions and goals of that movement had no apparent appeal to the English working classes.[46] This is correct as far as the more violent group was concerned, but, as noted already, the non-violent anarchists shared something with both socialists and co-operatives. They were represented in the debate by several articles written by Peter Kropotkin.[47] He claimed for anarchism a superiority over both individualism and collectivism, for it, he said, embodied the best of both, and it accomplished them by a shorter route.

With regard to socialism, the anarchists arrived at the ultimate conclusion--"that is, at a complete negation of the wage-system and at communism"--without the interim dictatorship. As for the principle of laissez-faire,

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[46] Chamberlain, "The Labour Question," p. 686.

[47] Prince Peter Kropotkin, "The Scientific Bases of Anarchy," The Nineteenth Century, XXI (1887), 238-52; "The Coming Anarchy," ibid., XXII (1887), 149-64; "The Breakdown of Our Industrial System," ibid., XXIII (1888), 497-516; "The Coming Reign of Plenty," ibid., 513-30.

preached by the individualists, the anarchists saw the "ultimate aim of society" in the "reduction of the functions of government to nil--that is, to a society without government, to An-archy."[48]

The anarchists studied history as it had evolved for the purpose of determining the course it was taking and to distinguish "between the real wants and tendencies of human aggregations and the accidents . . . which prevented these tendencies from being satisfied, or temporarily paralysed them."[49] The methodology here was similar to the German historical school of economics of the nineteenth century, but, unlike it, anarchism implied a uniformity of application just as did the Marxists and the individualists, which was a common weakness.

In Kropotkin's view, the failure of the prevailing capitalist society to provide a decent life for the majority of the people had opened the way for the inevitable advance and acceptance of socialism as "the idea of the nineteenth century."[50] One aspect of socialism, as taught by the Marxists, Kropotkin rejected: the idea of the necessity of a dictatorship of the proletariat as a prelude to the communist utopia and the withering away of the State.

> . . . a further advance in social life does not lie in the direction of a further concentration of power

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[48] Kropotkin, "The Scientific Bases of Anarchy," p. 238.

[49] *Ibid.*, p. 239. [50] *Ibid.*, p. 240.

> and regulative functions in the hands of a governing body, but in the direction of decentralisation, both territorial and functional--in a subdivision of public functions with respect to their sphere of action and to the character of the functions; it is the abandonment to the initiative of freely constituted groups of all those functions which are now considered as the functions of government.[51]

In departing from the Marxists on the point of centralized government and in envisioning a society governed by decentralized, voluntary, functional groups, anarchism approached the central idea of the co-operative movement and of the later Guild Socialists.

For Kropotkin, the economic problems in England were the results of the capitalists' practice of division of labor which had progressed to the point of reducing the worker to the lowest levels of consumption and making him a mere extension of a piece of machinery. The aim of anarchism, then, was to return to the "integration of labour" and to create a society in which each individual would be "a producer of both manual and intellectual work," where each worker would labor in the field and in the industrial workshop. Society would be composed of a multitude of aggregations of individuals "large enough to dispose of a certain variety of natural resources," producing and consuming their "own agricultural and manufactured produce."[52] In a way, this was a return to the manorial

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[51] Ibid., pp. 241-42.

[52] Kropotkin, "The Breakdown of Our Industrial System," p. 499.

system of local autarky, but with no lord in the manor house.

Ironically, Kropotkin thought that he saw the tendency towards his dream in "the recent growth of large organisations,"[53] by which he meant the developing limited liability companies. He defended this viewpoint by saying that,

> If it be argued that many of these organisations are organisations for exploitation, it would prove nothing, because if men prosecuting their own egotistic, often very narrow, interests can agree together, better inspired men, compelled to be more closely connected with other groups, will necessarily agree still easier and still better.[54]

Kropotkin's assumption here echoes the "harmony of interests" in the style of Adam Smith and Liberalism. Of all the schools, anarchism was, perhaps, the most utopian one to participate in the debate of the 'eighties.

(6)

The Tory-paternalists, not mentioned by Chamberlain, but certainly important, were men looking backwards to a simpler, more rural way of life dominated by the landed interests. Their view of society was hierarchical and integrated in a functional manner. At the top was the Queen-Lords-Commons, with everyone else in his proper niche in descending order of birth.

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[53]Kropotkin, "The Coming Anarchy," p. 155.

[54]Ibid.

The Tory had lost his major battles in 1832 and 1846, with the Great Reform Bill and the repeal of the Corn Laws. When the depression set in during the 'seventies, he tried to return, if not to 1831, then at least to 1845. It was, of course, too late. The tariff on food could not be restored. On this, at least, the industrialists and urban proletariat were agreed.

According to George Holyoake of the co-operative movement, "State Socialism, so far as any taste for it exists in England, is a growth of Toryism."[55] In this, he said, they were supported by the Comtists, or Positivists.[56] He was referring to Tory Democracy, that concept born of political necessity, rather than of philosophy, in 1867--which "in the long run did the most to establish the conditions necessary for the assimilation of the bourgeoisie" and, at the same time, "gave the urban working men a substantial instalment of political power, and made the consideration of working-class interests vital to politicians."[57] Said Holyoake, in condemnation of Tory-paternalism:

> Absolutism in politics has always fostered a liking for paternal government in the people. . . . The

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[55]George Jacob Holyoake, "State Socialism," The Nineteenth Century, V (June, 1879), 1114.

[56]Ibid., p. 1116.

[57]Paul Smith, Disraelian Conservatism and Social Reform (London: Routledge and Kegan Paul, 1967), p. 319.

> rich, as a class, are not averse to the dependence of the poor. Patronage is pleasing to them. . . . The extinction of poverty [however], which they believe they desire, would fill them with dismay if it were likely to take place. They only object to charitable gifts when they become too expensive; but they have a permanent objection to enable the poor to obtain a position absolutely independent, and hesitate to afford them the means of becoming so.[58]

Tory Democracy began with Disraeli in an effort to "dish" the Liberals, and it continued from political necessity, since, having provided the working classes with the franchise, it could hardly desist from wooing them. Yet it did so with great reluctance and more for reasons of paternalism and necessity than for reasons of economics.[59] Whatever the motive, Tory-paternalism carried social reform along the way to a crucial extent and, thus, unwittingly helped to prepare the seedbed of the labor synthesis. Paul Smith has this assessment to offer:

> Given the built-in hindrances to Conservative social reform, it seems remarkable that the party contributed as much as it did in the social field in 1866-80. Even in the short minority ministry of 1866-8 something was done for factory reform, the sick poor, and the merchant seaman, and the government of 1874-80 was responsible for one of the most notable instalments of social reform of the century, conspicuously shaming its Liberal predecessors. To some extent, these achievements were the product of a deliberate intention to use social improvement as a means of gaining working-class favour. But very largely they were semi-enforced responses to problems which ministers could not ignore, shaped principally by the results of formal inquiry, the pressure of

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[58]Holyoake, "State Socialism," p. 1114.

[59]Smith, Disraelian Conservatism and Social Reform, p. 322.

public opinion, and the promptings of the civil service.[60]

The outstanding Tory of the 'eighties--until 1886 --was Lord Randolph Churchill. But, in Smith's opinion, Churchill's Tory Democracy was nothing more than "a collection of postures and slogans, rather than a policy, whose main purpose was to serve as a vehicle for its author." It was aimed in a negative direction: "against the respectable, middle-aged, bourgeois Conservatism,"[61] rather than in the positive direction of the elevation of the working classes. Churchill failed in his efforts. The most that can be said is that his policies modified the reactionary trend of the Tory party in response to Chamberlain's Radicalism.[62]

The Tory had two enemies during the 'eighties which he constantly sought to discredit. One was Joseph Arch, leader of the Agricultural Labourers' Association and owner of _The English Laborers' Chronicle_. Arch, his union, and his newspaper posed a threat evidently sufficient to prompt some Tories to launch the publication, in 1886, of a rival newspaper, _The Labourers' News_, in Cambridge to appeal to the conservatism of the rural population. The theme of _The Labourers' News_ was _noblesse oblige_. The plea was to preserve the heritage of old under which

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[60] _Ibid._

[61] _Ibid._, p. 323.

[62] _Ibid._, p. 324. Churchill was out of power in 1886.

everyone had been happy and contented. The style was platitudinous in the extreme.

> The landlord he owns, and we farmers pay rent,
> And the labourer works, and we all are content;
> We all have our rights, and we love one another
> All classes unite, every man is a brother.
> Let paid agitators spout lies by the score,
> We have most that we want and ai'nt greedy for more,
> For we know, as the labourers say, "We agree,
> The landlord, the farmer, the parson and we.[63]

The other enemy was the Radical, personified in Joseph Chamberlain, who demanded either the establishment of peasant proprietorships in England or the creation of land allotments for laborers, or both. The Labourers' News cried tears for the poor, downtrodden landlord at a time when more than 100,000 agricultural laborers and their families had been driven off the land by unemployment.[64]

> . . . there is one class of people, who just now are specially abused by the Radicals, we mean the landlords, who have built good cottages, yes, and built them at their own cost, because cottage property is about the very worst kind, as cottagers cannot very often afford to pay a fair rent; these kind landlords, whom it is the fashion to cry down, have been the best friends of the working man.[65]

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[63] D. E. W., "The Stout British Farmer," The Labourers' News, September 4, 1886, p. 1.

[64] M. Cole, The Story of Fabian Socialism, p. 13. This figure, 100,000, was only for the period 1871-81. By 1886, the number was even larger.

[65] "Notes for Labourers," The Labourers' News, March 12, 1886, p. 22.

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The Positivists, as a school of thought, had declined somewhat by the 'eighties, although several of the more important leaders did contribute to the public discussion of economic, social, and political problems. They were E. S. Beesly, Frederic Harrison, and Henry Crompton. The basis of their philosophy was moral rather than economic. Their goal was to promote the gradual "growth of a common intellectual and moral authority" which would convert economic relationships to their just and proper proportions. While Beesly agreed with his friend Marx that wealth was "social in its origins" and something to "be used in socially beneficial ways and not simply in accordance with the whims of the property owning class," he rejected the idea that revolution must precede the establishment of a moral society.[66] The Positivists foresaw a system of state socialism based upon morality, whereby man, as he became truly moral, would reconstitute his social, political, and economic relationships accordingly. Holyoake linked the Positivists to the Tory-paternalists.[67] Royden Harrison links them, more correctly, to the working-class orientation.

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[66]Royden Harrison, "E. S. Beesly and Karl Marx," The International Review of Social History, IV (1959), 236-37.

[67]Holyoake, "State Socialism," p. 1116.

> All Positivists subscribed to the view that the test by which to determine whether any political or social action was right or wrong was whether or not it was in accordance with the interests of the working class. They also held, in a manner rather reminiscent of Saint-Simon, that the working class was not, properly speaking, a class at all, but "the whole of society" of which other classes were but special organs.[68]

While the Marxists insisted that class conflict determined the need for class warfare, the Positivists' belief that the capitalist class could be and should be "moralised until it learnt to look upon its own position" in Saint-Simonian terms, implied a belief in "class collaboration," although allowing for "the possibility of a legitimate struggle by workmen against 'non-workmen' in the transition period."[69] This placed the Positivists in the camp of "old" unionism as it was moving towards democratic state socialism, though the Positivists seemed to think that unionism was not moving fast enough or independently enough during the early years of the decade, because the trade unionists did not reject the idea of working through one or both of the major political parties in favor of establishing an independent Labour Party.[70] This attitude placed the Positivists in the camp of the socialists, and and they did have ties there.[71] But they did not agree with the socialists' demands for an overthrow of capitalism

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[68]Harrison, "E. S. Beesly and Karl Marx," p. 232.

[69]*Ibid*.

[70]*Ibid*., pp. 229-30.

[71]Beesly especially. *Ibid*., pp. 237-38.

and the elimination of private property. This put them back in the trade union camp. As Frederic Harrison stated in 1885 at the Industrial Remuneration Conference:

> It would be strange if English workmen, who have laboured so long and sacrificed so much in order to share with their fellows some of that security and independence which the legitimate use of property gives, and who have organised patiently such powerful agencies for checking the abuses of property, were suddenly to declare for universal confiscation in the blind chance that something might come of it. Trades unions, co-operative, building, land societies, and the rest would all disappear, for they all imply the institution of property.[72]

Holyoake accused the Positivists of desiring to rule well but of desiring more to rule.[73] This is unjust. They were paternalists in the sense of seeking to care for the workingman by instilling the capitalist with economic and social morality and of wishing to utilize the State to rearrange economic relationships, but they were not paternalists in the Tory sense, or even the Tory Democratic sense. The moralistic foundations of their movement prevented either the noblesse oblige of the first or the cynicism of the latter.

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The last group mentioned and defined by Chamberlain, the state or municipal socialists, with democracy implied,

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[72]Frederic Harrison, "Remedies for Social Distress," The Industrial Remuneration Conference, Report of Proceedings and Papers (London: Cassell, 1885), pp. 458-59.

[73]Holyoake, "State Socialism," p. 1116.

was not really a group at all, but rather a trend towards which virtually all of the groups were moving during the 'eighties. Said Chamberlain:

> A man who is in favour of our factory legislation is a State Socialist--so is a supporter of the poor law, of free education, of the Artisans' Dwelling Act, or of the vaccination laws. Old-age pensions assisted by the State, land purchase with State advances, municipal sanitary inspection and control, free libraries and art galleries, are all developments of the same principle; while, in a different degree, the universal enforcement of an eight-hour day, municipal workshops for all who are unemployed, and the abolition of private property, are further extensions of the principle.[74]

"Old" trade unionism, the Radicals, the Positivists, "new" trade unionism from 1889, the Christian Socialists, and the Fabians all fit within this definition, for all, to some degree, were state socialists. The problems faced by the English during the 'eighties and their intellectual thrashing-out of these problems made the decade a seedbed of the future. There was developing a synthesis between trade unionism and socialism which shaped the foundations of the Labour Party. There was also, in anticipation, the larger economic synthesis of the twentieth-century welfare State. Every theory of the twentieth century, from communism to Keynesianism, was put forth in some form during the decade. Thus, the controversies of the men of that time have historical value.

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[74]Chamberlain, "The Labour Question," p. 686.

CHAPTER II

THE DEPRESSION OF TRADE: ITS CAUSES AND REMEDIES

(1)

A potentially troublesome economic pattern developed during the nineteenth century. Due to her wide lead in industrial production, England had come to look to foreign trade as a primary source of national prosperity. From the middle of the century, within a framework of unilateral free trade, the economy had built up a relatively heavy dependence upon the importation of cheap raw materials and foodstuffs with which to feed the industrial machine and the laboring masses and upon the manufacturing of goods for export and upon export of capital for investment purposes.[1]

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[1]Phyllis Deane and W. A. Cole, British Economic Growth, 1688-1959, Trends and Structure (Cambridge: At the University Press, 1962), pp. 309-10. "Some idea of the changing weight of foreign trade can be obtained by comparing its value with the value of national income. At the end of the seventeenth century domestic exports of England and Wales were between 5 and 6 per cent of the national income and imports between 9 and 10 per cent. By the end of the eighteenth century these proportions had more than doubled--to about 13 per cent and 21 per cent respectively--but in the period of rapid industrial growth which followed the end of the Napoleonic Wars the home market seems to have responded more readily than the

Until the middle of the 1870's, this pattern was considered by the makers of policy and by the industrial and commercial classes to hold the secret of economic growth and well-being for the nation. There was as yet no serious competition from foreigners in the manufacturing-for-export field, and foreign foodstuffs were seen to comprise an admirable supplement to domestic agricultural

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overseas trade and United Kingdom domestic exports averaged 10 per cent or less of national income for most of the first half of the nineteenth century. Imports began to expand in the late 1840's with the abandonment of the protectionist system, and exports followed. The change was rapid. In the early 1870's, when exports reached their peak in relative terms, they were equivalent in average value to about 22-1/2 per cent of national income and imports reached their peak of nearly 36 per cent in the quinquennium 1880-84."

With regard to the growth of foreign investments, Deane and Cole say that it was remarkable. During "most of the first six decades of the nineteenth century net receipts from invisibles accounted for between 25 and 30 per cent of all receipts from the rest of the world. During the four decades before the First World War they were running at an average level of 35 to 40 per cent of the total receipts from abroad . . . beginning in the late 1850's the outward flow of capital became of sustained importance in the balance of payments" as imports far exceeded exports of manufactured goods. The outward flow "reached its peak outflow at an annual average of about 6-1/2 per cent of the national income in the late 1880's and again in the decade before the First World War" (pp. 35-36).

In another place, these authors say that during the peak of foreign investment, 1885-94, there was a "trough in the domestic investment." "The rate of foreign investment was rising from 1875-84 to 1885-94, and again from 1895-1905 to 1905-14. The reverse was true of domestic investment" (p. 267). The implication for employment, or rather for unemployment, among the working classes is, of course, only too clear. See Appendix I, Tables 1-3, for the contours and contents of foreign trade (<u>infra</u>, pp. 297-99).

production in case of poor harvests, which in the past had led to high food prices and political trouble.

This was still the age of belief in the "harmony of interests" and in the tenet that as the individual accrues wealth so does the nation. Economic liberalism dominated affairs. Free trade, the wages-fund, large profits and low wages equated with economic growth, and laissez-faire were still accepted by the learned as unalterable truths, although in practice the last-named was violated for reasons of expediency. The working classes were seen primarily as suppliers of a factor of production--a cost factor in the production process. Even in cases where they might have been considered consumers, and higher wages contemplated, the "iron law of wages" cast its shadow. It could be argued, and was, that higher wages were more cruel in the long run than subsistence wages which, at least, kept down the supply of labor. Malthusianism was still a living doctrine in the mid-1870's, not yet on the defensive to any great degree. Having just arrived at the threshold of material abundance, men were still obsessed with the production function in economic theory.

In terms of income for individuals, foreign trade was highly lucrative, as were foreign investments, during the first three quarters of the century. According to Robert Giffen of the Statistical and Commercial Department

of the Board of Trade, the gross income assessed from foreign trade increased from 115 million pounds sterling at the beginning of the century to 130 million in 1815, to 251 million in 1843, to 262 million in 1853. Then, between 1855 and 1865, it rose from 262 million to 396 million, and from 1865 to 1875, there was an annual increase of 240 million, with a ten-year total increase of 2,400,000,000 pounds.[2]

During the decade of the 'seventies, however, several indications that prosperity was far less than general became manifest and of growing concern to thinking men and women. One was that the agricultural sector of the economy, particularly the cereals sector, was declining in importance with troublesome consequences. "By the late 1870's, about 37 per cent of British consumption of cereals, about half of the cheese and butter and about 20 per cent of the meat were imported."[3] The effect of this, compounded by several disastrous harvests during 1876-79, was a mass exodus of farm laborers and tenant farmers and their families into the urban centers and a decline of rents for landowners.[4]

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[2]Quoted by Lloyd Jones, "Political Economy, Labour, and Trade," The Newcastle Weekly Chronicle, December 18, 1880, p. 4.

[3]Deane and Cole, British Economic Growth, pp. 32-33.

[4]The agricultural depression will be taken up in the next chapter.

Another manifestation of spotty prosperity was that, although the wealth of the nation was growing at a great rate, so were the poor-rates. In 1750, the rates collected had been less than "three quarters of a million sterling." By 1879, they amounted to not less than £12,871,118. Of this amount, that which was spent "on pauperism alone, as supplementary to deficient wages," was close to eight million pounds, and this for England and Wales only.[5]

The population growth-rate had declined since mid-century.[6] Britons had emigrated by the millions. An unprecedented amount of national wealth flowed "into every corner of the earth to find investment and still further increase." Yet, in England and Wales alone, in 1879, there were 126,288 "adult able-bodied paupers, and a total indoor and outdoor number of all sorts of 837,940." Nor did these numbers include the "many thousands of 'casuals' to be found all over the country where a mouthful of bread or a night's shelter can be obtained for nothing," or the thousands of "ill-paid" men and women who had employment.[7]

That there was growing discontent among those belonging to trade unions was reflected in the large numbers

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[5]Lloyd Jones, "Profits of Industry and the Workers," The Industrial Remuneration Conference, Report, p. 28.

[6]Deane and Cole, British Economic Growth, p. 9.

[7]Jones, "Political Economy, Labour, and Trade."

of strikes chronicled by G. Phillips Bevan in 1880:

1870	30	strikes
1871	98	"
1872	343	"
1873	365	"
1874	286	"
1875	245	"
1876	229	"
1877	180	"
1878	268	"
1879 (to December 1) . .	308	"[8]

These strikes were another manifestation of the maldistribution of the national wealth. They arose either from demands for higher wages during the more prosperous periods, or from resistance to reduced wages, or if wages had to come down, then from demands for a compensating reduction in the length of the working day. The number of strikes occurring between 1872 and 1873 were without precedent, according to Bevan, and even in 1879, when economic conditions were "worse almost than we have ever known them," there were still more than 300 strikes, most of them stemming from employers' attempts to regain lost advantages.[9]

Once depression in trade and agriculture set in during the middle 'seventies, the maldistribution of wealth became more and more apparent. The result was a widespread public debate. It opened with the issue of free trade

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[8] G. Phillips Bevan, "The Strikes of the Past Ten Years," The Journal of the Royal Statistical Society, n.s., XLIII (March, 1880), 37. For a breakdown of these strikes, see Appendix II, Tables 1 and 2 (*infra*, pp. 300-8). These also are taken from Bevan's paper.

[9] *Ibid.*, pp. 37-38.

versus a return to protection, or, at least, to reciprocity. Before long, however, it had ramified over the whole system of economic theory which then prevailed and led to serious challenges to the whole English way of life. At one extreme were those who demanded the complete overthrow of the system, either peacefully or by force, and at the other were the rigid individualists like Herbert Spencer, who demanded that England move closer towards complete laissez-faire.

(2)

By 1879, few in England denied the fact of depression. The disagreements came over specific causes and remedies. The issue which, in effect, raised the curtain on the broader controversy was that of free trade as an economically expedient policy to pursue. Not only had foreign countries and some important British colonies or dominions erected high protective tariffs against British manufactures, the "free-trade policy which had drawn cheap food from the Americas," to the hurt of English grain growers, "was now attracting manufacturers from the newly industrialising, protected countries of Europe."[10] Men began to question the wisdom of that monument to the Manchester School--unilateral free trade. Others rushed into print to defend it.

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[10]Deane and Cole, British Economic Growth, p. 33.

The major criticism levelled against the doctrine of free trade was its unilateral nature. By eliminating practically all tariffs, the Gladstone Government had discarded its bargaining power with governments abroad and in Europe which were still levying protection for their industries.[11] Alfred Russell Wallace, the man who had published a theory of evolution simultaneously with Charles Darwin, was perhaps the most prominent spokesman for a return to reciprocity, by which truly "free" trade could be re-established. Looking at the practical side of the matter rather than the theoretical side, he wrote:

> Till a generation ago we put heavy import duties on food of all kinds, as well as on many other raw products and manufactured articles. On this question of the free import of food for the people, the battle of free trade was fought, and, after a severe struggle was won. The result was that the principle of free trade became a fixed idea, as something supremely good and constantly to be sought for its own sake. Its benefits were, theoretically, so clear and indisputable to us, that we thought we had only to set the example to other nations less wise than ourselves, who would be sure to adopt it before long and thus bring about a kind of commercial millenium.[12]

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[11] C. Halford Thompson, "Reciprocity," Fraser's Magazine, n.s., XIX (February, 1879), 197-210. Thompson was writing in reply to a book by Professor Henry Fawcett, Free Trade and Protection (London: Macmillan and Co., 1878), which opened this aspect of the debate of the 'eighties.

[12] Alfred Russell Wallace, "Reciprocity the True Free Trade," The Nineteenth Century, V (April, 1879), 639.

Since other nations and colonies had, instead, set up tariff barriers against British goods, the Government should reassess its policy and turn towards the principle of reciprocity to re-establish an equal footing in international trade. Trade was, after all, based upon the principle of mutuality. This argument became known as the "Fair Trade" school and was taken up increasingly throughout the decade but with little success until the next century.

The plea for reciprocity was answered by such important Liberals as Robert Lowe, who immediately composed a reply to Wallace. Lowe was truly a defender of the individualists' faith, for his reply was couched, not in terms of expediency, but in terms of justice--that abstraction which the Liberals sought to employ in both domestic and foreign relations with some embarrassing results.

Lowe's theory was that justice would beget justice, and that even, as in the case of trade relations, if it did not, that was no reason to abandon the practices that grew out of it. The erection of tariffs abroad could not alter the principle of "abstinence on our part from the imposition of any tax with a view to raise the price of any commodities, and especially of food imported from abroad." To abandon free trade would be to confess inferiority. As long as British goods remained of superior

quality and of cheaper price, Britain could successfully compete in international markets. Concluding in a tone of pride in one's faith mingled with petulance over others' refusal to be converted, Lowe wrote:

> Nothing is more honourable in the history of this country than the patience with which we have endured the exclusion of our manufactures, not only by rival states but by colonies who expect us, in case they are attacked, to contribute our last man and last shilling to their defence.[13]

The free trade argument, as it pertained to the industrial sector of the economy, centered in the experience of the United States' policy of protection and the damage it had wrought to that nation's economic progress. The free traders rejected the claims of the protectionists that American tariffs benefitted the United States, countering with the observation that, despite high American tariffs, British trade with the United States remained vast. Sheffield cutlery, for example, was exported to the American market in the value of £50,000 during 1879, a depression year, and in the value of £74,000 in 1880. English iron and steel, though "burdened with the cost of transit and 40 per cent. duty," could still "undersell American steel in the American market," because protection in the United States kept up the domestic price of labor and living, so that English products, being made more

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[13]Robert Lowe, "Reciprocity and Free Trade," The Nineteenth Century, V (June, 1879), 1002.

cheaply, could still compete successfully.[14] The British manufacturer had only to keep down his costs of production to maintain his markets abroad. There was more. The protection policy of the United States had ruined the American merchant shipping to British advantage.

> Under the plea of "protecting home industry," "fostering American ship-building," the Americans have paid since 1870 twelve hundred million dollars in gold to foreign shipowners for carrying their freight and passengers, and the bulk of this treasure has come to England.[15]

To the protectionists' agruments that increased customs duties would provide revenue now secured through domestic taxation, the free traders replied that under the existing low-tariff policy in Great Britain, the revenue was greater than under the protectionist policy of the United States. Comparing the two customs revenues for the preceding decade, The Echo declared that "the English receipts maintain a steady level of £20,000,000 per annum," while those of the United States had been falling steadily, from £37,000,000 in 1869 to £27,000,000 in 1879.[16]

The Trades Union Congress in 1881 proclaimed itself to be in support of free trade. Mr. Coulson, the president, said that the working classes "were not going to have a reversion to the nonsense of Protection."[17] This position,

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[14] The Echo, July 1, 1881, p. 2.

[15] Ibid. [16] Ibid.

[17] The Echo, September 18, 1881, p. 2.

in a way, conflicted with the trade unions' goals of higher wages, presenting something of a dilemma. The trade unions opposed the re-imposition of tariffs on foodstuffs or on goods which they used as consumers. Yet, as the free trade argument went, tariffs were unnecessary as long as the cost of producing British goods could be kept lower than their competitors', but this meant lowering wages still further and increasing the length of the working day which implied, in capitalists' minds, greater efficiency of production. On the matter of wages and hours, the usual trade union plea was that by paying higher wages and reducing the hours of labor, the working classes would be better able to consume the goods manufactured. Like all interest groups, the unions wanted to have it both ways to their advantage. But this conflicted with the prevailing economic theory.

Current economic teaching placed the emphasis upon production. In obedience to the doctrine of unfettered competition, the wages-fund, high profits and low wages as the prerequisite of greater savings and investment, the objective became the lowest possible costs of production. When coupled with the "iron law of wages," these ideas precluded and opposed the attempts by unions to raise wages. The orientation here was the "trickle-down" concept rather than the "pumping-up" idea of economic growth. In essence, this was the core of the conflict between trade

unions and the employer classes. The former looked for growth by way of a more prosperous working class; the latter, by way of the capitalist class.

Under the individualists' philosophy, the only way that a British worker could be viewed primarily as a consumer was to emigrate, at which point he became a potential market for British exports and ceased to be a cost-item in the British capitalist's ledger. As long as he stayed at home, he remained a cost-item, and his remuneration was held to the lowest point consistent with his level of living and labor ability. Otherwise, the costs of production would rise. British goods would price themselves out of the competition. National prosperity, because of falling profits, would evaporate completely, and the workers would starve. Since the wages-fund came from profits, and was at any time limited, the trade unionists not only hurt their fellow workers by driving up wages, but themselves as well. For if wages were pushed upwards and working days shortened, the wages-fund would have to be enlarged in the next time period, and profits would thereby decline. Future investment would be curtailed, expecially when British goods no longer could compete favorably in the world market. Since the individualists refused absolutely to consider abandoning free trade, the only alternative was to oppose trade union demands whenever they might be made.

The Labour Standard, which began publication in May, 1881, for the expressed purpose of advancing the cause of labor, took up the issue of free trade as put forward in opposition to trade unionism.[18] The newspaper rejected the orthodox argument that the real cause of depression in England lay in her decreased ability to compete successfully in the international markets as she had hitherto, because trade unions had driven up the costs of production without a compensating improvement in the quality of produced goods. It rejected, too, the orthodox solution of reducing wages still further and of cutting back production until the glut of commodities were cleared from the markets. There was, said The Labour Standard, no necessary glut, only one created by the failure to see the working classes as potential consumers and to raise their wages accordingly.

> Taking the great mass of the people, are they sufficiently housed? Yet houses are empty. Have they enough clothing for themselves and their children? Are their homes furnished as they ought to be? Have they enough fuel for warmth in the winter; or such boots and shoes as the severity of the climate requires? These are not luxuries, but the mere necessities of life.[19]

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[18] For the first several months of publication, its editorial pages carried Frederick Engels' call for the overthrow of capitalism, but in mid-September its voice changed to that of trade unionism, and the Trades Union Congress at that time named it its representative voice by resolution. See The Labour Standard, December 31, 1881, p. 4.

[19] "Over-Production," The Labour Standard, January 28, 1882, p. 4.

Here was another "cause" of depression injected into the debate: not over-production, but under-consumption. While the labor organ did not recommend a "rush to higher wages," which might be too drastic a remedy, it did say that an augmentation of the purchasing power of the working classes would stimulate the economy by providing sufficient demand to clear away the glut of commodities so that production could resume. Since the ruling classes would not take the initiative, the working classes should and use their power to force a new course for the economy. They "now have a chance," wrote The Labour Standard, but if they failed to seize it, "the next commercial crisis may land them in ruin."[20]

There was too much emphasis placed upon foreign trade. Worse than that, the free traders were making contradictory claims concerning trade and the condition of the laboring classes. At this the paper took umbrage. On the one hand, it charged, the free traders claimed to have done more to raise wages and reduce hours of work than any trade union. On the other, they claimed that such increases in wages and reductions of hours were "driving trade from the country," and that the trade unions were to blame for forcing wages up and hours down.[21] The Labour Standard

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[20] Ibid.

[21] "Mr. Bright and the Trades' Unionists," The Labour Standard, April 1, 1882, p. 4.

contended that the struggle for higher wages and shorter working days had been made without much help from the free traders. In no case had they "led the van in such a movement." Indeed, had it not been for the unions' support, free trade itself "would have been nearly a curse instead of a blessing," although many unionists had long opposed such a policy, just as the free traders had all opposed the Factory Laws.

> Both were short-sighted in their policy. The one has seen it--the Unionists; the others--the Free Traders--do not yet seem to be able to comprehend the true facts of the case.[22]

It was the opinion of The Labour Standard that the free trade school regarded the unions as enemies of capital and that when liberation finally came to unionism, it did so through the Tory Party and without the support of the free traders.

This specific issue of free trade became a vehicle for one of the early attacks by the socialist paper, Justice, upon the whole structure of the English society. Shortly after beginning publication in 1884, Justice entered the debate with the statement that the whole controversy over tariffs was actually irrelevant. English workmen were in a terrible situation under free trade, but conditions in America, France, and Germany showed that they were no better off under a protective policy.

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[22] Ibid.

> . . . neither Free Trade nor Protection, neither Republic nor Empire, neither commercial Statesmanship nor State Socialism has the slightest effect in warding off this industrial anarchy due to a system which though carried on by human beings seems wholly independent of intelligent human control.[23]

The only solution, said Justice, was the full ownership by the working class of the wealth-producing factors: land, capital, and their own labor. Here was the point of conflict between the trade unionists and the Marxist socialists. The unionists believed that unions could secure working-class advances by acting as countervailing powers within a basically capitalist society. The socialists insisted that as long as capitalism was the system prevailing, the workers could never escape from wage-slavery, and that labor could never create a strong enough balance against the exploiting classes. Both the unionists and socialists sought the "socializing" of the economy, but by different methods and at different rates of speed towards diverse goals involving capitalism. The unions would use a balance of militancy and compromise at the factory gate and political pressure. The socialists insisted that all laboring people should be and could be joined together in one massive army to overwhelm their oppressors. Unionists believed that the skilled must organize first, gain strength, and prepare the way for the

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[23]H. M. Hyndman, "The Universal Crisis," Justice, January 26, 1884, p. 4.

organization of the unskilled. By organizing first on the local level, then moving through amalgamation on the national and international planes, labor's welfare could be secured.

To some unionists, this approach was too slow, and during 1884, several prominent skilled unionists joined the Social Democratic Federation and took up the revolutionary banner. The blending here of unionism and socialism created a third force during the decade known as "new" unionism. This force played a pivotal role in the creation of the labor synthesis.

(3)

The years 1878-79 were ones of severe depression. The extent of the decline was heralded by the failure of the City of Glasgow Bank in the fall of 1878 and the drop of credit to its lowest point. In the opinion of the orthodox thinker, Robert Giffen, this condition brought forth "all kinds of quack remedies for depressed trade" and for "a suffering community."[24] The widespread pauperism and misery was clearly reflected in the writings of the time, even prompting one follower of Herbert Spencer to propose the revolutionary solution of a system of compulsory national insurance, and the House of Lords to take

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[24]Robert Giffen, "Financial and Commercial History of 1879," The Journal of the Royal Statistical Society, n.s., XLIII (March, 1880), 95.

it up and debate its feasibility.[25] Even among the better-off segments of the artisan class, disaster for their unions and members posed a definite threat, as their funds were drained almost completely to support members who were out of work or on strike. Four of the largest and wealthiest societies--the engineers, carpenters, ironfounders, and boilermakers, "whose aggregate membership was only 93,714, paid in out-of-work benefit considerably over a quarter of a million pounds" in 1878 alone. During 1879 unemployment averaged 12 per cent, with some trade unions recording more than 25 per cent of their membership unemployed.[26]

There was a slight upswing late in 1879, as orders for British exports began to increase. Still, Joseph Chamberlain, in a speech in Glasgow, warned his listeners of another winter of misery and depression and rejected the idea of a revival.[27] As 1880 opened, the Unity Journal, along with other working-class organs, wrote that, while some recovery was apparent, "it is useless to be too sanguine."[28]

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[25]William L. Blackley, "National Insurance: A Cheap, Practical and Popular Means for Abolishing Poor Rates," The Nineteenth Century, IV (November, 1878), 834-57.

[26]Roberts, The Trades Union Congress, pp. 92-93. This point will be taken up in detail in another chapter.

[27]Giffen, "Financial and Commercial History of 1879," p. 95.

[28]"Eighteen Hundred and Seventy-Nine," Unity Journal. A Monthly Journal of Foresters, Oddfellows and Kindred Societies, January, 1880, p. 1.

The significance of the Reverend William Blackley's proposal of compulsory national insurance was that it anticipated one of the prominent programs implemented in the next century. It reflected the desire of the middle and upper classes to reduce their own responsibilities to the masses of poor and, in doing so, their willingness to violate the allegedly sacred principle of laissez-faire.

Blackley was seeking a long-term, responsible solution to the problem of poor-relief, specifically the removal of the burden from the better-off classes. His solution was to use the government to compel the "improvident" majority to provide against potential destitution through compulsory self-help. Aware that his proposal violated the principle of laissez-faire, he insisted that such was hardly novel. There had already been enough state-interference in the free life of the individual subject for the benefit of the "collective subjects," so that no one could honestly say that his idea would infringe upon the liberty of Englishmen, since previous infringements had "blown that silly bubble into thin air long ago." Such an attitude among the individualists helped considerably, in a negative sense, to steer English history towards democratic state socialism.

Blackley argued that nothing but compulsory national insurance could break the vicious cycle of pauperism among the laboring classes.

> A man in trade has a reasonable prospect of an improved condition as he advances in years; his connections extend, his business develops, his earnings increase. But with the labourer these conditions are reversed. . . . The labouring man can make his own provisions; but he can only do it at a certain period in his life, namely while he is still young and unencumbered.
>
> Unhappily for him and for our nation, this period exactly coincides with that part of his life when he is most ignorant and inexperienced; when he wants money least and possesses it in superabundance for his needs; when he is most easily induced to squander away his means and in so doing to contract ineradicable habits of waste and self-indulgence.[29]

Blackley believed that it could not be considered "unjust" for the nation to force every man while he was young and without family responsibilities to insure himself against later adversity. The State could provide this by compelling him to contribute to a national insurance fund and in return provide a guarantee to each man against the loss of his contribution. He proposed that the Post Office be used, as it was already the agent of voluntary savings and just as easily could be made a national agency for compulsory savings.[30]

During 1880, the House of Lords discussed Blackley's scheme at some length, as did certain periodicals and newspapers. Ultimately, the Lords rejected the idea on the grounds that the Government would become "responsible for the funds collected, and might incur dangerous

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[29]Blackley, "National Insurance," p. 840.

[30]*Ibid.*, p. 839.

liabilities." To this objection, Blackley countered that "the Government is only asked to guarantee the compulsion of the necessary payment--a process which involves no risk and can entail no loss."[31]

The Saturday Review examined the proposal and decided that the idea was totally impractical, but Blackley insisted that it was worth a try, for if it failed because pauperism was an inevitable fact of life, England would be no worse off. But if it succeeded, "what words can utter the measure of our gain?" The Times expressed belief that since thrift was the key to prosperity, there could be little objection to making it compulsory.[32] But there the proposal rested until the next century. When it was implemented, the socialists protested the compulsion of worker-contribution from meager wages. Nevertheless, the taking up of the program was another milestone on the way towards the welfare State, and Blackley should, perhaps, receive the credit or the blame for having proposed it as early as 1878.

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Despite one of the worst harvests on record, the slight upswing in foreign trade late in 1879 left the

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[31]William L. Blackley, "The House of Lords and National Insurance," The Nineteenth Century, VIII (July, 1880), 110-11.

