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LABOUR AND THE INDUSTRIAL REVOLUTION

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BY

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LABOUR AND THE INDUSTRIAL REVOLUTION

CHAPTER I

THE GROUNDWORK OF PARLIAMENTARY POWER

SECTION I.—England in 1760.

A NEW epoch of modern history begins with the middle of the eighteenth century. No sudden break with the past occurred. Tendencies already operating did not cease their operations. The political, the moral and the economic movements of the time, whether vigorous or in decay, were a legacy bequeathed from earlier generations, and their effect on the age of the Industrial Revolution are clearly discernible. The successive periods of society are knit together by customs and institutions that change but slowly, and by a continuity in thought, which, undergoing incessant modification, does not necessarily keep pace with the new opportunities presented for its expression. Political cataclysms disturb the daily life of the greater number of mankind less than the sound of those convulsions cause us to believe. But inertia is not the major forces ; it is overborne by social movement.

In the year 1760, great changes were at hand. The cumulative results of centuries of tardy progress were about to be released. The employment of many workpeople under one roof, a system

already long established, was extending rapidly from the woollen trades to other occupations. The division of their labour so that each performed part of the process of manufacture while the labour of all was required for the completion of the article, was a principle that gained ever wider application. So remunerative had the social organisation of labour proved that the traditional domestic production pursued by the home-workers and independent craftsmen was seen to be imperilled. In the presence of industrial change a considerable volume of unrest arose among the English workers, a large proportion of whom were as yet enjoying a rough comfort due to the high purchasing power of money. Concurrent with variations in the mode of manufacture, a corresponding movement had effect in agriculture. Population increased rapidly, though not at the rate it was to attain forty years later. Subsistence agriculture—that stage in the cultivation of the land which suffices to maintain a rural community but leaves no margin for sale in the town or foreign markets—failed to respond to the call for food. The importation of wheat from overseas, with the specific purpose of increasing the numbers employed in manufactures at home, not yet being practical politics, farmers and larger landowners were naturally disposed to view with favour any alterations in the holding and use of land calculated to augment the food supplies. From the industrial districts a profitable demand for food was emerging; a market was in process of development too extensive for primitive agricultural methods to supply.

The conditions of the time required that the break-up of the domestic or house industry should be collateral with the break-up of small traditional farming in the common fields. The new social economy entailed a more intensive use of capital, the rapid dissolution of economic forms hitherto subject to slow and gradual change, and in consequence, a mental ferment without which the reconstruction of the national life could not have been effected. England was in the final phase of the transition from a social order producing goods to be used by their maker or his neighbours, to the present system, which has for its distinguishing feature the production of commodities for profit.

SECTION 2.—**Aristocratic Government.**

The government of Great Britain was concentrated in the hands of the aristocracy. Under the Tudors the rising traders of the towns were summoned to aid the monarchy in curbing the powers of the territorial magnates. Alien as the Commonwealth appeared to every aristocratic instinct, Cromwell's Navigation Laws prepared the way for the return of the aristocracy to power by providing avenues for the monopoly of British shipping and trade. An aristocracy is at its romantic and adventurous best when it speaks in the name of pugnacious nationalism. When the English patrician acquired the sagacity to blend the pale shadow of Sidney's chivalry and the courage of a Raleigh with the frank defence of the interests of a mercantile class, the re-establishment of aristocratic dominion was inevitable.

The Whig nobles of 1688, by consenting to rule

in the interests of merchants, made it unnecessary for the middle class ever again to bid for supremacy in government as they had done by the overthrow of Charles I. Nevertheless, because the defence of trading capital was the condition attached to aristocratic rule the nobles could not escape the influence of money from below. As the growth of international trade entailed transition at home from simple manufacture to industry on the great scale, fortunes were accumulated. The standard of life among the traders and masters became more luxurious. Their wealth could give such power to affect governments that the administrations of the earlier part of the eighteenth century were accustomed to regard all questions of foreign policy from the angle of the welfare of England's trading class. Dignity, though invested with authority, which the slow acquisition of wealth from land gave the nobles, was small compensation for the riches quickly won from the commercial conquest of the Dutch, or by the stifling of Irish or American industry for the greater profit of English manufacturers. Envy is not a prepossession of the poor only; the rich can hunger and thirst for wealth with a passion the labourer never knows.

The Whig nobles, skilled in the arts of ruling a nation alternately sluggish and turbulent, were acceptable to the traders, more nervous after the Revolution than before. Two and a half centuries ago such moderate capital as the country contained was as fearful of the consequences of disturbance as a stock-exchange jobber of 1922. The contract conferred advantage on noble and trading individualist alike. If the great Whig baron

appeared to surrender to the newly rich, the latter had given to the lord a field for investment and gain that the mere possession of land could not provide. In taking advantage of that facility; by turning rents into trading capital, by raising wool for the export of cloth, by the discriminating use of wealth brought from India as money capital for the new industries, and by the profitable exploitation of mines required for the provision of power, possibilities of fortune were afforded to the landed proprietors beyond the dreams of the most inveterate gambler in their ranks. They were graciously permitted to share in the gains of their social inferiors on condition that their talents for rule were employed for the benefit of capital. But in politics the aristocrat remained the master. In 1760 he was supreme in government.

SECTION 3.—**Parliament and its Electors.**

It is contended that a patrician class will rule to give effect to certain unchanging principles of honour; that it will govern without surrender to private or sectional interests. The composition of Parliament and the mode of its election in 1760 does not support that contention.

The House of Commons consisted of 658 members. From the enfranchisement of Newark in 1677, the division of the country into constituencies was not altered till 1832. During the interregnum the population increased from less than 5,000,000 to more than 14,000,000, and its distribution was the subject of remarkable and drastic change.

The borough, politically decayed, was the base

on which the aristocratic strength in Parliament was reared. It is an example of the persistence of political rights after their justification in economic circumstance is passed. From the beginnings of the export trade in wool and cloth and during the later period of expanding trade with the East, the small sailing ships that carried the cargoes put out from tiny ports scattered round the coast. The concentration of shipping in a few great ports with extensive docks and warehouses could not arise before international trade reached considerable dimensions. Prior to the Industrial Revolution of the eighteenth century the coast-line from Lincolnshire southward, along the Channel and north-eastward to the estuary of the Severn, had an importance for the export trade now confined to three or four still expanding ports. In 1760, the counties of Norfolk, Suffolk, Essex, Kent, Sussex, Hants, Dorset, Devon, Cornwall, Somerset and Gloucester, all on the coast-line, were dotted on their maritime borders with the ruins of scores of little towns that once resounded to the sea-dog's swinging chanty. Including Wiltshire and the Cinque Ports, they contained 115 of the 203 Parliamentary boroughs in England. In their decay and depopulation a fertile field was found for the corruption of political representation.

As the value attaching to the vote enhanced the number of the electors diminished. Since votes were bought for a price it would be to the interest of the buyers that voters should decline in number. On the other hand, by one of those perversions that cause the slave to reject his liberty, the possible sale of political rights threw the elector into an

agreement with the borough-patron, though their motives might differ substantially. The elector preferred that not more than a few should vote; scarcity was favourable to high prices. The patron desired a minimum number of electors, though every vote was costly, on the ground that the total expenditure required for a successful result would generally be less than in larger constituencies. Hence, in 1788, the total number of electors in the thirty-three Scottish shires was 2,631. In many boroughs the right to vote was sold to non-residents. Where the electors had power to add to their number they appear to have considered the vote as one of the several forms of vendible property. If money to an amount smaller than the sum required by the enfranchised was forthcoming from the patron, the electors had the alternative of conferring the freedom of their borough in return for payment, and of sharing the proceeds. Attempts on the part of electors to derive pecuniary advantage from their rights were as manifold and varied as the efforts of the elected to preserve the privilege to corrupt. The crumbling town of Dunwich, consisting of forty-two houses and the remainder of a church, had forty resident freemen in 1760. To secure the return of their patron this small body enrolled five hundred non-resident freemen. As a rule the corporations were disposed to restrict the number of electors. It was deemed so necessary, however, to ensure the return of R. Hart Davies and Edward Protheroe for Bristol in 1812, that the Corporation enfranchised no less than seventeen hundred freemen. An average of three pounds for the enrolment of each new burgess

was drawn from the honorary freeman or the candidates. Moreover, private morals were not immune from invasion by political strategists. As marriage with the daughter of a freeman made her husband free and conferred the title to vote, by forming bigamous contracts many women added to the number of the electors and participated in the gains. The burgesses of Sudbury were not conscious of committing wrong when they advertised their votes for collective sale, nor were the freemen of Shoreham guilty of a breach of the current ethic in forming a society to sell the seat to the highest bidder, and then to share the purchase money with fair and open justice.

CHAPTER II

THE FRANCHISE

SECTION 4.—**The Rotten Boroughs.**

THERE were several forms of the Parliamentary franchise in the eighteenth century, but its varieties may be grouped as follows:—

(*a*) *The fifty-nine scot and lot and potwalloper boroughs.*—The scot and lot boroughs preserved a franchise not unlike the original democratic franchise of the freemen. The right to vote was dependent on the payment of municipal charges and residence. The potwalloper's rights, whether he "paid or did not pay scot and lot," was derived from the time when the freeman, to demonstrate his independence of the lord would sometimes take his meals in public. Until the end of the eighteenth century the successors of the emancipated villeins, whether they held by descent or by purchase, were accustomed to place tables in the streets in assertion of their prescriptive rights. The exchange of things by means of sale engenders the need for publicity. As modern trade has shown that by advertisement the number and rapidity of exchanges can be multiplied, so was it revealed to the potwalloper in the reign of George III, that

by calling public attention to his "wares," his picturesque franchise became a very marketable parcel of liberty.