[32]Ibid., pp. 113-18.

orthodox mind in a rather optimistic mood. The end of 1880 revealed a cautious complacency. "To all appearances," wrote Robert Giffen, "the conditions of prosperous trade remain, and the year 1881, according to former experience should be even more prosperous than its predecessors."[33] Here was the orthodox assumption that once recovery began, and no artificial hindrances appeared, it would continue towards full employment. During 1881 and 1882, this seemed to be happening. Unemployment declined from the very high level of 1879 to 2.3 per cent of the working population during 1882.[34] This gave the trade unions the opportunity to recoup some of their staggering losses of earlier years when benefit-unemployment-strike payments had virtually drained the resources of the larger unions and had ruined the smaller, weaker ones.[35]

Recovery, however, was at best sporadic. Home consumption had increased, but foreign trade was in trouble, as prices continued to fall. During 1883, the orthodox publication, The Statist, revealed the bewilderment of that school of thought. If "tried by the usual tests," it said,

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[33]Robert Giffen, "Financial and Commercial History of 1880," The Journal of the Royal Statistical Society, n.s., XLIV (March, 1881), 88.

[34]Jones, The Christian Socialist Revival, p. 33, footnote.

[35]George Howell, "The Financial Condition of Trades Unions," The Nineteenth Century, XII (October, 1882), 481-501; "The Work of the Trade Unions," The Contemporary Review, XLIV (September, 1883), 331-49.

"the year 1883 has been a good one for the masses of the community," since consumption and production had improved. This, in the opinion of The Statist, did not reach the problem which was falling prices and profits.[36] The crucial element in the economy, the capitalist, was seeing his profits fall, dragging down his investment capacity for the future.

In 1884, the same publication bemoaned the fact that the short revival of late 1879 had been insufficient to allow for large profits upon which the capitalist might draw in "subsequent years of depression." What was worse, despite depressed conditions for the capitalists and wholesalers, the retail merchants and working classes seemed to be doing well. If one seeks the discrediting, by itself, of orthodox economics, one may, perhaps, find it here, in The Statist's assessment of the causes and remedies of depression.

Ignoring the fact that economic distress for the wholesaler and manufacturer carried with it distress for the working classes, the author, on the one hand, castigated the working classes for not being more thrifty and for thus failing to prepare the way for rapid recovery. On the other hand, he expressed the hope that the workers would spend for additional goods to help clear away the

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[36] Quoted in "Financial and Commercial History of 1883," The Journal of the Royal Statistical Society, n.s., XLVII (March, 1884), 142.

glut of commodities. Completing the confusion, he then said that if only there had been a general fall of wage-levels in the leading trades during the preceding two years, "we would be more confident than we are now of an early recovery."[37] Of course, he did not explain how the working classes might be able to practice greater thrift and save at the time that they were purchasing more goods with reduced wages.

One of the earliest to propound a system of democratic state socialism as a remedy for depression was the Reverend Samuel A. Barnett, who had spent years in the East End of London and had come to realize how inadequate the prevailing approach to economics was. Confronted with the unbelievable squalor of that part of London, he decided that laissez-faire and individual self-help must be supplanted by a "practicable socialism."[38] Like Blackley, Barnett represented the changing mind of orthodoxy. He, too, anticipated the future in his program.

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[37]Quoted in "Financial and Commercial History of 1884," The Journal of the Royal Statistical Society, n.s., XLVIII (March, 1885), 62. See also Robert Giffen, "The Progress of the Working Classes in the Last Half Century," The Journal of the Royal Statistical Society, n.s., XLVI (1883), 593-622, in which he argues that, over all, the working classes had made more progress and gained a greater proportionate share of the increased wealth than the capitalist classes had.

[38]The Reverend Samuel A. Barnett, "Practicable Socialism," The Nineteenth Century, XIII (April, 1883), 554-60.

Under the current poor relief, he said, doles were more harmful than beneficial, for they "did not make the poor any richer but served only to perpetuate poverty." In his view, the "saddest monument" was that "erected to Thrift." The brains of the working man, "which might have shown the world how to save men," had "been spent in saving pennies; his life which might have been happy and full" had "been dulled and saddened by taking "thought for the morrow."[39]

Barnett was no socialist in the sense of desiring the overthrow of private ownership and of capitalism. He did not believe, he wrote, that revolutionary socialism was the proper answer, for it rested upon the creed that the whole society had to be completely reconstructed. Instead, Barnett was a conservative, for he thought that a "change which does not fit into and grow out of things that already exist is not a practicable change." Reconstruction was not needed. One could as easily build upon the already existing principles and policies established in statutes to create a type of socialism that would successfully answer the needs of the laboring classes. In the first place, the Poor Law, which provided relief and medical care for the destitute within workhouses could be extended to provide old age pensions and medical care for the aged outside.

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[39] *Ibid.*, pp. 554-55.

> Pensions of 8s. or 10s. a week might be given to every citizen who had kept himself until the age 60 without workhouse aid. . . . Pensions would be no more corrupting to the labourer, who works for his country in the workshop, than for the civil servant who works for his country at the desk, and the cost of pensions would be no greater than is the cost of infirmaries or almshouses.[40]

In the second place, workhouses could be turned into "schools of industry" to train men and women for jobs. After all, said Barnett, the men and women who had to go into the workhouses generally did so because they lacked training or a skill. Therefore, train them and then release them to make a decent living for themselves. In the third place, "the whole system of medical relief might be so organised as to provide for every citizen the skill and care necessary for his cure." To so organize the medical-care system would be "merely to take another step along the path already entered, and properly organised it need not pauperise."[41] All of these could be done by extending the principle of the Poor Law to all citizens. Nor was the Poor Law the only statute containing the seeds of practicable socialism.

The Education Act could be developed and extended. There could be established a "complete system of national education" to carry the child all the way from the nursery to the university, providing him "with the means to develop the higher life of which all are capable." The Libraries

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[40] *Ibid.*, p. 557. [41] *Ibid.*

Act could be extended to provide playgrounds, libraries, music, and art galleries. The Artisans' Dwelling Acts could be applied to remove the slums and to construct decent housing for the working classes of Britain. "Thus it is . . . that without revolution change could be wrought." Only the extension of and enforcement of the existing laws were necessary to usher in a society to be proud of, and financing could be secured by other reforms: graduated taxation, unlocking the endowed charities, a new assessment of the land tax, the abolition of sinecures, and the elimination of waste in every public office.[42]

Like Blackley, Barnett was cognizant of the fact that even during the good times in England there was too much misery, too much reliance upon the poor-rates which, in turn, failed to achieve what was meant for them to achieve. Both men contributed to the emergence of the tendency towards the welfare State by injecting their arguments into the debate. Yet both men belonged to the orthodox school of thought.

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One of the most controversial solutions to depression offered by the orthodox school was emigration--by State aid if necessary. It grew out of a "cause" put forward by that school concerning depression: over-population

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[42] *Ibid.*, p. 558.

of the country or an over-supply of labor. According to the Malthusian-Ricardian "iron law of wages," when times were prosperous and wages higher than usual, the children of the working classes tended to survive into adulthood and to flood the labor market. The result was that at some point supply of labor outran the demand for it. The market became glutted, and wages dropped below the starvation point with terrible consequences. With the development of colonies around the globe, the Malthusian dictate of starvation came to be replaced by the idea that over-population could be resolved in Britain through encouragement of emigration. First, it was supported on the basis of private means, but, as time went on, more and more of the orthodoxy arrived at the conclusion that the State should lend support--a necessary violation of laissez-faire. These thinkers gave no consideration to attacking the problem from the other end. The root of the workers' distress was over-population relative to a fixed number of jobs and a limited amount of land. The assumption was an almost constant level of technology and wages-fund and level of employment, with only the population increasing. In short, the law of diminishing returns was at work. To resolve the problem, men were willing to violate the Malthusian teaching of laissez-faire to use the power of the State to eliminate the surplus population, because they accepted the "truth" of the Malthusian teaching

that the inevitable result of over-population was starvation.

One such man, Lord Brabazon, was alarmed by the fact that the working-class population was increasing "at the rate of 1,000 pairs of hands a day."[43] He feared, with some reason, that such population pressures would force, if not the nationalization of the land, then its redistribution. Agitation for both was growing strong. Such reforms, he contended, could only alleviate suffering temporarily. They could never permanently resolve the basic problem of too little land and too many people. Emigration, with one's self-respect intact, was certainly preferable to pauper-relief with the loss of it, or to starvation.

Brabazon's proposals were immediately challenged by the socialist agitator, Hyndman. In the first place, Hyndman denied the allegation that over-population was a factor in the continuing depression. In the second place,

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[43]Lord Brabazon, "State-Directed Emigration: Its Necessity," The Nineteenth Century, XVI (November, 1884), 765. Brabazon was only one of several writing in this vein. Although he represented a category of thought, the Tory, who was not really closely associated with laissez-faire as a doctrine, he did, apparently, subscribe to the Malthusian doctrine of over-population and a stationary level of technology, perhaps for reasons of expediency. But I have selected his work, because it is typical and because it received an immediate response from the socialist, H. M. Hyndman, and thus reflects a dialogue. There were, of course, Liberals who agreed in principle with Lord Brabazon's solutions, but, generally speaking, there was no support among the working classes for such a proposal.

he rejected the solution of emigration by any means, public or private. Before these could be accepted, he said, it would be necessary to show conclusively (1) that there was not "plenty of room for the people here" in Britain, and (2) that "circumstances in the country to which they would betake themselves are such at the time as to warrant their going or being sent." Neither had been proven by Brabazon or by anyone else.[44] The truth of the matter was that over-population was an artificial condition stemming from monopolization, on the one hand, and from the heavy use of machinery in manufacturing, on the other. Both of these deprived men of good-paying jobs and, in the latter case, substituted women and children which drove wage-levels down disastrously.[45]

Hyndman cited some figures provided by the orthodoxy to show that over-population was the result of prevailing economics, not of limited factors of production, especially land.

> Mr. Mundella assures us triumphantly that the returns to income-tax have increased from 578,000,000£ to 601,000,000£ during even these years of depression. Mr. Mulhall tells us that the total income of the country is close upon 1,300,000,000£. Mr. Giffen informs us that between 1865 and 1875 the capital of this country increased 2,400,000,000£ or 40 per cent. That is, the actual saving did so, after the population had spent its income in the usual way.

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[44] H. M. Hyndman, "Something Better than Emigration. A Reply," The Nineteenth Century, XVI (December, 1884), 991.

[45] Ibid., p. 995.

> Thus capital value during that period . . . increased at four times the rate of the increase of population. What becomes of over-population here?[46]

In Hyndman's opinion, the nationalization of land and a more equitable distribution of the results of labor were better remedies to the problem than State-directed emigration.[47]

The Labour Standard also spoke out against emigration as a policy. "State-aid means taxation, and to tax the whole people for the benefit of one class, and a portion only of that class, is unsound and contrary to the whole principle of our reformed fiscal system."[48] It would be economically wiser to increase wages and employment at home than to decrease the population, because

> English-speaking workmen could not well find employment in other than English communities, or in America. Why, then, should we seek to lower the rate of wages in those communities by a system of State-aided emigration of our labour? Such a process simply diminishes the chance of increasing work and wages at home. . . . To send so many men away would diminish, it is true, the number of men seeking employment, but at the same time it would lessen the demand for home labour. Every man is a market in himself; he consumes the products of labour; send him away and we lose the demand originated by his necessary consumption of food, clothing, &c.[49]

A preferable approach would be "wise laws," the "maintenance of peace and order by equitable taxation and

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[46] Ibid., pp. 995-96 [47] Ibid., p. 996.

[48] "Economic Jottings," The Labour Standard, May 17, 1884, p. 4.

[49] Ibid.

reduction of national expenditure," which would attract to England more and more of the world's wealth. Here, seemingly, The Labour Standard was trying to draw a balance between foreign and domestic trade. By emphasizing the latter, the former would benefit. The labor organ had no quarrel with "natural" emigration, but it objected to "artificial" emigration and applauded the London Trades Council for having denounced the idea at its annual meeting.[50]

In June, the "voice" of the trade unions ran another editorial concerning emigration and described the pitiful condition of recent emigrants to Canada in protest against the flooding of the colonies with paupers.

> Men who will benefit by emigration, are those who are most likely to get employment at home. The people who loll against lamp-posts with their hands in their pockets and drink at short intervals are no more likely to make money in Canada than they are in England.[51]

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The trade depression worsened during 1884-85. Exports fell off by nearly 3 per cent during 1884 and by another 8 per cent the following year.[52] Unemployment was

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[50] Ibid.

[51] "'Dragonet' on Emigration," The Labour Standard, June 14, 1884, p. 4.

[52] "Financial and Commercial History of 1885," The Journal of the Royal Statistical Society, n.s., XLIX (March, 1886), 136.

rising again. By the end of 1885, the outlook of the orthodox school was that, "painful as the process" might be, "the readjustment of wages" downwards to match the falling prices was "an inevitable condition of a better state of trade and a fuller employment of the working classes generally."[53] Here, the emphasis was still upon cutting the costs of production for the purpose of competing more successfully in the international market. Other groups and individuals were thinking more in terms of the domestic economy as the holder of the remedy for widespread distress. Some voices were growing louder in their demands for drastic remedies. Socialist propaganda swelled during 1885-87, and trade unionism accelerated its shift towards the left.

By 1886, conditions had become so bad that the orthodox voice considered an upturn positively inevitable, because "the usual causes of improvement"--low, low prices and reduced production--were present in even greater degree, so that the market seemed bound to clear itself and make way for recovery. Even more promising was the sad state of labor. Unemployment had topped 10 per cent of the working force.[54] In March, 1887, the observation upon potential revival was that

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[53] Ibid., p. 143.

[54] Jones, The Christian Socialist Revival, p. 33, footnote.

> it is also in favour of the improvement of trade, from the merchant's point of view, that at the present time labour is very abundant, and there is little chance as yet of any check to the improvement being given by strikes and lock-outs. Working men have been impoverished by the long depression, and are likely to be more amenable to reason than they would if they were richer, or had just come through a long period of prosperous employment.[55]

If there was any doubt that the orthodox thinkers saw the working classes as anything but suppliers of a commodity--now happily to be had at the cheapest rates in years--this quotation should have removed it. Now that the worker had reached the maximum point of misery and unemployment, the costs of production could surely be reduced even further and England's ability to sell abroad enhanced thereby. Such expectations of unresisting acceptance of employers' dictates by unionists were overly optimistic, as we shall see, and, indeed, as one can only expect when unending misery brings on impatience if not despair. What amazes the student of the contemporary writings is the basic conservatism of the English working classes. But such patience was running short in 1885-86. The demand was growing louder for positive State intervention, if not for total socialization.

In 1886, The English Laborers' Chronicle reiterated Joseph Arch's call for relief works to stimulate demand by

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[55]"Financial and Commercial History of 1886," The Journal of the Royal Statistical Society, n.s. L (March, 1887), 178.

providing employment for the masses of people without work. Relief works had "the special merit of affording instantaneous relief." Not only that, they would lack the "odor of pauperism" and would prove both "remunerative" and "beneficial."[56]

The Trades Union Congress, already embarked along a path towards democratic state socialism, began to accelerate its pace from 1885. The motivation came as much from the unions' reaction to orthodoxy as to revolutionary socialism. The president of the T.U.C. in 1885, Mr. Threlfall, demanded land nationalization; a legislated eight-hour day, to be enforced by salaried inspectors; and compulsory arbitration to regulate the rates of wages. Among the resolutions adopted by the delegates was one calling (again) for free education in England.[57] Such "socialistic" measures brought criticism from The Saturday Review, a Liberal organ: "The President of the Congress boldly repudiates all the doctrines which have hitherto been held to constitute the science of political economy."[58]

At the T.U.C. of 1886, the president, Mr. Maddison, was heartily applauded by the delegates for what The

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[56]"The Prevalent Distress," The English Laborers' Chronicle, February 20, 1886, p. 1.

[57]"The Trade-Unions Congress," The Saturday Review of Politics, Literature, Science and Art, September 19, 1885, p. 370.

[58]Ibid.

Economist called a speech in "the very spirit of Socialism" and "the exact reverse of the spirit of old trade unionism."[59] The first charge was more true than the second one. Mr. Maddison addressed his co-unionists on the matter of depression, saying that "although we may differ as to the causes of the state of things as well as to the remedies, we are agreed that the toiler does not get a fair share of the results of his industry."[60] He appealed to the unionists to rise above their concerns for their separate trade associations and to convert the T.U.C. into an effective body "to guide the army of labour into the paths of safety."[61] For Maddison, the depression grew logically out of the defects of the current economic system, and the remedy lay in the elevation of the working classes to a position of sharing equally with other classes in the national wealth. Inequitable distribution was the fatal defect of the capitalist system. According to that system's philosophy,

> the capitalist is the great motive power of the world's prosperity, and the labourer is altogether secondary. And so the worker has too often been

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[59] "The Trades Unions and Socialism," The Economist, September 11, 1886, p. 1132.

[60] The Trades Union Congress, Report of the Nineteenth Annual Trades Union Congress, held at Bethel Lecture Hall, Sykes Street, Hull, on September 6, 7, 8, 9, 10, and 11, 1886 (Manchester: Co-operative Printing Society, 1886), p. 19.

[61] Ibid., p. 21.

> regarded as simply a piece of machinery for producing capital. But the truth is that, however revolutionary it may seem to some, the capitalist has no existence apart from labour. In a word, there is no capital but labour. Instead of capital and labour being separate, the former is but as the fruit and the latter the tree.[62]

Maddison's "cure" for unemployment was the adoption of a legal eight-hour day and land nationalization. He rejected the return-to-protection arguments because that method had been tried in the past and had failed. Even in other countries where it still was the practice, the situation had been made hardly easier for the workers. What was needed, instead, was for English trade unionists "to educate the workers in all countries in those principles of unionism which we ourselves have tested."[63] He expressed a hope for the growth of an international trade unionism. Finally, he recommended State-aided emigration for those who wanted to emigrate, and he warned unionists against co-operatives as a solution to their problems on the grounds that they contained the seeds of a severe form of tyranny.[64]

J. L. Mahon, a member of the Socialist League, called the speech "the most interesting of all that was said by the orthodox section of the Congress"--"remarkably advanced for a trades' unionist, and remarkably backward

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[62] Ibid., p. 20.

[63] Ibid., p. 22.

[64] Ibid., pp. 23-24.

for a Socialist."[65] Maddison's speech marks an acceleration leftwards within the trade union movement, perhaps. Many other "old" unionists were supporting him. But this was not a departure, since the remedies he called for had been called for earlier in the decade. There was no doubt of growing impatience and militancy within the T.U.C., although most of the trade union leaders, whom historians label as "Lib-Labs," were seeking a middle road between laissez-faire and socialism, rather than capitulations to either opponent.

One such "old" unionist was George Howell, the most articulate of them all, having published many articles and books over the course of his career and having been one of the outstanding voices of trade unionism from the decade of the 1860's. He was a bricklayer by trade. He had led in the struggle for the reform of 1867, had served as secretary of the Parliamentary Committee of the T.U.C. for years during the 1870's, and was a member of Parliament during the 'eighties. Howell was a pivotal figure in the debate. He represented the emerging attitude which was neither economic liberalism nor proletarian socialism, but was, instead, a precursor of the later systems of Institutionalism and Keynesianism. In short, his approach to the economic problems of his day lay within the realm of

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[65] J. L. Mahon, "The Trades' Congress," The Commonweal, September 18, 1886, p. 196.

democratic state socialism of a mild sort, with emphasis upon the effectiveness of trade unionism to advance the workers' welfare.

Writing in 1878, long before the Marxist challenge had spread to England from the Continent in any degree, Howell stated his belief that it would have little appeal to the average British workingman, being, as it was, a foreign philosophy.[66] A few years later, 1883, Howell wrote an article warning the policy-makers that there were both benefits and dangers inherent in the socialist creed. He made a plea for the implementation of the benefits in order to forestall the dangers. As a starter, he called for State construction or financing of better dwellings for the working classes in England, and he castigated the conservatives who labelled social legislation as communistic or socialistic for the purpose of discrediting such measures.

> If helping the poor in this way, doing for them what they cannot do for themselves, or aiding them to do what they cannot accomplish alone, be socialism or communism, the more we have of it the better, when wisely and judiciously administered. It is not wise, however, to fling these epithets at every bit of legislation, or attempted legislation, intended for their special benefit. If on these grounds such action is opposed and resisted, they will come to regard socialism as the instrument of their salvation, and they may embrace the more pernicious theories in connection with it. . . . Much has been

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[66] George Howell, "The History of the International Association," The Nineteenth Century, IV (July, 1878), 19-39.

> done for trade and commerce, and still more in the interest of landownership that equally deserves to be stigmatised as socialism; but the term in its reproachful sense is usually reserved for movements aiming at the amelioration of the condition of the masses of the people.[67]

During 1886, when unemployment had reached serious proportions, Howell proposed an emergency measure: the holding of the Queen's Jubilee one year early to stimulate the economy. For this expedient, he received the sneers of Hyndman's Justice which accused him of having been "bought and paid for with Liberal money," and therefore, like all trade unionists who opposed the socialist revolution, unfit to lead the labor movement or even to speak for it.[68]

The following year, prompted by an inadequate final report of the Royal Commission on Depression in Trade and Industry, George Howell wrote two articles dealing with foreign trade as the source of the economic problems in England and offering reasons why foreign trade--that is, declining exports, increasing imports, and falling prices --was not the crux of the matter. In these writings, he showed a grasp of the relationship between income flow, the consumption function, and the multiplier effect in anticipation of Keynes. His view of society anticipated the Institutionalists'.

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[67] George Howell, "The Dwellings of the Poor," The Nineteenth Century, XIII (June, 1883), 1006-07.

[68] "Mr. George Howell on the Crisis," Justice, February 27, 1886, p. 1.

Howell took issue with such remarks as that made by the President of the Local Government Board, Mr. Ritchie, that "there was not any distress beyond the power of the usual poor-law machinery to deal with."[69] On the contrary, Howell said, the distress was far more serious than that, and something more could be and should be done. He saw the depression resulting from several conditions within the domestic picture which all revolved around the problem of under-consumption. He noted a radically enlarged population of unemployed which resulted from extended use of machinery and from consistent use of overtime for the purpose of reducing the costs of production by hiring fewer hands and working them longer hours.

> The extent to which this pernicious system of systematic overtime is worked is immense, and it carries with it no corresponding advantages. The extra money earned by the men is usually squandered, for their over-taxed energies require stimulants to keep up the strain. And even at the best the money so earned only partially helps to regain the pawned goods put away during slackness of trade.[70]

Overall, the average wages of labor, taking into account the employed and the unemployed, the skilled and the unskilled, were far below the minimum required for bare subsistence. Even in more prosperous times the workers had

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[69]George Howell, "The State of Our Trade," and "Fluctuations in Trade and Wages," The Fortnightly Review, XLI (1887), 196-210 and 534-45.

[70]Howell, "Fluctuations in Trade and Wages," p. 539.

no margin with which to purchase manufactured goods in any significant amount.[71]

The working classes made up the bulk of the consuming public. They spent all of their wages and more just to stay alive, whereas the more prosperous classes, to whom the dominant economic theory looked for growth, constituted a relatively small minority of the population and spent a far smaller proportion of their incomes on the purchase of commodities. For these reasons, the conservative, or orthodox recommendations seemed illogical in the extreme to Howell. They called for retrenchment as a necessity and they noted with regret the ill-effects of such action upon the artistic trades and upon the level of profits.

> There can be no doubt as to the diminished profits, or as to certain ill effects that have followed them. But the very people who complain of these things suggest as a remedy lower wages for the working people. This means lessening their power of consumption by diminishing their means of purchase. How it is possible to increase production and therewith employment, by decreasing consumption, is quite beyond comprehension. In my humble judgment it must have the contrary effect. If the contraction of the means of the richer classes--comparatively few in number--is disastrous to industry, what must the result be when the purchasing power of the masses of the population is reduced? . . . I hold the opinion that the average wages of our working people are too low, and that further reductions can only intensify our commercial difficulties.[72]

Relying upon figures provided by the orthodox economists, Howell showed that within the chief industries the

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[71] *Ibid.*, p. 544.

[72] *Ibid.*, p. 543.

average wage amounted to 18s. 4d. a week, and that these figures did not include the general or unskilled laborer, whose average wages would be much lower. How could it be expected that these workers could purchase "cottons, woollens, furniture, boots and shoes and the like" when one-sixth of their meager wages went into rent and taxes alone? Even if their wives and children also worked, their incomes would be no more than 22s. or 23s. per week.

The depression could not, then, be blamed upon failing foreign trade, at least not to the extent that it was by the orthodoxy. Under-consumption at home was a more cogent explanation. Although prices had fallen in foreign trade, the net exports between 1880 and 1884 of British and Irish goods had "increased by £163,996,097, or by £32,799,219 annually." The rate of net imports had diminished: increases amounted only to an annual £24,068,178, or less than by £4,848,408 yearly during the years 1880 to 1884. In 1885, the net exports were £11,565,719 in excess of those of 1875-79.[73] These were Board of Trade statistics. They showed clearly that the balance of trade was favorable to Britain. The real stagnation lay in massive under-consumption at home, and that arose from the fact that the working classes "are perpetually engaged in producing, more with a view of supplying other markets than

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[73] *Ibid.*, p. 544.

for home consumption." With such an orientation of the production process, wages were pushed too far down, in order to keep costs of production down, for the working classes to be able to purchase commodities. That was the real and remedial source of the glut. The emphasis was upon the production function of the worker rather than upon his consumption function.

Anticipating the Institutionalists, who in turn anticipated John M. Keynes, Howell compared the nation to a family and declared that each contained "the seeds of decay when one portion feasts to satiety while another portion droops and dies of hunger." This was not the approach of the economic liberalism of the time, of the Liberal Party. If anything, it stood closer to socialism, although not the revolutionary sort. It was the macro-economic approach of the later welfare State. Howell expressed a cognizance of the depression-prosperity-depression cycles, but he argued that they could be calculated and to some extent made less severe, either by individual effort, "or by state aid, or by local effort, or by all combined."[74] In this sense, he was representative of the trend towards democratic state socialism within the trade union movement. We shall examine this point more closely, but there are two other aspects of the depression, the agricultural depression

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[74] Ibid., p. 545.

and the Industrial Remuneration Conference, which must be taken up first. The latter is especially important to historians, for it reveals the jelling in English minds of the need to temper capitalism with certain degrees of socialism to advance the national cause.

CHAPTER III

THE AGRICULTURAL DEPRESSION: FREE TRADE AND THE LAND QUESTION

(1)

The agricultural sector of the British economy entered upon a long decline around the middle of the nineteenth century, and the 'eighties were the worst decade. They brought the sharpest drop in percentage of total net national income[1] and as great a reduction in the number of agricultural laborers as had been seen between 1871 and 1881 when 100,000 were forced off the land.[2] The run of

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[1]Deane and Cole, British Economic Growth, p. 298, provide the following figures concerning the share of agriculture, forestry, and fishing in Britain's national income, 1867 to 1900:

1867-74	15.7%
1870-79	14.0%
1875-84	11.9%
1880-89	10.0%
1885-94	8.7%
1890-99	7.6%

According to T. W. Fletcher, "The Great Depression of English Agriculture, 1873-1896," The Economic History Review, second series, XIII (1960-61), 422-27, the agricultural distress existed only in the grain-growing sector, since, except for the middle 'eighties, the livestock sector was highly prosperous.

[2]See supra, chapter i, footnote 64. Deane and Cole write that "It appears that, in terms of numbers occupied,

poor-to-disastrous harvests between 1876 and 1879, which in earlier times would have caused severe bread riots, aroused no more than a fierce debate. Coupled, as they were, with a depression in trade and industry, and the Irish agitation, they stimulated public discussion on two main issues: (1) whether agriculture should be returned to the protection of tariffs, and (2) whether the land should be redistributed. Within the second issue were the more specific questions of: (1) whether it was sufficient merely to reform the land laws concerning ownership, sale, rent, inheritance, and tithes; (2) whether it was preferable to redistribute the land so that peasant proprietorships and/or land allotments would predominate; or (3) whether the only valid solution lay in the socialists' demand for total nationalization of

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British agriculture reached its peak in the middle of the nineteenth century. In 1851, with a working population of more than 2 millions, it was still the most important British industry. But by 1871 there were more persons in domestic service than in agriculture, and more in commerce and finance (excluding transport) than in either. By 1881 there were probably fewer people in agriculture than there had been in 1801 though the population of Great Britain had increased some two and a half times. . . . One feature of the fall in the agricultural labour force which does not emerge from the overall figures . . . deserves particular notice, however. This is the fact that the loss of labour was almost entirely a loss of hired labour, not a decline in a number of farmers." In 1871 the percentage of the nation's labour force employed in agriculture, fishing, and forestry was 15.1%; in 1881, 12.6%; and in 1891, 10.5%. As this decline continued, there were only two alternatives for the laborer: To emigrate or to move into the industrial centers and compete for the unskilled jobs.

the land. On these issues the spectrum of opinion was broad and confusing.

There were, aside from the non-agricultural groupings which we shall take up later, a conflict of interests within the agricultural sector. Not only was there a conflict between landowners, farmers, and laborers, but there was a "basic conflict of interest, felt rather than formulated," between the two sections of agriculture, arable and livestock, "which prevented the formulation of any co-ordinated view, any single, forceful, agricultural policy, any effective co-operation."[3] Even if the landlords, farmers, and laborers had been able to agree with each other sufficiently to form a bloc and thus to protect their interests in grain farming, which they were not, they would have found themselves opposed not merely by the industrial interests who demanded cheap imports, but by the livestock farming interests which also favored cheap grain. Thus, no "farm bloc" was possible. T. W. Fletcher describes the dichotomy in agriculture this way:

> It was not simply that arable farmers, mainly in the south and east, suffered a steep fall in the prices of their principal output products whilst livestock farmers, predominant in the north and west, enjoyed more favourable prices, but that every fall in the price of cereals, so damaging to corn growers, was to them, the livestock producers, clear gain, because it meant a reduction in the price of their most important input--feed.

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[3]Fletcher, "The Great Depression of English Agriculture," p. 430.

> Further, every fall in the price of bread to the consumer, other things equal, stimulated the demand for livestock products. Livestock farmers gained on either hand and their economic interests were aligned with those of the manufacturing population to the extent that cheap bread meant cheap livestock feed and an expanding industry meant full employment, high wages, and a stronger demand for meat, milk, eggs, and dairy products.[4]

Generally speaking, then, the arable sector of the economy stood in isolation in its attempts to improve its situation, specifically, through the restoration of protective tariffs to shut out cheap foreign grain. The industrialist, who for practical as well as ideological reasons favored free trade, wanted cheap food for his employees, because that meant lower wages and, thus, higher profits. The industrial worker, although he hoped to secure higher wages through unionism, still opposed tariffs on foodstuffs so that at least his real wages would rise. The socialist opposed tariffs simply because they failed to solve the problem as he interpreted it, but he also opposed free trade for the same reason. In other words, to the revolutionary seeking the overthrow of capitalism, the issue of free trade versus protection was immaterial, for either way, one of the two exploiting classes would gain, while the worker did not. Only the Tory graingrower and landlord of grain-lands desired a restoration of the corn laws. The decline of that sector was, therefore, virtually foreordained in 1879, when it

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[4] *Ibid.*, p. 424.

became obvious, thanks to cheap imports, that the British economy and its social-political stability was no longer to have its destiny determined by the sort of harvests at home. Recognition of this break with the economic past was happily made by The Statist and by Robert Giffen during 1879-80.[5]

Quoting articles from The Statist of the summer of 1879, Giffen traced this remarkable development, this liberation of the national economy and fortunes from the influence of farming. The Statist had remarked on June 21st, with a sense of trepidation, that it remained to be seen whether the trade revival which was beginning to show some promise would actually "come in time to prevent another semi-crisis" due to poor harvests which were anticipated for that year. It could discern, it thought, some favorable symptoms, the most important being the "prosperity of the labouring classes, including the agricultural labourers, notwithstanding the bad times for farmers and landowners."

Then, on June 29th, The Statist commented that "harvest prospects" were growing more and more alarming, making it "all but certain that a good harvest, or even a harvest slightly under the average, would revive trade," but a bad one would be troublesome. It expressed the hope

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[5]Giffen, "Financial and Commercial History of 1879," pp. 95-108.

that trade would improve fast enough and soon enough to cancel any ill effects from the land. The point of concern was that the "conjunction of low prices of agricultural produce with bad seasons is so unusual that it is difficult to predict what the general effect on trade will eventually be."[6]

The answer seemed apparent by the end of August. The Statist happily observed that foreign grain would be available in abundance, and the British could exchange manufactured goods for wheat, thereby stimulating revival, even if the domestic harvest turned out to be poor. Giffen wrote with relief in March of the following year:

> In other words, all the conditions of revival were present, except a good home harvest, and as that element was believed to be less important than it had been, the conclusion was reached that a bad harvest would not prevent revival. This conclusion may now be considered a settled one. There could hardly have been a worse season than last year's, yet trade revives.[7]

Although Giffen was quick to point out that the prosperity or depression of one segment of the economy made up of some 10 per cent of the population was certainly influential,[8] he was obviously relieved that the historical pattern of dominance by agriculture of the general economic destiny seemed to have come to an end. Others were less sanguine than Giffen, either about trade

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[6] Ibid., p. 100.

[7] Ibid., p. 101.

[8] Ibid., pp. 101-2.

prospects or about the importance of the agricultural sector, and, when depression continued into the 'eighties, the debate on that question manifested itself in the issues mentioned at the beginning of this chapter.

(2)

Those who argued that the crux of the agricultural problem lay in competition from foreign wheat and that the sole solution was to return to protection were a small minority of the population. Even the voice of the agricultural laborer was opposed to such a scheme, despite the claim by protectionists that tariffs would solve the problem of unemployment and depopulation of the countryside. The English Laborers' Chronicle warned its readers not to be taken in.

> Workingmen should remember that Protection has been tried in England and that the condition of the people during that period was one of chronic starvation and misery. If our labourers and artizans will only consult the records of the country from 1820 to 1846, the period when Protection was in full swing, there is little to fear that they will ever abandon the principles of Free Trade under which we now live.[9]

The attitude, then, of the followers of Joseph Arch was the same as that of the urban workers: free trade, if it did nothing else, at least assured plentiful and cheap food and forestalled the threat of starvation. Meanwhile, their union would join with the industrial unions and continue to press for higher wages and shorter hours.

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[9]The English Laborers' Chronicle, November 23, 1883, p. 1.

The protectionists' plea was for a five shilling tariff on every quarter of imported corn. They insisted that such a tax would hardly be felt, for it would amount to no more than "a half-penny a loaf," while it would mean the salvation of landowners who were being forced to remit rents, farmers who, despite remission of rents, were having to abandon their holdings, and agricultural laborers who were being driven off the land in huge numbers. But their plea was rebutted and rejected by the majority of articulate Englishmen for diverse reasons. In one case, The Spectator rejected the program on the grounds that corn was too basic, too vital a commodity to be taxed, that such reciprocity would have no real effect upon Americans, and that only Englishmen would be the poorer for it.

> If the 5s. duty were imposed to-morrow, every Englishman would, as consumer, be so much poorer; and every tradesman--traders in alcohol more especially --would feel his customers' poverty and lack of money to spend; and every workhouse would cost more, and every riot would become more grave; but no American would suffer any loss of custom. Food is an absolute necessary, and every pound of corn that we do not grow we must import.[10]

Therefore, dire need of sufficient quantities of food was one answer to the protectionists. "Natural protection" was another one, put forward by James Caird, for one, in his opening address as president of the Royal

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[10] "The Meaning of the 'Fair Trade' Cry," The Spectator, September 10, 1881, p. 1159.

Statistical Society in November, 1881. English corn-growers, he said, were closer to the English consumers than their American competitors and so were already enjoying an advantage over them much greater than five shillings a quarter. The cost of shipping American grain from the western prairies was, at the lowest rate, 1s. 6d. on a quarter, or 42s. an acre on the average produce of English wheat crops, and somewhat more on barley and oats.[11]

There was, evidently, a large enough number of tenant farmers in support of the landlords' call for a return to protection to cause The Echo to despair. In its Liberal voice, The Echo asked what could be done with such people who, when confronted with such "manifold evils" as archaic land laws, tithes, etc., accept the red herring of protection? "They have the example set them by the Irish farmers" and fail to profit from it. "Instead of throwing off their chains, they have manifestly resolved to hug them." Could they not understand that once tariffs had been reimposed that the landlords and not they would benefit, for rents would not only cease to be remitted but, indeed, would be raised?[12] No, the farmers' only salvation

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[11] James Caird, "The Opening Address of James Caird, Esq., C.B., F.R.S., President of the Statistical Society, delivered on Tuesday, 15th November, 1881," The Journal of the Royal Statistical Society, n.s., XLIV (December, 1881), 632.

[12] The Echo, September 7, 1881, p. 2.

lay in supporting the Liberal-Radical attempts to establish tenant rights in England as in Ireland. Their interest was not identical to the landlords' but rather to the manufacturers and their employees.

> Need we point out that, the more the farmer can produce the more labour he employs and the more both farmer and labourer can afford to buy of the manufacturers and operatives.[13]

For this argument espoused by the manufacturing classes, as for that of the protectionists, the Social Democratic Federation had nothing but contempt. Both were irrelevant. "Neither protection nor free trade," wrote Hyndman, "neither cheap nor dear food, will help the workers as they are today."[14] Only working-class ownership of land and capital, through a socialist State, would cure the prevailing distress.

Another socialist, John Sketchley, challenged the protectionists' call for tariffs as an ostensible aid to agricultural labor. They claimed, he said, that "the importation of food supplies displaces so much manual labour at home and is injurious to the community at large." As a result, the value lost by displaced labor between 1868 and 1883 amounted to £51,195,942. But, Sketchley replied, the losses cited by the protectionists were open to question

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[13] The Echo, September 29, 1881, p. 2.

[14] H. M. Hyndman, "The Cheap Food Fallacy," Justice, April 5, 1884, p. 3.

if one examined the Rent Schedule of the Income Tax returns for the same period, for one would find there

> a total increase over the assessment of 1868 of no less than £94,064,559. Thus the extra rent that has gone into the pockets of the landlords exceeds the loss of displaced labour on wheat lands by more than £42,000,000.[15]

Sketchley condemned the pending investigation by the Royal Commission on Depression as a waste of time. Such a body was not able to prevent other countries from developing their resources or the progressive use of machinery in England. It would never recommend a reduction of land rents, or "home colonisation with associative production" or "a juster distribution of the wealth produced." These could only be achieved by revolution. Nothing else would avail.[16]

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The question of redistribution of the land received its stimulus from the Irish agitation which had extracted a positive political response from the Gladstone Government in 1880.[17] Some reformers believed that it was enough

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[15] John Sketchley, "The Government and the Depression of Trade," Justice, August 1, 1885, p. 4.

[16] Ibid.