(*b*) *The thirty-nine burgage boroughs.*—In these the electorates were small and progressively diminishing. To the elector the worth of his vote, measured in terms of money, had been rising since the days of Elizabeth. From the view-point of the patron the burgage borough offered all the advantages of a compact constituency, whilst the qualifications for electors were so varied and so singular that their very diversity prevented effective combination among the voters. An elector with a vote derived from obsolete rights over a running stream held a property resting on a different foundation to that of the small farmer who ploughed land on which nothing would be sown, because an unploughed field did not confer a title to sell the suffrage. The voter in respect of a pigeon-loft would attach a higher price to his support than should be accorded to his inferior whose right to be numbered among electors emanated from the possession of a pig-sty. When thieves fell out, the patron or his nominee, the candidate, being honest men, would come by their own.

In some of the burgage boroughs usage and tradition stipulated residence as necessary for electoral qualification. But the length of essential residence varied as between one borough and another. It was incumbent upon an elector in Cricklade that he should live in that place for forty days immediately preceding the poll. In this and in corresponding cases there does not appear to have been a condition that the elector,

transported from his usual place of business, should pay the expenses of his temporary removal or maintain himself by his own labour during the qualifying period. Elsewhere, other more fortunate patrons were not called upon to accept such onerous responsibility. At Bedwin, occupation of certain burgage houses during four days was enough. Again, there were boroughs where custom had dealt so kindly with Parliamentary aspirants that to sleep in a bed in the borough the night before, and to breakfast on the polling day, sufficed to cement the right to share in choosing a maker of laws.

Some forms of corruption are now regarded as conspiracy, and are ranked with the gravest offences. It would seem, however, to be inherent in the natural order that every sinful heart shall retain the faculty of doing good. The adept at intrigue and chicane spreads abroad suspicion and avarice, but like that variety of the modern financier which translates the investor's desire to reap without sowing into a harvest for himself, the skilled borough-monger and his coadjutors could not avoid conferring certain benefits. The colliers of the North would never have seen the Surrey Downs but for the fact that their employer, wishing to return his nominee for Haslemere, brought pit-hands to acquire a few days' residence in the romantic Hindhead district. It is to be regretted their brief sojourn amid surroundings of surpassing natural beauty did not promote the will to transform their native sordid villages. They returned to resume work in the mines in accordance with the terms of their yearly bond, and deemed themselves

fortunate to obtain the cover of a tied colliery house in which no unbound man was ever permitted to dwell.

(*c*) *The forty-three corporation boroughs.*—In every age there are persons who pride themselves on their negligence with respect to private rights and who boast of indifference to the transactions of public bodies. It was by the narrow individualism of these that the corporation boroughs were enabled to acquire a rigid and exclusive control of the voting power within their boundaries. In the shire towns the select bodies appointed for administrative purposes were succeeded by corporations established by charter. Numbers of the inhabitants without interest in affairs had delegated their right to vote to the mayor and corporation, and by the end of the sixteenth century it was customary for the corporations to select whomsoever they pleased to sit in Parliament. Invariably, however, dissent or objection was allayed by reference to the dangers of democracy and the perils that attended all departures from customary rule. Thus Huntingdon, on the grant of a new charter, proved its fitness as a rotten borough. The corporation members restricted the right to vote to themselves on the ground that "certainty and constant order" would result from excluding all others.

The corporations, their proceedings hidden by mystery, yet venerated because of their age by a community whose most ardent spirits were conservative, presented many facilities for skilful management by the party organisers of the time. Beyond their actual membership, territorial magnates sympathetically viewed every endeavour to

reduce the number of citizens with a voice on questions of government. In many cases the corporation was self-elected, and neither the members nor the mayor were necessarily resident. As the value and importance of a seat in Parliament enhanced, local government came to occupy a secondary place in the business of the corporations. Spending the borough revenues without the supervision of effective remonstrance from constituents, making what bye-laws the non-resident authorities pleased, by the middle of the eighteenth century the corporations had chosen the status of machines worked to secure the election of the patron's nominee.

(*d*) *The sixty-two freemen boroughs.*—On the eve of the passing of the third Reform Bill in 1832, in thirty-eight of the freemen boroughs there were hosts of honorary and non-resident freemen entitled to elect for Parliament. Ironically enough, the term freeman carried no suggestion of freedom to any instructed mind. On the contrary, it was the chosen word of privilege. Long before 1760 the appellation, freeman, was reserved to signify a member of a trade guild. The history of party growth and organisation is distinct from the history of political thought. Its records show that from the sixteenth century the freemen, legatees of the merchant and trade guilds and continuously gaining prominence by manufactures and commerce, were challenging the corporations on every matter involving political action. Where the freemen had insufficient strength to wrest from the corporation the right of parliamentary election they were content to share its exercise.

Such conflict as arose between freemen and corporation did not proceed from any lofty moral promptings in the mind of the trader. The freemen had no greater attachment to democratic principles than the decayed and corrupt corporations. In their battles the bodies of freemen were quite as eager as the corporations to elect non-resident honorary members. That they commanded more vigour than the corporations is suggested by the fact that the freemen were assiduous in winning the Members of Parliament to their support by the bestowal of freedom upon them. The corporations were older, less imaginative persons; they bowed to the will of the patron. When their vitality had declined and they no longer selected one or two of their number to attend Parliament, they humbly accepted their patron's candidate and secured his return. As compact entities the bodies of freemen asserted a livelier independence and exacted terms favourable to the interests they represented. The first of their outside, honorary members were Members of Parliament, taken into a partnership as it were, which aimed at the political supremacy of the freemen. When Parliament was of relatively slight importance to the trader, the freemen found no pronounced desire on the trader's part to have his name inscribed on the roll. Even Cromwell could be a freeman of Cambridge on payment of "one penny for the poor." But as wealth accumulated, in the form of private fortunes and the number of potential candidates increased, the freeman's opportunity for the levy of tribute extended. In the eighteenth and nineteenth century, as a general rule, admissions to the freedom

were designed to permit the "lucrative exercise of the franchise." Candidates or their patrons bore the cost of the honours essential to the return of the successful nominee.

SECTION 5.—**Town and Country.**

The 166 boroughs and the 24 cities returned 382 members; the 52 counties of England and Wales returned 94 members. In the counties, though votes were bought and sold, the traffic in rights always encountered more resistance. The sturdy yeomen, the small farming landholders with long established settlement, were less amenable to monetary seduction than the acquisitive trader in the towns. The forerunners of freedom who appeared before the wage-earners threw up their own leaders and agitators, came from the country-side and not from the towns and cities. For long it has been customary to speak of the servility and abject character of the agricultural worker. The farmer fears the landlord and the labourer touches his cap and bends his back to both. The political power that enabled the landed proprietor to reduce the agricultural community to mental and bodily bondage was derived from the towns before any but a limited number of traders and manufacturers were enfranchised. The rich aristocrat of the eighteenth century, already drawing part of his revenue from trade, sedulously cultivated the townsman with all the arts that bribery wedded to flattering patronage could invoke.

On the eve of the passage of the Reform Bill, the majority of the House of Commons was elected by less than fifteen thousand persons, mainly re-

siding in towns that jealously guarded the ancient privileges secured by trade or gift. By the purchase and management of these suffrages—a legal and proper undertaking by all the standards of the time—the aristocrat maintained a power to govern by the principles of the Constitution.

CHAPTER III

THE RURAL ORGANISATION

SECTION 6.—**Rural Local Government.**

IN the province of local government as in the sphere of legislation the greater landowners were predominant. In the rural districts, where the majority of the people still found occupation, the aristocratic group ruled through their nominee, the unpaid Justice of the Peace.

As the tendency of governments towards the centralisation of power proceeds, and, unless checked by an enlightened democracy, gathers momentum as it proceeds, agents are appointed to maintain the authority of government in the districts. In France the administration of local affairs was entrusted to direct employees of the Crown. In England the landed class were not held in a corresponding tutelage. Though the Tudor monarchs aimed at reducing the power of the nobles and, after the Reformation, created a new nobility, the manorial courts were permitted to function on the condition that justice was dispensed according to the common law. But the Justice of the Peace, whose office was originally instituted in the first year of Edward III, occupied a strategic

place in the county. At any moment he might be called upon to exercise the powers derived by specific commission from the monarch. For centuries the manorial courts and the Justiciary of the Peace were collateral authorities of approximate equal importance. With the decay of the manorial courts incidental to the passing of feudalism, additional power passed into the hands of the Justices. Instead of resisting or opposing the authority acting in the King's name, the lords bowed before the altered circumstances. So effectually did they conform with measures for the dissolution of their own legal pre-eminence that, eventually, they were enabled to become the actual masters of the Justice Bench. By the gradual surrender of their prescriptive rights the lords advanced in favour until through one of their number, the Lord-Lieutenant, they were appointing the Justice of the Peace, who controlled wages, directed the relief of the poor, administered the Act of Settlement and had the final voice on the assessment of property for rates.