[17] Rural landholding was not the whole picture. Urban leaseholds to the wealthier people for very long periods--99 years--also tended to create monopolizations of land in the cities and became, as a result, a target of the reformers, among them Henry Broadhurst. D. A. Reeder, "Urban Leaseholds in Late Victorian England," The

merely to alter the archaic land laws. Under them, land was virtually unsaleable, and there was no security of tenure or compensation to tenants for permanent improvements they made. Excessive rents, others said, dictated a heavy depopulation of the rural areas by farmers, laborers, and adjunct village tradespeople. The lack of sufficient capital investment in land improvements prompted others to favor driving "the little farmer out of the land" and putting it into "the hands of a smaller group of big men" who had greater amounts of capital to invest.[18] Still others advocated the opposite: the establishment of either peasant proprietorships or laborers' allotments, or both, and at the extreme end, the socialists demanded full nationalization of the land. Thus, like all other issues, the land question brought into play the full range of opinion. It even brought fame to an American named Henry George, whose Progress and Poverty became a best-seller in 1881 for its call for full rent-appropriation by the State in the form of the single tax, a call which placed George and his followers between the Radicals of the Liberal Party and the socialists, Marxist and non-Marxist.[19]

International Review of Social History, VI (1961), 413-30. Broadhurst was, according to Reeder, the first politician publicly to bring up the problem of urban landholding, p. 414.

[18]"Landlords and Tenants," The Magnet, Agricultural, Commercial and Family Gazette, January 12, 1880, p. 4.

[19]The T.U.C. adopted a resolution for nationalization of the land two years before the Social Democratic

In this debate, as in the others, one finds disagreements and overlappings within and among the categories of thought.

There were Tories who, when faced with the socialists' demands for full nationalization, shifted leftwards to accommodate their former opponents, the Radicals, to forestall more drastic action. There were "old" unionists who supported the Radicals and others who supported the socialists. Some Christian Socialists followed Henry George, but others went beyond Georgism. The Land Nationalization League resembled the Georgists, since it, too, sought only land nationalization and not the nationalization of capital as well. The major political parties, of course, tended to be divided on the land question.

The Radical proposals were put forward by Jesse Collings in 1881 and taken up thereafter by Joseph Chamberlain. The inspiration seems to have been Gladstone's responses to the Irish agitation which held lessons for land reformists in England. Of all solutions proposed, the Radicals' was based upon the broadest popular support. When Jesse Collings, M.P., declared in mid-September of 1881 that he would introduce motions at the next session of Parliament to establish the principle of peasant proprietorships in England, he was cheered by Henry Broadhurst,

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Federation did. "Fifteenth Annual Congress of the Trades' Unions of Great Britain and Ireland," The Labour Standard, September 23, 1882, p. 3.

secretary of the Parliamentary Committee of the T.U.C. and an M.P. for Stoke, and by The English Laborers' Chronicle.[20]

Most of the Tories were outraged when they discovered that Collings not only intended to redistribute the land but to rely upon State financing to accomplish it. To their protests against such injustice, The English Laborers' Chronicle replied to refresh their memories:

> . . . when the Corn Laws were abolished half-a-century ago, [the landowners] received a loan of TWO MILLIONS for the benefit of agriculture, to be repaid in twenty-two annual installments of 6-1/2 per cent. . . . They borrowed £2,000,000 from the State at 6-1/2 per cent. interest, and after expending it upon the land, charged the farmers 7-1/2 per cent. Consequently they had their estates improved for nothing, raised their rents, and pocketed 1 per cent. into the bargain.[21]

Collings's proposal did receive some support from the landed classes. In February, 1882, Viscount Lymington, son of the Earl of Portsmouth, declared his support of Collings's motion.[22] The following November, he published an article warning his peers to support peasant proprietorships or face more extreme governmental interference. If they opposed the creation of small, individual properties in land, they might be confronted with the more "grave

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[20]"Land for the Labourers," The English Laborers' Chronicle, September 17, 1881, p. 1.

[21]"State Aid for Agriculture," The English Laborers' Chronicle, November 19, 1881, p. 1.

[22]"Peasant Proprietary," The English Laborers' Chronicle, February 25, 1882, p. 1.

practical misfortune" of the Government's fixing of rents and its "undertaking the invidious and hopeless task of arranging the relations between landlord and tenant."[23]

Meanwhile, Collings had to withdraw his motions upon a request from Gladstone.[24] But in December, 1883, he issued a circular calling for the creation of an Allotments Extension Association for the purpose of "allotting small portions of land to the poor in the rural districts."[25] This plan, like Chamberlain's, became known in Tory circles as "three acres and a cow."[26]

In February, 1884, Collings published an article explaining a dual system of peasant proprietorships and small plots for laborers. Again, he sought State-financing. Once the county reforms promised by Gladstone's Government had gone through, the State would lend money to local administrators at, say, 3 per cent interest to be used to purchase and use farms and plots by tenants and laborers, subject to certain conditions. Security for the loans would be the land itself, "supplemented by the local

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[23]Viscount Lymington, "Land as Property," The Nineteenth Century, XIV (November, 1883), 861.

[24]The English Laborers' Chronicle, March 24, 1883, p. 1. No reason was given in this article for Gladstone's action.

[25]"The Allotment System," The English Laborers' Chronicle, December 8, 1883, p. 1.

[26]"The Unemployed," The Saturday Review, February 27, 1886, p. 282.

rates."[27] This system was taken up by Joseph Chamberlain during 1885, an election year. Speaking in Birmingham, he asserted that every man in England had certain natural rights, among them "a right to a part of the land of his birth." For this "socialistic" proposal, The Economist accused him of cynically taking up the "philosophy of Robin Hood" and of spouting demogogic "clap-trap."[28]

Chamberlain's scheme was part of a three-pronged "Radical Programme," which included free elementary education and a system of graduated taxation. With regard to land reform, he supported the use of State funds for land-purchase, "to be allotted for adequate rents and upon conditions of culture" to anyone who wanted to live by farming.[29] Put forth in an election year, it spawned vociferous support and opposition. The Tory opponents denounced the plan as sheer plunder and insisted that "penury and woe cannot be eradicated" by acts of Parliament.[30] Lloyd's Weekly Newspaper, a supporter of Chamberlain, was quick to point out that the arguments for such a plan differed only from the Tories' legislative history in being aimed at

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[27]"Occupying Ownership of Land," The English Laborers' Chronicle, February 16, 1884, p. 7.

[28]"Mr. Chamberlain's Theories of Property," The Economist, January 10, 1885, p. 34.

[29]"Mr. Chamberlain's Three Points," Reynold's Newspaper, October 4, 1885, p. 1.

[30]"The Radical Programme," Lloyd's Weekly Newspaper, September 27, 1885, p. 1.

another class of Englishmen. For the Tories to decry legislation directed towards helping the poor on the grounds that acts of Parliament could not benefit them was hypocritical. It might be that legislation could not abolish penury and woe, but,

> on the other hand, it is universally admitted that the Legislature may do much to improve the conditions of the toiling millions, and to give them a better chance of living a life that is worth living. That is the assumption upon which all social legislation--the Factory Acts, the Education Acts, the Act for the Better Housing of the Poor, to say nothing of the innumerable measures passed for the amelioration of Ireland--have proceeded. All this legislation is as distinctly Socialistic as any which is now foreshadowed by "The Radical Programme." Yet we find the Tories claiming the credit for the Factory Acts, and congratulating the country, on the part they have more lately played in legislating for the Better Housing of the Poor in Towns. Neither Mr. Chamberlain nor any of his colleagues aims at the introduction of a new principle.[31]

The Duke of Argyll was one of the most vocal defenders of the Tory reaction. Seeking to discredit the Radical land reformers, he charged that they professed a desire to extend and multiply the ownership of land but, in reality, they advocated the destruction of ownership altogether. They proposed to divide the land "between a duality or multiplicity of interests with no freedom between man and man to settle matters of business on business principles." The result would only "scare away commercial capital" by rendering the reward too precarious.[32]

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[31] Ibid.

[32] The Duke of Argyll, "Land Reformers," The Contemporary Review, XLVIII (October, 1885), 471.

The previous year had seen Argyll claim for the landowners their rights on the basis of morality, law, and "right of conquest," as he accused Henry George of proposing robbery.[33] In light of what had long been going on in the highlands, Argyll's claims of moral right were audacious.[34] As for his claims of "right by conquest," Henry George turned it the other way and warned the Duke that

> when the masses of Scotland, who have the power choose to take from the Duke the estates he now holds, he cannot, if this be the basis of his claim, consistently complain.[35]

When George published Progress and Poverty in England in 1881, it aroused opposition not only among the Tory landowners and some Liberals, but also among the revolutionary socialists. Whereas the Tories were horrified by his drastic socialism, Hyndman was shocked by his lack of it, for George had no quarrel with the capitalists who were the most bitterly despised by the socialists. In fact, George looked forward to making the laborer a small capitalist through the free use of land.

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[33]The Duke of Argyll, "The Prophet of San Francisco," The Nineteenth Century, XV (April, 1884), 537-58.

[34]For a history of the ouster of the clans from the Highlands by their chiefs, see John Prebble, The Highland Clearances (London: Penguin Books, 1963), which also includes an account of George's trip through that area and his reactions.

[35]Henry George, "The 'Reduction to Iniquity,'" The Nineteenth Century, XVI (July, 1884), 138.

A dialogue took place between George and Hyndman on this difference.[36]

Hyndman assured George that he expected far too much from his rent-appropriation idea. It was too limited a goal to be effective and would leave the worker in his same old position of having to compete with his fellow workingmen for subsistence wages, because labor would still be under the control of the capitalist class. Only the latter would reap advantages from the proposed change. Said Hyndman:

> The historical growth of private property in land has ended in the domination of the capitalist class or bourgeoisie. In England, at any rate, the landlord is a mere hanger-on of this class--a sleeping partner in the product taken from the labourer by the capitalist.[37]

Henry George disagreed. Since land was the basic element in the creation of capital, which derived from labor upon the land, all that was necessary was to liberate the land and open it to the use by anyone desiring to do so. Free land meant free competition for both the employer and the employee.

> No monopoly of capital of which it is possible to conceive would, so long as land was open to labour, drive wages to the starvation point. As for the landlord being a mere hanger-on of the capitalist, the monopoly of land is the parent of all other

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[36]Henry George and H. M. Hyndman, "Socialism and Rent-Appropriation. A Dialogue," The Nineteenth Century, XVII (February, 1885), 369-80.

[37]Ibid., p. 370.

> monopolies. . . . Give men land, and they can get capital, but shut them out from the land and they must either get some one to let them work for him or starve.[38]

Unlike Hyndman, George was not opposed to capital per se. He foresaw a blending of socialism and capitalism, but Hyndman looked forward only to the destruction of the latter and to complete socialization of the economy. As long as any trace of capitalism remained, wage-slavery would be the predominant pattern. The State must own all means of production. Private property must be done away with. The State, in short, must become the new and the only monopoly. George contended, however, that monopoly in any form was the real and basic evil, witness the monopoly in land. Therefore, eliminate the land-monopoly and one would eliminate the monopoly in capital, for the latter derived from the former. All men would have access to capital by having access to land.[39] Hyndman replied that unless capital were also nationalized, the working classes would still be at a great disadvantage, having no capital to begin with.[40]

George finally conceded that, once the land monopoly had been destroyed, if "it were then found expedient to go further on the lines of socialism," that could be done. But he fretted over the possibility that the S.D.F., by

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[38] Ibid.

[39] Ibid., p. 373.

[40] Ibid., p. 374.

demanding everything at once, would cause the postponement of "the most necessary and important thing," rent-appropriation and the workers' free access to land. Hyndman said the expected: it was mandatory that socialists strike at both exploiting classes simultaneously, since the capitalist was the most powerful and the landlord only less so. Without this, there could be no lasting gains for the workers.[41]

The land question remained an open and debatable one for the rest of the decade and beyond. It was an important part of the Industrial Remuneration Conference in 1885 which was called to consider the economic problems facing England and which mirrored the thoughts and reactions of the major schools of thought of the decade. The Conference is important and deserves to be examined in detail.

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[41] *Ibid.*, pp. 377-78.

CHAPTER IV

THE INDUSTRIAL REMUNERATION CONFERENCE

(1)

The trade depression worsened during 1884-85. Exports declined in those years by something like 11 per cent from 1883. Unemployment began to rise again to serious proportions after having fallen to a low of 2.3 per cent during 1882. By 1886, it reached a level slightly above 10 per cent.[1] The Marxist challenge had suddenly appeared in two organizations, the S.D.F. and the Socialist League, and it was calling upon all labor to join together in the overthrow of capitalism. Trade unions were under severe attack now from both the left and the right on the political spectrum. The Fabian Society had come into being but was still in its militant phase, aligned with the S.D.F. and the Socialist League. British thinkers of all categories were deeply concerned with what appeared to be chronic stagnation and an obvious maldistribution of wealth, and in 1884, a Mr. Miller of Edinburgh gave, anonymously, one thousand pounds

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[1]Jones, The Christian Socialist Revival, p. 33, footnote.

> to the purpose of "keeping before the public mind this vital question, viz.--what are the best means, consistent with justice and equity, for bringing about a more equal division of the daily products of industry between Capital and Labour, so that it may become possible for all to enjoy a fair share of material comfort and intellectual culture, possible for all to lead a dignified life, and less difficult for all to lead a good life?[2]

In response to Mr. Miller's request, a group of prominent men agreed to become the Trustees of the donation, and they called upon the Statistical Society to assist them.[3] Together, these formed a Joint Committee,[4]

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[2]The Industrial Remuneration Conference, Report, p. v. Historians tend to ignore the Conference. At best, it is mentioned only in passing. See M. Cole, The Story of Fabian Socialism, pp. 8-9. Mrs. Cole states that the Conference had so little impact that "Mr. Miller's thousand pounds might as well have been thrown into the Thames." In my opinion, this is too strong, for who can say what the impact was? After all, the Conference was considered to be sufficiently important to attract many of the leading thinkers of the decade. If specific results in the form of legislation cannot be traced from it, it still might have had an educative effect upon those attending. If nothing else, it has historical importance because it constituted a mirror reflecting the times and problems and Englishmen's reaction to them. The whole spectrum of opinion was brought forward for hearing and discussion there. The attendance shows that there was a deep concern to do something constructive.

[3]The Industrial Remuneration Conference, Report, p. v. The Trustees were: Sir Thomas Brassey, Mr. John Burnett, Mr. Thomas Burt, the Earl of Dalhousie, Professor Foxwell, Mr. Robert Giffen, and Mr. Frederic Harrison.

[4]Ibid., pp. v-vi. The Joint Committee members were, in addition to the Trustees, Sir Rawson W. Rawson, Professor Leoni Levi, Mr. F. G. P. Neison, Major Ritchie, Mr. Stephen Bourne, Mr. David Dale, and the Rev. W. Cunningham, all of the Statistical Society. Later, the following men were added: Mr. A. H. D. Acland, Mr. W. Crawford, Mr. W. H. Hey, Mr. B. Jones, and Mr. R. D. Roberts.

which, in turn, decided upon a conference "at which the interests of Capital and Labor respectively should be adequately represented by practical men." Papers were to be read, followed by discussions, along certain topical lines. An announcement was made of the Committee's "willingness to receive offers of papers and information" from trade societies or other groups which wanted to send delegates.[5] A broad framework of questions was recommended for consideration by those interested in preparing papers for presentation:

1. The existing system by which the products of industry are distributed.
2. Do any artificial and remedial causes of industry influence prejudicially
   (a) the stability of industrial employment;
   (b) the steadiness of rates of wages;
   (c) the well-being of the working classes?
3. How far, in what manner, and by what means would the more general distribution of capital, or the State direction of capital, contribute, or not contribute, to
   (a) an increase in the products of industry;
   (b) the well-being of the classes dependent upon the use of capital? (Co-operative production, profit-sharing, &c.).
4. How far, in what manner, and by what means, would (1) a more general ownership of land (peasant proprietorship), of an interest in land (tenant right), or (2) the State ownership of land, conduce, or not conduce, to
   (a) the increased production of wealth;
   (b) the welfare of the classes affected by the change?
5. Does existing legislation, or the incidence of existing legislation, affect prejudicially
   (a) the production of industrial wealth;
   (b) the well-being of the classes engaged in production;

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[5] *Ibid.*, p. vi.

(c) the natural or the most beneficial distribution of the accumulating products of national industry (including Succession Duties, Friendly Societies, Insurance, &c.).

Can any of these be promoted by changes in existing legislation?[6]

The announcement of the questions to be considered in composing papers was published in London and provincial newspapers on September 8, 1884.[7] The Conference was to be held in London in January of 1885. Frederic Harrison published in The Pall Mall Gazette, simultaneously with the announcement, a statement of intent concerning the coming Conference:

> The trustees have sought to originate an inquiry which should not start from any doctrine, and which should be open to all interests. They have sought to reduce to a minimum that inevitable part of every inquiry into these wide questions which is desultory, unscientific, anarchical, or doctrinaire. They would wish to have the debate limited to those who have something to tell us that will stand sifting; and at the same time they do not exclude from a fair hearing any serious opinion or school.[8]

This was probably directed towards the extreme Marxists and Anarchists, although there were representatives of the former, at least, who expressed their ideas at the Conference. Once the Committee began "to consider the practical arrangements of a three days' Conference in greater detail," the members discovered that the questions to be posed on each day "must be put somewhat differently if they were to evoke good discussion." Therefore, each

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[6] Ibid., pp. vi-vii.

[7] Ibid., p. vii.

[8] Ibid., p. viii.

day of the Conference dealt with a more specific question than those in the announcement of September, 1884.[9]

On the opening day, January 28, 1885, the Conference heard papers and a discussion on the first, more specific question chosen: "Has the increase of the products of industry within the last hundred years tended most to the benefit of capitalists and employers, or to that of the working classes, whether artisans, labourers, or others? and in what relative proportions in any given period?" This question, it might be said, sounded the opening gun on a modern debate which historians have not yet resolved and which has tended to become an issue between Marxist and non-Marxist historians in a latter-day "cold war."[10] Frederick Engels's Condition of the Working

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[9] Ibid., p. x.

[10] See, for example, T. S. Ashton, "The Standard of Life of the Workers in England, 1790-1830," The Journal of Modern History, Supplement, IX (1949), 19-38; Eric J. Hobsbawm, "The British Standard of Living, 1790-1850," The Economic History Review, second series, X (1957-58), 46-61; R. M. Hartwell, "Interpretations of the Industrial Revolution in England: A Methodological Inquiry," The Journal of Economic History, XIX (1959), 229-49, and "The Rising Standard of Living in England, 1800-1850," The Economic History Review, second series, XIII (1961), 397-416; Frederick Engels, Condition of the Working Classes in England, translated and edited by W. O. Henderson and W. H. Chaloner (New York: The Macmillan Company, 1958). For a contemporary exchange, aside from the Industrial Remuneration Conference, see Robert Giffen, "The Progress of the Working Classes in the Last Half Century," already cited, and "Further Notes on the Progress of the Working Classes in the Last Half Century," The Journal of the Royal Statistical Society, XLIX (1886), 28-91; and James G. Hutchinson, "Progress and Wages. A Workman's View," The Nineteenth

Classes in England, published during the 1840's, was the first "Marxist" statement on the question, but prior to the Industrial Remuneration Conference, there does not seem to have been a formal exchange on the issue.

Sir Thomas Brassey was the first to present his analysis of the question. A wealthy man greatly concerned with the economic and social problems of the time, Sir Thomas personified the well-meaning, far-from-complacent orthodox thinker, who honestly desired to ameliorate the distress of the working classes. In an earlier paper, he had shown a grasp of the problems they faced and of the consequences of failing to see the workers as potential consumers. Yet, he had fallen back upon anachronistic orthodox solutions and, what was worse, platitudes,[11] which made him an object of the Marxist's scorn.[12] In his paper to the Conference, he did much the same thing.

Century, XVI (1884), 630-38. Hutchinson's article if only one of many of the 'eighties which replied to Mr. Giffen's highly optimistic view of the progress of the working classes, but it is one of the best, for it handles Mr. Giffen's arguments point-by-point.

[11]Thomas Brassey, "The Depression of Trade," The Nineteenth Century, V (May, 1879), 788-811. An example of his platitudes was his conclusion to this article: "The inheritance of wealth has rarely proved the source of pure and unalloyed happiness. It exposes the feeble to temptation; it casts upon stronger natures a heavy load of responsibility." Such words hardly came to grips with the problems.

[12]See, for example, "Mr. George Howell on the Crisis," Justice, February 27, 1886, p. 1.

Sir Thomas began by recognizing the need to improve the economic situation and the advantages to be gained from "a more equal distribution of wealth, or a closer community of interests between capitalists and workmen." Well and good. But with that, he launched into a specious argument based upon orthodox statistics to show that the workmen's conditions had vastly improved, relative to the capitalists', over the preceding century. Real wages had risen because of the great increases in productive capacity which provided cheap and abundant commodities. In turn, the workers' standard of living had risen, giving lie to the "vague impression which prevails that the rich are growing richer and the poor poorer than before." Steady progress was a fact of life in England, Sir Thomas concluded.[13]

Lloyd Jones, who followed Sir Thomas, disagreed.[14] In the first place, he said, there were too many complexities in life for statistics to reflect it accurately, either in determining the collective wealth of the nation or its distribution. There were too many variables, too many unknowns.

> The proportion that goes to the higher and middle classes cannot be discovered. Rent on land may be

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[13]The Industrial Remuneration Conference, Report, pp. 4-22.

[14]Lloyd Jones was a regular contributor to The Newcastle Weekly Chronicle on economic and labour questions until his death in May, 1886.

> pretty accurately estimated; profits on trade, wholesale and retail, never. The Statistician makes a wild guess, and tables it in figures; but he, in fact, leaves the matter where he found it. . . . Going from our manufacturers and traders to our working people, the difficulties of the statistician increase.[15]

It was one thing, Jones said, to risk a guess as to the number of people "belonging to that loosely defined class, commonly called the working class," and to estimate what any one individual in that class makes by the day, or week, or by the year. But it was something else to draw up a composite statistical picture, for

> it is usually forgotten that there are serious deductions to be made from an income so reckoned on account of sickness and broken time, through misfortunes in the workshop, and a number of minor causes, which, although they do not attract public notice, are yet serious causes of loss and suffering to large numbers of workmen.[16]

Even assuming that one-half the number of men in any of the skilled trades belong to the union of that particular trade, one would find that within every union there were always some numbers unemployed, more in bad times, fewer in good, but always some. And the other half of the trade who were non-unionists were "usually worse situated," because the men do not, as a rule, help each other, nor are they usually of the more highly skilled. One of the big unknowns which statistics failed to take into account had to do with "lost time."

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[15]The Industrial Remuneration Conference, Report, p. 29.

[16]Ibid., p. 30.

Citing the work of Mr. Hey, a secretary of the Moulders' Union, who had prepared "an elaborate account from the books of his society," Jones stated that the time lost by members of that union had been 20 per cent, or one-fifth of the whole membership's time worked. Extend this calculation to non-unionists in the same trade, and the amount would be even higher. Add to this the depression in trade existing, and, despite "generous efforts" to "relieve the sufferings of the unemployed," it was not too much "to say that not only savings, but wages, yet unearned, have to be largely used to get rid of the indebtedness incurred at such times."

> Professor Leoni Levi, in a recent article in the Times, brings the wages of the workers up to 523 millions sterling; but the calculation of Mr. Hey rubs out over 100 millions of this amount.[17]

Jones provided another argument to refute Sir Thomas Brassey's optimistic conclusions. This dealt with the instability of employment and prosperity over the decades of the century. Out of sixty years in the century, there had been six years of economic and financial crisis and depression, fifteen years of severe depression and stagnation, six years of slow recovery, eighteen years of prosperity, and eleven years of "over-taking and commercial reaction." Because of the accompanying instability, the workers had faced very unfavorable conditions over all, for the

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[17] Ibid.

"employer's chief resource, to curtail expense of production, at such times lies in a curtailment of the wages of labour."[18]

Such action on the part of employers usually resulted in costly strikes by unions to try to preserve their gains and, when prosperous times allowed, to recoup their losses or try to make new gains. The unions were only too well aware of the cost of strikes. For that reason, they generally tried to avoid them now if any alternative could be found.[19] Arbitration was an alternative, but the trouble with it was that it was slow and expensive, to say nothing of the fact that its results were far from certain. Sliding-scale wages had been tried, too, but these had not yet proven totally satisfactory. Besides, they were used only in the coal trade.[20]

Sir Thomas had spoken of the savings of the working classes which, in growing over the last century, had provided proof of improved conditions. Lloyd Jones replied. Such investments "in savings banks, building societies, co-operative and other societies" were proofs of providence, not of increased means. Nor were they capable of being viewed as "a permanent acquirement," for one must balance deposits with withdrawals to find the truth. The funds in building societies, said Jones, belong "to a large extent," to "other classes," anyway, and "the money saved in the

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[18] *Ibid.*, p. 31. [19] *Ibid.*, p. 32. [20] *Ibid.*, p. 33.

co-operative societies of the kingdom is simply a saving on expenditure, the bulk of which is drawn out at intervals to meet the household requirements of the members."[21]

Jones found other fallacies in the orthodox statistics. The working classes were just that, several classes or economic groupings, and there could be "nothing more variable than the net income of working-men."

> The wage paid, the time worked, the numbers to be supported, vary so much and so continually, that how much passes into the houses of the working-men to meet, per head, the requirements of their families cannot be got at with anything approaching to certainty.[22]

Jones did not, then, agree with Sir Thomas and his breed who argued that the working classes were progressing commensurately with the increase of the national productive powers or with the growth of wealth. Moreover, he said, no amount of statistics would ever convince the workers that it was so. The unions, therefore, must continue to struggle to bring about, by legal methods, a better way of life for the worker.[23] What particularly irritated Jones was that the orthodox mind, when it did concede that labor had serious problems, fell back upon the charge that the workers were the "chief authors of their own miseries." His long experience with labor had shown him that "their virtues and self-denying economies far outweigh their follies and

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[21] Ibid., p. 34.

[22] Ibid., pp. 35-36.

[23] Ibid., p. 40.

extravagances."[24] How irrelevant it was, he said, to count the savings of the working classes in order to show where the wealth of the nation lay and to call for the practice of thrift as the workers' key to success and prosperity.

> Why lose time in calculating the pennies spent by the working-men for food, drink, clothing, and rent, instead of going to the accumulated property of the country, and telling us how much of it belongs to the middle and upper classes?--their possessions in land and houses, in railways and our merchant navy, in British and Foreign loans and stocks; in mines, factories, iron-works, and other tangible forms of national wealth.[25]

The paper which marked the high point of the first day of the Conference--according to George Bernard Shaw, it "made such an impression that the demand for copies outran the supply before she had finished reading it"--was Edith Simcox's.[26] Miss Simcox was prominent in the labor movement. Her analysis had a socialist bent, though not a Marxist one. Unlike the Marxists, she recognized greater complexities in the social and economic strata of England, with mobility running upwards and downwards. Rather than describing economic class structure in terms of a horizontal line dividing bourgeoisie and proletariat, prosperity on the one side, penury on the other, she drew vertical differentiations which revealed that both conditions could be found in all groups.

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[24] Ibid., p. 37. [25] Ibid., p. 38.

[26] George Bernard Shaw, "The Industrial Remuneration Conference," The Commonweal, March, 1885, p. 15.

Like Sir Thomas Brassey, Miss Simcox rejected the cliché concerning the rich growing richer and the poor, poorer; but, unlike him, she argued that prosperity or progress was far from evenly distributed. Beneficiaries and losers could be found in all economic and social classes. Technology, capital-accumulation, and skill were her criteria by which one could measure the degree of progress.

> The chief benefit of the industrial progress of the last century has been reaped--amongst the capitalists by the greatest capitalists; amongst employers by the largest employers; in general by the dealers in commodities (labour included), rather than by the makers or producers; and amongst makers and producers, by those engaged in the most skilled rather than the most laborious work. In other words, there is more difference between the wealth and expenditure of a large manufacturer or mill-owner and a small one than there was a hundred or even fifty years ago; there is more difference now between owners of one of the colossal clothes-shops of the West End and the little draper of a county town than there was in the same trade a hundred years ago; there is more difference between a great contractor and a working builder, more difference between a great banker and his manager and clerks now than there was then; and, finally, there is more difference between the skilled artisan of to-day--an educated trades unionist, politician, and probably social reformer--than the residuum of the industrial population, than there was a century ago between the steadiest mechanic and the most loutish labourer.[27]

Taking up the point of pauperism, which in orthodox argument was steadily and happily diminishing, Miss Simcox remarked that one needed to remember "that pauperism and poverty were more clearly co-extensive terms in 1800 than

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[27]The Industrial Remuneration Conference, Report, pp. 84-85.

in 1880." While one might speak of the "comparative diminution of pauperism" as a good thing, one should not "argue from it a corresponding diminution of poverty."[28] Too many of the working classes were too well acquainted with the condition. Of concern to her was her belief that the trade unions had not been making progress as rapidly during the 'eighties as before. Moreover, although unionism offered certain distinct advantages to a workingman, it could not be assumed that the unionist was consistently better off than the non-unionist. There was, she said, no "hard and fast line between society and non-society men." Too often a unionist had to drop his membership when times were bad. If there were "workmen outside the trade societies who are as well off as any unionist," there were also "plenty of unionists who feel the pinch of want." She estimated that of the five million workers in England, no more than two million enjoyed a security of the most modest sort. The other three million received wages which only sufficed "for the necessities and the barest decencies of existence, and for whom, therefore, any mischance means penury, passing swiftly into pauperism."[29]

All things considered, there had not been pure gain for any class, but the working class, as a whole, had gained the least of all. The fault lay in the prevailing economic system. The capitalist, propaganda to the contrary, had

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[28] *Ibid.*, p. 90. [29] *Ibid.*

"not acquired solely by his own merits or industry the wealth standing in his name"; nor had the individual pauper lost out "solely by his own guilt or indolence." Where society had helped the former, it had failed miserably to help the latter. The cure, however, did not lie in "social war" or revolution, she said, unless it was a revolution "in the minds and consciences of the community" expressed through "a radical reformation of the theory and practice of the economic world."[30] This, she hoped, would come to pass.

> Each step forward on either side will make the next step easier for both, and as the few and the many draw together, the distinction between the two classes will cease to be that between workers and spenders.[31]

As the remaining days of the Conference showed, Miss Simcox expressed the consensus, and as later decades showed, she reflected the general attitude of Englishmen.

(2)

On the second day of the Conference, the question taken up was: "How far do the Remedial Causes Influence Prejudicially (a) the Continuity of Employment, (b) the Rates of Wages?" Alfred Marshall, a leading economist whose theories blended the supply-orientation of the classicists with the demand-orientation of the Jevonian and Austrian schools, presented his views first. His thesis was

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[30] *Ibid.*, p. 95. [31] *Ibid.*

that there were, indeed, remedial causes which had prejudicial influences upon employment and wages.[32]

"In one sense," said Marshall, he was "a socialist," for he believed that "almost every existing institution must be changed" to better serve the public weal. But he was opposed to "Utopian schemes for renovating society," if such schemes passed beyond the "theoretical stage prematurely," since their almost inevitable failure would trigger a reaction.[33] An economic "Burkean," Marshall believed that economic institutions, being "the products of human nature," could not change faster than human nature changed. Since governments were also manifestations of human nature, they were, as a rule, not fit instruments for bringing about remedies, although he did allow for such exceptions as public control of the water supply and certain other functions.

Where government could play an important role was in the establishment of a stabilized standard of purchasing power to prevent the dangerous speculation in business then current. The Government should publish tables periodically which reflected the fluctuations in the purchasing power of gold for the purpose of steadying the interest rates. In other words, Marshall would steady the money supply, from which arose the rate of interest at any given time, on the

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[32] *Ibid.*, pp. 173-99. [33] *Ibid.*, p. 173.

assumption that all else would follow to the good. The private sector would take the initiative from that point.

> Government already does work of the kind desired in regard to the tithe commutation tables. But instead of dealing with wheat, barley, and oats, it would deal with all important commodities. It would publish their prices once a month or once a year; it would reckon the importance of each commodity as proportioned to the total sum spent on it; and then by simple arithmetic deduce the change in the purchasing power of gold. Borrowing could then, at the option of the contracting parties, be reckoned in Government units. On this plan, if A. lends to B. 1,000£. at 4-1/2 per cent. interest, and after some years the purchasing power of money had risen by an eighth, B. would have to pay as interest, not 45£., but a sum that had the same purchasing power as 45£. had at the time of borrowing, i.e., 40£., and so on.[34]

A remedy which Marshall rejected out-of-hand was the restoration of tariffs.[35] As for low wages, he proposed three remedies: (1) improving methods of production which would "increase the produce of each man's labour when aided by a given amount of capital"; (2) "a rapid growth of capital, forcing it by its own competition to accept a lower rate of interest," for this would leave a larger sum to be paid out in wages; and, most important of all, (3) increasing the numbers of higher industrial grades relative to lower ones, causing the more skilled to give up part of their share to the less skilled. The upshot would be to raise wages in the area needing it most. Over the long run, said Marshall, the most effective way to raise wages was through education, in home and school.[36]

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[34] *Ibid.*, p. 185. [35] *Ibid.*, p. 181.

[36] *Ibid.*, p. 182.

Marshall was the spokesman of the businessman, and his remedies lay within that arena. Yet, he was aware of the dangers inherent in widespread poverty. Even with that, he could not approach the problem from the consumption side first; at the most, he could see it only as half of the problem but not the starting point for solutions. He was not callous, however, towards the distress suffered by so many of the working classes.

> However great may be our distrust of forcible socialism, we are rapidly getting to feel that no one can lay his head on his pillow at peace with himself, who is not giving of his time and his subsistence to diminish the number of the outcasts of society, and to increase the number of those who can earn a reasonable income and have the opportunity of living, if they will, a noble life.[37]

It was Marshall's hope that human nature could accelerate its evolution, through better knowledge of economics, towards what he called "stewardship," which would create a climate favorable to remedial actions. This approach was labelled, perhaps correctly, by the socialists as both "timid" and "paltry," although Shaw believed that, in spite of the conservative attitude of Marshall, he had made a genuine contribution by discussing some of the finer economic points which "were not likely to be touched by anyone else."[38]

The papers following Marshall's were Emma A. Patterson's "Continuity of Employment Rates of Wages," which dealt

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[37] Ibid., p. 183.

[38] Shaw, "The Industrial Remuneration Conference."

with the problem of women workers;[39] Edward Beesly's "The Education of Public Opinion," which argued that what was needed was "not a transference of capital from one set of persons to another, but that those who possess it should use it well."[40] This, of course, was the philosophy of Positivism, and it added the moral facet to Marshall's "stewardship."

There was a paper given by W. J. Harris, M.P., defending trade unionism as the best countervailing power to capital and therefore the optimum remedy for the workers.[41] W. H. Houldsworth, M.P., read his paper which was the most energetic defence of laissez-faire economics presented at the Conference.[42] A paper by Stephen Harding argued for the opening of new markets abroad and for the cheapest possible production of export goods, to be coupled with a return to reciprocity, if not to outright protection.[43] Papers were presented by supporters of the co-operative movement, Benjamin Jones and Edward W. Greening.[44] The group of opinion which was missing on the second day was the socialists, but they had a "field-day"[45] on the third,

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[39]The Industrial Remuneration Conference, Report, pp. 199-207.

[40]Ibid., pp. 215-21.

[41]Ibid., pp. 221-31.

[42]Ibid., pp. 231-35.

[43]Ibid., pp. 235-40.

[44]Ibid., pp. 265-304. These will be taken up in chap. v.

[45]Shaw, "The Industrial Remuneration Conference."

when the question of whether "the more general distribution of Capital or Land, or the State management of Capital and Land, would promote or impair the production of wealth and welfare of the Community?"

(3)

The discussion of the last day was, in a way, the central one of the whole Conference and reflected the crux of the debate of the entire decade: was the economy operating as it should to produce the greatest prosperity for the greatest numbers, and if not, why not? What were the best remedies to be applied? Was reform possible, or was reconstruction necessary? Within the discussion, arguments were presented covering both the agricultural and trade depressions, with all groupings represented.

Concerning the depression of trade and agriculture, Alfred Russell Wallace spoke on the topic, "How to Cause Wealth to be More Equally Distributed."[46] He began by refuting the orthodox dogma that "cheapness is a good thing, and is an end in itself; and that when everything or almost everything, including labour, is cheap," everyone would be a gainer. This, he asserted, was the dogma which operated to prevent a rise in wages, and it pleaded the usual case that higher prices, resulting from higher wages and costs of production, would price British goods out of the

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[46]The Industrial Remuneration Conference, Report, pp. 368-92.

international market. In Wallace's opinion, this was a delusion.

> There would always be some goods that we could manufacture at a lower proportionate rate than other countries, and these goods we should continue to export in exchange for such products of those countries as we require.[47]

What men should pay attention to was the elevation of the level of wages of the unskilled masses without raising proportionately those of the skilled workers who were not desperate. If the unskilled laborers' wages could be raised without pushing up the price of the products of skilled labor, the result would be an end to "those excessive irregularities in the distribution of wealth which now prevail among us."[48] Wallace rejected the orthodox argument that only a reduction of the supply of the unskilled would have the necessary remedial effects upon the problem of dire distress. He countered it by saying that

> this is not only impracticable, but absurd. Our production of wealth per head of the workers is far greater now than it ever was, yet a large proportion of these workers live in want of the necessaries and comforts of life, and many are in a condition of absolute penury and starvation. What we want is a better distribution of the wealth that is produced. But a diminution of the labourers means diminution of the wealth produced, not necessarily a better distribution of it. If all who are now compulsorily idle were at work, still more wealth would be produced, and with a better distribution of this increased wealth there would be not

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[47] *Ibid.*, p. 371. [48] *Ibid.*, p. 370.

> only necessaries, but comforts, pleasures, and intellectual enjoyments for all.[49]

Wallace's remarks here, like so many others' at the Conference and throughout the decade, marked out for English thinkers the socializing framework within which capitalism could be humanized for general advancement and national prosperity. Like George Howell and others, he grasped the consumption function which became the core of the Keynesian system of thought as well as that of the welfare State-economics that grew out of it. Not only did a nation lose something by discarding its unemployed members as far as potential production of wealth was concerned, it also discarded at the same time a potential consumer force. Unfortunately, this orientation towards the domestic consumer was delayed too long. But it is important to notice that there were men in England who had the foresight to see it clearly and to plead for its adoption by policy-makers and employers.

The discussion and papers read concerning the land question on the last day of the Conference brought to the foreground the struggle between socialists and trade unionists for control of the labor movement, as well as the struggles between Tory, Radical, and socialist. The resulting trend of thought was towards democratic state socialism, with trade unions being supported as the preferable instrument of labor in securing advances.

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[49] _Ibid._, pp. 371-72.

Arthur J. Balfour spoke eloquently on behalf of the Tory landowners on the land question. His paper was entitled "Land, Land Reformers and the Nation."[50] He drew a distinction between revolutionary socialism on the Continent and in England as part of his defense of landowners and in an apparent attempt to re-direct the attention of reformers and socialists towards their true enemy, the industrialist.

> . . . on the Continent it is capital rather than land, or land considered for this purpose as part of capital, against which attacks are chiefly directed. In England it has been land rather than capital, or as distinguished from capital.[51]

Why the distinction? In his view, it grew out of the fact that the Continental socialists limited their attacks to the industrial or urban capitalists, because if they attacked land-ownership, they "would invariably array against them the whole body of peasant owners who form over large parts of Europe so important a portion of the rural population."[52] By contrast, in England the

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[50] Ibid., pp. 336-68. M. Cole, The Story of Fabian Socialism, pp. 8-9, states that Balfour paid a "somewhat unexpected tribute to the intellectual powers of Karl Marx, who had died shortly before, contrasting him with the Single-Taxer Henry George." This is correct. It is also logical that, since Marx's attacks were directed primarily against the capitalists of industry and thus less threatening to the landowners, George's attacks were directly aimed at the latter.