As the primitive forms of village and manorial life rapidly declined in the eighteenth century, the Justices acquired responsibility for the construction and maintenance of roads, bridges, footpaths and gaols. The duties of the Coroner devolved upon them, and they were empowered to decide on such minor affairs in the rural economy as the keeping of pigs and cattle. It was found that the ever extending work of the Justices could not be transacted publicly with the expedition that can be pursued by a committee unhampered by the watchful eyes of generality. There was still a

rugged opinion sufficiently strong to ensure that all persons arraigned by the law should have the chance afforded by open trial. The administrative court of Quarter Sessions transacted its business in the presence of the public, but the conduct of local government became shrouded with secrecy. The practice extended of deputing Justices in Petty Sessions, and single Justices, with authority to act without the general supervision of the Bench as a whole. As the common lands were enclosed and questions of footpaths, rights-of-way and poaching became the subject of incessant debate in the village, the power of a single Justice, or of two in Petty Sessions, assumed an arbitrary character concerned with preserving the rights of property, though its claims might be anti-social to the last degree.

SECTION 7.—**The Village.**

The greater part of the land under cultivation in England at the beginning of the eighteenth century was held by village associations of agricultural partners governed by local rules of cropping. The term "common" was applied to three kinds of land: (1) the arable fields; (2) the common meadow land; (3) the waste, or common proper.

All matters affecting agriculture were decided by custom. In accordance with customary rules the village assembly maintained the division of the arable fields into strips. The user of each strip, or strips, enjoyed his rights by virtue of customs accepted by former generations. Unlike the Celtic communal agriculture in the run-rig village, where

the land was divided periodically, in the English village successive generations of the same family cultivated the same strips in the common arable fields—unless they parted with their rights to some larger farmer or the lord. The strips or plots subject to the sole right of use by a particular family might number fifty or more and be scattered over several fields. Every detail in the processes of cultivation was resolved in a general meeting of villagers with rights in the common fields. Ploughing, the date for sowing, the kind of crops to be raised, the day on which the harvest should begin and the date by which it must have been completed, were all the subject of agreed arrangement. At these village assemblies only scanty favour was given to proposals for improved drainage or manuring.

The common meadow land was divided by lot among the villagers with rights in the arable fields. After the hay harvest it was open for pasture in common. The waste consisted of woodland, of scattered strips along the roadside, of rough land under heather or furze, or of grass land, and would be common pasture throughout the year.

Section 8.—The Dissolution of the Village.

By the year 1760, the elements of village life were in rapid decomposition. Already in some places the rural community was separated into landowners, capitalist farmers and labourers. The older village organisation was still extant, however, over the greater part of England—as yet a country of open fields with few hedges or fences. In the normal village, its life regulated by the traditions

of an agricultural community, there would be seven classes or groups of inhabitants:—

(*a*) At their head was the lord of the manor. As we have seen, his authority exercised in the manorial court had passed to the Justice of the Peace. But in his relations with the economic life of the village his power was not diminished. He might own a demesne, no longer cultivated by the villagers tendering their labour as a due to the lord, but receiving money wages in payment for their work on the home farm. He, too, would have his strips in the arable fields and his share of the common meadow land, but all the rules that governed other proprietors were for him to obey also. Feudal lawyers had long before established the doctrine of the lord's superior rights over the waste, but even here his use could not legally override the rights of copyholders, freeholders, and in some cases the rights of the cottagers.

(*b*) Immediately below the lord of the manor in wealth or prestige were the freeholders. Many were large proprietors, while others held a patch of land barely sufficient for their needs, though supplemented by rights of common over meadow land and waste. These holdings in fee simple, or freehold, were generally carved out of the original estate of the lord, and originated in his need for money. When war was the only honourable occupation for nobles and the monarch's foreign policy entailed the continuous use of armies abroad, the lord's need for money was constant. It became the bondman's opportunity to purchase freedom and a part of the feudal estate. The strength and importance of these yeoman, large and small, is

a major fact of history before the disappearance of the small landowner.

(*c*) The next in rank were the copyholders. Though not enjoying the security of freeholders, they were in a stronger position than the tenant farmers. Of all forms of tenure custom gave most colour to the copyhold, and quite early in English history, owing to the strength of the copyholder's position, holding by copy ceased to be constituted. For the title to be valid the land to which it referred must have been in the disposal of the manorial court from time immemorial. The grant was at the will of the lord, but continued during the observance of such customs as were attached to the particular parcel of land, according to the manorial rôle.

(*d*) Fourth in rank were the tenant farmers, occupying land by a variety of tenures, ranging from use at the will of the lord, to a lease for years, a life, or lives.

(*e*) Next below the tenant farmers were the cottagers, the whole of their group living mainly on work at wages for the lord, the freeholders, copyholders or tenant farmers. In the midland counties the cottagers sometimes owned their cottages standing on the edge of the common ; elsewhere they were often occupiers only. On the other hand, Eden, Young, Marshall, and other contemporary writers give many instances of cottagers owning or renting land and having rights in the arable fields as well as rights of pasture. But in the main they lived by wages.

(*f*) Sixth in order were the squatters, a comparatively small group. On their origins there has

been some speculation. Forming no initial part of the community by whose borders they eventually settled, the squatters were probably just the rolling stones to be found in every society. The first squatters cleared a piece of ground beyond the boundaries of the village whose rigid customs precluded the acquisition of rights, and, having established habitation, could sell their working time for wages. Their successors, almost as drastically excluded from the common rights of the village settlement, would perforce continue to gain their livelihood in similar fashion.

(*g*) The last in rank among the villagers were the farm servants, generally the children of the smaller tenant farmers and cottagers. As a rule they lived in the farmer's house until of age to marry and occupy a cottage of their own.

No clear line can be drawn through the village community in the eighteenth century, with property owners on one side and labourers on the other. Some of the freeholders, copyholders and tenant farmers were considerable employers of labour. Others supplemented the produce of their holdings by working for wages at certain periods of the year. On the other hand, it would appear, that even so late as the middle of the eighteenth century the majority of labourers in the normal English village either held a strip of land in the common arable field, or enjoyed rights of common pasture for his cow, or pig, or geese.

CHAPTER IV

FARMING

SECTION 9.—**The State of Agriculture.**

IN early English agriculture the usual rotation was fallow and wheat alternately. This is known as the *two-field* system. In the eighteenth century, over the country as a whole, wide variety prevailed in the mode of cultivating the soil, but the *three-field* system was most general. By this method an elementary rotation of crops was obtained alternately as follows :—

	1ST YEAR.	2ND YEAR.	3RD YEAR.
Field 1....	Oats or barley	Fallow	Wheat
Field 2....	Fallow	Wheat	Oats or barley
Field 3....	Wheat	Oats or barley	Fallow

George Maxwell, in a *Report on Agriculture in the County of Huntingdon*, written in 1793, describes the three-field system generally followed in the midland counties :—

"One part" (one of the three fields) "is annually fallowed, a moiety of which is dunged and sown with barley in the succeeding spring. The part which produces wheat is broken up and sown with oats, and the part which produces barley

is at the same time generally sown with peas and beans, and then it comes in routine to be again fallowed the third year."

Mr. Gilbert Slater, in *The English Peasantry*, collates the reports on the open-fields cultivation, prepared under the direction of William Marshall for the Board of Agriculture, and completed in 1794. In the Midlands the three-field system was the rule, but on the lighter lands, Townshend's Norfolk four-field course had made some headway. The nominally fallow field that had the previous year borne wheat and oats was sown with turnips, and clover was sown with barley in the following year. In Cambridgeshire, the four-field course: (1) wheat, (2) barley, (3) pulse or oats, (4) fallow, was followed, side by side with the two-field system of alternate crop and fallow. In parts of Buckinghamshire fallowing was already in desuetude; some knowledge of marling, and of the values of manures, enabled the open field farmers to raise crops in each succeeding year. In Berkshire a six-year course was in vogue: (1) wheat, (2) barley, (3) oats, with seeds, (4) clover, mowed and then grazed upon in common, (5) oats or barley, (6) fallow. At Battersea the common fields were sown with a "uniform round of grain without intermission and consequently without fallowing." In the northern counties, where less progress had been made, the two-field system was the general rule, but in the East Riding the still more primitive system obtained of raising a crop on certain lands at intervals of four, five, or six years, and winning nothing from the land between.

SECTION 10.—**Scientific Farming.**

The open or common field system had many defects if the land were regarded as the storehouse of food supplies, though farming by custom conferred advantages on the smaller proprietors in a stationary society. Its shortcomings were not revealed before the rapid increase of population which followed industrial expansion. Indeed, throughout the first half of the eighteenth century food was plentiful enough. Between 1713 and 1764 the average home price of wheat was 34s. 11d. per quarter. Encouraged by the Exchequer bounty paid for exported corn, pasture land was ploughed up. Wheat was sent abroad at a good profit without apparently curtailing the supply available for home consumption. Poor-rates were falling, not by more stringent administration in a system of relief, but for the wholesome reason that the need for assistance from the public funds diminished as the purchasing power of money ascended. Fresh meat returned to the dietary of the cottagers, and when George III began to reign, wheaten bread was eaten by more than half the labouring population. With the money wage commanding a greater quantity of goods than at any time since the reign of Henry VI, the labourers' standard of life in rural England, just before the Industrial Revolution, was far above that of his successor two generations after.