[51] The Industrial Remuneration Conference, Report, p. 337.

[52] Ibid.

whole reform pattern, beginning in 1832, had been directed primarily at the land, or rural, interests. Party politics had become founded upon the urban-rural struggle for power. Economic theory had been brought to bear against the landowners on the grounds that they formed the only segment of the economy who received a remuneration for doing nothing, for merely having been able to establish ownership over the one factor of production which was basic to all the others.[53] This had isolated the landed interests, and Balfour's paper reflected the sense of isolation.

He contended that land reform would not solve the problem of the small peasant agriculturist, nor would changing the land laws have the desired effect. If one needed proof of it, one had only to look to Europe and to the conditions of the peasant proprietors there. Even "if fields could be passed from hand to hand, the small agricultural freeholder would nevertheless be worsted in the struggle for existence," because he lacked capital. England's landlords had spent more making permanent improvements on their lands, he said, than any other nation's landowners in the world, except Scotland.[54] Not only that, if one had to have a master, he would be better off under a large, wealthier landlord than under a small peasant

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[53] *Ibid.*, p. 339. [54] *Ibid.*, p. 340.

proprietor who was under too much duress to survive and who, therefore, was far less apt to be generous.[55]

What he found especially irksome and in need of countering arguments was what he considered to be discrimination against landowners in the form of land reform, land confiscation, or land nationalization demands. To take from the landowner and give to someone else was nothing but robbery. If "the landlord who has paid for the land has no right to it, the rights of the tenant, who has not paid for it, must be, if possible, even more illusory."[56] As for the establishment of rent-courts in England to set the rate of rent that a landowner should receive, Balfour had this retort:

> Why is the rate of interest which a landlord may claim to be regulated by the State, and that which a bank may charge be left to be determined by supply and demand? Why are the usury laws not re-enacted? Why are prices not settled by law? And, above all, why is there no tribunal set up to determine the rate of wages?[57]

In a perverse way--that is, if land must be reformed and controlled by the State, then so should all other segments of the economy--Balfour was calling for socialization. But, of course, this was not his intention. Rather, his message was laissez-faire on the land as in the factory.

Wallace's paper, already referred to, countered Balfour's Toryism with the Radical argument concerning the depopulation of the rural areas in England, the concomitant

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[55] *Ibid.*, p. 343. [56] *Ibid.*, p. 360. [57] *Ibid.*

distress, and the need to restore the common man to the land through the institution of peasant proprietorships and allotments to laborers. Though a founder of the Land Nationalization League, Wallace left that argument out, at least in the sense of direct nationalization in the socialist pattern. He said, instead, that any man desiring to farm for a living should be aided by the State to do so, for not only would such a man be better off, the pressure upon urban workers in the form of increased competition for employment would be alleviated. The increased food supply forthcoming would reduce the need to import foreign foodstuffs, and the trade balance would thereby be improved considerably for England.[58]

It was Mr. F. W. Newman, who presented the Land Nationalization League's ideas: "abolish the landlord entirely, and substitute occupying cultivators holding under the State and owning, not the soil itself, but whatever had been added to the soil by human industry."[59] This was Henry Georgism. Newman rejected the plans of Jesse Collings as an insufficient remedy. He based his call for land nationalization upon the argument that it was essential to national prosperity. "Our manufacturers cannot hope for much prosperity until the mass of our people are the chief purchasers of their goods."[60] Here was the land question tied to the consumption function.

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[58] Ibid., p. 391. [59] Ibid., p. 395.

[60] Ibid., p. 397.

The representative of the S.D.F. was Mr. J. W. Williams, who entered into the discussion following the reading of the papers. He demanded that both landlords and capitalists be swept away. To eliminate the landowner and leave the capitalist alone would accomplish nothing at all, for the capitalist was merely an "Artful Dodger," who went up and down the countryside "telling people to take hold of the landlord thief, but to let the greater thief, the capitalist, go scot-free."[61]

Representatives of the miners also spoke up. Mr. John Wilson of the Durham Miners, and Mr. R. Rowland of the North Yorkshire and Cleveland Miners. Their statements were interesting examples of the disagreement among trade unionists over how the economy should be re-shaped. Wilson spoke out in favor of land nationalization. As a miner, he said, he had received great benefits from unionism and from State action, and he believed that in the future, all miners would employ a combination for these for "their social amelioration," and that land nationalization was their logical next demand, because land ownership implied large royalty rents flowing to owners of land upon which the mines were located.

> . . . in 1883, in the Cleveland district, 400,000£. were paid in royalty rents to landlords. Workmen and capitalists were contending with each other, one for greater profits, and the other for higher wages; but they might join to bring about a

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[61] *Ibid.*, p. 398.

> reduction or the abolition of royalty rents. If the 400,000£. drawn last year were divided between capitalists and workmen, it would have gone far to prevent the distress now prevailing in Durham . . . in place of destitution there might be prosperity. What right did the landlord have to the mineral? . . . It was placed there by an All-wise Providence for the benefit of the entire people, and it belonged to no single man . . .[62]

Rowland, by contrast, came forward to oppose the nationalization of land. He argued that, while the State was able to do a great deal for a man, there was far more that a man could do for himself. The only reforms which he would support were fixity of tenure and easy, cheap sale of land--in short, the Irish solution applied to England.[63]

Another trade unionist, David Holmes of the Northern County Weavers, rose to take issue with the S.D.F. and with the laissez-faire advocates. With regard to the former, Holmes objected that their plan for land nationalization sounded fine but lacked specific details. They failed, for instance, to distinguish between the right of personal property and the right of property in land, that is, for production purposes. As for the individualists, did they really expect the working classes to remain contented in their present position while unearned increments went into the landowners' pockets?[64] Holmes and Wilson represented the developing consensus among "old" trade unions during

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[62] Ibid., pp. 403-4.

[63] Ibid., p. 405.

[64] Ibid., pp. 408-9.

the 'eighties, standing, as they did, between revolutionary socialism and unfettered capitalism and landlordism.

Frederic Harrison's paper on the last day of the Conference summed up the trade unionist philosophy as reflected in the statements of Wilson and Holmes. It explained why trade unionism had to oppose revolutionary socialism:

> . . . Communistic proposals and Socialist schemes have little meaning unless they can be placed on a logical footing. The only Communism which is worth serious notice is the complete Communism which seeks to transform all private property into Collectivism, or common property. It would be strange if English workmen, who have laboured so long and sacrificed so much in order to share with their fellows some of that security and independence which the legitimate use of property gives, and have organised so patiently such powerful agencies for checking the abuses of property, were suddenly to declare for universal confiscation in the blind chance that something might come of it. Trades unions, co-operative, building, land societies, and the rest would all disappear, for they all imply the institution of property.[65]

This statement sums up nicely the origins of the struggle for power between trade unionism and revolutionary socialism. With the opinions of Wilson and Holmes, it sets the limits within which the trade unions sought State aid and protection of the workers which, after 1889, became the pattern in practice of the labor movement and party. The Conference, as a whole, reflected the framework within which Englishmen were moving towards the economic synthesis of the next century: a blend of capitalism and socialism,

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[65] *Ibid.*, pp. 458-59.

with the consumption function brought into better balance with the production function.

Most important of all, the Conference, mirroring the broader national picture as it did, revealed that all classes were conscious of and concerned about the maldistribution of the national wealth. All were actively seeking to redress the injustices, for humanitarian as well as for economic reasons. The Marxists erred in charging the bourgeois classes with lack of concern, and the trade unions with the same crime. They were concerned. None were intentionally callous, only ignorant. But among the ignorant were certain forward-looking, but practical men who brought forth wise, rather than utopian, schemes for economic improvement. These men were present or represented at the Industrial Remuneration Conference, a microcosm of English attitudes and the English belief in what the historian Nellie Neilson, in another context, has called "gentle change." If there was a callousness, it seems to have lain in the intolerance of the revolutionaries who refused absolutely to countenance a compromise solution, demanding instead the elimination of their enemies. But the Conference did not, just as England did not, take up such a radical position. That much was her good fortune. That she failed to heed the reformers soon enough was her misfortune.

CHAPTER V

THE CO-OPERATIVE MOVEMENT

(1)

The next three chapters will examine in some detail the three "solutions" to working-class problems which depended upon working-class initiative and control. None of the three won a total victory in the intellectual struggle of the 'eighties and, as the final chapter will show, a labor synthesis emerged after 1889 which became the foundation of the Labour Party. Since the co-operative movement was ultimately the least important of the three, this chapter will be comparatively brief.

The three working-class solutions which vied for the leadership of the labor movement were: the co-operative movement, trade unionism, and socialism. The co-operative movement was almost exclusively an economic one and was, therefore, the least complex. It was also the oldest. Socialism and trade unionism combined economic action and politics. The socialists tended to concentrate first and foremost upon a political victory from which economic reconstruction was to follow automatically. The

trade unions employed three different tactics: friendly-society functions, the strike and picket weapons, and political pressure upon the parties and in Parliament to secure State intervention in economic affairs for the protection and advancement of labor.

The attitude of the co-operative movement towards State action was one of laissez-faire. There was a resultant alliance with the Liberal Party, an alliance far more constant and long-lived than the one between trade unionism and the Liberals.[1] The socialists sought the overthrow of the existing State, on the grounds that it was merely a tool of capitalist oppression and exploitation of labor, and the replacement of it by a proletarian, socialist State. The trade unions, standing between the co-operative and socialist movements during the 'eighties, desired to use the State to reform and to humanize the economic life of England--to blend capitalism with socialism.

Perhaps the explanation for these differing positions lies in their diverse attitudes towards the idea of a class conflict. On the one side, the socialists, especially the Marxists, believed that there existed a class conflict which was altogether too bitter ever to be resolved by compromise and reform, and that, since the State merely acted as the

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[1]G. D. H. Cole, A Century of Co-operation (Manchester: the Co-operative Union, Ltd., 1945), p. 191.

agent of the exploiting capitalist class, the only solution for labor was to replace the prevailing system with something entirely different and new, a proletarian State owning all the means of production.

The trade unions recognized the reality of a class conflict, but they rejected the socialist argument that compromise solutions were out of the question. They, therefore, worked to blend into the system certain socialist measures to advance labor's interests and balance the economic situation. But the co-operative movement virtually denied the existence of a class conflict. Thus, its attitude followed easily the arguments of economic liberalism which, believing in a "harmony of interests," preached the doctrine of laissez-faire.

Whereas the viewpoints of the socialists and the trade unionists towards the existence of a class conflict, and the State's role within it, led them towards the formation of an independent Labour Party in the long run, the attitude of the co-operatives welded it to the Liberal Party. When the Labour Representation Committee was formed, which was later renamed the Labour Party, "only one Co-operative Society--Tunbridge Wells--joined it in its early days."[2] The reason, according to Cole, was that

> the Co-operative Movement had not passed through the same evolutionary experience as the Trade Unions. It

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[2] *Ibid.*

> was not, like Trade Unionism, engaged in direct class struggle over wages and conditions of work --matters which its leaders often tended to regard more from an employer's than from a worker's point of view.[3]

On the other hand, it is important to notice that of the three, only socialism could not exist unmodified within the capitalist system, since it was inherently revolutionary at this point, seeking the creation of a completely different set of economic and political relationships. Co-operation and unionism, being both products of, rather than alternatives to, capitalism, could. That was their purpose, in fact: to act as countervailing powers within it. Therefore, socialism posed as large a threat to unionism and co-operation, in the long run, as it did to capitalism, for under a proletarian, socialist State, there would be no function for them to perform. The State would take them all over, and the strike weapon would become superfluous, since workers, through the State, would be the owners of all factors of production, and one does not strike against his own property. This, perhaps, explains why the rivalry between trade unionism and revolutionary socialism was as deadly as it was during the 'eighties. By contrast, there was some overlapping between unions and co-operatives, although there, too, there was a degree of rivalry, just as there came to be some overlapping between unionism and non-revolutionary socialism.

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[3] *Ibid.*, pp. 191-92.

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The co-operative movement claimed for itself a superiority over both trade unionism and socialism, because it had been the progenitor of both and embodied the best of both. The co-operators of the 1830's had formulated the doctrine of exploitation of the workers, or the surplus value theory, long before Karl Marx had set it down.[4] But co-operative associations provided a preferable solution to anything the modern socialists could offer in response to the problem of exploitation, for their program was both workable and feasible without a revolution by whatever means. As for the trade unions, they had merely taken up the fight for the rights of labor as originally proclaimed by the co-operators of the 1830's and had carried them as a battle cry to the factory gate.[5]

The co-operative movement was superior in another way, it was alleged, because it avoided the costly struggles between employer and employee by converting the worker who joined a co-operative into part-worker, part-employer, eliminating potential conflicts. Under co-operation, strikes became unnecessary, and the funds which the unions

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[4]George J. Holyoake, "Co-operation and Socialism," Subjects of the Day, No. 2 (London: George Routledge and Sons, Ltd., 1890), pp. 95-96. Holyoake's definitive work is The History of Co-operation (London: T. Fisher Unwin, 1908).

[5]Holyoake, "Co-operation and Socialism," p. 96.

were compelled to set aside for strike pay became capital for investment by the co-operatives which, in turn, produced profits for the members. In short, the co-operative solution was more gentle than revolutionary socialism and more universally applicable and profitable than trade unionism.

Before the appearance of Marxist socialism as a challenge in England, the supporters of co-operation had directed their defenses against the "State Socialism" of the Tories and their alleged henchmen, the Comtists.[6] The Tories and the Comtists encouraged, not working-class independence and self-help, it was charged, but rather dependence upon the paternal State to provide the necessities of life. This prevented the working classes from learning to stand alone and to advance themselves through their own collective efforts.

> The policy of Conservatism is . . . to impress the people with the belief that they owe everything to their superiors. By giving back to the people some of the money of the State, these sort of rulers obtain the influence of donors, and conceal from the people that the money given them (and a great deal more) is first taken from them.[7]

George Holyoake, who was one of the most prominent leaders of the movement during the 'eighties, took great offense at the fact that some people referred to co-operators as state socialists, "because they are the only class which

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[6]Holyoake, "State Socialism," pp. 1114-20.

[7]*Ibid.*, p. 1116.

has any capacity of understanding Socialism." But the term, he insisted, was a misnomer, for no true co-operator would "borrow money" or "ask the State to lend them any." Self-help and laissez-faire were the foundation stones of the movement. If the working classes, through co-operation could raise themselves economically by their own efforts, then they would rule themselves. If they relied upon the paternalists, Tory or Comtist, then they would be ruled.[8] The workers must be willing to help each other and turn to the State only for the exercise "of those general interests which from time to time may be committed to it" of necessity.[9]

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There were three types of co-operative effort preached during the decade: (1) that between the employer and the worker known as profit-sharing and advocated by Sedley Taylor and others; (2) the distributive co-operative associations; and (3) the production co-operatives, either farming or manufacturing, or a combination of the two. Of the distributive co-operatives, there might be wholesale or retail organizations, some of which branched into production, so that there was a mixing of the various types. Of course, profit-sharing was basic to them all, although it was designed to work as well outside the movement.

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[8] *Ibid.*

[9] *Ibid.*, p. 1119.

Sedley Taylor based his support of the profit-sharing idea upon his study of successes with it in France. He believed that such a scheme in England could solve the chronic problem of pauperism.[10] In addition, it would end the need to try and organize the unskilled workers, or even the skilled, into unions which had either been in vain, as in the former case, or too limited, as in the latter. Profit-sharing would resolve the potential hostility between labor and capital. By giving the worker a share in the profits of capital, the employer would encourage him to work harder and more efficiently to increase output and, consequently, profits. A "harmony of interests" would prevent the rise of a conflict of interests.

Taylor examined three types of schemes involving sharing of profits. The simplest system was that which distributed the workers' shares of the profits "in ready money at the close of each year's account without making any conditions as to the disposal of the sums paid over."[11] Another plan was one in which no profits were distributed in annual dividends, but, instead, were capitalized and allowed to accumulate at a certain percentage compound interest for about twenty-five years. At the end of that

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[10] Sedley Taylor, "Profit-Sharing," The Nineteenth Century, IX (May, 1881), 802-11. See also, J. Shield Nicholson, "Profit-Sharing," The Contemporary Review, LVII (January, 1890), 64-77.

[11] Taylor, "Profit-Sharing," p. 804.

time, the worker was free to invest it himself in a life annuity or in French government or railway securities, but in no case was he allowed merely to take the money and fritter it away. He could have only the interest on the investment which he chose. The principal would then pass to his heirs at the time of his death.[12] Finally, there was a combination of the two other plans: the companies distributed part of the worker's share of the profits in the form of a cash bonus and invested the remainder in some type of savings.[13]

Taylor believed that profit-sharing possessed potential merit as an ameliorative scheme, since one hundred firms on the Continent had taken it up with apparent success.

> The principle has been introduced with good results into agriculture; into the administration of railways, banks, and insurance offices; into iron-smelting, type-founding, and cotton-spinning; into the manufacture of tools, paper, chemicals, lucifer-matches, soap, cardboard, and cigarette papers; into printing, engraving, cabinet-making, house-painting, and plumbing; into stockbroking, bookselling, the wine trade, and haberdashery.[14]

Taylor proposed that the scheme be applied in those industries in England, such as agriculture, mining, building, carpentering, and decoration, though not in cotton-spinning, weaving, and those other areas where machines had come to play so large a role in the productive process.

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[12] *Ibid.*, pp. 804-5. [13] *Ibid.*, p. 805.

[14] *Ibid.*, p. 809.

The S.D.F. launched an attack upon Taylor's ideas very early in the life of its publication, Justice. In February, 1884, Justice accused him of desiring "to make the wage-earners' omelette without breaking the capitalists' eggs."[15] Profit-sharing, like any scheme which tolerated the existence of capitalism, was absurd as a solution to working-class misery.

> Now, how can Mr. Taylor, or any sane man, think that this is going to solve the Social Problem? By stimulating men to increased production. Yes, but supposing that more than enough is being now produced, that men and women are being slaved to death to do it, and could not for the life of them be stimulated to greater exertion; how then? Is it not a fact that every trade is suffering at this moment from congestion, brought about by capitalists' greed and rapacity?[16]

Justice here refused to acknowledge that increased income on the part of the laboring class would increase consumption and reduce the "congestion." Had such an acknowledgement been made, of course, the argument for revolution would have fallen apart. Besides, in socialists' eyes, the whole profit, not part of it, should go to the workers, and any measure which recognized that capitalists or managers or anyone besides manual workers contributed anything to the production process and therefore merited remuneration was anathema.

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[15] W. H. P. Campbell, "Profit Sharing," Justice, February 13, 1884, p. 3.

[16] Ibid.

A later article in Justice declared that the scheme proposed by Taylor would only assure "that one set of workers should perpetually swindle another set of workers by sharing in the profits of the capitalist employer."[17] The competition between the socialists and the co-operators was less spectacular than that between the unionists and socialists, but it was nonetheless real. In 1890, Holyoake contended that co-operation's "capacity" to "maintain itself as an ameliorative force in face of socialistic professions turns upon the extension of profit-sharing."[18] Co-operation, like unionism, offered a middle way for resolution of distress among laboring men and women, although it stood to the right of unionism in its rejection of the use of the State to regulate economic affairs.

(4)

The second type of co-operation, distributive co-operation, had two sub-categories: wholesale and retail distribution. They blended easily into the third category, production. Benjamin Jones was a major spokesman during the decade for distributive co-operation, while Holyoake supported the productive co-operative. The Labour Standard spoke of the two types at one point during the 'eighties as the best hope for increasing the consumption of the working

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[17] Justice, June 7, 1884.

[18] Holyoake, "Co-operation and Socialism," p. 97.

classes and expressed the wish that the "men who have founded the mighty Trades' Unions and Friendly Societies" would "lay the foundation of a new system of labour" by supporting the advancement of the co-operative movement.[19] While there was considerable overlapping in that many trade unionists were also members of co-operatives,[20] such a plea ignored the inherent rivalry between co-operation and unionism, and the difference in attitudes concerning the existence of a class conflict. Or, perhaps, the hope was that these could be eliminated through a merger of the two movements. Nevertheless, this was unlikely, since co-operative association, by implication, excluded trade unionism's function of the strike, especially if co-operatives became predominant, as was hoped. Unionism's demise was implied for the same reason that it was presupposed under a socialist system: there would be no need for it.

At the Industrial Remuneration Conference, Benjamin Jones presented a defense of distributive co-operation in reply to the question concerning remedial causes hampering the well-being of the working classes.[21] He saw two remedial causes: "an insufficient share in the income of the country" going to the working classes, and "an insufficient

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[19]"Co-operation," The Labour Standard, May 19, 1883, p. 4.

[20]Cole, A Century of Co-operation, pp. 183-84.

[21]The Industrial Remuneration Conference, Report, pp. 265-76.

expenditure of that share." The remedy lay primarily in the establishment of distributive co-operatives, but at the same time, there were other remedies which should be instituted, such as keeping laborers' children and wives out of the labor market, the former in school, the latter at home, to reduce the supply of cheap labor. A shorter working day was also necessary to provide a bit of leisure for the workers and to provide more jobs. Technical schools should be established to raise the level of skills and the bargaining power of workers who graduated from them.[22]

Under a system of distributive co-operation, the worker would become both a capitalist and a laborer. He would receive a greater remuneration in the form of increased real income and would have an opportunity to exercise his latent managerial talents whatever they might be. Most important of all, he would be in a better position to consume the goods produced by the economy--something which the prevailing system, to its own detriment, denied him in sufficient degree.

> . . . the working classes have been looked at as producers. They must now be looked at as consumers. An increased efficiency in the expenditure of their income can be secured as follows:--
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> By supplying their wants through co-operative stores, they reduce to a minimum the costs of distributing their food, clothing, &c., which by the present system of competitive trading is conducted in anything but an economical manner.[23]

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[22] Ibid., p. 265.

[23] Ibid., p. 269.

In a lecture delivered the following year in Scotland, Jones carried his arguments further.[24] He took issue with some of the prevailing orthodox assumptions which had grown out of the adage that "the law of supply and demand regulates the remuneration of capitalists and employers just as it does the remuneration of the lowest classes of labour." This much was true enough, he said. But the orthodoxy assumed further that the former received their "high remuneration" because of "the great scarcity of superior organising power and administrative ability," and that "the wages of the working classes" were "regulated by the cost of maintenance in the manner they are accustomed to live." What was worse, they assumed that "the best men get the best positions," a pure fiction.

> Most men, from their own experience, know of establishments where, regardless of capacity, the son has succeeded to the father; and of other establishments that were sold to men who knew nothing about the trade, their qualifications for the headship being solely the contents of their purses. The success of these concerns has had to depend on the honesty, energy, and brains of hired servants, while the bulk of the profits has gone to the proprietor.[25]

Distributive associations, if wide-spread, could put an end to such anomalies as this, and everyone would

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[24]Benjamin Jones, "What is Meant by Co-operation?" The Claims of Labour. A Course of Lectures Delivered in Scotland in the Summer of 1886, on Various Aspects of the Labour Problem (Edinburgh: Co-operative Printing Co., Ltd., 1886), pp. 41-73.

[25]Ibid., p. 67.

benefit, most of all the working classes. If there could be put upon the market a greater supply of commodities, if the best men could be chosen to oversee the production and distribution of those commodities, the prices would fall to the point that the workers could afford to buy them. Those workers who had managerial ability could have a chance to exercise them and thus contribute substantially to the general welfare. The chances of success and stability in economic life would be greatly enhanced. Most important, the establishment of co-operatives would assure, for the first time, the true application of the basically valid law of supply and demand, which until that point was true only in the abstract. For the first time, working-class people could aim at, and hope to reach, a higher standard of living. At the same time, they would learn that since capital "is necessary for a civilised life, every man ought to strive to become the possessor of as much of it as will relieve him from the dependence on the capital of others."[26] Such lessons would bring him to the fullest exercise of self-help to the benefit of the nation. Even the capitalists, Jones thought, would support such a movement as he proposed, for they, too, stood to gain by it.[27]

Edward Greening, who also spoke to the Industrial Remuneration Conference in support of co-operative

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[26] Ibid., p. 68. [27] Ibid., p. 72.

association, said that under such a system, particularly production co-operation, both trade unions and socialism would disappear for lack of reason to exist. Since the conflict between capital and labor would be eliminated, the unions, which were primarily "fighting organisations," would decline. They were only temporary remedies to the evils of the system prevailing, anyway, and once that system had become basically a co-operative one, unions would have served their purpose and disappear.[28]

Greening took note of the fact that several employers in England had taken up the idea of profit-sharing, but he contended that the true and lasting remedy lay in the creation of production co-operatives. Where profit-sharing satisfied only the desire for material gain, production co-operatives provided an elevating experience for workers.

> A sense of responsibility is created by the ownership of property, and a natural pride is excited if the possibility of a share in their workshops, or the tools and machinery with which they labour, and the management of the concern is opened to them.[29]

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Throughout the decade, from time to time, some voice would call for a merger between trade unionism and co-operation. The Labour Standard did so in 1883, and in

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[28]The Industrial Remuneration Conference, Report, p. 305.

[29]Ibid., p. 306.

1887, Reynold's Newspaper, the organ of radical republicanism in England, followed suit. The event which prompted the proposal in 1887 was the Bolton strike of the engineers' union which had lasted for months but was facing failure. Reynold's Newspaper used this strike, plus an article recently published by George Holyoake, to theorize upon the long-range solution to the sufferings of the workers--unemployment having soared to more than 10 per cent the preceding year.

Remarking that if the engineers had not long practiced thrift which allowed for the accumulation of a backlog of funds, they would have been unable to carry on the strike for so many months in the face of heavy opposition from employers backed by city officials. In Reynold's opinion, the combination of friendly society functions and the use of the strike by the unions had done more than anything else to "elevate the working classes of these kingdoms, both socially and intellectually."

> But much as trades unionism has accomplished for the working classes of Great Britain and of the world, there remains yet much to do. Trade unionism should be viewed as only a means to an end, and that end is not merely to resist the encroachments and tyranny of capitalists, but also as a basis for co-operation in its two-fold forms--to wit, as producer and distributor of wealth; or, in short, of making every man his own master, and moderately independent.[30]

The argument here was that trade unions had established the negative principle of resistance to exploitation

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[30] "Strikes, Trade Unions, and Co-operatives," Reynold's Newspaper, August 7, 1887, p. 4.

from employers, and although a necessary first step, it did not go far enough. What was needed, also, was the other side of the coin: a positive approach, and this the co-operative movement offered in the form of "full profits, without deduction," and "dispensing with the capitalist" as a separate and opposing entity. The ultimate benefit, said Reynold's, would be the end of costly and unsuccessful strikes. Workers would also cease to support their Tory oppressors in elections to Parliament, a fact which acutely disturbed the editorial staff.

What Reynold's did not see was that trade unionism was also moving along the positive road for the advancement of labor through legislative and political action, and that co-operation had little appeal to the bulk of the laboring classes.[31] Moreover, trade unions and co-operation were diverging as far as attachment to the Liberal Party was concerned. The former were operating upon the principle that a class conflict did exist and could not be wished away. As Cole expresses it:

> In the 'eighties Trade Unionism and Consumers' Co-operation went their several ways, each shedding much of its earlier idealism, and each settling down to consolidate its position within somewhat narrowly delimited fields. Trade unionism was shaken out of its rut by the uprising of the less-skilled workers at the end of the 'eighties. Co-operation received no such jar. It went on its way, expanding by further advances along roads

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[31]Cole, A Century of Co-operation, p. 183.

> which it already knew, and not paying very much attention to those who were calling upon it to essay essentially new feats.[32]

There would, indeed, be a merger, but it would not be between unions and co-operatives; instead, it would be between unions and non-revolutionary socialists, for the trend in England's economic life was already marked out towards democratic state socialism, not laissez-faire.

There was another point of difference between unionism and co-operation. Complaints were reaching the T.U.C. during the decade of poor treatment of employees within the co-operative establishments. In a speech to the T.U.C. in 1888, the co-operative representative, George Holyoake, had loudly protested the unfair wage policies of the employer class, saying that

> We deny that wages are an instalment of profit. They are merely a business charge. Interest is the rent of capital, wages are the rent of labour. Profit is made between them, and should be divided between them.[33]

Yet, the following year, the T.U.C. was compelled to take note of the wide divergence between co-operators' words and their actions towards their own employees. When the vote of welcome was voted to the co-operative delegates to the T.U.C., an amendment was also voted which expressed the wish of the Congress that "the co-operative societies

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[32] Ibid., p. 196.

[33] Quoted in David F. Schloss, "Industrial Co-operation," The Contemporary Review, XVII (April, 1890), 554, footnote.

be urged in future to pay their employees the recognized trade union rate of wages."[34] This was nothing less than an affirmation of the earlier socialist charge that workers who profited from co-operatives did so at other workers' expense. Not only did the co-operatives pay very low wages, some also "went to the length of selling well above the market prices in order to increase the rate of dividend and thus provide their members with larger opportunities for savings."[35] This was fine for the members, but not for their working-class customers.

The co-operative movement was active throughout the nineteenth century in distribution, production, even in financing co-operative dwellings projects and in education.[36] Still, of the three working-class solutions, it had the least appeal, except for revolutionary socialism. Once the synthesis between "old" and "new" unionism, or trade unionism and non-revolutionary socialism, emerged to shape the Labour Representation Committee and then the Labour Party, which ushered in the welfare State after 1945, the co-operative movement tended to decline as an answer to the problems of the workingman. The movement became "more

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[34] Ibid., p. 565, footnote.

[35] Cole, A Century of Co-operation, p. 183.

[36] Benjamin Jones, "Progress, Organisation, and Aims of Working Class Co-operation," The Journal of the Royal Statistical Society, LI (March, 1888), 52. See Appendix III, infra, pp. 309-10, for Jone's summary of the growth of co-operation throughout the 1880's.

and more decisively a Consumers' Movement engaging its labour in the ordinary labour market and rejecting such notions as the 'bounty of labour' and the self-governing workshop."[37]

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[37]Cole, A Century of Co-operation, p. 196.

CHAPTER VI

THE CHALLENGE OF REVOLUTIONARY SOCIALISM

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One can trace the sudden rise of the challenge of revolutionary socialism merely be observing the proliferation of articles, in favor or opposed, which appeared in the newspapers and periodicals as the decade of the 1880's progressed. There were almost none in 1880 and a relative multitude by 1885, authored by members of every economic and social class in England. From that point on, the increase continued unabated, as the Marxist philosophy permeated the stream of thought on all levels of society. As it penetrated the mass mind, however, and came to be applied theoretically as a cure-all to practical problems, it lost much of its appeal because of its radicalism. By the next century, most Englishmen declared themselves socialists, but their socialism was of the sort which had slowly been developing throughout the nineteenth century and which was set, as a course in the future, during the 'eighties: democratic state socialism. Only a very small number of Englishmen followed the Marxist line of

revolution, and they were isolated from the mainstream of life during that same decade.

It is ironic that the country in which Karl Marx was the least known in 1880 was England, the country in which he lived and worked and wrote his major contribution to economic literature. He had used England and English life as his "laboratory" for revolution. Das Kapital was a criticism of the modern English industrial system as explained by English political economists and as exemplified by English society. Though written in German, it was based almost entirely upon English sources and showed an unusual knowledge of English writers on the subject of political economy. It "went fully into the circumstances of English labour, as described in Parliamentary Blue-books," drew its "illustrations from English industrial life," and even stated "its money allusions in terms of English coin." Yet, the English language was perhaps the only major western language into which Marx's work had not yet been translated. Marxism, in short, had "taken no hold on the interest of the English-speaking population."[1] The question one must ask is why?

> . . . for if, as its author alleges, the course of industry is creating an intolerable situation, it is at least noteworthy that the society where that situation is admittedly most completely developed, and

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[1]John Rae, "The Socialism of Karl Marx and the Young Hegelians," The Contemporary Review, XL (October, 1881), 585.

> where, therefore, there ought to be the greatest call for Socialism, should have made the least response to it, although it happens at the same time to be the society where those who are supposed to suffer from the situation possess the largest freedom to express their mind.[2]

The question of why Marxism had had so little impact upon the English mind was taken up by a few thinkers at least from 1879. In that year, the Reverend William J. Cunningham set forth his thoughts on the subject. Although the English, to be sure, had their differences between labor and capital, with bitter conflicts between different classes of the society, revolutionary socialism had had little impact in England, despite the fact that it had already become a serious threat on the Continent--in France, Germany, and even in Russia.[3] Cunningham thought that there were political as well as economic reasons, but the latter were probably the most important, at least more numerous.

The political reason was that Continental socialism arose, not from poverty alone, but from poverty coupled with "a firm faith in the omnipotence of government."

> Poor people may be discontented; but they are not dangerous unless they firmly believe that their case might be easily relieved, and the world put to rights, if the governing classes, who, as they think, have the power, had only the <u>will</u> to do it.[4]

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[2]<u>Ibid</u>., p. 586.

[3]William J. Cunningham, "The Progress of Socialism in England," <u>The Contemporary Review</u>, XXXIV (January, 1879), 245-60.

[4]<u>Ibid</u>., p. 246.

By contrast, in England, a "long and sad experience has effectually cured our nation of any belief in the omnipotence for good of the best-intentioned governors."[5]

As for the economic explanations, in the first place, trade unionism had become a well-established pattern of economic advance for the working classes. That meant that the struggle between labor and capital in England had been shaped along the lines of conflict over "the terms of the contract" rather than over the right of either party to the contract to exist, or, in short, over the contract itself. In Germany and Russia, the absence of strong trade union movements and the absence of political democracy of any degree had brought about a condition of "social warfare" directed against the existence of one of the two classes.[6]

It was true that there were "violent" trade unionists in England, who, in seeking to force their employers to make a better bargain, might go so far as to burn down their houses, but "even the Blackburn mobs" did not desire the destruction of capitalism as a system. The trade unionist in England,

> if he speculates on the nature of industry . . . perhaps comes to regard capital as a necessary evil;

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[5] Ibid. Actually, Cunningham's "political" explanation was immediately contradicted by his "economic" reasons, if by the former he meant an adherence to laissez-faire.

[6] Ibid., pp. 245-46.

> still, he would not deny that it is necessary, or seek to annihilate its possessor, for it is as likely as not that he is himself a capitalist to a small amount, through investment in building or other associations, to say nothing of his share in the accumulations of his trade society.[7]

The second economic fact discouraging the appearance of revolutionary socialism in England was the already-developing "socialistic" approach in economic affairs by the "ordinary man of business" to counter the ills of commercial depression, to cope with growing technology, and to overcome competition from abroad. This form of socialism, state socialism, was evolving, said Cunningham, "not as a remedy for the miseries of the poor, but rather as an alleviation of the cares of the rich."[8] Three manifestations of this trend could be seen: (1) diminishing private enterprise due to certain "legislative restrictions" placed upon the freedom of the individual capitalists' actions; (2) a tendency towards a large-scale business operation which was conducive to the growth of an "effective public spirit"; and (3) the increasing reliance upon the use of government, both central and local, to satisfy certain matters of "public concern" such as education, postal communication, telegraphs, water, gas-lighting, and libraries.[9] The trend towards a socialized economy had begun before Marxism entered the stream of English thought.

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[7] Ibid., p. 245.

[8] Ibid., p. 252.

[9] Ibid., p. 256.

There had been too many needs which "could not possibly be met by private enterprise." While there remained a vast field of industry "in which individual capitalists will long continue to work," it was a fact that "the dominance of competition has begun to pass away before the power of public organization."[10] The benefits were clear to Cunningham. With the transition towards the socialistic pattern and away from the individualistic one, consumption had begun to increase at home, and, in his opinion, "if our home industry thus increase, we need never fear the loss of our foreign trade."[11]

In 1881, John Rae, one of the more knowledgeable writers on the subject of state socialism, gave similar reasons for the absence of a Marxist following in England. Primarily, it arose from the fact that in Europe "the most energetic element in contemporary Socialism is political rather than economical." It sought the political revolution and found "its easiest points of contact in quarters where a revolutionary opposition already existed." England had no such grouping. Politics had run a relatively smooth course. Political reforms had followed upon each other with sufficient speed to prevent a revolutionary cabal from developing a sustained foothold, and the working classes were "preoccupied with the development of trades unions,

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[10] Ibid.

[11] Ibid., p. 260.

friendly societies, and of the great co-operative movement."[12] Rae believed that only through "democratic agitation," following in response to "injudicious obstinacy of those in power, or by the indirect teaching of influential thinkers," would revolutionary socialism gain a foothold in England. But once a democratic party did arise, he thought that it would "have a strong tendency to Socialism," although it probably would not become "all Socialist."[13] Written in 1881, these words were prophetic, for they described what did, indeed, occur and why. The Labour Party did, to some extent, emerge as a response to the "injudicious obstinacy of those in power," and as a result of the "indirect teachings of influential thinkers." The injudicious obstinacy was apparent during the 'eighties and 'nineties as both Liberals and Tories became bogged down in Irish and imperial affairs to the serious neglect of necessary domestic reforms. In the 'nineties and the first decade of the twentieth century, a series of adverse court decisions completed the trade unions' sense of isolation and drove them full herd into the Labour Party after 1906.[14] The Independent Labour Party, founded in 1893,

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[12]Rae, "The Socialism of Karl Marx and the Young Hegelians," p. 586.

[13]Ibid., pp. 586-87.

[14]Henry Pelling, A Short History of the Labour Party (London: Macmillan, 1968), chapter i.

was, to be sure, an attempt to found an "all Socialist" party, but it recruited trade unionists to fill the membership rolls. It was the mass entry of the unions into the Labour Party which prevented it from being wholly socialist, because unionism and its policies dominated rather than did the out-and-out socialists for most of the party's life. That trade unionism's methods--a blending of economic action and political action leading towards democratic state socialism--controlled policy stemmed from the fact that throughout the nineteenth century the Liberals, Tories, and the unions themselves had laid down a firm foundation for sufficient reforming so that revolution and total socialization was neither necessary nor desired by the majority of the British working classes.

In 1881, even H. M. Hyndman, soon to become the most vociferous Marxist, recognized the trend of events. He published an article in that year noting the progress towards state socialism.[15] He cited the postal and telegraph systems under State control, with railways, he believed, soon to follow. He observed that gas and water, street paving, sewers, etc., were controlled by local and municipal governments, that there was a "distinctly communistic poor law," that there were free schools, Artisans' Dwelling Acts. In short, said Hyndman, for "the principle

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[15]H. M. Hyndman, "The Dawn of a Revolutionary Epoch," The Nineteenth Century, IX (January, 1881), 1-18.

of limited monopoly and regulated competition, we are steadily substituting State and Municipal organization and control."[16]

At this point, Hyndman was apparently not yet a Marxist, although he knew Marx at this time and approved of his ideas. Moreover, he was greatly concerned that the socializing process might go along too slowly, but he noted that the "leaders of Continental Socialism" admitted that they had made "little way in England," and that the working classes felt increasingly powerful to secure their advances "through constitutional means" without resorting to the subversionary doctrines of the Continental agitators."[17] Of this, he seemed to approve, although he feared that time might be running out and stated his hope that England would be willing to experiment further.