But trained observers and gentlemen farmers competent to respond to the scientific spirit then arising, questioned the efficiency of an agricultural system unimproved for centuries. From 1700,

when Timothy Nourse in his *Campania Fœlix, or Discourse of the Benefits and Improvements of Husbandry,* attacked common pasturage on waste lands, a concourse of critics assailed every branch of associated agriculture. Sheep are described as "poor, tattered, and poyson'd with the Rot"; cattle as "starv'd, Tod-bellied Runts, neither fit for the Dairy nor the Yoke." As a means to hasten the passing of the unproductive system, Edward Laurence, writing on the duty of stewards in 1727, urged that leaseholds should be substituted for every freehold entering the market for sale, and that the strips in the common fields should be bought up by the lord of the manor and the larger owners as a preliminary to general enclosure.

As the demand from the towns for the products of the soil increased it was found to be more profitable to raise mutton than wool. At the same time, the more considerable owners discovered that a disproportionate area of the land was under corn. Exportation of grain for bounty no longer yielded a return better than the home market promised. It became the vogue for landowners and the more instructed farmers to speak of higher culture and more intensive farming. Harking back to Jethro Tull, the "greatest individual improver" of British agriculture, they recalled his experiments with seeds and with the drill, which excited so much derision in his lifetime. But Tull's plea for the pulverisation of the soil in order that it should be clear of weeds, admit air, rain and dew to the roots, and extend the range the plants could draw upon for their nourishment, would never

have gained a belated recognition but for the work of Lord Townshend at Raynham, Norfolk. The absence of root crops in the common field villages made it difficult for cattle to survive the winter. Half-starved, they were slaughtered while yet under size rather than have them perish and be worthless. "A few starved sheep and two rabbits struggled for every blade of grass." When Lord Townshend proved the superior utility of his four-course system of rotative cropping, in place of the three-field system, it was no longer necessary for the farmer to keep part of his land in unproductive fallow. Townshend's turnips grown on light sand, and roots fed on the ground by sheep fertilising poor soil, enabled the farmer to maintain his stock during the winter and to enrich the land with manure.

SECTION II.—**Defects of the Common Field System.**

Before the accumulated knowledge of the earlier part of the eighteenth century could be turned to account the common field system had to make way for the enclosed farm worked with larger capital. In the open fields all the occupiers, ruled by custom, were bound to use every kind of soil alike, and to conform to all local regulations regarding sowing and reaping. So long as the arable fields were subject to rights of common pasture from August or September to February, no winter crops could be grown. If an enterprising farmer, favourably impressed with the new ideas, wished to grow artificial grasses, clover or turnips on his strips of land, he could not protect the crops from his neighbours' sheep or cattle.

Drainage was substantially impossible. To carry off the water from one strip of land would require an outfall not to be obtained without the agreement of all having rights in the field. The slovenly cultivator, like the slow ship in a fleet, held back all the rest. Docks and thistles flourished on the fallows, twitch throve in the narrow balks that divided each separate strip. By common consent the wheat thrived in the hedgeless fields, but after harvest the cattle wandered and were lost, while the farm buildings, unsafe on the open land, were in the village often a mile or two away. Internal litigation, acrimonious disputes and ill-feeling, were persistent among the petty farmers to so great an extent that continuous disputation sapped their powers of collective resistance. On the countryside it was proverbial that the open field farmers were as unfriendly as the wasp and the bee. When the time came for them to act together in their own defence their councils were so discordant that the "enclosers" were almost everywhere victorious.

The progress of agriculture required the substitution of individual occupation for the time-honoured partnership in the use of the common lands. The change could have been made had the desire existed, without the revolution in rural society effected by the enclosures. But in the absence of knowledge of the means for the co-ordination of agriculture and manufactures, and being without the least appreciation of the supreme importance of the matter, it was inevitable that to provide the English people with bread and meat their peasantry should be destroyed.

CHAPTER V

ENCLOSURE

SECTION 12.—**Area of the Common Land.**

PRECISE statistics of the area of the common fields in 1760 are not available. Neither is it possible to state with certainty the acreage of land enclosed from the beginning of the eighteenth century onwards. Baron Ernle is of opinion that between 1700 and 1886 8,372,662 acres of common fields were enclosed, of which more than three-fourths were enclosed from 1760 to 1820. It is computed by Mr. Levy that in the hundred and six years from 1702 to 1810, the land enclosed had an area of 5,400,000 acres. A recent estimate by Mr. Johnson is based on Dr. Slater's summary of the Enclosure Acts :—

Year.	Common Fields and some Waste.		Waste only.	
	Acts.	Acreage.	Acts.	Acreage.
1700–60	152	237,845	56	74,518
1761–1801	1,479	2,428,721	521	752,150
1802–44	1,075	1,610,302	808	939,043
Total	2,706	4,276,868	1,385	1,765,711

In order to appraise the local revolutions which transferred the use of land from a partnership of a majority of villagers to private possession, it should be remembered that the land in the proximity of the common fields had been enclosed at an earlier date. The earlier enclosures were effected by unauthorised force, without the sanction of law. After 1710 Parliamentary power consolidated and regularised the private ownership of land with individual use.

SECTION 13.—**Varieties and Meaning of Enclosures.**

Full right of common depended on admission of a claim to certain strips in the open arable fields, with the collateral rights of holding a plot in the common meadow land and depasturing sheep or cattle on the pasture land or waste. In the villages, where full common right still operated, the meadow land and waste were adjuncts of the arable fields. Between village and village, by reason of the encroachments made on ancient customs, the rights of common varied in extent. By 1760 all the arable land was enclosed in many villages; its cultivation was a private venture undertaken by the lord of the manor and a few large farmers. Only the meadow or the waste remained for common use. Elsewhere the commons were no longer social property, but the arable was in collective possession. In other cases, land formerly enclosed by agreement or encroachment was re-divided under a Parliamentary Act dealing with enclosure in particular parishes.

A piece of land not hitherto surrounded by hedges, ditches or other impediments to movement

was deemed to be enclosed when such impediments were constructed. In fencing or hedging arable land for conversion into pasture the barriers were erected to prevent animals straying over the neighbouring crops. The construction of a barrier around land in open common pasture was preliminary to converting the plot from pasture to tillage. The barrier, at first erected for impeding free passage and for the avoidance of damage, ultimately becomes the sign of ownership. In time it is accepted as the legal test of occupancy and use. Supported by law, the hedge or fence dissolved a partnership in use and sufficed to introduce individual ownership and occupation.

SECTION 14.—**The Parliamentary Stages of Enclosure.**

The period of enclosures authorised by Parliament begins in 1709, when the first Enclosure Act was passed, but the details of a scheme are not available till that of 1724, relating to fields and commons at Sunninghill, Berkshire. From that date till 1801, when the first General Enclosure Act became law, the procedure in Parliament in respect to private bills for the enclosure of common lands continued in operation without change.

The process began with a petition urging the public benefits to be derived from the enclosure of certain fields or waste. The petition, if endorsed only with the signature of the principal landowner in the district, would be considered as valid; in some cases the vicar joined with the lord of the manor in making request to Parliament. Leave having been granted to bring in a Bill, after second

reading, the Bill was referred to a Private Bill Committee. The member presenting the petition and the Bill was generally chairman of the committee appointed to hear objections, and he virtually selected his committee in accordance with certain customs of the House. The committee's duties included a report on the "consents" of the smaller parties affected. In due course the Bill was returned, and few were the occasions when the report was adverse to enclosure or the House refused to pass the Bill.

The villager found it more difficult to gain the ear of Parliament. Before 1774 it was unnecessary for the petitioners to inform the holders of common right that steps were being taken to redistribute their lands. Even after Parliament enacted that notice should be affixed to the doors of the parish church, the information was not of much utility except in the vicinity of London. No local inquiry was held prior to the passage of the Bill. The expense and trouble of travelling to London, where evidence was taken but not invited, sufficed to prevent, in all but a few cases, any considered statement on behalf of the smaller proprietors before the responsible committee.

SECTION 15.—**The Rights of Property.**

The Select Committee on Means of Facilitating Enclosure, reporting in the year 1800, stated that the Private Enclosure Bill Committees were not governed by rules deciding when the "consents" obtained were sufficient to outweigh objections. Some committees, it was stated, allowed the votes of persons with rights over three-fourths or three-

fifths of the enclosed land to compose an adequate "consent." In other cases "consent" was determined by acreage, or by annual value; and yet again by assessment to land-tax or poor-rate. Instances were recorded where the financial strength of the objection was written down on the ground that the arable strips and their dependent rights of pasture would ultimately revert to the lord of the manor. Moreover, the weight of "consent" was not in proportion to the usage or holding in common right, but in proportion to the share in common right plus the value of property already privately owned. Thus, in a village with old enclosures, the private park, the home farm and the gardens would rank as adding to their owner's "consent" regarding the strips in the arable fields.