> Those who condemn democracy, who look askance at the determination to give political power to every class in order that all may be able to insist upon their share in the general advancement, are but rendering more probable the overturn they dread. The old days of aristocracy and class privilege are passing away fast; we have to consider now how to deal with the growing democratic influence so that we may benefit by the experience of others.[18]

Hyndman praised the English habit of building up "from the bottom, to improve the conditions of life below." While he believed that there had "been much neglect," he also believed that it could be remedied within the existing-but-evolving structure of society.

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[16] *Ibid.*, p. 12. [17] *Ibid.*, p. 14. [18] *Ibid.*, p. 18.

> Meanwhile, we are at least not creating enemies to society by deliberate enactment, and then arming them so that they may be able to overthrow the whole structure. Our emigration is in the main beneficial to us. It affords a safe and honourable outlet for those adventurous spirits who might otherwise turn their energies into a dangerous channel.[19]

Hyndman's attitude was shortly to change violently. By 1884, he was leading the vanguard of Marxism and calling for an end to capitalism through one massive vote of labor under the banner of the Social Democratic Federation. By 1887, he was willing, according to his biographer, Tsuzuki, to condone violence as a "short-cut to Socialism." In 1884, he had turned completely away from his support of emigration as a solution in 1881 and was vehemently denouncing it. Hyndman's shift illustrates nicely the impact of thought and argument, for conditions in England did not change that much between 1881 and 1884 or 1886, but Hyndman, meanwhile, had read Das Kapital.

(2)

The first newspaper to bring forward the challenge of Marxism in the 1880's was The Labour Standard, whose editorial pages contained articles by Frederich Engels during 1881. Though far less vitriolic than later publications, such as Justice and The Commonweal, it did call for the end of private ownership of the means of production and the establishment of the proletarian socialist State.

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[19] Ibid., p. 16.

The method--peaceful or violent--was not spelled out by Engels.

When, later in 1881, The Labour Standard dropped the Marxist line, it retained the belief that trade unions should use their political power with greater energy to apply pressure upon the Government for reforms, but in no case to allow labor's political power to be used by either party. The Positivist Crompton wrote:

> Politics in England consist almost entirely in a struggle of parties. The refusal to allow Trades Unions to be involved in politics has therefore had a real justification, though the abstention of workmen from, and their want of interest in, the larger political questions has had a lamentable effect upon the conduct of England and of our English rulers. . . . working men ought to repudiate any attempt to use their organisations for party purposes as fatal to the real political power of their Trades Unions, which may be of such service to mankind if they stand aloof from party and ready to take action on the side of right and justice, as the occasion requires.[20]

From The Labour Standard one surmises that the emphasis upon politics was the thing which presented the challenge to unionism by socialism, but this was not specifically stated. The Labour Standard told the trade unions that by placing more stress upon that function they might attain their goals with greater speed, that they should work to unite the workers into a huge and powerful pressure group,[21] if

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[20]Henry Crompton, "Labour and Politics," The Labour Standard, May 7, 1881, p. 2.

[21]Henry Crompton, "The Social Problem," The Labour Standard, December 31, 1881, p. 5.

not into a "party of their own."[22] Workmen could hardly expect a "better state of affairs" unless they took the initiative, "and by their own money and organisations return their own representatives," for "labour must be served . . . only . . . by itself."[23] The great social and economic problems should be openly discussed, for only through such discussion could England hope to secure "the sole guarantee of our passing through this serious revolutionary epoch without violence or disturbance."[24]

The chairman of the Parliamentary Committee of the T.U.C., William Crawford, took up this line as early as 1881. In his speech to the Congress, he declared:

> As working men, we are generally found on the Liberal side, still I would regard it as one of the worst calamities that could befall the Trade Unionists of the country, did they, under any pretence whatever, allow themselves to be drawn into the contention of mere party politics. . . . [Rather, we] are bound to understand and endeavour to influence the settlement of every question, from whatever party it may come. . . . I have no hesitation in saying, that the power of the working classes in all trades should be organised with a view to influencing Parliament.[25]

This attitude was actually not a new one. It had been taken up during the 1860's for the purpose of

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[22]"Workmen and the Disruption of Party Politics," The Labour Standard, July 15, 1882, p. 4; "Working-Men and State Politics," The Labour Standard, July 29, 1882, p. 4.

[23]"Working-Men and State Politics."

[24]Crompton, "The Social Problem."

[25]"The Fourteenth Annual Congress of the Trades Unions of Great Britain and Ireland," The Labour Elector, September 17, 1881, p. 5.

broadening the franchise, and during the 1870's to secure the removal of legal restraints upon trade unions.[26] By 1880 and 1881, the T.U.C. had largely achieved such negative legislation and was ready to embark now upon a program of positive governmental interference in the economy for the advancement of labor. Not that the unionists had neglected the positive approach--they had worked to secure such legislation from 1868, as the list in Appendix IV shows,[27] but the emphasis, of necessity, had been upon securing the legal rights of the unions to strike and to picket, and thus, the negative and received the greatest publicity. The 'eighties, then, marks a turning point for unions insofar as the positive aspects of governmental action came to be stressed. Crawford's speech set the mood for the 'eighties by calling for greater energy and unity among workers. When the socialist challenge appeared, its major effect was to stimulate an acceleration, but not to change the course of unionism, as the historians seem to say.

(3)

The Marxist challenge opened a three-way struggle of major proportions. On one side, the socialists faced the bourgeoisie and demanded the overthrow of capitalism.

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[26] See The Beehive for these decades.

[27] Infra, pp. 311-13.

On the second side, the socialists raised a serious threat to the trade unions' leadership of the labor movement. On the third side, the unions still faced the stiff opposition of the employers in the economic field. Now they were being denounced also from the left. Of the three, the unions were in the most difficult position, for they received the greatest pressure from two sides. If they shifted leftwards to join the socialists, they risked alienating those allies they had won among the employer classes. If they shifted towards the right to join these classes against the socialists, they betrayed their own class interests and the labor movement and risked losing control of the movement to the socialists. The union leaders, being cognizant of the class struggle, having been involved in it for many years, nevertheless rejected the socialist demand for the overthrow of the prevailing system and the substitution of a proletarian state. At the same time, they refused to join the employers and yield a victory to them against labor. Opting for either opposing group foretold the end of trade unionism as a movement. Thus, throughout the decade, the unionists strove to walk a line between the two so that both could be accomodated to some degree which did not threaten the trade union movement or its leadership of the labor movement. The middle road was found.

The Marxists proclaimed their right to take over the leadership of the labor movement in September, 1884,

in an open letter to the trade unions on the eve of their Congress. This letter not only established the Marxists' bid for control of labor by deposing the unions, but it also set the pattern for what has become the traditional picture of "old" unionism versus "new" unionism.

The letter declared that trade unions were no longer fit to lead the labor movement for the following reasons: (1) that unions had "long ceased to be the representatives of the working classes"; (2) that they had consented to let the "middle class capitalistic House of Commons" become their "mouthpiece"; (3) that unions continued to work through a now "useless" Parliament; (4) that they had made friends with the exploiting classes instead of regarding them "as the foes of labour"; (5) that they represented "only the merest fraction of the workers, and only the aristocracy of them"; (6) that trade unionists had refused "to see that it is not improvement but revolution that is wanted"; (7) that unionists did not encourage strikes "because any semblance of coercion of the employers is distasteful to them"; and, finally, that unions prolonged "wage-slavery" by rejecting the nationalization of all factors of production.[28] These all were untrue, some

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[28]The Executive Council of the Social Democratic Federation, "The Social Democratic Federation to the Trade Unions of Great Britain, September, 1884," Justice, September 6, 1884. The same month, The Economist charged the T.U.C. with threatening to "degenerate" into "an essentially political association." "A Trades Union Danger," The Economist, September 13, 1884, pp. 1106-07.

flagrantly so. The fact that certain trade unionists had embraced these ideas and signed the letter lies at the root of the dichotomy between "old" and "new" unionism of the 1880's, although the distinction between them lasted only as long as "new" unionism was only an idea and not an actual force.

The Marxist challenge to the bourgeoisie manifested itself in two debates during 1884: one between the orthodox thinker, Auberon Herbert, and the Marxist, H. M. Hyndman, and one between Hyndman and the Radical, Charles Bradlaugh. The first one was carried on in the pages of The Newcastle Weekly Chronicle between November, 1885 and May, 1885. The second one was held in St. James's Hall, London, in April, 1884, and later printed in Justice[29] and as a pamphlet.[30]

The debate between Herbert and Hyndman was a classic example of the two extremes of thought in England--two extremes of class consciousness which could find no common ground upon which to work out a compromise. Each insisted that his truth was the only one. Herbert had his immutable economic laws which demanded faithful adherence to

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[29] Justice, April 19, 1884, pp. 1-3, 6-7.

[30] H. M. Hyndman and Charles Bradlaugh, Will Socialism Benefit the English People? Verbatim Report of a Debate Between Hyndman and Bradlaugh held at St. James's Hall, April 17, 1884 (London: Justice, 1884). During 1887, Bradlaugh and E. Belfort Bax debated the same question in the pages of The Commonweal.

laissez-faire; Hyndman preached the Marxist promise of a vague heaven-on-earth once capitalism in all its forms had been overthrown. Fortunately for England, neither extreme was embraced by a majority of Englishmen, or even by a powerful minority. Instead Englishmen haggled and debated and compromised throughout the 'eighties, 'nineties, and beyond, and they managed to construct an economic synthesis upon which the twentieth-century system rests. While far from perfect, it has maintained a continuity with the past which implies a greater degree of stability and less painful change than does reconstruction. This, of course, is not to say again that the necessary reforms and reorientations, foreseen by some men of the 1880's, did not come too late to be as beneficial as they might have otherwise been. Democracy grew throughout the nineteenth century in England. It grew slowly, but it grew--that is the important point. Beginning with the bourgeoisie in 1832, the charmed circle at the top had been widened to admit them. It was further broadened by trade union agitation during the 1860's, 1870's, and 1880's to include the laboring classes, or a majority of them. The twentieth century saw the Labour Party at the head of government and the implementation of the democratic welfare State.

Although both Herbert and Hyndman upheld ideas which were too esoteric to appeal to the majority of Englishmen, the hopes held out by the latter had, perhaps,

the greatest attraction, being centered in the working classes who were distressed and bewildered over the paradox of capitalism. The debate has value simply because it expressed the problems confronting Englishmen, but the debate between Bradlaugh and Hyndman is of greater historical value, for its solutions were at least conducive to compromise and implementation. One can see from this debate the road which the English nation had begun to move down. Hyndman's arguments and Bradlaugh's criticisms of them reveal the basic objections among Englishmen to the Marxist system, also.

The chairman of the debate in St. James's Hall was the Positivist, E. S. Beesly, who agreed with neither side's philosophy entirely. Hyndman opened the session with his definition of socialism: "an endeavour to substitute for the anarchical struggle or fight for existence, an organised co-operation for existence," as well as "a distinct historical theory which accounts for the progress of man in society by his command over the forces of nature, by the economical development, the power which he has of producing wealth."[31] Never before in man's history had he been able to produce such a mass of wealth, said Hyndman, and yet, what were the results? Poverty for the producers of labor and periodical crises resulting from gluts. The

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[31]"Will Socialism Benefit the English People?" Justice, April 19, 1884, p. 1.

existing system was on the right track only so far as it employed the State for purposes of amelioration, but even these feeble attempts could not solve the essential problem which grew out of the practice of producing for profit only.

> . . . those who take the commodities after they are produced continue to produce more and more in order to undersell one another, and the worker has no command over the market, the result being this great financial crisis which throws hundreds and thousands into misery day after day.[32]

The only remedy for such profound misery was to make production and exchange social functions. The workers must be given the control of the economy, for only they could shape it to benefit the whole community. Once the workers had control, it would no longer be possible to favor one class only, rather the general good would be served. Hyndman declared that socialists hoped to bring about a revolution through persuasion, but, if persuasion failed, they were willing to use force. Socialists, he said, "are accused of preaching discontent, and stirring up conflict." That was a fair accusation. "We do preach discontent, and we mean to preach discontent; and we mean, if we can, to stir up actual conflict."[33] Only through such a procedure, as history showed, had men made any advances. Hyndman scoffed at the individualists who claimed to be the champions of freedom through their support of laissez-faire.

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[32] *Ibid.*

[33] *Ibid.*, p. 2.

> If you go to the match-box-makers in the east end of London, if you go to the north and see the people at work in the mills, or to any of the numberless sweater's dens what do you find? Individuality? No not a particle of it.[34]

True individualism, true freedom came only by way of complete and collective ownership of "land, capital, machinery, and credit."[35]

Bradlaugh's reply concentrated, not upon the glories of individualism and laissez-faire, for he obviously did not subscribe to them. Instead, he directed his attack at the price to be paid for the benefits of socialism as preached by the Marxists, and he accused Hyndman and his followers of deliberate vagueness on details for the purpose of evading the cost-counting. Bradlaugh's appeal was to the working classes who had gained a stake, however small, in the existing system and who opposed the overthrow of it in favor of reform. He readily conceded that the evils were sufficiently grave to call up the socialist challenge and "to make men willing to take any name that they may connect with a possible cure." But, he said, the cure did not lie in the direction pointed out by Hyndman.

Bradlaugh drew a line between social reformers and socialists, calling himself a reformer. "Social reform is one thing because it is reform; Socialism is the opposite because it is revolution"--whether by argument or by force. Socialism was a fine ideal, but it could not exist outside

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[34] *Ibid.*

[35] *Ibid.*

small groups of people, certainly not on a national scale. Experiments had been tried before. Groups had been formed upon the principle of communal ownership.

> As long as they were few they did not lose the sense of private property, they did not lose sight of the advantages they were gaining by their exertions. The small community owned its property hostile to that of every property around it, and therefore each one knew in every addition he had made to the common stock, the stock was so small that he could count his increased riches.[36]

But extend socialism over the whole nation, and the picture changed. The sense of private or separate property disappeared, because socialism denied "individual private property" or even the sense of it which one might find in a small collective gathering. Indeed, as Hyndman himself conceded, the State would own "all wealth, direct all labour, and compel equal distribution of all produce." Socialism deluded its followers by avoiding discussion of such concrete details.

> One of the persons signing [the Social Democratic Programme] actually complains that the opponents of Socialism want too much definition, and too much explanation of what is to be done, and he says that Scientific Socialism gives no details. Dare you try to organise Society without discussing details? It is the details of life make up life.[37]

Here, Bradlaugh struck the weakest point of the whole Marxist appeal, and he made his counter-appeal on that basis by describing who were the owners of property and what such vagueness implied. Those who had "anything

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[36] Ibid. [37] Ibid.

whatever beyond what is necessary for the actual existence of the moment," which included all those with "savings in the savings' banks, the co-operative store, the building society, the assurance society," in short, the millions of workers, could call themselves owners of property, and they stood to lose it.

There was more to socialism than that, however, for under the collective system, the State, of necessity, would control newspapers, museums, lecture halls, acting, singing, writing, all the arts, because these were economic as well as artistic functions. If the State controlled the newspapers, for example, how could one be sure that one could use them to oppose the State if one so desired? Would the State under socialism advance funds to a newspaper which chose to advocate revolution, as the socialists were now doing?

Returning to the division between social reformers like himself who would "socialize" society to create a more just distribution without overthrowing everything, Bradlaugh declared that he preferred State control of all monopolies, but that that was not socialism, for ownership remained in private hands. What he sought, then, was private property under social control. With regard to the issue of land reform versus land nationalization, he brought forward a consideration which he said the socialists had overlooked in their zeal.[38]

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[38] *Ibid.*

> You have to deal with some millions of people, not a handful, as some say--not a mere handful of marauders, as some say; for example, you have 1,057,000 persons in this country holding plots of land, probably in centres of population, plots from under an acre up to fifteen acres. How are you going to get them to give it up? . . . And ought you to try? They are not marauders; 500,000 of them are members of building societies now, working men, and probably another 200,000 of them have been. . . . Are you going to fight them, or are you going to leave them their private property, and only own collectively all the rest?[39]

There was another problem connected with land nationalization: some seventy-five millions of mortgages on landed property were held by insurance companies. The implication here was that socialists would not merely destroy the capitalists by confiscating property, but would also be responsible for the ruin of a multitude of widows and orphans by depriving them of their incomes from these life insurance companies.

What, added, Bradlaugh, about the seizure of capital in money form? Did this mean State-appropriation of savings accounts? Socialists "speak of a few thousand; why in the ordinary savings bank in 1883, you have 1,000,000 depositors; the Post Office Savings Bank, 2,706,612 depositors."[40] Were they to be deprived?

Hyndman's rebuttal denied that all private property would be seized, only the instruments of production. Nevertheless, Bradlaugh's criticisms were the most loudly voiced by critics and the least satisfactorily answered by

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[39] _Ibid._, p. 3. [40] _Ibid._

socialists throughout the decade. If the recorder's parenthetical remarks are indicative, this was a lively debate. It was also an important one. As Hyndman remarked that evening: "The very fact that we are here debating Socialism tonight[,] organised revolutionary Socialism, is itself a revolution."[41]

(4)

Although the socialist movement had an influence upon the course of affairs, its impact was not what it might have been had it remained a unified movement. Almost immediately, there arose serious disagreements and rivalries among the leadership, and schisms appeared which fatally weakened the Marxists' bid for power. The first division came during 1884-95, when William Morris and his followers left the S.D.F. and formed a rival Socialist League and newspaper, The Commonweal. This is the split that historians tend to emphasize, but it was hardly the most important one. Rather, the culminating split which ended the chances of the Marxists to succeed to the leadership of the labor movement was that between the S.D.F. and the "new" trade union leaders, H. H. Champion, John Burns, and Tom Mann, between 1887-89. This rupture secured to the trade unions their domination of the labor movement and even of the Labour Party, once the latter came into

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[41] Ibid.

being. The already-established road to democratic state socialism--an evolutionary progress--was affirmed as the dominant pattern in economic and social history in England. By contrast, the split between the S.D.F. and the Morrisites came to a dead end by 1891. Therefore, the later schism is the most important, but Professors Clayton, Tsuzuki, and Thompson are the only historians who seem to notice the event.

I think that it can be argued that had the S.D.F. been able to hold the socialists together under one banner, its impact might have been much greater, though not decisively so, necessarily, considering other facts. Too many reforms had already been achieved, and too much progress had already been made under trade unionism to allow Marxism to gain overwhelming support. The lines towards a socialized capitalism had already been laid down by Tories, Liberals, Radicals, and trade unionists. But, if there was a time in England when the revolutionary socialists had a chance to gain the lead, it lay in the 1880's, when even conservative men were willing to concede that the existing conditions favored the workers' acceptance of revolutionary ideas. For instance, these are the words of George C. Brodrick, a prominent "middle class" writer:

> In no other country is the gulf between manufacturer and workman more impassable; or the class prejudices of workmen more liable to be stimulated by their aggregation into great factories and the visible separation both from the mercantile aristocracy and from the

> bourgeoisie. In no other country have the small working employers and other intermediate links between capital and labour been more nearly crushed out by the development of industrial organisation. In no other do so few husbandmen own the lands they cultivate; in no other is landed property concentrated in the hands of a territorial aristocracy so small numerically and so constantly decreasing.[42]

And yet, he observed, the working classes did not seem to be rushing to embrace revolution. Why not? He believed that the answer lay in free trade, free political expression, and, most important, in the most perfectly developed trade union movement in Europe.[43] Here, even before the rise of the Marxist challenge as an organized force, were factors preventing the coming to fruition of Marx's predictions. Add to this the schisms within the movement, once underway, and the revolution in England was foreordained to be stillborn.

James E. Thorold Rogers, a well-known economist, echoed Brodrick's views concerning the workers' preference for advancement through trade unionism as an economic and political force. The worker in England, without question, desired the "socializing" of the economy; that is, "the accommodation of economical relations to distinct social ends," and the progress was already noticeable. In Roger's opinion, this was the reason why the socialists of the

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[42]George C. Brodrick, "Democracy and Socialism," The Nineteenth Century, XV (April, 1884), 629-30.

[43]Ibid., p. 630.

Continent "admitted and deplored that the seed they sow in England does not yield a crop, does not even germinate." As long as trade unionism continued its development, Rogers saw no serious threat to either unions or to the existing structure of society. Throughout the decade, he continued to warn the ruling classes to pay heed to union demands for reform lest they find revolution staring them in the face. He insisted that the laborer in England sought only to share, not to overthrow, but that he could be driven to a more radical solution by the ruling classes' failures to help him.[44]

As the decade wore on, and the Marxist challenge seemed to gather momentum, there was increasing concern, because few people foresaw the importance of the internecine conflicts going on in the socialist movement. During 1885, The Commonweal announced a newly organized offensive to win the working classes to the revolution. The "duty" of all socialists was to embark upon a campaign of "earnest out-door propaganda."[45] In July, it carried the following appeal:

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[44] J. E. Thorold Rogers, "Contemporary Socialism," The Contemporary Review, XLVII (January, 1885), 60-61. See also Henry Sidgwick, "Economic Socialism," The Contemporary Review, L (November, 1886), 620-31, and The Commonweal's reply, "Professor Sidgwick and Political Economy," The Commonweal, January 8, 1887, p. 12.

[45] C. W. Mowbray, "Correspondence. The 'Duty' of all Socialists," The Commonweal, June, 1885, p. 47.

> The Provincial Council of the Socialist League will be glad if those in sympathy with Socialism will send to the Editors, newspaper clippings, extracts from books, facts and quotations bearing on the relation between capital and labour and on the symptoms of the disease of commercialism from which Society suffers, whether shown by the idle or the labouring classes.[46]

The appeal brought contributions and questions on matters of detail. In September, replying to a contributor of propaganda material, The Commonweal promised that under the socialist régime of the future, "holidays will not be fragmentary, practically useless, things they are to-day. Every day will be a holiday, and work, as it ought to be, play."[47] This was high-sounding, to be sure, but hardly realistic in its vagueness.

In October, The Commonweal acknowledged a letter from Whitechurch, Dorset, requesting "a series of articles in plain language showing the details of the construction of Society under the Socialist plan." This was a logical request, but the reply offered merely reaffirmed the cloudiness of the Marxist utopia.

> It is natural to ask for such information, but impossible to give more than mere guesses at detailed reconstruction; and to give these would surely be a mistake, as it would lead to grievous disappointment. Do you ask a doctor when he removes an ulcer, what he is going to put in its place? The healthy flesh will grow when the disease is removed. Socialists are surely explicit enough in their claim

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[46] The Commonweal, July, 1885, p. 56.

[47] "To Correspondents," The Commonweal, September, 1885, p. 80.

> of complete freedom, economical, political and moral; we do not want to establish a new slavery under any pretences whatever, but to abolish the old.[48]

Such inadequate promises seem to be endemic with revolutions, and it is not surprising, perhaps, that English workers did not rush to join the revolution as long as other alternatives, however slim, were available. Still, it cannot be denied that the trade unions felt threatened by the socialists' bid for control of the labor movement. Perhaps there was an acceleration along the road towards state socialism after 1885, as can be seen from the speeches of the presidents to the T.U.C., and yet, there had been similar speeches and resolutions even before these. But at the T.U.C. in 1887, the president went a step further and called for the formation of a labor party--"a party distinct from the two great political parties of to-day." The Commonweal called it a "revolutionary" speech, a "declaration of war against the non-producing classes of the community; against the present institutions of society," but wondered how sincere the call was.[49] That it was revolutionary, or a declaration of war, was not true, for it was nothing more than an extension of the foregoing speeches and resolutions from

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[48]"To Correspondents," The Commonweal, October, 1885, p. 88.

[49]John Sketchley, "The Trades Congress and a Labour Party," The Commonweal, October 1, 1887, p. 1.

1881 within the T.U.C. The most that can be said was that it called for greater unity among the working classes for political purposes and for more energetic and unified use of their hard-won political franchise. It was a reaffirmation of the existence of a class conflict, but it was not a capitulation to socialism's challenge, for simultaneously the T.U.C. reaffirmed Henry Broadhurst, anathema to the Marxists, as secretary of the Parliamentary Committee. Thus, what the speech and the support of Broadhurst meant in 1887 was that the T.U.C. was balancing itself between the two sides opposing it, the revolutionaries and the employers. Henry Broadhurst personified the idea of compromise with the employer classes (though not capitulation to them), and the call for an independent Labour Party implied a threat to the Liberals of a loss of labor's support should they ignore, as they had done in the early 1870's, the legitimate demands of the trade unions and the working classes.[50]

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Revolutionary socialism took to the streets to demonstrate beginning in 1885, either to support

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[50]Roberts, The Trades Union Congress, pp. 110-11, describes the T.U.C. of this period as composed of "practical, cautious Liberalism of the old men" who were fighting "a stubborn defensive battle" in retaining Broadhurst. I question this interpretation, for it implies a rigidity which does not seem to me to have been the case, if one considers the speeches and resolutions that were given and adopted from the outset of the 'eighties and the writings of men such as George Howell.

demonstrations held by other groups or as leaders of their own. This was a strategy used earlier in the decade by the trade unionists to support the agricultural laborers' demand for the franchise.[51] But the socialists' behavior tended to be more militant and more conducive to violence, similarly to the trade unionists' demonstrations of the 1860's when the Second Reform Bill was pending.[52]

During 1885, a demonstration by the unemployed in London took place and was cheered on by the S.D.F. Following the event, Justice reprinted some excerpts from "bourgeois" newspapers, apparently in an effort to prove that only the socialists felt any compassion for the problems of the working man. Most of the excerpts presented illustrations of what John Rae had described in 1879 as "injudicious obstinacy of those in power," which was the objective of Justice. For example, from The Morning Post came these words:

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[51]Henry Broadhurst, Henry Broadhurst, M.P.: the Story of His Life Told by Himself (London: Hutchinson and Company, 1901), pp. 125-26.

[52]See The Beehive for 1865-67 for accounts of the demonstrations of the 1860's and of their militancy. According to Paul Thompson, "It was because the S.D.F. lived for propaganda that the free speech struggles of 1886-7 against the police suppression of outdoor meetings were fought with such bitterness. Already every branch was conducting street corner meetings in summer, and some all year. In the winter they turned to political lectures, discussion groups, economic classes, and the branch library, preparing ammunition for summer 'mission stations.'" Socialists, Liberals and Labour, p. 115.

> The principle of initiating public works as a means of affording outdoor relief on a gigantic scale is rightly to be held to be unsound of itself, and harmful in its ultimate results. It really amounts to withdrawing one class of the population from the influence of free competition--a step which tends directly to the encouragement of pauperism. . . .[53]

But--perhaps intentionally, perhaps not--Justice also included an excerpt from the St. James's Gazette, which showed a grasp of the problem by a middle-class paper and carried a warning to the ruling classes to act while they still held the initiative.

> Men who could march in procession on such an afternoon as that of yesterday must be in earnest, it may be supposed, and there was certainly nothing wanting to show that the three or four thousand "unemployed" who appeared on the Embankment meant business.[54]

If the quotation from the Gazette was used to cheer on the demonstrating spirit among the unemployed, it was a clever bit of propaganda, but if it was used to warn the bourgeoisie, it was less so, since the warning was voiced by a middle-class paper, which indicated that the middle classes were not completely reactionary as charged by Justice in its other issues and columns. In fact, in the latter interpretation, it lends support to the unionist argument that accommodation of labor by the employer classes was not a closed door at all, and that advances could be made without a resort to revolution. In the excerpt immediately following, which came from The Pall

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[53] Justice, February 21, 1885, p. 2.

[54] Ibid.

Mall Gazette, the same warning was sounded again by a "bourgeois" writer:

> The description of a day's work at the docks, which we publish in another column, shows incidently how much self-restraint and good sense the London workmen show under trying circumstances; and shows, therefore, how entirely they deserve to be saved from their friends of the Social Revolution. Mr. George Russell's adroit coils of red tape yesterday afternoon had this weak point, that the municipal authority to whose assistance he referred the deputation does not happen to exist in London.[55]

And, from The Daily News:

> One feature, however, appeared in the Embankment meeting yesterday, which, though not altogether new, is at least new enough to possess some significance. Men do not bear poverty as uncomplainingly as they did. They show less disposition to violence than they did fifty years ago, but more inclination to give their distresses a political turn. . . . We shall do wisely to recognise the sign which came to the surface yesterday, of a very considerable extension of Socialistic ideas among the people.[56]

It was this responsive chord within the employer classes which the trade unions' leaders had long sought to play upon and which the revolutionary socialists consistently denied the existence of--somewhat ironically, in light of the fact that Hyndman, Morris, and others were themselves members of the middle class. Thus, this collection of excerpts, used for propaganda purposes, is both puzzling and interesting to the historian.

A socialist-led demonstration took place in Hyde Park during February, 1886, followed by one in Trafalgar Square in March. The latter one resulted in the arrest

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[55] Ibid. [56] Ibid.

and trial of four S.D.F. leaders of charges of "seditious speaking, inciting to riot, and conspiracy."[57] All four were acquitted, and the trial proved a valuable source of propaganda for the S.D.F. One of the defendents, John Burns, presented an eloquent defense which was later published by the S.D.F. as propaganda. It is interesting in light of Burns's activities after 1889. The theme of his argument in 1886 was stated halfway through his speech: "I AM A REBEL, because society has outlawed me."[58]

Burns's plea began with a brief summary of his own life as a worker and as a man who had spent his time working "in a peaceful manner, to call the attention of the authorities to the frightful amount of poverty and degradation existing among the working classes." As a skilled worker, he had spent years teaching his "unskilled fellow workmen" the value of educating themselves and of organizing themselves "in such a manner that by peaceful demands" they could secure a better life.[59] He denied that he had called for "bread and lead," or "powder and shot," as

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[57]H. H. Champion, John Burns, H. M. Hyndman, and J. E. Williams, "'Not Guilty,'" Justice, April 17, 1886, p. 2. These four authors were the ones arrested and tried.

[58]John Burns, Speech for the Defence of John Burns, in the Trial of the Four Social-Democrats for Seditious Conspiracy, Heard from 5th to 10th of April, 1886, At the Central Criminal Sessions at the Old Bailey Before Mr. Justice Cave. (From the Verbatim Notes of the Official Shorthand Reporter.) (London: The Modern Press, 1886), p. 12.

[59]Ibid., pp. 5-6.

charged in the indictment. Those cries had come from men in the crowd whom Burns and his colleagues were trying to control and to quiet. He warned the court, and indirectly the Establishment, that if it desired to end the seditious speeches, it must prevent such men as himself "from having to hear, as we hear to-day, of hungry poverty-stricken men who from no fault of theirs are compelled to be out of work." To such men, the revolution has great appeal. The effects of sedition should not be removed, but rather its causes, and this could only be done by remedying the terrible distress which was so widespread among the working classes in England.[60] "Well-fed men never revolt," said Burns in an indirect recognition of the consumption function, but "Poverty stricken men had all to gain, and nothing to lose by riot and revolution."[61] The riots had had one beneficial effect, at least: they had thoroughly frightened the governing classes, despite the fact that the S.D.F. leaders had committed none of the acts with which they were charged. The four men had acted as "true policemen" by preventing much worse from happening. They had led the crowd to Hyde Park, asked it to disperse, and it had, with the result that there was no serious property-destruction.[62]

Burns's defense does not completely fit the accounts in Justice, which proudly proclaimed the initiative and leadership of the whole demonstration and said nothing of

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[60] Ibid., p. 14. [61] Ibid., p. 15. [62] Ibid., p. 18.

having moved into an already-formed demonstration to quiet it. This claim in Justice, however, came after acquittal. Once acquittal was a fact, the four leaders also claimed a great propaganda victory.

> Throughout the trial Socialism and Social-Democrats were discussed with freedom alike as to principles and persons; and we think it may fairly be said that the closer the examination of both, the better the impression made upon the public mind. We have indeed to thank the Government and especially Mr. Childers, for a far better opportunity for elaborate propaganda than we ever expected to get, and which certainly we could not have purchased for fifty thousand pounds.[63]

The Spectator, in discussing the events from a Liberal position, thought that the four men were truly dangerous. Had not Champion said that day that "if he thought the miserable system under which" English labor lived "could be done away with to-morrow by cutting the throats of that million and a quarter people who took so much more than their share of the bounties of Nature, he would, if it was possible, do it with his own hand that minute"?[64] Considering Champion's position shortly thereafter regarding the use of violence, this was pure bravado, but The Spectator reacted with fright and indignation.

On the 29th of August, 1886, the S.D.F. led another, larger demonstration in Trafalgar Square, for which the

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[63]Champion, Burns, Hyndman, and Williams, "'Not Guilty.'"

[64]"Socialist Rage," The Spectator, March 20, 1886, p. 382.

unskilled worker, J. E. Williams, was again arrested and sent to jail "for speaking up on behalf of his disinherited class."[65] The French Trade delegates from the Municipal Council of Paris attended and, according to Justice, "stood side by side with the English Social-Democrats under the red flag."[66] This demonstration was marred somewhat by an openly acknowledged fight among socialist leaders of the S.D.F. and the Socialist League. Justice described it this way:

> On the present occasion, too, the Social Democrats positively refused to co-operate with the Socialist League, all previous attempts at common action having been followed by so many misrepresentations and such gross imputations on the part of that body that the General Council of the Social-Democratic Federation unanimously resolved that, however friendly individual members might be, they would have nothing to do with the Socialist League as an organisation.[67]

It was obviously confusing to the working classes to hear the socialists call upon them for unified action against the capitalists when such mutual animosity among their own leadership was openly declared. By 1887, the schisms had become truly embarrassing, and Justice carried the following plea by John Fielding:

> Some of our opponents, utterly failing to answer our economical arguments, are only too delighted to talk foolish twaddle about the absurdity of wanting to make everyone agree when we cannot agree amongst ourselves. This nonsense has no effect

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[65] "The Trafalgar Square Demonstration," Justice, September 4, 1886, p. 2.

[66] Ibid. [67] Ibid.

> upon those who understand Socialism, but no doubt influences unfavourably some who are just beginning to come our way.[68]

The demonstrations continued amidst the fragmentation of the socialist movement. So successful had the August demonstration been that the S.D.F. called for one in November. After it was over, it was declared by Justice to have been the best of all.[69] There were several speakers' platforms in the area, and a giant procession was held, complete with red flags and banners with such slogans upon them as "The wages of sin is death, but the wages of the worker is sure starvation"; "We seek not revenge, but justice"; "Work for all, overwork for none"; "It is not danger from without, but from within we have to fear";[70] "By Heavens, our rights are worth fighting for";[71] and "England, 1886: Legal solution of the labour question--3s. a day or 12 lashes--Trade Unionists arise, Henry Shedd's fate may be yours to-morrow!"[72]

During 1887, John Burns was once again arrested and placed on trial the next year for seditious activity.

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[68] John Fielding, "Union is Strength," Justice, June 18, 1887, p. 2.

[69] "Sunday's Demonstration," Justice, November 17, 1886, p. 2.

[70] Ibid. Taken from a Guildhall banquet speech by Lord Halsbury.

[71] Ibid. Taken from a speech by Lord Randolph Churchill.

[72] Ibid. After a recently settled case in the Eastern counties.

Again he defended himself eloquently and his speech was again reprinted by the S.D.F. This time, Burns relied upon government statistics to prove his case and that of the socialist agitation:

CONDITIONS OF WORKING CLASSES

March, 1887

Men questioned in four districts of London, 29,451. Out of work, 8,000--27 per cent. For twelve weeks, 5,964. For some period during six months, October to March, 15,505, equal to 53 per cent. of the 29,451.

Composition.

Single men, 4,019; Married, 24,334; Widowers, 1,098; Wives, 24,334; Children, 69,166; Other relatives, 2,362. Total, 125,313.

In six months out of work for some period, Dock Labourers, 89 per cent.; Masons and Bricklayers, 79 ditto; Painters, 72 ditto; Bookmakers, Tailors, Shipwrights, Labourers, Costermongers, Cabinetmakers, 60 per cent. Under 10 per cent.: Postmen, Railway Servants and Government Employees.

Per Centage Out of Work in Trades

Dock Labourers, 55; Labourers, 37; Shipwrights, 44; Masons, 37; Bricklayers, 37; Painters, 33; Carpenters, 27; Seamen, Watermen, Bakers, Butchers, Blacksmiths, Coopers, Policemen, Postmen, Sorters, Railway Servants, 2 to 6 per cent.

Average wages of 29,451, 24s. 7d. Average rent of 29,451, 6s. 2d. Rent to wages 1 to 4.

Out of Work

Average rent, 4s. 8d. Rents run in work from 4s. 5d. dock labourers from 7s. 5d. paid by clerks. Costers pay a third of 15s. 4d. income or 5s. for rent alone.[73]

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[73]John Burns, Trafalgar Square Speech for the Defence, Delivered from the Dock, Old Bailey, by John Burns,

It was Burns's contention that he hated secrecy and despotism and did not wish to see "the poor adopt in England, as they will if you treat them thus, the continental method of removing grievances."[74] He concluded with an explanation of socialism and another plea for the preservation of the rights of the people to speak and act in their own behalf.

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The demonstrations continued throughout 1888-89, but they had reached their climax of the decade during 1887. One demonstration in 1888 protested the sweating system; another in 1889 was held to support the dockers' strike, and more than 80,000 attended this one, according to Justice.[75] But these years saw, also, the most serious split within S.D.F. ranks. In 1889, Champion, Burns, and Mann "severed their relations with the S.D.F."[76] They joined together to publish articles in Champion's newspaper, The Labour Elector--the "voice" of "new" trade unionism--rejecting revolutionary socialism, by any means,

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When Tried for Riot, Unlawful Assembly, etc., January 18, 1888 (London: Justice Printery, 1888), pp. 7-8.

[74] Ibid., p. 10.

[75] W. S. de Mattos, "The Dock Labourers' Strike," Justice, August 31, 1889, p. 2.

[76] Annie Besant, "The Lessons of the Strike," Justice, September 7, 1889, p. 2. Actually, Champion broke in 1887.

and supporting trade unionism which, they hoped, could be infused with greater energy and with more extensive socialistic goals.

According to G. D. H. Cole, the S.D.F. made a fatal mistake by insisting upon imitating the German Social-Democratic party, which was, at that time, "out-and-out revolutionary." Since conditions in England were far different from those in Germany, this was a foolish move.[77] In addition, writes Cole,

> the struggle between Social Democrats and Anarchists, or Federalists, had not been fought out in the 1860s and 1870s, and had still to be faced in the 1880s, when it took shape in the contest between the S.D.F. and the Socialist League. This contest was one factor in holding back the growth of Socialism in Great Britain until the situation had been basically changed by the rise of New Unionism; so that broadly Socialist ideas found their way to the main body of workers in Trade Union rather than in political guise--with the important consequence that, whereas in most countries the Socialist Parties had a large influence in shaping the Trade Union movement in Great Britain the Trade Unions shaped the political movement into the form of a Labour Party based mainly on Trade Union affiliation and dominated in its Conferences by the Trade Union vote.[78]

Cole seems to believe that the first schism--between Hyndman and Morris--was of primary importance, but it is my opinion that the later one, between the S.D.F. and Champion, Burns, and Mann--perhaps for tactical reasons as well as for ideological and personal ones--which ended the

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[77]Cole, A History of Socialist Thought, Vol. II, pp. 410, 442.

[78]Ibid., pp. 442-43.

Marxists' dreams of a proletarian State in England. Coupled with the movement of "old" unionism towards state socialism during the 'eighties, this schism had the ultimate effect of isolating the militant socialists from the labor movement's leadership. Thompson writes, and I think with truth, that the split between Hyndman and the "new" union leaders "made it impossible for the S.D.F. to profit as it might have done from the advent of independent labour politics in 1889-92."[79]

Whether Champion, Burns, and Mann were acting from purely ideological motives cannot be fully determined, for there were tactical reasons hinted at even in Champion's history of the dockers' strike which was published in 1890. As Joseph Clayton remarks, based upon Champion's work, the dockers' union, founded by Ben Tillett, was the driving force of "new" trade unionism, but it was not, in its organization, the work of the socialists. The dock workers, most of whom were Irish Catholics, were suspicious of socialism. For years, according to Champion, they had listened to the thunderings of the socialists "against the iniquities of the rich," yet even "in their hour of need the Dockers would accept the aid of three only of the dozens of speakers whose indictments of society in general they must so often have heard."[80] These three, of course,

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[79]Thompson, Socialists, Liberals and Labour, p. 117.

[80]Quoted in Clayton, The Rise and Decline of Socialism in Great Britain, 1884-1924, p. 56.

were Champion, Burns, and Mann. Champion gave the reason:

> There is no doubt whatever, that those Socialists who took part in the strike were welcomed not because of their Socialism, but in spite of it; not on account of their speculative opinions, but for the sake of their personal ability to help.[81]

Champion's explanation for the dockers' reluctance to embrace the teachings of socialism have an ideological and a practical base. The dockers did not know at all how the socialists planned to implement their ambitious goals if given the power. There were too many conflicting opinions given by individuals and groups. Some told the workers that there was no hope for civilization "save in the immediate and total destruction of every kind of authority." There were others who argued that what was needed was "not less law, but a great deal more of it, provided that it conforms to the speaker's own opinion." The term socialist, then, had come to "cover every sort of politics, and to include proposed changes in our industrial system varying from compulsory State Life Insurance to the establishment of Free Federated Communes." Champion added that the docker's main reason for "listening to discussions about the future millenium" was to discover "whether during his lifetime he is going to obtain steadier employment, higher wages, more leisure, and a better home."[82] The dockers opted for trade unionism rather than

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[81] Ibid.

[82] Ibid., p. 57.

for revolutionary socialism, as did Champion, Burns, and Mann.

Whether for ideological reasons or from opportunism, these men returned to trade unions' methods, despite the anger they had expressed earlier over them, and rejected what Ben Tillett at one point called "the hare-brained chatterers and magpies of Continental revolutionists."[83] I am inclined to believe that their motive was not purely tactical, but a genuine rejection of the revolutionary bent of the S.D.F. after 1886 when, according to Tsuzuki, the willingness to use violence was taken up.[84] There was not much wisdom required to see how futile such an approach was in England at that time and how everything would be lost and nothing gained by it. After all, England was moving towards democracy and reforms had been secured by trade union agitation. And, if the dockers' attitudes were indicative, the labor movement would never follow the revolutionary path under prevailing conditions of political freedom. There was a basic conservatism within the working classes--even among the most miserable --which precluded expectations that they might take up the red banner and use force against the Establishment. They did not seek to destroy the system, only to share in it.

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[83]Pelling, A History of British Trade Unionism, p. 119.

[84]Tsuzuki, H. M. Hyndman and British Socialism, pp. 33, 80-83.

Trade unionism seemed infinitely more practical, especially after the dockers' success. This is not to say that Champion, Mann, and Burns might not have favored a revolution if it could be achieved peacefully, as they had seemed to believe during 1884-86, but, once the S.D.F. took up the policy of advocating violence, they drew back. Finally, it is possible that these three men came to realize that Marxism was too theoretical to appeal to labor. As The Labour Elector observed in January, 1890:

> . . . experience has taught all, except the wilfully blind, that if the Labour Movement is to take, and keep, a firm hold of the masses of the toiling population, it must be something more than mere propaganda of theoretical doctrines. The worker is willing enough to hear denunciations of inequality and injustice. He will listen gladly to men who declare that everything that is, is wrong, for his everyday experiences teaches him that it is so. But he has no time, energy, or money to devote to a movement which bids him be satisfied with the empty luxury of abusing his oppressors, and the hope that a hundred years after he is dead and gone, things will be ordered differently. It is to-day in Great Britain much as it was in Ireland a dozen years ago . . . what the Land League did for the Irish tenants, Trades Unions can do for the British workmen.[85]

In the same issue, Tom Mann discussed his former hostility towards trade unionism and the reasons for his change-of-mind.

> I do not feel called upon to defend the action of Trade Unionists in the past. My contention is, that the Trade Union institution is the one that lends itself most readily to educating the workers

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[85] "Work for 1890," The Labour Elector, January 4, 1890, p. 8.

> of both sexes, whether classed as skilled or unskilled, in the benefits of organised action and in a real understanding of their industrial position. . . . Those who discuss will be weaned of the indifference and the selfishness which so often characterise those who refuse to undergo the salutary discipline of a Trade Union.[86]

The schism between the S.D.F. and the "new" union leaders was set in motion after 1886 when the former's policy swung towards the advocacy of violence as a "short-cut to Socialism," to use Tsuzuki's words again. The chasm opened wide when Champion, Mann, and Burns became leaders of the dockers' in their highly successful strike. This is clear from contemporary writings, but, of course, as Thompson shows, there were some linkings of the ties for awhile which did not last.[87] That the schism occurred at the time it did had profound repercussions for the Marxists, I believe. It explains in part why the trade unions were able to retain their leadership of the labor movement.

There is another reason why the trade unions were able to remain at the head of affairs: the progress which "old" unionism had made towards state socialism throughout the decade. This progress is the subject of the next chapter.

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[86] Tom Mann, "The Labour Problem. I--The Present Unrest," The Labour Elector, January 4, 1890, p. 10.

[87] Thompson, Socialists, Liberals and Labour, p. 114.

CHAPTER VII

"OLD" TRADE UNIONISM VERSUS "NEW" TRADE UNIONISM

(1)

The challenge of Marxist socialism had a seemingly divisive effect upon the trade union movement in England. Prior to the rise of Marxism as a propaganda force during 1884-85, only one trade union movement was acknowledged. By 1889, men were speaking in terms of two: "old" and "new" unionism. The formation of the Marxist-based Social Democratic Federation produced the attitude which developed into "new" unionism, as certain trade unionists joined the S.D.F. out of despair over what they thought was the snail-like pace of the trade unions towards reform. But these same men retained their connections with their respective unions. Between 1884 and 1889, this attitude established the distinction between "old" and "new" unionism. Yet, ironically, once "new" unions came into being, the philosophy upon which they supposedly differed so drastically from the "old" unions became modified to such an extent that, in practice, there were no deep-seated differences between the two by 1890.

The open letter addressed to the trade unions in 1884 by the S.D.F. shaped and defined the terms of delineation between the "old" and "new" unionisms.[1] In brief, the line of distinction lay in the acceptance by the trade unionists-socialists of the necessity of the overthrow of capitalism and "old" unionism's rejection of it. The former insisted that an irreconcilable warfare existed between the bourgeoisie and the proletariat which dictated the end of the capitalist system and the creation of the Marxist State. Some socialists held the view that the trade unions were useless as instruments to advance the cause of revolution and should therefore be supplanted by one vast socialist organization--the S.D.F.--which would gather every working man and woman under the red flag. Hyndman personified this attitude, to the misfortune of his organization.[2] Others, particularly the trade unionists-socialists such as John Burns and Tom Mann, revealed a somewhat ambivalent feeling towards the trade union movement. Although they tended to retain the hope that the unions could be converted to instruments of socialism and therefore retained as viable organizations, they placed the emphasis, until 1889, upon the need for revolution.

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[1]See chapter vi, <u>supra</u>, p. 178.

[2]Cole, <u>A History of Socialist Thought</u>, Vol. II, p. 409. Cole believes that Hyndman's contempt for unions had a serious weakening effect upon the potential of the S.D.F. and socialism.

This attitude lay at the root of "new" unionism and set it apart from the "old." But this lasted only as long as the former, as an actual movement, lay in the future. As soon as it became a real force, the differences virtually disappeared. Two events were crucial: the movement of "old" unionism towards state socialism, and the abandonment by "new" union leaders, or rejection in the case of Tillett, of the Marxist revolution as a prerequisite to labor's advance and elevation. Cole recognizes the shift towards the right of "new" unionism, as other historians do, after 1889, but he does not recognize the trend leftwards of "old" unions during the decade, and neither do the other historians. The most that they say is that around 1886-87, "old" unions changed their course rather drastically,[3] or, if not then, then in 1889-90, when confronted by the wildly successful mushrooming of "new" unionism.[4]

With regard to the shifting rightwards of "new" unionism, Cole has this to say:

> [The match-girls' strike, led by Annie Besant,] struck the first open blow for the "New Unionism" which, to the discomfiture of the S.D.F., soon pushed their Marxian Socialism into the background and prepared the way for the "New Socialism" of the Independent Labour Party.[5]

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[3]See especially, Roberts, The Trades Union Congress, p. 114.

[4]See especially, Webb, History of Trade Unionism, pp. 407-8.

[5]Cole, A History of Socialist Thought, Vol. II, p. 408.

The same thing happened when Champion, Burns, and Mann split from the S.D.F. as happened when Annie Besant took up the leadership of the match-girls. The Marxist revolution was abandoned as too utopian, and trade unionism was resumed as the viable force with genuine and already-proven potential. That "old" unions had come as far as they had towards state socialism made a merger between "old" and "new" a painless process at the Liverpool T.U.C. in 1890.

This chapter will be devoted to exploring two struggles: that between trade unionism and the employer classes which almost destroyed the former as a movement, even before the Marxist challenge appeared, and the struggle between trade unionism and socialism-"new" unionism from 1884. The trade unions won their battle with the employers. If they did not win the second one, neither did they lose it.

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Before the advent of revolutionary socialism, trade unions had been fighting their battle for survival on only one front, against the employers. The weapons had been for some years primarily economic--the use of the strike and the picket line--with some political activity. With regard to the latter function, the unions had formed the T.U.C. late in the 1860's to act as a pressure group upon Parliament to secure, first, the elimination of statutes

hostile to and repressive towards trade unions, then, to gain certain positive regulatory legislation for the protection of the working classes. Within the T.U.C. a committee had been created to secure the election of workingmen to Parliament.

By 1875, the major victory had been won: the repeal of criminal punishment aimed at trade unions as organizations to employ economic pressure at the factory gates. Now, the unions were no longer forced to pose as innocuous friendly societies, as they had had to do for decades. In addition, the unions secured a broadened franchise to permit greater working-class political action, first in 1867, later, in 1884. All these reforms had cleared the way for the forward progress of labor in England in the form of positive State interference in economic affairs.

With the onset of depression during the mid-1870's, the resistance from the employers hardened and became quite aggressive, forcing the unions to expend huge sums on strikes merely to hold the line on what they had gained in the past. As we shall see, this struggle very nearly eliminated trade unionism in England. The struggle was still being waged during the 'eighties when the Marxists stepped up with their bid for control of the labor movement, thus opening a two-way fight for the unions. A victory for either opponent implied the end of unionism as effective instruments for labor's advance.

In 1878, the threat of socialism was still confined to the Continent, particularly to Germany and France, but it was spreading to other countries[6] and was beginning to stir the English ruling classes. Speculation began to circulate over the possibility that socialism might infect the English life by way of the trade unions, and the resistance to them hardened enough to prompt George Howell to defend unionism against this new potential threat. He was not as concerned over the potential threat to unions by socialism as he seemed to be over the possible use of the socialist threat by English employers to suppress unions. His article, then, was primarily and ostensibly a defense of unionism against the charge that it might be a carrier of the Marxist plague, although implied, too, was a defense of unionism against socialism and an appeal to employers to allow breath to the former to forestall the latter.[7]

Howell observed that, not only had English trade unionists been among the charter membership of the International Working Men's Association--which became known as the First International--but even some members of the upper classes in England had shown an interest, although "most

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[6]Cole's A History of Socialist Thought, Vol. II is devoted to the spread of Marxism and Anarchism throughout Europe from 1850 to 1890.

[7]Howell, "The History of the International Association," pp. 19-39.

of them" had "since that time, been rather shy with regard to their connections therewith."[8] But the International, in Howell's opinion, had fallen upon evil times when, in the middle 'sixties, the "seed of discord and of decay were sown" by "a German 'doctor' named Karl Marx," who had introduced his "religious ideas" into the body. The upshot had been the withdrawal of most of the English trade unionists.

> What "the religious idea" meant in the minds of those who presumed to become its apostles does not appear; but whatever it was, it did not captivate the English members of the International, to whom, as a rule, it was repugnant.[9]

According to Howell, the door was thrown open, as a result of Marx's machinations, to all sorts of plans and pleas for the establishment of a political paradise on earth, and in "proportion as these imported continental theories became more and more predominant," the English working-class leaders became more and more disenchanted. Eventually they withdrew from the organization. It was Howell's concern to explain that the International had become the sinister threat in the employers' minds, not as a result of the efforts of trade unionists, but because such wild-eyed schemes as Marx's were put forward by "foreigners" who were not workingmen at all, but instead, members of the

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[8] Ibid., p. 24.

[9] Ibid., p. 25. See, also, Cole, A History of Socialist Thought, Vol. II, pp. 98, 162.

middle class. Once Marx opened the door, the organization, rather than pursuing "the dreams of working men" which were merely practical reforms, came to be dominated by "philosophers, journalists, and students."[10] The working man and his practical goals were jettisoned for dreams of utopias and of revolution. After that, the English trade unionists saw no value in retaining their memberships. They resigned, and, ultimately, the middle-class dreamers destroyed the International by an internecine struggle for power. "Its end," said Howell, "was not glorious; it did not expire in a blaze of triumph, it fell to pieces like an egg made of sand."[11]

The idea implied here was that the English employers need have no fear of English trade unions, which were not revolutionary but merely reformist. Should unions be destroyed, worse might take their place at the head of the labor movement. Howell asked what lessons were to be gleaned by the English working classes and replied to his own question with the following--which meant as much for employers as for workers:

> In the first place it ought to show the working classes of this country that the process by which the general amelioration of the masses can be secured is, and must be, slow; that many of the good things to which they aspire are within their reach if they proceed in an orderly manner, confine themselves to practical measures, and adopt reasonable methods; that the attempt to engraft continental notions on English ideas is absurd and certain of failure--the talk about

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[10] *Ibid.*, p. 27.

[11] *Ibid.*, p. 34.

> "proletarians" and "solidarity" is confusing to the English mind, they are big words which do not convey a single idea to British workmen because they are foreign to his habits of thought and modes of expression; that it is utter folly to condemn everybody of every class as enemies of freedom and of progress because they cannot accept in all its baldness every theory which is put before them, and because they differ as to the means by which to effect those changes upon which to a certain extent they agree.[12]

Howell appeared to have sensed the coming challenge from continental socialism, for he seemed not only to be concerned to pacify the fears and cool the hostility of the employers regarding trade unions, but to warn and to instruct his fellow workmen of the dangers of embracing utopian dreams and thereby, in the manner of the dog in Aesop's fable, losing the reality in their grasp for the reflection of reality in the water. Howell had been a member of the International. He had seen it collapse and lose everything which the working-class members had worked for on the international plane, and he seems to have been equally concerned for the future of trade unions and the labor movement in England should the same course be followed.

He went on to say that, while Government can help to ease the path upwards from debasement and poverty, the essential ingredient was the "self-reliance of the worker." This meant collective self-reliance through trade unionism. He had the typical Englishman's fear of an all-powerful

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[12] *Ibid.*, p. 35.

State which carried within it the seeds of tyranny, and he hoped to see the English worker, seeking to free himself from poverty, avoid the pitfall inherent in socialism. The advantages trade unionism offered to a man like Howell, "old" unionist that he was, lay in its size and constitution: the union, developing as a local entity with a national affiliation, could continue to be controlled by the workers for their ends, without running the risk of being taken over by middle-class utopians whose concern for the worker was actually secondary to the creation of the "ideal State." Unions were practical expedients responding to workers' needs and to the relationships of power within the existing economic system. As such, they had been highly successful to that time. Such an approach fed easily, of course, into that of state and municipal socialism, though Howell did not take up this point.

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From the number of his writings of the period, as well as from their content, George Howell seems to have been the voice of "old" unionism. During the 'eighties, he wrote far more on the subject of economic and social problems than any other prominent trade unionist who was not also a socialist. For that reason, I rely upon him rather heavily. It was he who replied to the attacks upon unionism by both capitalists and socialists. His writings reflect tacit acceptance of the principle of state socialism

by trade unions as seen in the annual reports of the T.U.C. His writings seem to present the consensus among the "old" unionists: neither sycophants of the Liberals nor adherents to socialism, but preferring to blend the two with democracy and with trade union leadership.

In an article published by him the following year, 1879, the worst year of depression so far, Howell defended the use of the strike method against the attacks of the representatives of orthodoxy. These opponents of trade unionism, or at least of trade union militancy, charged that strikes were not only dangerous but that they were too costly, and that, since they had been placed as a weapon in the hands of labor by the Disraeli Government, the workers had taken unfair advantage, not only of their employers but of their fellow workers as well. Unions, in short, had become tyrannical. Howell was driven to reply. His defense constitutes a fair definition of "old" trade unionism, and, it should be noted, there was little difference between it and "new" unionism after the latter came into being.

In the first place, he said, trade unions were essentially "voluntary organisations of workmen for mutual assistance in securing generally the most favourable conditions of labour."[13] Here, he was refuting the anti-

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[13]George Howell, "Trade-Unions: Their Nature, Character, and Work," Fraser's Magazine, n.s., XIX (January, 1879), 22.

unionist charge that trade unions coerced non-members to join. He conceded that instances of coercion did happen, but that "they are few and far between," and that the illusion of widespread coercion was created by opponents to unions who gave exaggerated publicity to the relatively few cases. Some examples, said Howell,

> are spoken of as though they represented the normal condition of things in a trade-union. Pressure is sometimes brought to bear, to an unfair degree, upon those who refuse to join the union; but usually this is exercised over those who have in some way transgressed its rules. [Nor is] This kind of pressure . . . confined to trade-unionists.[14]

With regard to the charges that trade unions were "hot-beds of tyranny," "instruments of oppression," and "secret organisations for the purpose of assassination," Howell presented a lengthy and cogent denial. He asserted that whatever "secrecy" unions might "ever have had was forced upon them by unjust laws," and that even here the unions had been "less secret than some others that were tolerated, and in a sense protected by law." Before the repeal of the combination laws in 1824, for instance, trade union members

> were hunted like wild beasts, and there are men still living who can remember having to bury their books on the town moor for fear of a vindictive prosecution.[15]

That the trade unionists comprised "a tyrannical majority who rule the minority with an iron hand," was absurd. According to the reports of the leading unions

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[14] *Ibid.*, pp. 22-23. [15] *Ibid.*, p. 23.

in the country, trade union members made up a minority of the represented trades. For example, the men of the Amalgamated Society of Engineers did not make up as much as one-third of the men who worked at the engineering trade, and this was one of the "best organised" unions in the world.

> The boiler-makers and iron ship-builders estimate their numerical strength as being fully three-fourths of the whole; the iron-founders number, probably, about two-thirds; the steam-engine makers, one-half; the carpenters and joiners about one-fourth; the masons have, possibly, nearly two-thirds; the bricklayers most likely number three-fifths; the plasterers, one-third; the painters and decorators probably one-sixth; the tailors and shoemakers about one-fifth. In most trades the proportions are far less than those above given.[16]

The ratio of non-unionists to unionists was twenty-two to sixteen, which hardly bore out the charge of tyrannical majority.

The primary objective of unions was to protect "their members in all matters pertaining to wages, hours of labor, and conditions of employment, such as over-time, piece-work, and the like." As for the friendly--or benefit--society aspect of unions, this was "in all cases subordinate to the main object--namely, the protection of trade privileges."[17] This meant that, while the friendly-society functions were certainly important, they were always "accessories" to the unions' functions as strike-agents and arbitration agents. Strikes were costly, but they were

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[16] *Ibid.*, p. 24.

[17] *Ibid.*, p. 27.

necessary, although Howell believed that the day was not far off when

> masters and men will see that their disputes can best be settled by bargaining, that is by some method of conciliation, or if terms cannot be arranged by this means, then by resorting to an equitable system of arbitration.[18]

But such a time would not come until the working men, through their unions, had convinced the capitalists that, if labor is a commodity, as they said, then, like all commodities, the price should be set by the seller, not by the buyer. What particularly offended him was that when "workingmen seek to take the same position" as other owners of commodities, concerning the price they want for their labor, their actions are "denounced as presumption."[19] This argument by Howell is somewhat specious, for he was well aware of the demand side of matters, as he showed in other articles, but he was probably referring to the capitalists' claim of "cost of production"--including profits--while denying the same to labour.

> In proportion as the unions increase in number, and extend the sphere of their operations, so do they gather experience, and effect improvements in their methods of conducting their business. The consequence of this is, that the older societies are able to avoid some of the errors into which the new associations fall. This is strikingly manifest in the matter of trade disputes, which are fewer in the large, long-established, and consolidated unions, than they are in those of more recent growth.[20]

This quotation is important, for it answers the charges made later by socialists and historians that "old"

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[18] *Ibid.*, p. 28. [19] *Ibid.* [20] *Ibid.*, p. 31.

unions were unwilling to use the strike. As Howell showed, it was not a case of not being willing to use it--they were, if necessary--but rather the fact that if the unions were large enough and powerful enough, the employers would be compelled to concede advances to forestall a strike and thus save the unions a great cost in the form of strike-pay. This argument was virtually a recruiting appeal to non-unionists to join up and a call to working unions to organize effectively, but it was in no way an argument for avoidance of the strike. Nor does one receive any intimation here of exclusiveness or of belonging to an "aristocracy of labour," scorning those outside the ranks of the skilled or of the unions. Howell was concerned solely with the still-continuing struggle between the employers and the workers--a struggle too often ignored by historians of trade unionism in the late 1870's and early 1880's. Contrary to what is often said, unions had not been accepted by most of the employer classes. Instead, they were severely criticized for acting as unions under the Disraelean legislation which permitted them to do so, but which, evidently, assumed that they would not.

Even William Stanley Jevons, supposedly in the avant garde of economics, criticized Howell's defense of the strike as a necessary weapon. In Jevon's opinion, Howell erred in attributing rising wages to successful use of the strike, and he suggested that other factors were involved,

such as free trade, inventions, coal power, increased capital, productive capacity of machinery, and purchasing power of money.[21] He expressed the hope that trade union leaders would come to see that "industrial divisions should be perpendicular, not horizontal," that is, that they would see that their employers' interests and their own within a company were complimentary and that whatever competition or conflict there was existed between companies rather than between classes. Once this idea was accepted by unionists, there would be an end to the "class conflict" which, to Jevons's mind, was an obsession with the working classes. There would be an end to "arbitrary rates of wages," to "organised strikes," to "long disputes," and to uncertainty in business. "Zeal to produce the best and the cheapest and most abundant goods would take the place of zeal in the obstructive organisation," and everyone would benefit.[22] Jevons's position hardly differed from the orthodox position, such as that of W. R. Greg, another critic of Howell's defense of the strike weapon.

Greg charged that the "original intention" of trade unions had been "to lay up resources for interrupted employment, or 'bad times,' or failures of earnings during

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[21]William Stanley Jevons, The State in Relation to Labour (London: Macmillan and Company, 1882), pp. 116-17.

[22]Ibid., p. 145.

sickness or accident," and not to lead strikes which crippled production.[23] In other words, the unions had been organized as friendly societies only and recognized by the ruling classes as such, and that was what they should remain. By taking up the strike weapon, they had perverted themselves.

Not so, replied Howell, in an article written some time later:

> The original intention of trade societies was "trade protection" to its members, as every historical student ought to know. And even when, as for example, in the earlier part of the present century, the craftsmen of the towns combined under the cloak of friendly societies, it was because combination in any other form was forbidden by law. The motive which prompted workmen to combine was the same everywhere; the intention and purpose being to collect levies for the support of those who were involved in "trade disputes" or "strikes."[24]

In his paper to the Royal Statistical Society, G. Phillips Bevan accused George Howell of being overly optimistic in computing the gains made through the use of the strike. Since the strike pay was contributed in the first place by the men, they only received their own money back again during a strike instead of wages. Such money would have been of more benefit in the long run had it been

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[23] W. R. Greg, "Rocks Ahead and Harbours of Refuge," The Nineteenth Century, V (May, 1879), 835.

[24] George Howell, "The Financial Condition of Trades Unions," The Nineteenth Century, XII (October, 1882), 483. In this article, Howell mentioned Greg specifically, so it was meant as a reply to him and to others of his views.

left to accumulate with interest. Nor was this all. So many of the strikes failed that the overall losses far outweighed the gains.[25] Even where they succeeded, there were other costs to be counted: (1) "deterioration of house property in all neighbourhoods" where great strikes occurred; (2) "dwellings uncared for and left without tenants"; (3) rents which were not paid; (4) "shopbills in arrear"; (5) "the tradesmen left with heavy legacies of debt"; (6) "accumulating poor rates"; (7) "the deterioration of physique" and "the illness" which reduced the "labour value of the workmen, and their wives and families"; and (8) "the cases in which a whole industry has been driven away to more kindly localities," for example, the shipping industry from the Thames Estuary.[26]

To these, Howell returned the following points: in the first place, that the shipping trade had not been driven from the Thames Estuary as a result of strikes; in the second place, the workers rarely had an alternative to the strike by which to "adjust wages," in the third place, the workers were not in all cases the instigators of the strike, since many times the employer forced them to it by attempting to reduce their wages or to increase their working day; and, finally, the cost of strikes could be reduced if more workers benefitted from any one strike.

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[25] Bevan, "The Strikes of the Past Ten Years," p. 51.

[26] _Ibid._, p. 52.

> Supposing in a certain district 200 men struck for two months, and received 2s. per week advance, that was a small number of men; but if those 200 men fought the battle, and gained it for say 1,000 men in the district, and prevented the repetition of a similar struggle, this would do good.[27]

Here, again, Howell explained why the "old" unions showed some tendency towards caution in the use of the strike, for which they were severely criticized by the socialists and "new" unionists. But, as experienced organizations, the unions had learned, through bitter experience, a valuable lesson: if at all possible, do not use the strike indiscriminately, use it only when it will benefit enough people to be worth the cost and become a deterrent to employers in tampering with labor's rights. This did not mean that unions hoarded their funds, but rather that the funds came from the pockets and sacrifices of the members and should be used to secure additional benefits or prevent losses of gains made and not to be thrown away on reckless and ruinous militancy. The lesson had been driven home during the latter 1870's, when the strongest unions nearly collapsed from having to expend their funds both for strikes and for benefit payments arising from widespread unemployment, and the weaker unions had disappeared altogether. This lesson would be taught again to the "new" unions during the 'nineties, and they, too, would

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[27]George Howell, in the "Discussion on Mr. G. P. Bevan's Paper," The Journal of the Royal Statistical Society, n.s., XLIII (March, 1880), 60.

come to accept the same argument that Howell put forth: any failure of a strike weakened unionism as a movement and gave added strength and audacity to employers.

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The first criticisms of trade unionism from within the working-class movement came from George Holyoake of the co-operative movement. He questioned the unionists' sincerity when they stated that higher wages meant better production.

> Now a man being a unionist, is no guarantee to anyone that he will not scamp his work, or do the least for the most he can get. . . . A trades council are not leaders of art in industry; they are, with few exceptions, mere connoisseurs in strikes. All a union does is to strike against low wages, they never strike against bad work.[28]

From the Marxists, the first attack came from Frederick Engels, whose editorials appeared during 1881 in The Labour Standard.[29] While acknowledging that unions were vital in raising the level of wages higher than non-unionists were able to do, Engels contended that, after sixty years of struggle, they had not "enabled a single section of the working class to rise above the situation of wages-slaves." Nor had unions allowed the workers to enter into ownership of the means of production. This was

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[28]Quoted in Jevons, The State in Relation to Labour, pp. 123-24.

[29]Frederick Engels, "The Wages System," The Labour Standard, May 21, 1881, p. 4; "Trades Unions," ibid., May 28, 1881, pp. 4-5; "Trade Unions," ibid., June 4, 1881, p. 5.

their fatal flaw, for the complete abolition of the wages system was the sole method of liberating the worker. It was not, after all, "the lowness of wages" which constituted "the degradation of the working class," but rather the fact that workers had "to be satisfied with a portion" of the wealth which they alone produced.[30]

This point led to the broader complaint that the trade unions refused to join in the political struggle which was the true and primary concern, for victory in the political arena would open the way for the necessary economic reconstruction--the abolition of capitalism and the wages system. The unions' attitude towards the right of the capitalist to exist infuriated the Marxists, who denounced all employers as exploiters and parasites. The method of the unions of seeking to broaden the social aspects of the economy through a balanced use of strikes and legislation struck the Marxists as leading nowhere, for one could not have a negotiated peace in class warfare. There could not be conflict and co-operation between the classes at the same time. The unions could not struggle with employers at one point and relax at another. This gained nothing. The wages system was a capitalistic instrument of exploitation and oppression. As long as unions accepted the principle of the wages system, and thus of capitalism, their members and all labor would remain slaves

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[30]Engels, "The Wages System."

no matter how much wages rose. Therefore, the political battle must be joined.

As already noted, the unionists and their supporters were conscious of the need to place more emphasis upon unified political action as early as 1881. Beesly had written at that time that although there was certainly the risk that unions might become tools "for party purposes" if they increased their political activity, it was a risk "which must be faced if the Congress is to keep at the head of the onward movement of labour." Among the most advantageous avenues, Beesly thought, were municipal governments. He advised the workingmen to agitate for the creation of a Municipality for London and then to secure strong representation on it and other municipal governments, since this level of administration was the "most closely connected" with the laboring classes' "comfort," and workingmen "could exercise a much closer supervision over it than they ever can over national politics."[31] Nine years later, the hitherto revolutionary socialist-trade unionist, Tom Mann, would write along the same lines:

> . . . the power now vested in Parliament must be largely transferred to the local governing bodies, the town and county councils; and the workers themselves . . . take a continual interest in and share in the administration of these local bodies.[32]

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[31]E. S. Beesly, "The Labour Parliament," The Labour Standard, September 17, 1881, p. 4.

[32]Tom Mann, "The Development of the Labour Movement," The Nineteenth Century, XXVII (April, 1890), 719.

Not only did Mann come to echo the voice of Beesly, the supporter of trade unionism, he came to echo the words of the speech of William Crawford, chairman of the Parliamentary Committee of the T.U.C. in 1881. Where Crawford had called upon trade unionists to work through the existing political parties for the advancement of labor, without, however, allowing either party to capture labor's votes,[33] Mann, who like other socialists had condemned such advice and action, made the following plea in 1892 concerning labor's hopes through Tory party action in setting up a Labour Commission:

> Those workers who are suspicious of its probable usefulness because appointed by a Tory Government can scarcely have learned the lesson that the interests of Labour are far above political partisanship, and that the cause of Labour may occasionally be served even by "parties" from "party" motives; and it need not concern the workers which political section now and again take the initiative, providing they are sensible enough to make the most use of it.[34]

Thus far, then, did "new" unionism move towards "old" by the end of the decade. But this is only one example.

Crawford's speech in 1881 went on to tell why trade unions had not been more aggressive and united in the political field hitherto. This explanation throws additional light upon the problems faced by unions which were not appreciated either by socialists then, or by historians since.

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[33]See chapter vi, <u>supra</u>, pp. 175-76.

[34]Tom Mann, "The Labour Commission and Its Duties," <u>The New Review</u>, IV (1892), 294.

He began by saying that he could think of nothing more crucial than making "the organised power of the Trades' Unionists of the country available for the promotion of the interests of labour," for the fortunes of all classes rested ultimately upon those of the working classes. "When these prosper, all prosper. When these decline, all legitimate national interests decline with them." He said that trade unions were becoming a great political power in the State, having progressed from being illegal organizations which had to meet in secret and call themselves by aliases, through legislation and a long and difficult, and still incomplete, education in political affairs. The problem for unionists was that

> when Unions became legal, men were crippled by their ignorance and want of that experience and confidence which habits of [legal] association would have given them.[35]

An even greater obstacle to unified working-class political action had been that the major political questions during the decades of union development were ones also dividing laboring men: rural versus urban, Protestant versus Catholic, Anglican versus Dissenter. These divisions could have undermined the trade union movement while it was still weak. Therefore, unionists had "very wisely decided to exclude political questions altogether from their Congress in order to prevent fragmentation which would have

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[35]"Fourteenth Annual Congress of the Trades' Unions of Great Britain and Ireland," p. 5.

been fatal to the struggle for legalization of unions, strikes, and picketing. By 1881, however, "Old political questions" were, fortunately, largely settled. The franchise had been extended to the laboring classes, and when "the borough and county franchise have been assimilated, little will remain to be done in regard to the extension of popular power." The looming question now was the proper use of that power so that the advancement of labor could proceed more speedily towards securing greater benefits. Trade unions had led the way in the past, and they should lead the way in the future.

> But for the actions of Trades' Unionists, many of the evils which we had 20 years ago would have existed still. I need not say how much sooner, or how much more would have been done had the general body of workmen been organised, and ready to act for the promotion of [labor legislation].[36]

Crawford and other trade union leaders recognized that matters of trade and labor were coming to occupy "day by day, more of public thought and attention," and they believed that workingmen should "seek to derive unity of thought" from their own leaders rather than relying on non-working-class leaders, since the "interests of the workingmen in connection with Government action and legislation cannot be over-estimated."[37]

Throughout 1882, The Labour Standard, now the recognized representative of trade union opinion, carried

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[36] Ibid. [37] Ibid.

editorials concerning the need for greater activity in the political arena and warned the workers that they must take matters into their own hands. They should use their money and their organizations to send laboring men to Parliament.[38]

> Let workmen arouse themselves from this state of slavish subjection which it is sought to keep them in, and directly throw all such stuff to the dogs, and have no more of it. Possibly it may be true that members of other orders can represent the workmen in Parliament, but it must ever be wanting in sympathy, which the workman if he would have the freedom to repudiate, this he can only possess by insisting that men of his own order shall stand up for him in the council of the nation.[39]

In the opinion of The Economist, 1882 marked a turning point in the trade union approach to legislation. Prior to that time, the Liberal publication had shown little liking for the trade union movement, since it implied collectivism which The Economist considered potentially dangerous, but the speech of the President of the T.U.C. in 1882 disturbed that journal a great deal more than speeches there had done before. Mr. Austin, the president, had proposed some new legislation which he thought was necessary for "adequate protection of the worker." Said The Economist:

> All this proposed legislation . . . have one feature in common. They all aim at State interference of one kind or another between employers and employed, and they all ask Government to do for the trades'

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[38]"Working-Men and State Parties."

[39]"Workmen and the Right of Representation," The Labour Standard, August 5, 1882, p. 4.

> unions what they might be quite capable of doing for themselves. In this respect, much of the new legislation proposed is altogether at variance with the spirit of the past legislation upon which the delegates congratulated themselves. What the trades' unions in their earlier days most energetically contended for was, that all legal restraints upon labour should be removed. . . . But with this they are evidently not now content. Having succeeded in removing the legal disabilities under which they formerly laboured, they are setting themselves to forge new fetters to individual freedom.[40]

The Saturday Review commented upon the T.U.C.'s "communist projects" and said that "no political questions of the time are exempt from the meddling of the Trades Union Congress."[41] It accused the T.U.C. that year of having

> falsified the complacent assurance of its flatterers that it would confine its deliberations to the direct interests and the proper business of its members or its constituents. Even if it had not transgressed its professed limits, it would have had little claim to admiration or sympathy. . . . Trade-Unions have never made a secret of their antagonism to employers, and it must be admitted that their deliberations are conducted with extreme candor. They effect no regard for the rights or the welfare of any other portion of the community. . . . The Trades Union Congress at Manchester may claim the questionable credit of having been the first body of the kind which has, by unanimous vote, approved the wholesale robbery in the form of confiscation of land.[42]

Moreover, said The Saturday Review indignantly, the T.U.C. had demanded that labor M.P.'s should be maintained

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[40] "The Trades' Union Congress," The Economist, September 23, 1882, p. 1175.

[41] "The Trades' Union Congress," The Saturday Review, September 23, 1882, pp. 395-96.

[42] "Communist Projects," The Saturday Review, September 30, 1882, pp. 425-26. The vote to nationalize land was not unanimous.

"at the public expense." The only possible conclusion to draw was that if these demands became law, "landowners would be taxed for the maintenance of members who would be pledged to wholesale robbery of their unfortunate paymasters."[43]

By the standards of the Marxists, the proposed legislation of 1882 by the T.U.C. was contemptuous for being innocuous, but anything short of open warfare on capitalism would have been.[44] But their charge that the unions cared not for the laborers and preferred to toady to the capitalist and to emulate him, was untrue. The unions took cognizance of the class struggle long before Marx, and they had not abandoned it in the 1880's. Their problem was, however, that they had no sooner gained the legal right to exist, to strike, and to picket, they had no sooner secured the necessary "negative" legislation which allowed them to become a force in affairs, than the depression of the 1870's set in with devastating consequences. So severe was the challenge from depression and employers' aggression that the unions had to devote almost their entire energies to mere survival. Since the depression lasted through much of the next decade, the unions were hardly relieved from such a task. Howell, writing in 1883, showed clearly how severe that challenge was.

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[43] Ibid.

[44] See Cole, A History of Socialist Thought, Vol. II, chapter xiv.

> . . . Trade Societies experienced a pressure and a strain more severe than had ever before fallen to their lot; their resources for that period were strained to the utmost, and even their stability as an institution was subjected to a searching test. And it was not merely in financial matters that the pressure was felt; their capacity for taking hold of and dealing with, difficult and delicate problems connected with labour, was tried and tested to a degree never before known. . . . The ordeals through which the Unions have been passing, and have to a great extent passed, have sorely tried the efficiency of their financial basis, and the elasticity of their rules.[45]

The unions survived the worst years, 1876-79--that is, the larger ones did--and were trying to catch their breath during the partial upswing of 1880-81. But their task was formidable. Depressed conditions set in again after 1882, and in 1884, the socialists made their bid to depose the unions from the head of the labor movement, and unions had to combat them as well as the employers.