The collection of "consent" was undertaken by a local solicitor acting for the promoters. It naturally followed that the support of smaller farmers would be gained by the suggestion that agreement with the scheme was to their advantage. In some cases there is reason to believe that actual misrepresentation was resorted to; the Bill signed by the small proprietors did not tally with the Bill presented to Parliament.

SECTION 16.—**The Commissioners.**

Every Bill provided for the appointment of Commissioners, generally three in number. After the passage of the Act, the Commissioners repaired to the district, heard the statements of persons claiming rights of common and re-distributed the land. In some cases their award was final; but

generally an appeal was open to the Justices in Quarter Sessions. Of this right of appeal small use seems to have been made.

The Commissioners first announced that all claims must be clearly set out with their origin, history and proof, and were to be deposited by a certain date. In a community that could neither read nor write the presentation of claims in legal form was impossible. Furthermore, much of common right depended on tradition; origins were unknown, nor could proof be advanced. Such was especially the case of the smaller tenant farmers, cottagers and squatters. Exactitude and precision being unobtainable, claims were rejected by the Commissioners not for any demerit in their nature, but on account of the inadvertencies of claimants.

In the last decade of the eighteenth century the number of Enclosure Acts and their expense occasioned a demand that a General Enclosure Act should be passed, containing standard clauses, to which each private Act could refer by number. A Select Committee appointed to inquire into the cost of enclosures reported (1800), that the draft of each Bill, generally copied by a solicitor from a former Act, contained about forty clauses to be found in all the Acts. During these investigations, Sir John Sinclair, President of the Board of Agriculture, examined eighteen hundred of the Enclosure Acts then already passed. It was found that the three Commissioners were chosen, as a rule, before the petition was presented to Parliament. One would be selected by the lord of the manor, the second by the owner of the tithes,

and the third by the proprietors of the major part of the value of the land to be enclosed.

Such recognition of rights as the cottagers and smaller farmers were able to obtain depended on the good will of the Commissioners chosen by the social interests in conflict with the claims of small proprietors. In 1782 the House of Commons resolved that none of its members could have an interest in Government contracts. But not until the passage of the General Enclosure Act of 1801 was it made illegal for the lord of the manor to choose his own bailiff to serve as a Commissioner. Before that year the possession of land in the district to be enclosed was no impediment to any chosen person acting as a Commissioner. By the General Act of 1801 Commissioners were divested of the right to purchase land affected by their awards until five years had elapsed. Abuse of the Commissioner's almost absolute power was not to be remedied so easily, however. At length in 1845, by the General Enclosure Act of that year, the system of local Commissioners was abandoned. With the view to preventing further local injustice, Central Commissioners were then appointed and made responsible, subject to confirmation by Parliament, for drafting a provisional order governing the conditions of enclosure in each case.

CHAPTER VI

THE FOOD SUPPLY

SECTION 17.—**Enclosures and Greater Production.**

CRITICS of the open field system contended that the food required by a growing population could only be procured after enclosure of the common lands. It was assumed that individual possession would bring in its train a considerable addition to agricultural output, but contemporary writers failed to distinguish between a rise in prices and an increase in the actual store of food available for men and animals.

In a vehement controversy conclusions were drawn from evidence within the narrow limits of personal observation. Arthur Young is as inexact in comparing the produce of common fields and enclosed land as his less famous contemporaries. About Audley End, he finds the spring crops in the common fields to be "miserable and absolutely beneath contempt." On his northern tour he reports that wheat in open fields yields seventeen and eighteen bushels per acre, while on enclosed land "in the neighbourhood" twenty-six bushels are raised. Until the beginning of the seventeenth century writers on agriculture note the rich crops standing in the open fields, and seldom comment

on the state of the crops in the demesne or enclosures. If that superiority had passed from the common field culture by the eighteenth century it would indicate, as Professor Gonner suggests, that the system of common right was already obsolete or falling into disuse.

As bread composed the largest part of the diet of the majority of the people, it is not unreasonable to test the worth of enclosures by their effect on the production of corn. The demand from the towns for meat was more profitable to the agricultural interest than the demand for wheaten bread. During the ten years, 1765–74, despite the barrier of an import duty of 16s. per quarter when the price of home grown wheat did not exceed 53s. 4d. per quarter, the imports of foreign wheat exceeded the home grown exports. And this, though the exports were subsidised by a bounty of 5s. per quarter, when the home price was at or under 48s. Indeed, by 1774, though Enclosure Acts were being passed at the rate of seventy a year, the growing preference for raising stock entailed such scarcity that the duty on imported wheat was reduced to 6d. per quarter whenever the price of middling British corn was at or above 48s.

Section 18.—Home Grown Supplies.

The Legislature encouraged home supplies. Thus, in 1772, in response to the demand from farmers and landowners for freedom in sale, the ancient penalties against forestallers, engrossers and regraters were repealed. In 1808 3,160,000 acres were under wheat in England and Wales. If

Arthur Young's calculation of an average of 24 bushels per acre is accepted, the total produce was 9,480,000 quarters. Allowing eight bushels of wheat as the average consumption for each person, we find that while the population, estimated as between six and seven millions in 1760, increased to rather over ten millions, the progress of wheat production lagged behind, though the average annual price from 1800 to 1809 was 82s. 2d. per quarter. The artificial stimuli of high prices and subsidy during the war with France, and the vast capital gains represented by the enclosures, were insufficient to ensure an adequate supply of the staple food required by wage-earners in towns and villages.

It is not unfair to stress this point, so important in its bearing on the standard of life among the working class from 1760 to 1832. Enclosures were advocated on the ground that an addition to the food supply would follow. Dr. Slater is probably correct in appraising the economic results as an "increased production of all sorts of commodities." But the evidence is all against the assumption that the labourers shared in the increase. Meat is seldom an item in the budgets of working-class expenditure after 1795. William Marshall, in a review of Nathaniel Kent's *Report to the Board of Agriculture on the County of Norfolk* (1796), refers to Kent's examination of the accounts of the "houses of industry." The cost for "mere eating and drinking alone" was 18d. per head a day for the aged or infirm maintained at the public expense. There were labourers in worse plight than in Norfolk, where the daily wage in the county had been, says Kent,

"till within a few years, 14d. in summer and 1s. in winter, but now they are increased in most parts of the county to 18d. in summer and 14d. in winter." "How wretched," Marshall comments, "must be the lot of a hungry labouring man, with a wife and even one or two children (and still more with half a dozen) without any other means of support for meat, drink, washing, rent, fuel and clothes." Yet Norfolk was the county justly declared by Young to be "so famous in the farming world," and one where arable always greatly exceeded permanent pasture.

SECTION 19.—**The Change in the Agricultural Product.**

If food production increased after enclosure its character underwent considerable change. Arthur Young describes the productivity of Milton Bryant, Bedfordshire, before and after enclosure. The open field course was: (1) fallow, (2) wheat, (3) beans. After enclosure the course was: (1) fallow, (2) wheat, (3) beans, (4) oats, (5) seeds. The product is given as :—

BEFORE ENCLOSURE.

	Bushels.
Arable, three-fourths of 1,120 acres = 840; of which one-third wheat, or 280 acres at 17½ bushels to 3 roods, or 23½ to statute measure	6,510
280 acres beans, at 20 bushels the statute acre ..	5,600

SINCE ENCLOSURE.

One-fifth of 1,120 acres of wheat = 224, at 22½ bushels	5,040
One-fifth beans, 224 acres, at 25 bushels	5,600
One-fifth oats, 224 acres, at 33 bushels	7,392

Loss of sheep, 330 (before 930, now 600).
Loss of cows, 7 (before 82, now 75).

Here there is a reduction of 1,470 bushels of wheat and of 330 sheep and 7 cows. The 7,392 bushels of oats represent but a slight addition to human food.

A better example of the change in the character of the product is given by Dr. Slater on the authority of the facts collected by the Board of Agriculture. An acre of common field arable produced 670 lb. of bread and 30 lb. of meat per annum. Enclosed and converted to pasture, the area raised 176 lb. of mutton, or 120 lb. of beef. On dividing the difference between the amounts of beef and mutton there is an average production of 148 lb. of meat. By enclosure, 118 lb. of meat were gained against the loss of bread, but if the food values of equal quantities of bread and meat are equal, the final result was a loss of 552 lb. in a total produce of 700 lb.

The enclosures provided more favourable conditions for the application of machinery and improved methods of farming. But the proprietors of the lands after allotment, the larger proprietors especially, did not utilise the soil to its full producing capacity. High prices and high rents were obtained more easily when supplies were restricted. Promises of better farming freely made were only partly kept. The average output per acre of meat, butter and wool increased, but wages in town and country by 1795 were too low for meat to figure prominently in the labourer's diet; butter had become almost a luxury, and the woollen garments his forefathers had known were superseded by cotton. The production of wheat,

barley and rye failed to keep pace with the necessity for cheap bread, the first requirement of an ill-paid labouring class.

SECTION 20.—**The Fate of the Small Farmer.**

Turning from the national aspects of Enclosure to the effect on the smaller cultivators, we are reminded of Arthur Young's statement that "by nineteen out of twenty Enclosure Acts the poor are injured."

"Most of the small tenements and farms," says an anonymous writer, "having fallen into the lord of the manor's hands, he has let the whole to one or two substantial farmers, and the village now resembles a place that has been sacked and plundered." When we recall the aversion that agricultural owners had to the multiplication of farm buildings, and the frequent demolition of labourer's cottages in order to avoid settlement, it is not difficult to accept the anonymous statement as approximately true. That it was the popular view is shown by the continuous outcry against the engrossing and consolidation of farms which everywhere followed the Enclosure Commissioners.

After the Commissioner's award the small proprietor would probably find that the cost of fencing or hedging his land, his share of the expenses in promoting the enclosure—which might amount to three or four pounds per acre, and his enforced contribution towards the cost of roads, amounted to a sum beyond his power to provide. "Several persons at Charlton and elsewhere made profitable speculation by purchasing these commons

for £5 each. The Commissioners were then induced to throw these several parcels of land into one lot, and thus a valuable estate was formed."

If the small owner overcame initial difficulties of this kind he would be confronted with a stringency of capital in a time of rising prices. Arthur Young's account of farmer Riccart's field, "so stuck with thistles that a mouse could scarcely get between them, and in the full pride of their blossoms," does not suggest the existence of capital resources available for improved culture. Or he would find that the principal landowner preferred as neighbours a few substantial men rather than numerous owners or tenants whose prosperity hung in doubt. If he weathered the social pressure from that quarter, as the poor-rates increased and the "roundsmen" system became the rule, the expenses of cultivation on a small scale exceeded the profitable return. Alienation of his land, emigration, or the life of a wage-labourer was then his sole resource.

Section 21.—The Cottager and his Cow.

Cottagers and squatters suffered more severely than other members of the village community. The cottagers were in two groups. In the first were the cottagers who owned their houses, in their own right cultivated in the arable fields, and depastured a cow, sheep or geese on the common. In the second group the cottagers were simply tenants paying an occupier's rent to the freeholder.

If occupancy of a particular cottage carried

certain rights of common, compensation for their loss on enclosure passed to the owner and not to the occupying tenant. The tenant's cow or geese found no place to feed after the owner of several cottages received an allowance of land in compensation for the right of common attaching to his cottages. The resident cottage owner with common right was a degree more fortunate. The value of his claim was so slender that the Commissioners had an impossible task. To compensate the loss of a right to feed a cow or a few geese by the transfer of land to individual ownership was impracticable in all but sparsely populated districts. The land awarded in exchange and incurring the expenses of enclosure would be too small to serve the purpose of the former common or waste. The cow or the geese were sold, like the plot of land awarded by the Commissioners.

Endowed with almost absolute authority, in a few cases the Commissioners sought to meet the difficulty by setting apart a portion of land as a common grazing ground. But in a community where not "one in five thousand could read" the claims proven did not always justify this provision. Truly might the poor say, "Parliament may be tender of property; all I know is that I had a cow and an Act of Parliament has taken it from me."

The squatters were entirely dependent upon the vagaries of the Commissioner. Where of less than twenty years' standing they were generally granted an opportunity to purchase their encroachment. If more than twenty years had elapsed since their attempt to graft themselves upon an inhospitable

village, they were treated as cottagers. Then they were awarded an allotment, which generally passed from their hands by the operation of the same causes that reduced the long-established cottager to the status of a landless proletarian.

CHAPTER VII

POPULATION: THE DISTRIBUTION OF INDUSTRY

SECTION 22.—**The Growth of Population.**

PREVIOUS to 1801 no official return of population existed for either England or Scotland. In that year the enumeration was undertaken by the overseers of the poor assisted by the parish ministers. The first completed census of the United Kingdom was taken in 1821. At the decennial periods, 1801–31, the population of England and Wales was :—

1801	8,892,536
1811	10,164,256
1821	12,000,236
1831	13,896,797

In 1760 one half of the nation resided in the rural districts. Of the whole population it is computed that not less than one third were agricultural workers, of whom great numbers enjoyed common rights.

The changes in the distribution of the population between 1760–1832 were more remarkable than its increase. At the earlier date the northern counties were very sparsely populated. In 1724

Manchester contained no more than 2,400 families. In 1794, an historian of Bristol, still the second city of the Kingdom, laments that his own city numbered only 100,000 inhabitants, and contrasts its slow growth with the rapid extension of Birmingham, an "open" town, which in rather less than forty years had increased from 30,000 to 60,000.

Between the year 1690, when Dr. Davenant estimated the population of England and Wales at 7,915,000, and 1821, the population of Lancashire quadrupled, while that of Middlesex, including London and Westminster, multiplied two-fold. On the other hand the population of Sussex had not increased by more than 60 per cent., while in the county of Norfolk, including the considerable city of Norwich, the increase in one hundred and thirty years was 5,000 only.

Two separate tendencies operated in the movement of population: (*a*) it migrated from the southern counties to the north, and (*b*) over the whole country, from the rural districts to the towns.

SECTION 23.—**Migration.**

It was in Sussex that the first complaints of industrial migration were heard. With the silting-up of the harbours on its coast and the greater tonnage of vessels, the county suffered a reduction of maritime importance. Moving inland, its population had turned to the exploitation of the iron in the Weald. The Grand Jury at Lewes in 1661 registered the fact that the Sussex iron industry then gave employment to "many thousands of poor people and others." But the furnaces were

worked with charcoal. The industry declined as the consumption of timber came to be accounted a national peril. Its revival was not completed until the introduction of coke-fed furnaces in the northern Midlands with an average output of 903 tons, against an average of 294 tons from the Sussex furnaces of 1740.

In the meantime Sussex iron-workers were on the move in search of other employment. The enclosures, as they proceeded, diminished the demand for agricultural labour except, perhaps, where more land was taken under crops. The gradual cheapening of woollen and cotton goods as the machines came into common use induced the housewife to cease to spin yarn for her own use, or for sale to the agents who travelled the country buying yarn for weavers. When the power loom was firmly established in the factories by 1820, the hand-loom weaver still struggled hopelessly against his mechanical rival. His doom was encompassed in the next decade, and laying down the shuttle, after thirty years of penurious conflict, he followed the women and his children to the factory. Domestic manufacture was destroyed, and the population, perforce, followed the tools with which it worked.

SECTION 24.—**The Free Towns.**

Unlike the city of London and the towns governed by charter, the Lancashire towns were open to all who cared to venture in trade or manufacture. Enjoying more freedom than the woollen trade, in a degree already well organised on a capitalist basis in Yorkshire and the South-west,

the cotton trade was not restricted by Government protection. Innumerable laws on the Statute Book aimed at protecting the woollen manufacturer from unusual competition. But cotton was affording the basis for a new industry, unknown in the period when the Government deemed it their duty to protect and preserve manufactures by legislation. "Perhaps nothing," says a writer in 1783, "has more contributed to the improvements in trade here than the free admission of workmen in every branch, whereby the trade has been kept open to strangers of every description, who contribute to its improvement by their ingenuity; for Manchester, being only a market town, governed by constables, is not subject to such regulations as are made in corporations, to favour freedom in exclusion to strangers."

The invention of new machinery first applied to the manufacture of cotton goods, so cheapened calicoes, that the prolonged hostility displayed by the woollen manufacturers against the use of all cotton fabrics was defeated by the force of economic fact. The new machinery, dependent in the first instance on water as a motive power, was rendered more effective by the steam engine, which facilitated the removal of the factory from the stream-side to the crowded town. The use of the steam engine stimulated the development of the iron trades, and these latter entailed a vast expansion in mining and the use of coal.

Section 25.—Specialisation in Industry before 1760.

Before the Industrial Revolution the location of industry entirely depended on natural causes. In

this period population is widely distributed. While timber was used for smelting, iron was necessarily confined to districts well supplied with wood, or easily accessible from forest areas by river communications. The iron of the North was unworkable till the lack of timber beyond the Trent was redressed by Abraham Darby's discovery that coke could be used in place of charcoal. In the rich meadow lands of the south-western counties the fleece of the sheep was more ample than on the Lincolnshire Wolds. The townsmen, therefore, of Stroud, Gloucester, Taunton and Bradford-on-Avon, especially skilled in the finer branches of cloth manufacture, owed more than they were aware to the geographical conditions so favourable to the winning of their livelihood.

The distinct relation then prevailing between work and natural surroundings is even more discernible in the case of Southern Lancashire. The soil being unsuited for agriculture, its inhabitants were driven to take advantage of such other natural opportunities as the district afforded. No great demand for coal could arise before the supremacy of the factory system was assured. Local labour and capital could not find regular or sufficient employment at mining until a later period. Unfavourable for agriculture, lacking woodlands, precluded from mining by the immaturity of the national economic development, its people had early specialised in the manufacture of textiles. By so doing they turned to profitable account the atmospheric humidity peculiar to the district and its abundant water supply, which later served as the first motor power for the new machinery.

SECTION 26.—**Access to Markets.**

Access to markets was a powerful factor in deciding the location of industry in a period that gave but scanty attention to the state of roads. Hence in the neighbourhood of cities the self-sufficing agriculture was completely effaced by agricultural production for sale. In the Home Counties around London, and in the vicinity of considerable towns like Bristol and Norwich, by the year 1760, agricultural production for sale was already the principal occupation. In the country beyond, where population was thinly scattered and roads were bad, markets were too distant to be profitable. There the labourers combined the cultivation of the soil with the crude village industries.