Although the years 1876-78 "were sufficiently trying for any ordinary test of stability," 1879 was the worst of all "in its severity, and in the duration of the intensity of the suspense." The unions seemed to be "undermined at their very foundations," and it was feared that they "would collapse altogether, crumble into mere wrecks, and disappear from industrial life." In the seven largest and richest unions alone,[46] between 1765 and 1881, the total

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[45]George Howell, "The Work of Trade Unions. A Retrospective Review," The Contemporary Review, XLIV (September, 1883), 332.

[46]Ibid. The unions were: the Amalgamated Society of Engineers; the Friendly Society of Iron Founders; the

aggregate expenditure amounted to the huge sum of £1,784,003 17s. 11d., making a deficit of £199,592 2s. 2d. Had these unions not carefully collected and preserved large sums of money--a fact upon which the socialists and "new" unionists harped throughout the decade--the last five years of the 'seventies might have seen the destruction of trade unionism as a power in England. It survived because the unions could draw upon "balances of the previous years," and even at that, the strain was enormous.

> In one society [of the seven] an accumulated fund of £65,395 fell to £1,908; in another, the funds fell from £45,337 to £9,184; and in another from £70,109 to £40,960 last year [1881]. Even the engineers' accumulated balance fell from £275,146, in 1876 to £130,074.[47]

In one year alone, 1881, which was a comparatively good year, the seven unions supported 3,477 unemployed families--"wholly supported" them "throughout the entire fifty-two weeks." In 1879, "over 11,550 families, or more than 46,000 persons," were "wholly supported from the 1st day of January to the 31st day of December, 1879, by <u>five</u> societies alone" of the seven.[48] These expenditures were separate from strike, or "suspension," pay, which was also enormous. What Howell feared was that "in proportion as trade is declining, or is bad for any length of time, so

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Boilermakers and Iron Shipbuilders; the Steam Engine Makers' Society; the Ironmoulders of Scotland; the Amalgamated Society of Carpenters and Joiners, and the Amalgamated Society of Tailors.

[47] <u>Ibid</u>., pp. 334-35.

[48] <u>Ibid</u>., p. 337.

strikes are more frequent and disastrous."[49] Not only were unions paying out ordinary "unemployment" benefits during depression times, plus the superannuation and funeral benefits, but they also had to pay out strike pay in response to employers' use of depression conditions to regain lost advantages. Then during good years, more strikes were necessary to recoup on the part of the unions. Howell presented the following table to show the amounts paid out in "suspension" payments between 1876 and 1880:[50]

Societies	1876 £	1877 £	1878 £	1879 £	1880 £	Totals for five years
A.S. of E.	3,366	3,574	6,145	39,402	9,563	£ 61,840
F.S. of I.	198	689	736	5,386	309	7,318
B. & I.S.	2,991	13,805	6,966	7,109	4,089	34,960
S.E.M.S.	177	139	221	1,225	120	1,882
I. of Scot.	"suspension benefit" not separately given.					
A.C. & J.	2,831	13,168	12,292	10,558	2,522	41,371
A.S. of T.	1,935	2,611	4,815	1,410	219	10,990
Totals:	11,498	33,986	31,175	65,090	16,822	158,361

In 1881 alone, the payments to strikers by the seven largest unions were as follows: Engineers, £1,680 17s. 9d.; Ironfounders, £261 11s. 10d.; Boilermakers and Iron Shipbuilders, £711 8s. 8d.; Steam Engine Makers,

[49] *Ibid.*, p. 346. [50] *Ibid.*

£70 14s. 2d.; Ironmoulders of Scotland, not given separately; Carpenters and Joiners, £732 8s. 0d.; and Tailors, £407 14s. 9d. The total for that year: £3,864 15s. 2d.[51] From the foregoing, it is apparent that the trade unions were fighting a battle to survive in the face of strong opposition from employers and depression.

By 1884, the unions came to be seriously challenged from the Marxist camp, as the flood of revolutionary propaganda entered the stream of the debate. For the rest of the decade, the unions worked to broaden their abilities to accommodate the more reasonable socialist ideas, but they evidently did not go far enough fast enough to pacify the socialists who began to talk in terms of "old" and "new" unionism, especially those socialists who were also trade unionists.

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The rise of the Marxist challenge began to draw a line between two types of unionists: those who refused to accept the socialist call for the overthrow of capitalism, preferring to retain their traditional role as countervailing forces within the existing system, and those who joined the S.D.F. and all that it stood for.

As an indication of the socialists' attitudes towards unionism between 1884 and 1889, one can take those

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[51] *Ibid.*

of Hyndman and Burns, since the former personified the contempt of certain socialists for unions at all and the latter represented the desire to bring unionism under the socialist banner. Condemning the use of the strike weapon, Hyndman had this to say in 1884: "A tenth of the funds and sacrifices thrown away on useless strikes would have made the working classes masters of Great Britain, socially and politically, by this time."[52]

Condemning the political tactics of the trade unionists, John Burns wrote the following warning:

> Tory and Liberal have had their day; it is now time that the labourers asserted their rights and insisted upon them. If the [Trades Union] Congress will but take heed of the advance of opinion among the great body of workers they may yet, ere it is too late, assist the coming revolution by their prompt acceptance of the Socialist principles that are coming to the front nationally and internationally with such rapid strides.[53]

After the T.U.C. had met in 1884, Justice ran an editorial praising those delegates who had made demands that greater energy be devoted to advancing labour's cause and condemning men such as Henry Broadhurst, George Howell, George Shipton, and Joseph Arch for controlling the T.U.C. for their own glory.[54] By 1885, Justice was proclaiming the "decay" of trade unions, even saying that Marx had erred

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[52] Justice, January 19, 1884, p. 3.

[53] John Burns, "The Trade Union Congress," Justice, September 13, 1884, p. 5.

[54] "Trade Unionists Moving," Justice, November 22, 1884, p. 4.

in his earlier prediction that unions would lead the way in securing the franchise of the proletariat. Bronterre O'Brien, said Justice, had shown greater foresight when he predicted that unions "would in the end be only another aristocracy of labour" scorning to help their unskilled brethren.[55] In the same month, Burns addressed an open letter to the trade unions warning them that they could not hope to hold their own against the ruthless and well-armed capitalists and that they had "few opportunities left" to seize the initiative and to turn their "snobbish desertion of the unskilled worker" and combine with him for the overthrow of capitalism.[56] He cited the example of the American trade unions which were "incorporating with their trade rules objects of social-economical character," and he warned the English unionists to follow suit before it was too late.

> Men of England; have you sunk too low to follow their example? has capitalism crushed your spirit out? have you become wage slaves and nothing more?[57]

This from Burns was ironic, for the unions in America which he held up as examples of success were then on the verge of collapse and about to be supplanted by the

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[55] "Trade Unions and the Industrial Revolution," Justice, January 17, 1885, p. 1.

[56] John Burns, "To Trade Unionists," Justice, January 4, 1885, p. 2.

[57] Ibid.

Gompers' approach which was much more aristocratic than English trade unionism.

In February of 1885, Burns accused the skilled workers of refusing to help their unskilled fellows towards better wages which constituted indirect aid to the employers. The skilled worker, in true aristocratic manner, demanded higher wages for himself, said Burns, but not for the unskilled worker, despite the fact that the unskilled man worked as hard or harder than his skilled and better-paid fellow. With what result? Not only was the unskilled worker deprived of sufficient income to maintain bodily health, but

> look how the skilled workers lose by these distinctions when a dispute or a strike takes place. If the wages of skilled and unskilled were equal there would be no incentive for unskilled men to "rat" or "knobstick," they simply do so because the master offers a higher wage than that received by them prior to the strike.[58]

Such compassion was, indeed, touching, but how different would the attitude of the "new" unionists be towards "blackleg" labor once the "new" unions had to operate within the realm of reality. For example, The Labour Elector in 1890 would write these words which lacked compassion, to say the least.

> Take the South Metropolitan Gas Strike, for instance. It would not have been possible for Mr. Livesey to have stood out 48 hours but for the aid given him by

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[58] John Burns, "Skilled and Unskilled Labour," Justice, February 21, 1885, p. 2.

traitors from the working class, "blackleg" stokers, coal-porters, and seamen.[59]

In 1885, however, the unionists-socialists had the greatest compassion for the unskilled man, accusing the trade unions of joining with the employers to suppress them. In Burns's words, "Bribe one section" of workers "to countenance the robbery of another is the policy of the masters, and it has succeeded admirably."[60]

With regard to the trade unions putting up labor candidates for Parliament, Justice had this to say in 1885:

> . . . just as real representatives of the working classes may do good, so shams must do harm, and nine-tenths of the Labour Candidates before the Metropolitan constituencies at the present time are shams of the worst kind. They are not independent in any shape or way. . . . If the workers desire to have direct representation they must declare at once for universal adult suffrage, payment of members and of election expenses out of the rates or general fund. Then, if they choose, they can control their own delegates.[61]

The Commonweal, organ of the Socialist League, joined in the attack upon trade unions, calling them organizations which looked after their own members only while pretending to lead the labor movement. The "unions pretend to be an army fighting the battle of labour; whereas they are merely an ambulance looking after the sick and

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[59]"Work for 1890."

[60]John Burns, "Skilled and Unskilled Labour."

[61]"Sham Labour Representation," Justice, July 4, 1885, p. 1.

wounded."[62] What was even worse, from socialists' eyes, was that in refusing to join the revolution the unions accepted the existence of capitalism; they bolstered "up a thoroughly vicious state of society" by "merely attempting to modify some of the evils that it produces, whilst leaving the source of those evils--the wages system--untouched."[63]

What was happening in England during this time was the same thing that happened in the First International: a workingmen's organization, seeking to broaden and humanize life around them, was being permeated by middle-class utopian dreamers who argued that reform was useless and evil and that only total reconstruction, following revolution, was a justifiable goal. Anyone who disagreed with them was declared a traitor to the working class, an "aristocrat" who toadied to the master class. As the propaganda of these middle-class socialists and anarchists had its effect during the 'eighties, the trade union movement began to appear divided between "old" and "new" with the real danger that the English labor movement, like the International, would fall "to pieces like an egg made of sand." Had this happened, the whole labor movement, unions and all,

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[62] J. L. Mahon, "Trades' Unions," The Commonweal, June 12, 1886, p. 82.

[63] Thomas Binning, "Organised Labour. The Duty of Trades' Unions in Relation to Socialism," part II, The Commonweal, August 14, 1886, p. 154.

might have been crushed by the employer classes who were not less hostile than the socialists were to unionism. It does not appear that the S.D.F. or Socialist League either knew or cared how real the danger was. Or, perhaps, they knew and hoped for suppression of unions with the idea that the workers would then, from desperation, join the socialists for the revolution.

Such, I believe fortunately, did not occur, for three major reasons: (1) the move towards state socialism by "old" unions, (2) the fact that "old" unions had ceased to be exclusively a skilled worker's haven (The T.U.C contained unions of unskilled workers and unions made up of both skilled and unskilled workers from the outset of the decade. By 1879, the apprenticeship requirement for membership in unions had been abandoned for the most part in practice.), and (3) the split between the S.D.F. and "new" unionism, a point to be taken up in detail later.

Taking the first reason, we have already seen the reaction of The Economist and The Saturday Review in 1882 to the alleged volte face set by the T.U.C. Though seemingly contemptible to revolutionaries, the type of legislation called for by the T.U.C. from 1880 on was, for all practical purposes, of the state socialist sort, since the State was expected to intervene in a positive manner to regulate economic affairs for the social good. As one example, the T.U.C. and the labor M.P.'s had been working

to secure an amended Employers' Liability Act to prevent evasion by employers of responsibility to their workers, skilled and unskilled.[64] In addition, the T.U.C. called for a codification of the criminal law, and a Bill was introduced in Parliament which aimed at simplifying indictments and abolishing "all technicalities" which might cause injustice to working men. Though a legal matter rather than an economic reform, it was important, and it was aimed as much towards the unskilled as towards the skilled workers' protection.

A third matter taken up by the labor M.P.'s was a Bill requiring enginemen to have a certificate of competency--a case of State intervention in a sector of the economy for the social good. Another Bill dealing with the payment of wages in public houses was pushed by the labor M.P.'s and aimed specifically towards helping the unskilled worker.

> . . . its purpose being to do for unskilled labour what the unions have done for the trades, viz., to compel employers to pay wages at the works or in some other place than the beershops.[65]

A Bill to abolish imprisonment for debt was supported, as was a Patents Bill. There was support given for increased factory inspection and for the elimination

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[64] "Fifteenth Annual Congress of the Trades' Unions of Great Britain and Ireland," The Labour Standard, September 23, 1882, p. 5.

[65] Ibid.

of adulterated cotton goods. There was an attempt to reform the cab laws. There was a Bill, which passed, to establish land allotments on those lands left for that purpose but which heretofore were let out in large farms, thus depriving the poor of any chance to farm. The Bill was admittedly "small scale," but it was, at least, a start.

The T.U.C. repeated its call for a Municipal Bill for London and a county government Bill in 1882.[66] None of these measures were very stirring, it is true, but all of them established the principle of governmental interference in the society and economy. All marked the way along a state socialist road, the pattern of the twentieth century.

In 1882, the T.U.C. adopted a resolution calling for extensive land reform. An amendment proposed by Mr. Rowland of London, which stated that "no reform will be complete short of nationalisation of the land," was adopted 71 to 31, despite a protest from Mr. Threlfall of Southport that the T.U.C. should guard "against pledging itself in any way to 'communistic principles.'"[67]

The next year, the T.U.C. adopted resolutions calling for the regulation of workers on steam engines and boilers, for inspectors of mines, to be drawn from the

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[66] Ibid.

[67] Ibid., September 30, 1882, p. 3.

working class and for factories, to be drawn also from the working class. A resolution reaffirmed the 1882 call for the nationalization of the land. Another sought reform of the magistracy, and a resolution called for increasing the representation in Parliament for labor. It was resolved that "Labour candidates should be relieved from the official cost of election" and "receive a remuneration from the State."[68] Here, almost two years before Justice demanded them, the "old" unionists called for election expenses for candidates and pay for the M.P.'s.

During 1883, the T.U.C. adopted a resolution calling for restriction of young girls from employment in areas of the iron and steel industry. This motion was opposed by the female delegates on the grounds that women were being so restricted that it would not be long before they could not "eat and drink without legislation," but the resolution carried. The T.U.C. adopted a resolution calling for the enfranchisement of Irish workers in the municipalities, and one demanding the regulation of the hours of labour employed by the State, either directly or indirectly, for the benefit of the unemployed and the unskilled workers.

> Considering the increasing mass of unemployed labour in most branches of industry, particularly in that of unskilled labour; considering also that it is the duty of Government to further the welfare of the people in every possible way, and that the reduction of the hours of labour is an important means to that

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[68] "Sixteenth Congress of the Trades' Unions of Great Britain and Ireland," The Labour Standard, September 22, 1883, p. 6.

> end; therefore this Congress instructs the Parliamentary Committee to induce the Government to bring in a Bill to regulate the hours of the workers in the employ of the State, and by all public bodies and companies requiring Act, or concession by Parliament, and that eight hours be the maximum time of the working-day in all their establishments.[69]

As for the socialists' charge that the trade unions turned their backs upon international action, this was not true. At the 1883 T.U.C., there was held an anniversary dinner of the London branches of the Society of Wheelwrights and Blacksmiths. At this dinner, Mr. George Shipton spoke of the "deputation of the English Trade Unionists that were about to attend a Workmen's Congress in Paris," and he added: "if they could help foreign workmen to improve their condition they had assisted English industry at home, because there would be taken away the unfairness of competition in the form of low wages and long hours abroad."[70] The Saturday Review expressed this opinion: that "Congress fitly wound up its proceedings by accepting an overture of alliance from a club of French workmen which call itself Socialist and Revolutionary."[71]

In 1884, the T.U.C. showed an increasing tendency towards political action.[72] The Saturday Review reacted

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[69] Ibid.

[70] "Trade Unionism," The Labour Standard, September 29, 1883, p. 1.

[71] The Saturday Review, September 22, 1883, p. 355.

[72] George Howell, "Trades Union Congresses and Social Legislation. A Record of Mutual Self-Help by Associative Effort," The Contemporary Review, XVI (1889), 412.

by saying that the trade unionists were "working to produce a state of things in which all industry will be strictly controlled for their benefit," and that the equality of opportunity "of which Mr. Broadhurst spoke will not be allowed to the employers of labour when the workman has learnt that the power of using the resources of the State is a very good substitute for freedom from its control."[73]

During 1885 and 1886, the T.U.C. called for free education. Against this, The Saturday Review felt compelled to protest.

> Several resolutions of the Congress to the effect that the State, or, in other words, those taxpayers who are not engaged in manual labour, should be subjected to additional burdens for the benefit of artisans and labourers. Not only is education to be gratuitous, but the unhappy members of the middle and upper classes are to pay for the privilege of being governed by a Parliament largely composed of working men.[74]

A Labour Electoral Committee was set up in 1886 to oversee the increase in the number of labor M.P.'s.[75] That same year, there was another meeting of the International Trades Union in Paris attended by representatives of the T.U.C., one of whom was James Mawdsley. The upshot was

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[73]"The Trade-Union Congress," The Saturday Review, September 13, 1884, p. 331.

[74]"The Trade-Union Congress," The Saturday Review, September 19, 1885, p. 370.

[75]Howell, "Trades Union Congresses and Social Legislation," p. 412.

that in the T.U.C. that year a resolution was adopted, upon the recommendation of Mr. Mawdsley, embodying the complete program adopted in Paris. The provisions were:

1. Interdiction of work done by children under 14 years of age.
2. Special measures for the protection of children above 14 and of women.
3. The duration of the day's work to be fixed at eight hours with one day's rest per week.
4. Suppression of night work, excepting under certain circumstances to be specified.
5. Obligatory adoption of measures of hygiene in workshops, mines and factories, & etc.
6. Suppression of certain modes of manufacturing injurious to the health of the workers.
7. Civil and penal responsibility of employers with respect to accidents.
8. Inspection of workshops, manufactures, mines, & etc., by practical inspectors.
9. The work done in prisons not to compete disastrously with private enterprise.
10. A minimum rate of wages to be established which will enable workmen to live decently and rear their families.
11. The propriety of holding an International Congress in England during 1887.[76]

B. C. Roberts calls the adoption of this resolution by the T.U.C. "a jump from laissez-faire to collectivism with a vengeance."[77] But from the foregoing, it is clearly not a true statement. The T.U.C. had, very early in the decade, begun to move towards collectivism, and this resolution was merely another step along the way. It was neither "a jump" nor "with a vengeance."

The second reason why the idea of revolution was rejected by the English labor movement was that trade

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[76]Roberts, The Trades Union Congress, pp. 114-15.

[77]Ibid., p. 114.

unionism had, by the opening of the 'eighties, if not before, ceased to be exclusively a skilled worker's movement. The T.U.C. included unions of unskilled workers as well as unions containing both skilled and unskilled, for example: the Agricultural Labourers' Union, the Cokemen and Labourers' Association, the Labourers' Union, Kent and Sussex, the Weavers' Association of Blackburn, the Women's Provident Society,[78] the Boilermakers and Platers, the Carpenters and Joiners, the Compositors, and the Shipwrights.[79] All were "old" unions.

Moreover, the apprenticeships had largely gone by the board by 1879, according to George Howell.

> . . . in olden times legal apprenticeship was invariably insisted on as an indispensable condition of membership, but it is no longer; in one or two societies an attempt is made to enforce it, but the rule is inoperative--practically dead, except on paper. The only absolute conditions of membership now are, that a man shall know his trade, that he gets his living by it, and that he is able to earn the current wages of the town or district. If a man can manage to pick up his trade, no matter how, he will find no difficulty in gaining admission into the union.[80]

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[78]These are taken from the roster of unions represented at the 1883 T.U.C., for examples. There are others. See The Labour Standard, September 15, 1883, p. 1.

[79]Tom Mann, "The Labour Problem. III--A Programme for the London Trades Council," The Labour Elector, January 18, 1890, p. 36.

[80]Howell, "Trades Unions: Their Nature, Character, and Work," pp. 26-27.

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The match-girls' strike in 1887, the gas-workers' strike of 1889, and the dockers' strike a few months later, brought fantastic growth of "new" unionism almost overnight. In 1889, the T.U.C. met at Dundee and voted unanimously its support of the dockers and a contribution to aid them. At that Congress, too, Mr. Broadhurst's leadership was challenged seriously, although a vote of confidence in him was carried 177 to 11. Keir Hardie of the miners, proposed a resolution for a legal eight-hour day, but it was defeated by a vote of 88 to 63. Reynold's Newspaper blamed Broadhurst and "his sycophant," Shipton, for the defeat.[81] But the primary opponents were the miners of northern England who had already secured a seven-hour day and feared to lose it.[82]

Over the next year, "new" unionism recruited members, as did "old." But the entry of "new" unions into the T.U.C. was both massive and welcomed by the "old" unions. In 1890, the delegates of the "new" unions attended the T.U.C. in Liverpool, and the merger between "old" and "new" began. As John Burns told a socialist audience in Battersea later:

> I am glad to say that in the past three years we have tried and succeeded in blending the socialistic ideas

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[81] "Trades' Unions and Their Officials," Reynold's Newspaper, September 8, 1889, p. 4.

[82] Pelling, A History of British Trade Unionism," pp. 105-6.

> of the early unionists with the new moral, ethical, social, political tendencies of to-day. The apparent differences between "old" and "new," I trust, will soon disappear, and we will know only one party in trade unionism that, will subordinate all speculative differences for the benefit of the industrial classes.[83]

Speaking to a socialist audience, Burns tried to take credit on the socialists' behalf for all the progress made towards the synthesis. But he admitted further on that forty-five of the sixty resolutions adopted by the T.U.C. "were nothing more or less than direct appeals to the State and Municipalities of the country to do for the workmen what trade unionism, 'old' and 'new,' has proved itself incapable of doing," and that the "'old' trade unionists from Lancashire, Northumberland, and Birmingham, asked for as many of these resolutions" as did the delegates from the "new" unions.[84]

The merger was crystallized for all practical purposes between 1889-90. It was possible because, on the one hand, the "old" unions had moved far towards democratic state socialism and, on the other, because the "new" unions did not take up the Marxists program of revolution. Either their leaders had never been Marxists, as in the case of Ben Tillett, or they had broken with the S.D.F., as in the

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[83] John Burns, Speech delivered by John Burns on "The Liverpool Congress" at a Meeting held at the Washington Music Hall, Battersea, September 21, 1890 (London: Green, McAllan & Feilden, Ltd., 1890), p. 7.

[84] Ibid., p. 13.

cases of Champion, Mann, and Burns. Without the Marxist extremism, a synthesis was easier, for the

> trade unions have always been socialistic in their tendency. Their progress has always been in a socialistic direction, but they have abjured the methods of action preached by the modern socialist prophets. Their socialism . . . has never been known by that name and has been invariably evolutionary in its character . . . [but they have been socialistic, if] in socialism everything is to be included which has for its object a larger sharing by the workers in the profits of their labour.[85]

Once the "new" union leaders had broken with the S.D.F. and abandoned the dreams of utopia, they were eager to take up trade unionism, and the door was opened for the synthesis of labor which developed into the Labour Party in the next century. The Marxists became a comparatively isolated group on the fringe of the labor movement, and trade unionism retained its leadership. Unlike the First International, the English labor movement did not fall apart like "an egg made of sand." The shaping of a synthesis prevented that from happening.

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[85] "Trade Unions. Their Policy and Social Work," Subjects of the Day, No. 2, p. 117.

CHAPTER VIII

THE SHAPING OF THE SYNTHESIS

(1)

If the origin of the twentieth-century Labour Party in England can be pinpointed at all, it was probably that year between September, 1889, and September, 1890, with the preceding years of the decade being the "seedbed" of the labor synthesis. In these years, the ideologies and methods of "old" unionism and revolutionary socialism clashed and struggled for control of the labor movement. From 1880-89, "old" unionism advanced towards democratic state socialism, and "new" unionism sprang to life in 1889, broke with the Marxists,[1] and merged with "old" unionism upon the evolutionary course.

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[1]Thompson, in Socialists, Liberals and Labour, pp. 118-19, says that the split between the S.D.F. and the "new" unionists narrowed somewhat after 1889-90, and that "even the hostility of Justice was moderated," giving hope to Engels. In "both election and trade union work" the "socialists of different parties continued to work side by side." This may be true, just as there remained animosities between certain "old" and "new" unionists. Nevertheless, the future course of events within the labor movement had, I believe, been determined by the merger of 1889-90 between "old" and "new" unionism, and the Marxists remained, for all practical purposes, excluded from the leadership of the movement.

This blending of the two types of unionism prepared the foundation of the Labour Party, and it was helped along by the "injudicious" behavior of those in power during the 'nineties. The revolutionary dream was discarded, and the Marxist militants became an isolated group of angry men. In 1911, they left the Labour Party to form a rival British Socialist Party.[2]

From contemporary writings in newspapers and periodicals, one is able to trace the convergence of the factions within the trade union movement and the loss of the Marxists in their bid for control of labor's destiny. Robert Spence Watson, for instance, wrote in 1890 of the results of the great strikes:

> One of the best results of the recent contests, in which unskilled labour has played so remarkable a part, has been the convincing testimony of the sympathy which exists between skilled and unskilled labour.[3]

John Burns, who, in mid-decade, had virtually despaired of trade unions as the instrument of labor's advance,[4] described the shaping of the labor synthesis when he said that at the Liverpool Congress of 1890, "19 out of

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[2]M. Cole, The Story of Fabian Socialism, p. 131.

[3]Robert Spence Watson, "The Organisation of Unskilled Labour," The Contemporary Review, LVIII (August, 1890), 290. George Howell, among many other "old" unionists, heartily supported the dockers' strike. Clayton, The Rise and Decline of Socialism in Great Britain, 1885-1924, p. 55.

[4]See chapter vii, supra, pp. 242-44.

20 delegates were in favour of the 'new' trades union ideas of State interference in all things except the reduction of hours," and even that point was not to be long denied. He predicted that before the next decade had passed, the vast majority of the T.U.C. members would support the eight-hour day.[5] In light of the acceptance of it by the "old" unionists at several of their Congresses, this was a safe prediction.

In November, 1889, Frederic Harrison jubilantly reported that, after carrying on "for some years past a fierce and internecine war," trade unionism and socialism had at last become "fused."[6]

> . . . and the new Unionism is the result. At last a modus vivendi has been found, with an alliance offensive and defensive for the time being. Each has contributed a special element of its own, and has allowed a good deal of its former character to drop. Socialism has contributed its dominant idea of betterment all along the industrial line, whilst borrowing from Unionism its regular organisation and practical tactics for securing a definite trade end. Unionism has contributed its discipline and business experience, whilst dropping its instinct towards mutual insurance "benefits" as the essential aim. And so socialism has dropped all attack on the institution of Capitalism.[7]

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[5]Burns, Speech . . . on "The Liverpool Congress," p. 13.

[6]Frederic Harrison, "The New Trades-Unionism," The Nineteenth Century, XXVI (November, 1889), 725.

[7]Ibid., pp. 725-26. It is strange that Harrison, for all his many years of close contact with unions, failed to see behind the facade of "friendly society" concentration, to see that that aspect was always an "accessory" only.

Thus, it was recognized even by contemporaries that a turning point had come, that "old" and "new" had blended to create something new in the labor movement. The lessons were clear for Marxists, non-revolutionary socialists, and trade unionists. Harrison pointed them out.

> The Socialist of the Karl Marx school may reflect how sterile a thing Socialism has proved all these years that it has been raving out its fierce conundrums about the wickedness of private property, and how solid are the results to be won when it consents to enter on a practical business bargain. The violent assailants of Trades-Unionism may reflect that they have done nothing practical, until they resorted to Unionism themselves and adopted its familiar tactics and its well-tried machinery. The old Unionist may reflect that, in forty years past, the conventional Unionism has proved utterly powerless to effect what in a few weeks two or three prominent Socialists have done.[8]

(2)

Each category of thought in England contributed something to the labor synthesis which matured into the Labour Party and, eventually, into the welfare State. Some did so in a positive and willing manner; others unknowingly or in a negative way. Of the latter group, the most obvious were the rigid orthodox individualists who shuddered at even so mild a reform as sanitation and health legislation as a violation of laissez-faire and who abhored the legalization of trade unions or State interference in economic matters as forerunners to bondage.[9] As Frederic Harrison

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[8] Ibid., p. 731.

[9] See, for example, Herbert Spencer, "The New Toryism," "The Coming Slavery," and "The Sins of the

observed, the events of 1889 served to show "the incredible folly of the party who hoped to crush out Unionism at the time of the Royal Commission in 1869," and England's good fortune at not heeding their dire predictions and demands. Their extremism had meant their rejection by most Englishmen, with beneficial results all round.

> What the enemies of the Unions, with suicidal folly, tried to compel the societies to become, i.e., mere trade societies or fighting unions *per se*, that the Socialists have now induced the societies to do voluntarily, or rather they have founded new Unions to effect that object. In the same way the enemies of the Unions proposed to the legislature to make "picketing" criminal. The recent Strike has shown us the greatest development of Picketing ever known. . . . If "picketing" had been made illegal in 1869, the recent Strike would have been suppressed by the resort to cavalry as they do constantly abroad.[10]

Harrison's words here reveal not only the negative contribution of the individualists, but also the positive but unconscious contribution made by the Tories under Disraeli, who granted the crucial rights to unions to strike and to picket, on the assumption, of course, that: (1) the Tories would draw labor support away from the Liberals, and (2) that the working classes would continue to know their "proper" place in society and not use these weapons to disarrange the traditional hierarchy.[11]

Legislators," *The Contemporary Review*, XLV (1884), 153-67, 461-82, and 613-26, respectively.

[10]Harrison, "The New Trades-Unionism," p. 727.

[11]Paul Smith says, in *Disraelian Conservatism and Social Reform*, p. 265, that, in "1874-6 the Conservative party, even while it pursued through social legislation

There were others of the middle and upper classes who made positive and knowing contributions to the formation of the socio-economic-political structure in England by educating their peers to look upon further reforms as vital to the preservation of the "English way of life." These men and women spent the decades of the 'eighties, 'nineties, and beyond, writing and speaking to urge more positive responses to the economic and social inequities if the basic structure of English freedom was to survive. Such men as Thomas Brassey, whose solutions were well-meant if pathetically inadequate, William L. Blackley, whose scheme of compulsory national insurance later found its way into the conventional wisdom, the Reverend Barnett, who in 1883, set forth a plan of "practicable socialism," the man, Mr. Miller, who donated 1,000 pounds to hold the Industrial Remuneration Conference, the men and women who participated in the Conference, Joseph Chamberlain, whose "Radical Programme" offered a middle way, and, of course,

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the Disraelian aim of elevating the conditions of the people, made no substantial effort to realise in concrete form that alliance between Toryism and the working classes of which its leader had been, and still was, the prophet. The failure was one of imagination and of will. Conservatives could not envisage any relationship between party and people other than that of guarded benevolence on the one side and grateful deference on the other, nor did they wish for anything different. . . . They wanted working-class votes, and were prepared to pay for them in the hard currency of social reform; further than that they did not care to go." The Tories, thus, drew labor away from consistent support of Liberalism, yet, by failing to bridge the gap completely, they forced the working classes to move towards an independent Labour Party.

the Fabian Society, whose Fabian Essays, published in 1889, set forth the thesis that the English industrial system already held within itself a blend of capitalism and socialism which marked the first phase of the socialistic life, and that this could be reached at last by parliamentary, or gradualist, means.[12] There were others.

In 1890, James E. Thorold Rogers, whose ideas have already been mentioned, lectured upon the lessons to be learned from the events of 1889-90. His words reflected the developing state of mind of most Englishmen and explains, in part, perhaps, why Marx proved to be such a poor prophet concerning the course of England's future, a fact which even Marx saw before his death. Rogers pointed out the lesson by saying:

> I should rather begin with reforms than fly to reconstruction. I cannot indeed pretend to measure the impatience of those who are loud in their discontents, and the obstinacy of those who have plundered the industrious of past ages, and are bent, if they can, on continuing to plunder them now. Of this only am I sure. The longer the remedies are delayed, the more difficult will it be for remedies to satisfy. The Sibyl offers her books, in which the future is forecast, to the Roman statesmen, according to the legend. The price is refused twice, and after each repulse she destroys irrevocably one of the volumes, demanding the same price for the third. This is what Bacon called the wisdom of the ancients, and the moral is plain.[13]

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[12]"Fabian Essays in Socialism," The Commonweal, January 25, 1890, p. 28. The Commonweal, of course, had nothing but scorn for such a thesis as the Fabians'.

[13]James E. Thorold Rogers, "Socialism and Land," Subjects of the Day, No. 2, p. 67.

Perhaps of even greater importance than these middle and upper class wise men, were the unnamed masses of unskilled workers in England who rejected the socialists' call for revolution as a prerequisite to the onset of utopia--in fact, were willing to forego utopia--and took up the more feasible method of unionism. Their actions contributed greatly to the formation of the synthesis. As George Bernard Shaw wrote with disgust in The Pall Mall Gazette in February, 1886, even before the match-girls' strike, the masses of unemployed in London's East End were "as great a nuisance to socialists as to themselves. Angry as they are, they do not want a revolution; they want a job."[14] That was a fair assessment, as the dockers' strike revealed.

Ironically, and certainly in stark contrast to the Marxists' charge that the trade unions constituted an uncaring "aristocracy of labour," the "springs of Socialism and Revolution" were found by Charles Booth, in his study of the London poor, "among the artisans rather than the poorer, unskilled workers." He discovered that in Battersea, "chiefly inhabited by superior artisans . . . that the intelligent portion of the Socialism of the district is chiefly to be found, and the colony represents perhaps the

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[14]Quoted by Thompson, Socialists, Liberals and Labour, p. 115.

high-water mark of the life of the intelligent London artisan."[15]

Certainly, "old" trade unionism contributed a major share to the formation of the labor synthesis. In an article published in 1889, George Howell listed a long series of enactments for the advancement of labor which the trade unions had obtained between 1868 and 1888.[16] Indeed, as I have suggested elsewhere, it might be argued that the unions had been moving towards state socialism long before 1880. If so, then the 'eighties, specifically 1880-81, marked the point of acceleration, rather than later, as most historians might suggest. In addition to these enactments, the work of the annual Trades Union Congresses and the writings of individual "old" unionists contributed a great deal to what came later. Finally, in 1886, the London Trades Council and the London Society of Compositors both issued circulars recognizing the existence of a class conflict and the need for all workers, skilled and unskilled, to co-operate for the general advancement. The circular sent out by the L.T.C. warned the working classes to avoid overtime since its only true result was injury to labor in general, and the circular sent out by the Compositors carried a similar theme:

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[15] Ibid., p. 113.

[16] Howell, "Trades' Union Congresses and Social Legislation," pp. 412-20. See also, Appendix IV, infra, pp. 311-13.

> The committee assert "most emphatically that no trade union was ever established for the purpose of supporting a proportion of its members in enforced idleness." They declare that the action and principle of trades unionists should be to divide the necessary labour of the community so that all should earn their living, instead of one portion working hard and being taxed to support another portion in idleness.[17]

In 1890, The Labour Elector remarked that the London members of the Amalgamated Society of Engineers had founded a Social Club and Institute, and that the Nottingham branch of that union had set up a Debating Society. One of the first subjects taken up for discussion was the eight-hour working-day which was debated at Nottingham for several evenings. In the opinion of The Labour Elector, "More useful work could hardly be done, and we wish other trades would pay the engineers the compliment of imitation."[18] This last, it seems, reflects the impact of "new" unionism upon the labor movement: as a result of the highly successful strikes, there had been an infusion of additional energy into the movement. That was the major contribution of "new" unionism to the labor synthesis.

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The crystallization of "new" unionism as a force occurred in 1887 with the surprisingly victorious match-girls' strike. But, simultaneously, Marxism was pushed

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[17]Reported in The Commonweal, May 1, 1886, p. 35.

[18]"Nottingham Engineers," The Labour Elector, January 4, 1890, p. 9.

into the background when Annie Besant, leader of the girls, "left the S.D.F. and transferred her activity to the Fabian Society."[19] The success of the match-girls opened the gates to the gas-workers and, most important, to the dockers. From that point the flood began. According to John Burns, there were "nearly 2,000 successful strikes" in 1889, and "a similar number in 1890."[20] The dockers' strike brought a further pushing-back of Marxism, as the three men, Champion, Mann, and Burns, joined Ben Tillett and his non-socialist dockers. When the Hyndmanites launched their attack upon these leaders of "new" unionism, and a simultaneous one upon Keir Hardie, Marxist socialism further isolated itself.

The S.D.F. took the credit on behalf of the socialist movement for having instigated the strikes. By the "persistent teaching of economic truths by the Socialists, the continued preaching and pamphleteering of the S.D.F. and other bodies," the unskilled laborer had been aroused to act at last. When the dockers' strike began, Justice declared that the "seed which have been sown are now commencing to bear fruitful results." Englishmen, it said,

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[19] Cole, A History of Socialist Thought, Vol. II, p. 408. It should be noted, however, that Miss Besant wrote for Justice during 1889. But, also see her article, "The Socialist Movement," The Westminster Review, CXXVI (1886), 212-30, the tone of which is already one of gradualism.

[20] Burns, Speech . . . on "The Liverpool Congress," p. 7. The enormous number seems to be an exaggeration, though I have seen no other figures on it.

were on the verge of "a new and brighter social condition in which poverty, misery, and crime will have ceased and true happiness be possible for all."[21] No doubt the propaganda campaign carried on by the Marxists during the decade had had an effect upon the unskilled workers, but, in light of Shaw's comments in 1886 and Champion's in 1890 concerning the rejection by the unskilled workers of socialism, such claims and such optimism were, to say the least, unrealistic. If the masses of desperate, unemployed, unskilled labor, led by or aided by the S.D.F. in their demonstration of 1886--a year of high unemployment--responded in the manner described by Shaw, it seems unlikely that in 1889--a year of relative boom--they would have been any more susceptible to revolution when they had such high hopes of gaining their immediate ends within the framework of trade unionism. It seems logical to assume that even the dockers, uneducated as they were, were not so naive as to expect the onset of a society in which "poverty, misery, and crime will have ceased and true happiness be possible for all." Therefore, one can argue that the Marxists overdid the propaganda bit, promising the unreal and failing to take up the practical, limited, but feasible goals and working for those. On this point, the "new" union leaders were far more realistic than Hyndman and his cohort.

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[21]De Mattos, "The Dock Labourers' Strike."

On September 7, 1889, Annie Besant noted the split between the S.D.F. and the three "new" unionists.[22] The following week, Hyndman himself launched his assault upon Champion and Keir Hardie, accusing them of being dupes of reaction. Yet, in the same breath he stated his belief that "trade unionists are being forced into line with the great Industrial Social-Democratic movement by the pressure of the rank and file."[23] Once such reactionaries as Henry Broadhurst were ousted from leadership positions, he said, the S.D.F. could co-operate with the unions, but until this happened, the socialists found it "utterly impossible."[24]

By September 21, Justice was making some revealing criticisms. For example, it conceded that widespread sympathy and support had been shown to the dockers, even on the part of the bourgeoisie; but there was a sinister threat in the actions of the strike leaders, as they met with mediators of the employer interests.

> Up to a certain point the assistance and co-operation of Aldermen, Lord Mayors, Prelates, Bishops and M.P.'s might have been tolerated, but beyond that limit they never ought to have been trusted.[25]

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[22]Besant, "The Lessons of the Strike."

[23]Hyndman, "The Trades Union Congress."

[24]Ibid.

[25]H. W. Hobart, "The Errors of the Strike," Justice, September 21, 1889, p. 2.

The Hyndmanites could "understand and agree with the idea of playing them off against the dock directors, but to take them into counsel," they thought, "was, to say the least of it, unwise," because such men were only concerned to see an "amicable settlement" or, in other words, "a very considerable concession on the part of the men." The result had been a betrayal, for the unionists' leaders had compromised, and on the very essence of the strike: higher wages.

> Why this compromise, above all others? Do the leaders think that the dockers are without all sense of right and without any conception of treachery? But such things are worthy [of] a political trickster and intriguer. A man who is villain enough to suggest leading the unemployed to Trafalgar Square, camping them there for three days, and then leaving them to the mercy of the police and soldiery is bad enough for this, and his confederates seem bound to obey. Even the iron will of John Burns is completely softened by the oily tongue of the "boss" of the Labour Electoral Committee.[26]

Since the dockers had been betrayed by their leaders, the author of this piece called for a proclamation by the S.D.F. of "the Class War." He called upon labor to "raise the Red Flag on high, and shout for the Social Revolution."[27] He was ignored.

The rupture between the Hyndmanites and Burns, et al., if not yet final, as Thompson has it, was certainly a serious one. The "new" union leaders were shifting towards the more conservative position. Their writings still

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[26] Ibid. [27] Ibid.

indicated a residue of anger and impatience with the state of affairs, but they also revealed that "new" union leaders were beginning to grasp the complexities of the problems. A most glaring example of this is found in The Labour Elector even before the dockers' strike:

> Let it . . . be frankly admitted that among the very poor are many who have adopted idleness as a calling --men and women who have never done, or meant to do an honest day's work in their lives. It is not possible to rescue these persons from the consequences of their vices, but it is possible to diminish such vice.[28]

If one stopped at this point in the article, it might have been Herbert Spencer speaking. What followed, of course, was a series of recommendations for the institution of state socialism, but what is significant is the fact that, prior to 1889, the trade unionists-socialists and the S.D.F. flatly refused to accept the idea that there could be such a thing as the "unworthy poor," and they had insisted with vehemence that such wretches were the hapless and helpless victims of the exploiting classes' evil doings and the lack of trade unionists' proper concern for their fellow man.

In another article, in 1888, H. H. Champion even had high praise for Lord Dunraven, who had chaired the Royal Commission on the sweating system in England.[29] Such

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[28]"The Policy of Labour,--I," The Labour Elector, April 27, 1889, p. 13.

[29]H. H. Champion, "The New Labour Party," The Nineteenth Century, XXIV (July, 1888), 88.

praise, from the Marxist standpoint, was nothing less than heresy. In 1890, there was more praise for Lord Dunraven, who had called for a legal eight-hour working-day for labor in a speech to the Conservative Club. He was complimented for showing great courage in taking up "a new political idea which the leaders of his Party have ostentaciously opposed."[30]

As the schism deepened between the S.D.F. and the "new" union leaders, their respective newspapers grew more acid in their comments concerning each other. With regard to the organization of the unskilled workers, which was racing ahead, Harry Quelch, the echo of Hyndman and nominal editor of Justice, decried the sort of leaders who were emerging at the head of it. They were, he said, "unscrupulous men, paid by political wirepullers," who were getting control of the labor movement for the benefit of their "paymasters."[31] No names were mentioned. They were not needed. It was clearly implied that Burns, Mann, Champion, and Tillett were being referred to. Quelch warned the laborers of England: "Workers, be careful to trust no man you don't control!"[32]

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[30]"The Eight Hour Day," The Labour Elector, January 18, 1890, p. 40.

[31]H. Quelch, "The Organisation of Unskilled Labour," Justice, October 5, 1889, p. 2.

[32]Ibid.

In December, 1889, Justice carried an article concerning the poor management of the dockers' strike fund which impugned the honesty of these "new" union leaders. Clearly implied, if not openly stated, was that the leaders of the dockers had pocketed sums which were not theirs to have--in short, misappropriation of funds. Ironically, the "old" trade unions were held up as examples of wise and honest management of collected moneys.

> If the Dockers' Fund had been dealt with on ["old" union] principles, if Mr. John Burns, Mr. H.H. Champion, Mr. Tom Mann, and Mr. Ben Tillett, who made themselves solely responsible for the money contributed to that fund, furiously resenting offers of help or the establishment of proper supervision, had exhibited the caution entailed upon them by the position which they assumed, we should have given them the fullest credit for financial trustworthiness and should have refrained from criticising petty details . . . no matter how much we have been forced to denounce their general policy of subservience and compromise . . . [but] it is utterly impossible to acquit [these men] of a gross breach of trust, except by denying to them the possession of the simplest common sense.[33]

During January, 1890, while John Burns was standing for Parliament in Battersea, Justice launched a scathing attack upon him, and Quelch attended a meeting to try to defeat his chances. The Labour Elector carried the story: at a meeting held by the Dock and General Labourers' Union, the main speakers were Tom Mann and John Burns. Mr. Quelch, at one point, got the floor and began a vitriolic attack upon them. The result was "considerable disturbance" in

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[33] Ibid.

the hall. However, Mr. Burns "escorted Mr. Quelch safely from the hall."

> . . . Mr. Quelch will probably try his luck again and again until one day comes when the men's patience and forebearance being exhausted, Mr. Burns will not be able to "escort Mr. Quelch safely from the hall." What will happen to Mr. Quelch, no one, of course, can foretell. But one thing may be safely prophecied, and that is that if there is anything to be done in the way of personal defence, Mr. Quelch will not find Mr. Hyndman by his side. That prudent gentleman, unless he is much changed since "Bloody Sunday," will have a previous engagement, urgently requiring his immediate departure.[34]

The Labour Elector delved into the motive for the hostility felt by the S.D.F. leaders towards the "new" unionists.

> Messrs. Hyndman, Quelch and Co., continue obstinately their policy of dog-in-the-manger. Having themselves failed to obtain acceptance as leaders of the working class, they are now trying their little best to pull down the men who succeeded. Poor human nature is full of infirmities, and it is only natural that Messrs. Quelch and Hyndman should be chagrined when they see their late colleagues going forward and acquiring great popularity and influence, whilst they themselves are left standing still and forgotten.[35]

The split between the S.D.F. and the "new" union leaders forced the former towards a re-evaluation of trade unionism as a vehicle of labor's advance in light of the enormous success it was having. Quelch discussed the proper organization of unions on a national and international scale, and his views differed considerably from

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[34]"Dogs in the Manger," The Labour Elector, January 18, 1890, p. 41.

[35]Ibid.

earlier attitudes of contempt shown them by the Hyndmanites. One gets the impression that Quelch was backpedaling towards utopia to regain the lost position of leadership which the S.D.F. had had, or thought that they had, among the working classes. What he said differed little from the traditional trade union approach, except, perhaps, in the degree of the binding relationships.

The first point he made was that one should keep in mind the fact that "there is practically as much difference between different departments of unskilled labour --so-called--as between different trades." Therefore, "it is practically impossible to form one huge union of all branches of unskilled labour."[36] This was a drastic departure from the earlier, more simplistic picture of one massive gathering of all labor under the banner of the S.D.F. for the overthrow of capitalism. Now, it seems, the socialists were willing to concede that labor, even that amorphous mass of unskilled labor, was diversely oriented. Quelch's recommendations were that separate unions should organize on the local level, that these should federate "for the mutual aid and unity of action" --which was, of course, the purpose of amalgamation carried out by "old" unions--and then that the federations of locals should join their brothers on a national and international scale. What else, except for the degree of

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[36]Quelch, "The Organisation of Unskilled Labour."

cohesiveness, was this but the T.U.C. and the International Trade Union? There was nothing new here as far as union organization was concerned, only as far as the shifting viewpoint of the socialist Quelch. Perhaps the shift can be explained by considering the loss of prestige of the S.D.F. during 1889-90. It seems apparent that the S.D.F. was conscious of its isolation when it saw the "new" unions succeed in their strikes, grow to fantastic proportions in size and appeal, and, then merge with "old" unionism on the "bridge" of democratic state socialism. The dream of the proletarian State had been discarded in no uncertain terms by the very group in England to which Marx and his followers had insisted that it would appeal: the masses of "miserable," unskilled labor.

The question arises at this point as to why the schism between the S.D.F. and the "new" unions' leaders occurred. Tsuzuki and Thompson, as we have seen, both argue that, basically, the split arose over personality conflicts, specifically between Hyndman's personality and those who split with the S.D.F. throughout the decade.[37] There is little question that Hyndman's dictatorial personality was a factor, but several other points must also be considered: the presence within the S.D.F. of an anarchist group which left with Morris to form the

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[37]See chapter i, supra, pp. 29-30. Tsuzuki, of course, acknowledges the "new" union leaders aversion to violence.

Socialist League--the difference between socialism and anarchism went beyond personal conflicts to the ideological. Second, the Fabians left the S.D.F. over the "Tory Gold" scandal because they opposed any connection with the dominant political parties at that time--again, a non-personal reason. Third, Hyndman allowed himself and the S.D.F. to veer towards the advocacy of violent revolution as a "short-cut to Socialism,"[38] and Champion, Mann, and Burns were repelled by this and eventually broke away as a result. How then, can this be even primarily a personality conflict? It would seem to be as much a matter of ideology and methodology. Moreover, Thompson provides evidence which indicates that the split stemmed from something more than personality: he states that Burns, Mann, and Champion "were so infuriated by Hyndman's scorn of trade unions that they left the party," or the S.D.F. They were also furious over the fact that Hyndman rejected the idea of forming a Labour Party out of the fear that, "as a middle class man, he would lose" his influence to head it, since the party would be made up strictly of working men.[39] It is interesting to note which institution held the "new" unionists primary interest, even during the period when they were still showing a certain disgust for trade unionism. The most that can

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[38]Tsuzuki's words, see chapter i, p. 28.

[39]Thompson, Socialists, Liberals and Labour, p. 104.

be said here is that ideology and personality were blended, and it is likely that both Tsuzuki and Thompson intend this, but they seem to place the emphasis upon Hyndman's personality, while I place it upon the ideological-methodological factor. Throughout the decade, after all, Champion, Mann, and Burns never relinquished their hope that unions would become the vehicle of advancement of labor and their memberships in their respective unions. They did discard their membership in the S.D.F. and their calls for revolution. Since Hyndman continued to show contempt for unionism, it became a matter of ideology-methodology. Once, however, Hyndman and his followers altered their attitudes towards the utility of unions, co-operation between the various socialists and unionists began again.[40] Finally, much later, when Hyndman revealed his sense of nationalism as opposed to the Marxists' insistence that such feelings were totally incompatible with the revolution, he became a pariah to them.[41] Thus, I question the validity of the historians' emphasis upon Hyndman's personality as the dominant factor in the ruptures within the Marxist movement. The unskilled workers, from the outset, rejected Marxism. The early splits within the S.D.F. were distinctly ideological, although they

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[40] Ibid., p. 118.

[41] A. Lozovsky, Marx and the Trade Unions (New York: International Publishers, 1935), pp. 62, 174.

manifested themselves in personal feuds. When, for instance, Engels and Aveling broke with Hyndman, they did so, in Thompson's words, because he was too moderate.[42] Later, when Hyndman swung towards the militant revolutionary stance, he lost the support of the "new" union leaders, because, in Tsuzuki's words, he was too violent.[43] The anarchists, who came to dominate the Socialist League after leaving the S.D.F. were, by tradition, opposed to Marxism, at least to his teachings concerning the need for a strong government in the socialist phase. Personality, then, was a factor, but only a secondary one to policy-differences and ideology.

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Historians speak of two outstanding issues between "old" and "new" unionism at the end of the 'eighties.[44] But these were hardly serious obstacles, since "old" unionists had, at times throughout the decade, supported them. One was the issue of the eight-hour day, and the other was the question of the need for a truly independent Labour Party. The 1890's saw both issues move towards resolution, and the 'eighties were the seedbed of agreement.

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[42]Thompson, Socialists, Liberals and Labour, p. 114.

[43]Tsuzuki, H. M. Hyndman and British Socialism, pp. 80-84.

[44]For example, see A. E. P. Duffy, "New Unionism in Britain, 1889-90: A Reappraisal," The Economic History Review, second series, XIV (1961-62), 318-19.

With regard to the question of the eight-hour day, in 1886, Tom Mann of the Amalgamated Society of Engineers and the S.D.F., published a pamphlet entitled *What a Compulsory Eight Hours Working Day Means to the Workers*.[45] A portion of this work is quoted by Henry Pelling, who states somewhat too enthusiastically that it "conveyed an entirely new conception of the responsibilities of trade unionism," and of having "inspired" John Burns and H. H. Champion by its vigorous "demand for a new polity for the trade unions." What Mann demanded was a return to "the true Unionist policy of aggression" which, he said, had been lost sight of.[46] However, in a part not quoted by Pelling, Mann made the comment that he was "quite sure" that

> there are thousands of others in my state of mind--e.g., all those who concurred with T. R. Threlfall, the president of the Trades Union Congress, when, in his Presidential Address [in 1885], he told the delegates assembled at Southport that a critical time had arrived in the history of Trades Unions, and that in the future they must *lead* or *follow*, and that they could not hope to retain advanced men with their present policy. In his magnificent address Mr. Threlfall did all a man could do to stir the Unionists up to take action in regard to the Eight Hours working day, but one looks in vain at each and all of our important Trade Societies to find any action being taken in the matter.[47]

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[45] Tom Mann, *What a Compulsory Eight Hours Working Day Means to the Workers* (London: Modern Press, 1886).

[46] Pelling, *A History of British Trade Unionism*, p. 94.

[47] Mann, *What a Compulsory Eight Hours Day Means to the Workers*, p. 11.

Pelling's discussion of this pamphlet ignores Mann's tribute to the "old" trade unionists who, first, had elected Threlfall to the presidency of the T.U.C., and, second, had cheered him on his speech, indicating support within the T.U.C. for an eight-hour day. For his part, Mann ignored the fact that the T.U.C. had, at various times, come out in favor of the eight-hour day. There were several resolutions adopted which called precisely for that. Moreover, he seemed to forget that the unions had fought for and gained the nine-hour day, in the past, and they would fight for the eight-hour day, for support for it was growing within the T.U.C.

Even in 1889, when Keir Hardie proposed a resolution for the eight-hour day by legislation and saw it voted down, it was the miners who led the opposition, because, as we have seen, they had gained a seven-hour day already. More important from the standpoint of the usual charge that "old" trade unionists adhered to the doctrine of laissez-faire was their response to a circular sent out to the trade unions who were members of the T.U.C. prior to the Dundee Congress in 1889. It asked two questions: (1) "Are you in favour of Eight Hours?" and (2) "Are you in favour of its being obtained by Act of Parliament?" Of the thirty-seven unions responding, the vote was as follows: 67,390 voted against an eight-hour day, and 39,656 voted for it. But, on the second question, whether it should come by

legislation or not, if it did come, the vote was 28,511 in favor and 12,283 opposed. And the secretary of the Amalgamated Society of Engineers reported to his union following the Dundee Congress that the vote on the eight-hour resolution had been "very unsatisfactory."[48]

In 1890, the resolution was again introduced and again voted down. John Burns persisted by carrying the issue to his audience in Battersea. He declared that there were "eight millions of workers in Britain, all of whom are overworked," and that such a condition left "at least one million without wages and purchasing power." This one million, he said, had more than "three millions of others dependent upon them." If the economy could "absorb this army into the ranks of the useful workers by reducing the excessive hours of those in work," it could "set in motion a demand for goods that in itself" would stimulate trade and "all home industries."[49] Such arguments recall the words of the "old" trade unionist, George Howell, and others like him who had pleaded for a view of the worker as a potential consumer throughout the decade of the 'eighties.

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[48]George Howell, The Conflicts of Capital and Labour Historically and Economically Considered. Being a History and Review of the Trade Unions of Great Britain, Showing their Origin, Progress, Constitution, and Objects, in their Varied Political, Social, Economical, and Industrial Aspects (London: Macmillan and Co., Ltd., 1890), pp. 522-23.

[49]Burns, Speech . . . on "The Liverpool Congress," pp. 22-23.

With regard to the second point of difference between "old" and "new" unionists--whether or not they should be formed an independent Labour Party--this, too, was less an obstacle than is often assumed. Not only did "old" unionism begin to move towards the idea from early in the decade, but "new" unionists took up the idea that labor advances could, indeed, be achieved by working through the existing political parties.[50] But over time, the trend of both was towards the formation of a Labour Party. By 1895, Keir Hardie was able to write that

> it is worth noticing that the Trades Union Congress has twice affirmed the desirability of a special contribution for Independent Labour Members for Parliamentary purposes, and, as it is evident that the Trade Union movement is rapidly coming towards the program of the Independent Labour Party, it is only a question of time until Trade Unionists will be expected to contribute to their political funds as much as a matter of course as it is to-day to pay into their Trade Union fund, out-of-work fund, sick fund, or accident fund.[51]

Here, too, the case with "old" unionism was not one of a departure but a continuation along a road already embarked upon. The T.U.C. had, during the decade, made several distinct steps towards the formation of an independent Labour Party, from demanding specifically labor M.P.'s, to State support of campaigns, to pay for M.P.'s, to, in 1887, the call by the T.U.C. president for an independent Labour

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[50] See chapter vi, <u>supra</u>, p. 192, and chapter vii, <u>supra</u>, p. 232.

[51] J. Keir Hardie, "The Independent Labour Party," <u>The Nineteenth Century</u>, XXXVII (January, 1895), 3.

Party. The unions were helped along the road by the Liberals' neglect of them and by adverse court decisions during the 1890's and beyond. In 1895, Hardie discerned the future:

> I do not claim that the whole of the Trade Union vote will be controlled or directed by the Independent Labour Party. The older officials . . . have still considerable influence, and, aided by a number of younger men who still cling to the tradition that Liberalism is the friend of labour, have sufficient power to confuse the issues and prevent united action. Despite this fact, however, from my knowledge of the country, which is extensive, I can safely assert that at least one third of the members of the Trades Unions will act with the Independent Labour Party.[52]

Yet, as Margaret Cole points out, the Labour Representation Committee, which supplanted and absorbed the I.L.P., was "at its foundation" little more than a "pressure group." She notes that the wording of the initial resolution was: to co-operate with any party which for the time being may be engaged in promoting legislation in the direct interest of Labour, and . . . to associate themselves with any party in opposing measures having an opposite tendency."[53] Thus, the Labour Representation Committee, forerunner of the Labour Party, reflected the labor synthesis, with the "old" trade union approach evenly balanced with the "new," that is, not in the Liberal camp, but neither fully independent.

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[52] Ibid., p. 11.

[53] M. Cole, The Story of Fabian Socialism, p. 85.

(5)

Margaret Cole credits the Fabian Society with having broken the spell of Marx in England.[54] It would seem that the trade union movement, "old" and "new," had more to do with that event than any other group. Of these two, the "old" unions deserve, perhaps, the most credit--for having survived the onslaughts of the employer classes from 1876, for having held together and broadened their program to accommodate the non-revolutionary socialists of England, and, finally, for having prepared a sturdy foundation for survival and advance of the working classes and unions through sagacious support of the Tories in 1874 after Gladstone refused to legalize the right to strike and to picket. Together with the tradition of reform which characterized politics in the nineteenth century in England under rival Tory and Liberal régimes, the trade unions had educated the working classes to work inside a constitutional framework, so that change could take place in an orderly fashion, making revolution unnecessary. Socialism would come to England, but it would come with the co-operation of all classes, and it would blend with the capitalistic system to form state socialism upon a democratic base.

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[54] *Ibid.*, p. 327.

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APPENDIX I

Table 1

THE CHANGING PATTERN OF BRITISH COMMODITY EXPORTS, 1830-1950*

Principal exports as a percentage of total domestic exports of the United Kingdom.

	1830	1850	1870	1890	1910	1930	1950
Cotton yarn and manufactures	50.8	39.6	35.8	28.2	24.4	15.3	7.3
Woollen yarn and manufactures	12.7	14.1	13.4	9.8	8.7	6.5	6.5
Linen yarn and manufactures	5.4	6.8	4.8	2.5	--	--	0.9
Silk (including artificial silk)	1.4	1.5	0.7	1.0	0.5	0.3	2.3
Apparel	2.0	1.3	1.1	1.9	2.9	3.5	1.6
Iron and steel manufactures	10.2	12.3	14.2	14.5	11.4	10.3	9.5
Machinery	0.5	0.8	1.5	3.0	6.8	8.2	14.3
Coal, coke, etc.	0.5	1.8	2.8	7.2	8.7	8.6	5.3
Earthenware and glass	2.2	1.7	1.3	1.3	1.0	2.1	2.5
Vehicles (carriages, wagons, ships, cars, cycles, aircraft)	--	--	1.1	3.5	3.8	9.0	18.6

*Deane and Cole, British Economic Growth, p. 31.

Table 1--Continued

	1830	1850	1870	1890	1910	1930	1950
Chemicals	--	0.5	0.6	2.2	4.3	3.8	5.0
Electrical apparatus	--	--	--	--	--	2.1	3.9

Table 2

THE PATTERN OF IMPORTS INTO THE UNITED KINGDOM, 1840-1950*

Current values as percentage of total imports.

	Food, drink and tobacco	Raw material and semi-manufactured goods	Manufactured and miscellaneous goods
1840	39.7	56.6	3.7
1860	38.1	56.5	5.5
1880	44.1	38.6	17.3
1900	42.1	32.9	25.0
1910	38.0	38.5	23.5
1930	45.5	24.0	29.4
1950	39.5	38.2	22.3

*Deane and Cole, British Economic Growth, p. 33.

Table 3

THE BALANCE OF PAYMENTS OF THE UNITED KINGDOM, 1816-1913*

Annual averages in £ m. All figures have been rounded.

	Balance of visible trade	Net shipping earnings	Profits, interest, dividends	Insurance, brokerage, commissions	Emigrants, tourists, smugglers, government, all other	Balance of invisible trade	Net balance
1816-1820	- 11	+ 10	+ 8	+ 3	- 3	+ 18	+ 7
1821-1825	- 8	+ 9	+ 9	+ 2	- 2	+ 18	+ 10
1826-1830	- 15	+ 8	+ 9	+ 2	- 3	+ 17	+ 3
1831-1835	- 13	+ 5	+ 11	+ 3	- 4	+ 19	+ 6
1836-1840	- 23	+ 11	+ 15	+ 4	- 4	+ 26	+ 3
1841-1845	- 19	+ 12	+ 15	+ 4	- 5	+ 25	+ 6
1846-1850	- 26	+ 14	+ 18	+ 4	- 6	+ 30	+ 5
1851-1855	- 33	+ 19	+ 24	+ 6	- 8	+ 41	+ 8
1856-1860	- 34	+ 26	+ 33	+ 8	- 8	+ 60	+ 26
1861-1865	- 59	+ 34	+ 44	+11	- 8	+ 81	+ 22
1866-1870	- 65	+ 45	+ 57	+13	- 9	+106	+ 41
1871-1875	- 64	+ 51	+ 83	+16	-12	+139	+ 75
1876-1880	-124	+ 54	+ 88	+16	- 9	+149	+ 25
1881-1885	- 99	+ 60	+ 96	+16	-11	+161	+ 61
1886-1890	- 89	+ 57	+115	+15	-11	+177	+ 88
1891-1895	-134	+ 57	+124	+15	-10	+186	+ 52
1896-1900	-159	+ 62	+132	+16	-11	+199	+ 40
1901-1905	-177	+ 71	+149	+18	-13	+226	+ 49
1906-1910	-144	+ 89	+106	+22	-18	+290	+146
1911-1913	-140	+100	+241	+27	-22	+346	+206

*Deane and Cole, British Industrial Growth, p. 36.

APPENDIX II

Table 1

Trade	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	Total
Agricultural labourers	1	--	3	--	1	1	--	1	5	5	17
Anchor makers	--	--	--	--	--	--	--	--	--	1	1
Axle makers	--	1	--	--	--	--	--	--	--	--	1
Bakers	--	--	10	7	4	--	1	1	--	--	23
Beetsugar makers	--	--	--	1	--	--	--	--	--	--	1
Bobbin makers	--	--	--	--	--	--	--	--	--	1	1
Boilermakers	--	--	4	4	3	6	2	3	4	1	27
Bookbinders	--	--	1	3	1	--	--	1	--	--	6
Brass and copper workers	--	--	1	1	1	1	2	1	--	4	11
Brewers	--	--	1	--	--	--	--	--	--	--	1
Brick and tile makers	--	--	6	3	2	--	2	--	--	2	15
Brickbat makers	--	--	1	--	--	--	--	--	--	--	1
Bricklayers	--	2	6	6	10	6	8	3	5	6	52

Table 1--Continued

Trade	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	Total
Brushmakers	--	--	3	2	--	1	3	--	--	--	9
Building operatives	1	1	15	4	4	2	3	3	3	7	43
Butchers	--	--	1	--	--	--	--	--	1	--	2
Cabinet makers and polishers	--	1	4	8	3	2	6	8	2	3	37
Carpenters and joiners	1	4	34	27	23	25	19	25	14	15	187
Carpet makers	--	--	1	1	--	2	1	--	--	1	6
Carriage and wagon builders	1	1	5	3	4	1	5	4	1	5	30
Casemakers	--	--	--	--	--	1	--	--	--	--	1
Causeway layers	--	--	--	--	1	--	--	--	--	--	1
Cement makers	1	--	--	--	--	--	--	--	--	1	2
Chain makers	--	--	1	--	--	--	--	--	--	--	1
Chemical operatives	1	1	--	2	6	2	1	--	--	3	16
China-clay diggers	--	--	--	--	--	1	1	--	--	--	2

Table 1--Continued

Trade	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	Total
Cloth and wool operatives	--	2	6	5	--	4	5	3	8	4	37
Colliers	4	15	26	46	41	23	20	19	56	64	314
Combmakers	--	--	--	--	--	--	1	--	--	--	1
Confectioners	--	--	--	--	--	--	--	--	1	--	1
Coopers and packing case makers	--	1	4	4	2	1	--	1	--	--	13
Corkcutters	--	--	--	--	--	--	--	--	--	1	1
Cotton hands	3	5	3	11	6	10	7	9	42	24	120
Cutlers and tool makers	1	--	4	2	3	2	3	--	2	5	22
Distillers	--	--	1	--	--	--	--	--	--	--	1
Dock labourers	--	--	10	5	2	--	--	--	1	5	23
Drivers and carmen	--	--	4	5	--	2	--	1	--	2	14
Dyers and printers	--	5	3	5	5	1	2	--	--	4	25
Electroplaters	--	--	--	1	--	--	--	--	--	--	1

Table 1--Continued

Trade	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	Total
Engineers and fitters	1	5	16	16	15	16	4	6	4	13	96
Farriers	--	--	--	3	1	--	--	--	--	--	4
Fenders and fireiron makers	--	--	1	--	1	--	--	--	--	--	2
Fishermen	--	--	--	1	--	--	--	--	1	--	2
Flax, linen and jute hands	--	4	8	12	10	3	2	4	3	10	56
Floor cloth and mat makers	--	--	2	2	--	--	--	--	--	--	4
Fustian cutters	--	--	1	--	--	--	--	--	--	--	1
Gardeners	--	--	1	--	--	--	--	--	--	--	1
Gaswork men	--	--	2	1	--	--	--	--	--	3	6
Glass makers	--	1	4	1	2	2	6	1	6	8	31
Gun makers	--	--	--	1	--	--	--	--	--	--	1
Hardware makers	--	--	--	1	--	--	--	--	--	2	3
Hatters	--	--	--	--	--	1	--	1	--	2	4
Hinge makers	--	--	--	--	--	--	--	1	--	--	1
Horseshoe makers	--	--	1	--	--	--	--	--	--	--	1

Table 1--Continued

Trade	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	Total
Hosiery hands	1	2	3	1	3	--	--	--	3	1	14
Indiarubber workers	--	--	1	--	--	--	--	--	--	--	1
Iron workers	1	10	15	19	10	20	12	4	16	20	127
Lace hands	--	2	--	1	2	--	--	--	1	2	8
Labourers (general)	--	2	1	--	--	1	--	1	1	--	6
Lath splitters	--	--	--	1	--	--	--	1	1	--	3
Leather workers and tanners	--	1	3	1	--	--	--	1	1	--	7
Lockmakers	--	1	2	--	--	1	1	--	--	--	5
Maltsters	--	--	--	--	1	--	--	--	--	--	1
Masons	1	2	13	16	18	22	21	17	29	12	151
Military clothing makers	--	--	--	1	--	--	--	--	--	--	1
Millers	1	--	--	3	1	1	1	--	--	--	7
Miners (metallic)	1	--	7	4	2	2	1	2	2	4	25
Nail and chain makers	2	1	3	10	2	2	2	8	4	5	39

Table 1--Continued

Trade	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	Total
Navvies	--	--	4	1	--	--	--	--	1	--	6
Needle makers	--	1	--	--	--	--	--	--	--	--	1
Nut and bolt makers	--	1	1	2	2	1	2	1	--	--	10
Officials	--	1	3	--	--	--	--	--	--	--	4
Painters	--	--	3	5	10	6	18	6	6	3	57
Paperhangers	--	--	--	1	--	--	--	--	--	--	1
Paupers	--	--	--	--	--	--	--	--	--	2	2
Paviors	--	--	--	--	--	--	--	1	--	--	1
Pinmakers	--	--	--	2	--	--	--	--	--	--	2
Pipe and tube makers	--	--	2	--	1	2	--	--	--	1	6
Plasterers	--	1	3	5	2	8	2	5	6	7	39
Plumbers	--	--	2	6	3	5	3	--	5	4	28
Porters	5	--	2	--	--	--	--	--	--	1	8
Potters	--	1	1	--	--	--	--	3	4	1	10
Printers and compositors	--	--	8	2	5	3	3	1	1	1	24
Professionals	--	--	--	1	--	--	--	--	--	--	1
Quarrymen	--	4	6	6	4	3	4	4	6	--	37

Table 1--Continued

Trade	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	Total
Railway and telegraph employees	--	3	5	5	--	--	3	1	3	2	13
Ropemakers	--	1	--	2	3	1	2	--	--	--	9
Saddlers and harness makers	--	2	2	3	5	4	3	--	--	--	19
Sailors	1	--	4	2	1	1	--	--	2	2	13
Sailmakers	--	--	1	2	--	--	1	--	--	--	4
Sawyers and woodcutters	--	--	3	--	3	1	--	1	--	--	8
Shipbuilders	--	6	8	14	19	14	11	9	6	13	100
Shopkeepers	--	--	2	--	--	--	--	--	--	--	2
Shoe and bootmakers	1	3	20	25	7	6	7	3	4	6	82
Silk hands	--	--	6	1	1	--	--	1	--	--	9
Skinners	--	--	--	--	1	--	--	--	--	--	1
Slaters	--	2	4	5	8	6	1	7	3	4	40
Spring makers	--	--	--	--	1	1	--	--	--	--	2
Stone cutters and polishers	--	1	--	--	1	--	1	2	--	3	8
Tailors	1	--	7	17	11	10	15	4	3	3	72

Table 1--Continued

Trade	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	Total
Tinplate workers	--	--	2	4	2	--	5	2	--	4	19
Tobacco pipe makers	--	--	--	--	1	1	--	--	1	--	3
Tobacco spinners	--	--	--	--	--	--	--	--	--	1	1
Trunk makers	--	--	--	--	--	1	2	--	--	--	3
Umbrella makers	--	--	--	1	--	--	--	--	--	--	1
Wheelwrights	--	1	--	--	1	--	1	--	--	--	3
Whitesmiths	--	1	1	--	2	--	--	--	--	--	4
Wire workers	--	--	1	1	1	--	1	--	--	3	7
Zinc workers	--	--	--	--	--	1	--	--	--	--	1

Source: Bevan's "The Strikes of the Past Ten Years," pp. 39-41.

Table 2

This table presents a more compact grouping of striking industries.

Building trades	598 strikes
Metal trades	390 strikes
Colliers and Miners	339 strikes
Textile trades	277 strikes
Clothing trades	163 strikes
Ships and shipping	140 strikes
Pottery and glass trades	63 strikes
Wood trades	63 strikes
Stone trades (not masons)	54 strikes
Food and drink trades	39 strikes
Carrying trades	35 strikes
Carriage building trades	33 strikes
Leather trades (not shoes)	28 strikes
Fibre trades	22 strikes
Agricultural trades	18 strikes

Source: Bevan's "The Strikes of the Past Ten Years," pp. 39-41.

APPENDIX III

Table 1

SUMMARY OF PROGRESS OF THE CO-OPERATIVE MOVEMENT AS OF 1887

Description	Distributive Societies		Productive Societies	Totals
	Retail	Wholesale		
Number of Societies	1,331	2	66	1,399
Number of Members	809,417	1,009	22,701	833,127
Share Capital paid up	£ 8,049,654	£ 326,913	£ 552,814	£ 8,929,381
Loan Capital	861,913	809,257	210,287	1,881,457
Reserve Funds	337,546	58,625	17,358	413,529
Land, building, and fixtures	3,791,345	372,084	406,688	4,570,117
Written off land, &c., for depreciation, 1886	153,275	20,725	21,145	195,145
Investments in other societies and companies	2,152,987	7,294	18,744	2,179,025
Value of stock-in-trade end of 1886	2,520,132	576,735	290,487	3,387,354

Table 1--Continued

Description	Distributive Societies Retail	Distributive Societies Wholesale	Productive Societies	Totals
Goods sold during 1886	20,975,374	7,080,331	1,551,203	29,606,908
Net profits during 1886, after paying interest on shares in the distributive societies	2,819,081	132,292	62,100 and loss 874	3,013,473 and loss 874
Grants to educational purposes	22,083	337	16	22,436
Grants to charitable purposes	8,768	1,130	165	10,063

Source: Benjamin Jones, "Progress, Organisation, and Aims of Working Class Co-operation," Journal of the Royal Statistical Society, n.s., LI (March, 1888), 33.

APPENDIX IV

LABOUR LEGISLATION FROM 1868-1888

1868. The Recorders' Act, 31/32 Vict. c. 116, which gave power for the first time to punish defaulting officers of Trades' Unions.

1869. Trades' Union (Protection of Funds), 32/33 Vict. c. 61.

1870. Factories and Workshops Acts (Extension), 33/34 Vict. c. 62.

Attachment of Wages--England and Ireland, 33/34 Vict. c. 30.

Arrestment of Wages--Act to limit, 33/34 Vict. c. 63.

1871. The Trades' Union Act, 34/35 Vict. c. 31 (See also 1876).

1872. The Mines Regulation Acts--Coal, 35/36 Vict. c. 76; and Metalliferous Mines, 35/36 Vict. c. 77.

The Masters and Workmen Arbitration Act, 35/36 Vict. c. 46.

1874. Factories (Health of Women) Act, 37/38 Vict. c. 44.

Hosiery Manufacture Act--to provide for the Payment of Wages without Stoppages, 37/38 Vict. c. 48.

Alkali Works Acts, 37/38 Vict. c. 43.

1875. The Employers and Workmen Act, 38/39 Vict. c. 90.

Conspiracy and Protection of Property Act, 38/39 Vict. c. 86.

The Friendly Societies Act, 38/39 Vict. c. 60.

Unseaworthy Ships Act, 38/39 Vict. c. 88.

1876. Trades' Union Act Amendment Act, 39/40 Vict. c. 22.

The Merchant Shipping Act, 39/40 Vict. c. 80.

1877. The Justices Clerks Act, 40/41 Vict. c. 43.

The Canal Boats Act, 40/41 Vict. c. 60 (Promoted by Mr. George Smith).

1878. The Factory and Workshops Consolidation Act, in which many and most important Amendments to the original Acts were incorporated, 41/42 Vict. c. 16.

Weights and Measures Act, 41/42 Vict. c. 49, as to the measurement of coal, among other provisions.

1879. The Summary Jurisdiction Act, 42/43 Vict. c. 49. The passing of this Act was materially aided by the action of the T.U.C.

1880. Employers' Liability Act, 43/44 Vict. c.42.

Merchant Seaman--Payment of Wages Act, 43/44 Vict. c. 16.

Merchant Shipping Act--Grain Cargoes, 43/44 Vict. c. 18.

1881. Summary Jurisdiction Act, 1879--extension to Scotland, 44/45 Vict. c. 24, and c. 33; two Acts.

Bankruptcy Act, Scotland, 44/45 Vict. c. 22; embodying many provisions relating to, and advantageous to labour, and especially to small debts, practically abolishing imprisonment for debt.

Alkali Works Regulation, 44/45 Vict. c. 37.

1882. Metalliferous Mines Act, 45/46 Vict. c. 3.

Boiler Explosions--Witness, &c, 44/45 Vict. c. 22.

Summary Jurisdiction (Procedure) Ireland, 44/45 Vict. c. 24.

1883. Bankruptcy Act--England, 45/46 Vict. c. 52; embodying provisions relating to imprisonment for small debts, &c.

Factories (Extension) Act, 45/46 Vict. c. 53; Bakehouses, White-lead Works, &c.

The Companies Act, 45/46 Vict. c. 28.

The Patents Act, 45/46 Vict. c. 57, which gave four years' protection for four pounds, and made payments on easier scale than formerly.

1884. Amendment of the Rules of Employer and Workmen Act, 1875--various important modifications therein.

The Canal Boats Act, 47/48 Vict. c. 75.

Master and Servant--Prohibition of the Payment of Wages in Public-houses Act, 47/48 Vict. c. 31.

Extension of the Hours of Polling Act, 47/48 Vict. c. 34.

1884-1885. Extension of the Franchies Act, 48/49 Vict. c. 3.

Redistribution of Seats Act, 48/49 Vict. c. 23.

Designs, Patents, and Trade Marks, 48/49 Vict. c. 63.

1886. Coal Mines Amendment Act, 49/50 Vict. c. 40.

Bankruptcy Act--Agricultural Labours' Wages, 49/50 Vict. c. 28.

Act to Limit Hours of Labour of Women and Children in Shops, 49/50 Vict. c. 55.

1887. Fencing of Quarries Act, 50/51 Vict. c. 19.

Fraudulent Marks Act, 50/51 Vict. c. 28.

The Stannaries Act (Mines), 50/51 Vict. c. 43.

The Truck Act, 50/51 Vict. c. 46.

The Mines Consolidation Act, 50/51 Vict. c. 58.

1888. Law of Distress Amendment Act, 51/52 Vict. c. 21.

Factory and Workshops Act, 51/52 Vict. c. 22.

Merchant Shipping--Saving Life at Sea, 51/52 Vict. c. 24.

Source: George Howell, "Trades'Union Congresses and Social Legislation. A Record of Mutual Self-Help by Associative Effort," The Contemporary Review, LVI (Sep., 1889), 414-16.