Even in the neighbourhood of the new towns in the midland counties and the North, the pursuit of agriculture alternating with, or following work in the factory, was long continued. Thus in 1770 the land in a Lancashire township "was occupied by between fifty and sixty farmers . . . and out of these . . . there were only six or seven who raised their rents directly from the produce of their farms; all the rest got their rent partly in some branch of trade, such as spinning and weaving woollen, linen or cotton."

The cottagers without the good fortune to possess a garden or an allotment appear to have been employed entirely in the mills, as yet of inconsiderable dimensions, except for a few weeks in harvest. Violent fluctuations in food prices in the new towns, in part due to the difficulty of

maintaining regular supplies in bad weather and over inadequate communications, doubtless contributed to the survival of persons with dual occupations on the outskirts of manufacturing towns.

SECTION 27.—**Specialisation after 1760.**

With the coming of the great inventions and the use of steam driven machinery natural conditions fall to a secondary place in deciding the location of industry and the size of the industrial unit. In 1785 Watt and Boulton's engine was applied in cotton mills. Within seven years the imports of raw cotton rose from 18,000,000 lb. to nearly twice that quantity. From this time the increase of population in South Lancashire proceeds more rapidly. Manchester and Salford, which in 1774 had 27,246 inhabitants, numbered not less than 102,000 in 1801. The forty-one water-mills in the county decayed beside the streams, while the new motive power facilitated the concentration of machines and labourers in the towns and larger villages. Steam and the machine were now the principal factors in deciding where and how the labourer should live.

The history of the cotton industry, while the ownership of the means of production was passing from the producers into the hands of capitalist manufacturers, is the history of all industries as they acquire conditions fitting them for centralisation. Those conditions are :—

(1) The technical and mechanical processes in production are so far subject to human

mastery that an adequate rate of profit is secured on fixed capital invested.

(2) The demand for the goods produced must be of a permanent character so that the risk entailed by capital should tend to a minimum.

(3) Production of the specific article must rest upon facilities for obtaining an adequate and uniform supply of raw material, so that fixed capital shall not stand idle.

(4) An adequate supply of labour power of that degree of skill and ready to submit to the discipline necessary for its adjustment to the machinery in use.

These considerations and the pace at which they can be applied are chiefly responsible for the distribution of population and its density in particular places.

CHAPTER VIII

INVENTIONS: COMMUNICATIONS

SECTION 28.—**Sea Power.**

FOR seventeen hundred years corn had been threshed with a flail, the weaver had performed the same operations before his primitive loom, and the process of smelting iron embodied no important change. The threshing of nearly all corn by hand was to continue for another eighty years, but at the middle of the eighteenth century the time was ripe for invention and for reconstructing industry to supply the foreign markets. The banks were providing an impulse to the accumulation of capital. Over all, England's maritime power was assured. It served to protect her commercial relations with every part of the globe. Whilst foreign nations exhausted their strength in war and their ruling classes preferred military glory to commerce, Britain, free for centuries from the invader and in control of sea power, was rich in the wealth and population that the Industrial Revolution required.

In this felicitous conjunction of circumstance enterprising men, with assured markets for their goods, accepted the risks entailed by the introduction of machinery. By enlisting the aid of a

succession of remarkable inventors, few of whom derived personal advantage from their genius, the first generation of manufacturers using machinery on the grand scale were enabled to extract great fortunes from prevailing social conditions.

SECTION 29.—**The Great Inventions.**

In the textile trades the order of the great inventions was as follows :—

1733 John Kay: the fly-shuttle.
1738 John Wyatt and Lewis Paul: a machine for spinning by rollers revolving at different velocities.
1748 Lewis Paul: a machine for carding cotton and other fibres.
1764 James Hargreaves: the spinning jenny.
1768 Richard Arkwright perfects the spinning frame.
1775 Arkwright: inventions for carding, drawing and roving.
1779 Samuel Crompton: the mule.
1785 Edmund Cartwright: the power loom.
The steam engine first used in cotton mills.
1789 Arkwright: the wool-combing machine.
1792 Eli Whitney: the saw-gin for cleaning raw cotton.
1803 William Radcliffe: a warp dressing machine.
1813 Henry Horrocks: improvements in the power loom.
1830 Introduction of the "throstle," a machine for spinning warp, simultaneously performing the processes of drawing, twisting and winding.
1832 Roberts perfects the self-acting mule.

SECTION 30.—**Their Interdependence.**

For these inventions to be applied with reliance and economy it was necessary that materials for machine construction should be available, and that a source of power other than human energy should be at hand. Wood served for building

machines in the early days of the large industry. As speed increased and it became essential that vibration should be reduced to a minimum, iron entered into wider use. Hence the importance of every improvement in the methods of working up iron from Darby's introduction of casting in fine sand.

The pace towards machine production and the steam engine was vastly accelerated by Huntsman's purification of the raw steel then in use by melting it in fluxes at an intense heat in closed earthen crucibles. Offered about 1740 to the Sheffield cutlers, they refused to use so hard a material, conceiving their interests to lie in cutlery of less durable steel. The introduction of blowing engines, in place of hand bellows, obtained a more equal blast; though it was not until 1828 that hot air was used to fan the furnace. These measures, in conjunction with Henry Cort's puddling system, first employed in 1783, which decarbonised iron by turning it over continuously in the furnace, so rendering it malleable, brought the iron industry to the stage required by textiles and essential as preliminary to the further development of the steam engine.

SECTION 31.—**Steam Power.**

Without the power of steam, modern industry could never have attained its present dimensions. The new machines required power, which neither man unaided nor water could supply. Newcomen's steam engine had been used for pumping in mines since 1704. Crude in construction, nearly seventy years later it presented to James Watt the basis

for his success in providing industry with its main source of power.

In Newcomen's engine, a combination and outcome of many previous inventions, when the piston head had been pushed to the top of the cylinder by the force of the rising steam, gradually admitted to the cylinder from the boiler below, the steam was turned off. Cold water was then injected into the cylinder, the steam condensed, and the pressure of the air on the piston head caused it to fall to the bottom of the cylinder. In rising and falling the piston worked a beam bearing a chain, which raised and lowered the sucker of the pump. A Newcomen engine came into Watt's hands for repair in 1763–4. Impressed with the waste involved in cooling the cylinder after each upward stroke of the piston, Watt resolved on closing the cylinder at both ends. He devised a system of valves which caused the steam to enter the cylinder automatically, first at one end and then at the other, with the result that the piston was in continuous motion up and down. This was the double-acting stationary engine, with the crank and fly-wheel, applied by Watt to the driving of mills and machinery. Thus completed, it embodied the essential features of the modern engine.

Section 32.—**Communications: Canals.**

As the capacity for production expanded, the necessity for greater facilities in communications and conveyance grew apparent. The state of the roads is condemned by all the travellers of the period. But roads were not a satisfactory arterial

means of transport for heavy goods. Danger, and the expense of that method of transportation turned attention from conveyance by wheeled vehicles to conveyance by water. Thus we find that in the last quarter of the eighteenth century the navigable rivers and the canals then in course of construction become the objects of attention in manufacturing districts.

In 1760, with the exception of certain water-courses constructed centuries before, the only canal in the country commenced in the River Mersey, at the mouth of Sankey Brook. By 1792 the number then completed was thirty-one, their aggregate length being 890 miles. Plans for the construction of nearly thirty more were formulated in that year alone. In 1850 the length of English canals was 2,600 miles; of that total 1,750 miles were in navigation by the year 1800.

The canal share market in 1792–3 presents a parallel with the railway market during the railway mania, 1841–50. Speculation on the gains which the canals were expected to realise forced up the price of shares to extravagant figures. A £50 share in the Trent Navigation sold for 175 guineas; a £100 share in the Soar Canal sold for 765 guineas; in the Erewash Canal for 642 guineas. Ten shares in the Grand Junction Canal, though not a sod was yet turned towards its construction, sold at a premium of 355 guineas. With the expansion of railways after the end of the war the market price of holdings in canal companies rapidly fell, and many a fortune obtained by gambling in one form of communications vanished with the development of the other.

SECTION 33.—**Railways.**

The first conveyances on rails were wagons, used in the mineral yielding districts for the removal of coal or ores. Drawn by horses or women, the trucks travelled over a flat wooden rail. At about the end of the eighteenth century Jessop began to use the edged steel rail, and a wheel with a flange inside the rail—a great advance towards preserving contact between a wheel in revolution and its track.

As early as 1803 a railway on this principle ran for the transport of merchandise from Wandsworth to Croydon. Trevithick, in 1804, had endeavoured to supplant human or animal motive power by a steam locomotive, with only meagre success in South Wales; by 1811 one hundred and fifty miles of line connected the collieries and iron works around Merthyr. Greater results attended an experiment for hauling coal by steam engines near Newcastle-on-Tyne in 1813. In the following year Stephenson's first engine drew a train weighing 30 tons at four miles an hour on a gradient of 1 in 450. Twelve years of experiment succeeded this initial success. Then, having overcome a formidable opposition, Stephenson's "Puffing Billy" drew thirty-four vehicles, with a gross weight of 90 tons, over the Stockton and Darlington Railway, his engine preceded by a signalman on horseback. A month later passengers were daily carried in a coach containing six inside and fifteen out. Other local lines were laid. In 1830 the directors of the Liverpool and Manchester Railway offered a prize of £500 for the

engine most suited to their purpose. Three entered, but only the younger Stephenson's "Rocket" finished the journey allotted for trial. His $4\frac{1}{4}$-ton engine drew $12\frac{3}{4}$ tons at the rate of 44 miles an hour.

The sporting element in the contest, and the importance of the towns connected by the new railway, turned national attention to the means of transport. Engineers had now brought the locomotive to the stage of perfection required for economic use. Stephenson's "Rocket" was efficient as a movable driving power. Its firebox and the tubular flues in the boiler were surrounded by water; by way of the blast pipe the steam, after its work in the cylinder, passed into the chimney and promoted combustion by draught; and the two steam cylinders were connected with driving wheels on a single axle. Its efficiency is measured by the fact that in the next ten years Parliament sanctioned the construction of 2,000 miles of railways. The contemporary development of steam navigation completed the material mechanism for the productive and distributive operations of capitalism.

SECTION 34.—**Effect on National Resources.**

The cumulative effect of these several inventions on wealth production was summarised by John Farey in his *Treatise of the Steam Engine*, in 1827: "An extensive cotton mill is a striking instance of the application of the greatest powers to perform a prodigious quantity of light and easy work. A steam engine of 100 horse-power, which has the strength of 800 men, gives a rapid motion

to 50,000 spindles, for spinning fine cotton threads; each spindle forms a separate thread, and the whole number work together in an immense building, erected on purpose, and so adapted to receive the machines that no room is lost. Seven hundred and fifty people are sufficient to attend to all the operations of such a cotton mill, and by the assistance of the steam engine they will be enabled to spin as much thread as 200,000 persons could do without machinery, or one person can do as much as 266. The engine itself only requires two men to attend it and supply it with fuel. Each spindle in a mill will produce between two and three and a half hanks (of 840 yards each) per day. . . ."

The importance of the great inventions to the economic history of Great Britain and their consequent bearing on the political pre-eminence of this country cannot be measured by statistics of raw cotton consumed or the numbers employed in the industry. An account of their gradual extension to the manufacture of woollens, and their adaptations for the fabrication of hosiery, lace and silk, would still leave a statement of their significance highly incomplete. Not only were they the decisive cause in the development of the iron and steel trade and mining; the gains accruing to their owners provided means for the extension of numerous subsidiary trades arising from the augmented demand and supplied the funds for an ever increasing export of capital abroad.

CHAPTER I

MERCANTILISM: ADAM SMITH

SECTION 35.—**Historical Importance of Economic Theories.** THE doctrines advanced to account for the production and distribution of wealth are among the most important opinions of mankind. They are not intuitive, nor do they leap from the brain at the flash of sudden revelation. Let the economist be as abstract as he may, he cannot escape the social facts he purports to explain. The facility with which some exponents of political economy pass from exposition and analysis to defence of the system they examined, indicates the mastery that material facts exercise over the greatest intellects. The major economic institutions—money and capital—were the spontaneous outgrowth of necessity. Experience is the sole agent for the regulation of their use until first the few, and then the many, resolve that the political power engendered in society should be employed to govern economic relations. Whatever validity can be attached to economic theory derives from the conditions of the time in which the theories are propounded. In a community where riches are not widely distributed economic theory has for its principal purpose an

explanation of the means whereby the appropriation of wealth is effected. From another angle of vision other economists will account for the presence of poverty. The matter of the doctrines is in the facts of wealth production and the social relations of classes. Its expression, after passage through the mind, is sordid or it gains nobility in accordance with the nature, the training and the sympathies that constitute the capacities of the thinker.

The pronounced historical importance of economic theory arises from the fact that it is the main field to which political thinkers resort for arguments in continuance of existing institutions or for their recasting. Concurrently with this dominion over politics, economics has profound influence on ideas touching the moral worth of the social order. Measures for its preservation, like proposals for conscious and deliberate change, inspired by moral concepts as they are, must pass the test of practicability in terms of wealth production. In modern society, that vast and comprehensive department of law which relates to the disposition of property is a tissue of economic doctrines languidly granted by the majority, tinged with moral notions lagging far behind the theoretical ethics of the time. It depends for its authority on the ultimate use of force. Law, in its elements, is composed in larger part of economic theories. These theories, as we have seen, undergo change and modification as conditions of industry and distributions vary. It was inevitable, therefore, that material changes effected at a revolutionary pace in the eighteenth century should be reflected in a reconstructed political economy. With

that reconstruction the name of Adam Smith is for ever associated.

SECTION 36.—**Mercantilism.**

Economics is a late product of human thought and experience. It appeared as a separate study when trade had become considerable through the export of wool. In the sixteenth century the process of driving the English peasants from the soil to make way for sheep had proceeded so far that great numbers of labourers were compelled to work for wages. Through the profits acquired both in farming and in industry, and from the rent of land, merchants and aristocratic owners of the soil were enabled to develop England's trade in the vastly extended markets opened by the navigators. At that time the amorphous body of doctrine known as Mercantilism passed into general acceptance.

Though it is still the custom in some quarters to discount its utility on the ground that Mercantilism attached unreasonable importance to the precious metals, this economic doctrine, like all others, flowed from the needs of the period. Since men began the use of coins, money has possessed attractions for the majority. Even to this day the workman cannot escape its fetishism, though the merchant, so long as the wheels of trade revolve, maintains that one commodity pays for another and that only the poor need coined cash. Viewed historically, it is not remarkable that the Mercantilists first magnified the importance of a store of bullion, and then, with growing perception that imports of goods must be admitted if sales were to continue, aimed at a balance of trade consistently in England's favour.

Conquest and the gradual organisation of labour were pouring gold and silver into Europe, and in the new flush of riches world-trade brought to England, money seemed to have a command and majesty all its own.

Moreover, it was a period when the coined cash within the realm was bound to be augmented if the taxes required by the growing centralisation of government were to be paid. Penury, the actual want of money, had caused Elizabeth to retard the despatch of the Armada. A monarch was brought to the executioner's block fifty years later, in expiation of an effort to obtain cash in opposition to a Parliament where the plea was heard that the nation had insufficient specie circulating to warrant the diversion of any considerable part. With some show of reason, therefore, in the relative scarcity of metals, the Mercantilists contended that an ample store of money was essential for the revenue the State was bound to increase by taxation as its powers were enlarged. When the cruder doctrine that England should export goods but take bullion only in return was dismissed, an idea not dissimilar gained supremacy in national politics. Statesmen were to regulate incomings and outgoings so that the exports were permanently higher in value than imports. The foreigner would thus be compelled to send the balance, the difference standing to the credit of English merchants, in the form of gold and silver. Duties restraining or prohibiting imports, bounties and drawbacks to encourage exports, were the political expedients to ensure that foreign nations should be in debt to the English. Goods coming into the country, it was

contended, should be carried in English ships, and finally, the Colonies should be reserved as markets where only traders from the mother-land could sell their wares.

SECTION 37.—**The Physiocrats.**

The Mercantilist doctrines were in keeping with the commercial and industrial state of England. While commerce was comparatively weak it was an advantage for it to enjoy the direct assistance of the State. So long as industry was in the elementary simple stage the protection of manufacturers against competition from abroad gave time for productive powers to gather strength and efficiency.

From the end of the seventeenth century, however, a new school of thought was rising. Every improvement in the power to produce wealth provided arguments for relief from direction by the State, inasmuch as the advance was made by private initiative. The new ideas were drawn from English writers like Locke and William Petty, but were first applied systematically to economics by the French Physiocratic school of Quesnay and Turgot. In opposition to the glorification of commerce customary with the Mercantilists, and their consequent plea for State protection, the French Physiocrats taught that commerce is of far less importance than agriculture, and that manual labour is of all functions most necessary in a community. It is in agriculture alone, the Physiocrats contended, that Nature co-operates with man for the production of values. The husbandman sows the seed, and when the harvest is reaped the yield is more

than the labourer required for sustenance in the intervening period. Economically the manufacturing process is in marked contrast to the agricultural. The materials used, the implements worn out, like the labour finally embodied in the finished article, each have a value and all are elements in the cost of production. But neither of them can add more than its own value to the commodity ; the wood is now the table, but all the value it has given is the value it had as mere wood when manufacture of the table was commenced. Since Nature contributes nothing to the gains of manufacture, the profits of industry, the Physiocrats asserted, must be derived from agriculture. Manufactures are therefore a burden to the community and commerce in its products should wisely be discouraged.

From these premises, incapable of gaining acceptance except in a country where land was already held extensively in divided ownership, a remarkable series of deductions were drawn. If the total wealth were insufficient to maintain all members of society, neither the farmer nor the labourer should be poor. By their activities all material goods were brought into existence. The surplus which Nature contributed to the agricultural yield, by the operation of economic laws, passed into the hands of the landowner, and was the sole natural source for the provision of capital. As the only fund of true profit acquired without the expenditure of labour, it should be charged with all the expenses of the State. On rent all taxation should fall. Moreover, the cultivation of the soil being of this supreme importance, every impedi-

ment in its way should be removed. Free exportation of corn should be the rule and the restrictive powers of governments reduced to a minimum. Thus Freedom, the cardinal principle of the Physiocrats, would be translated into life by an economic organisation in agreement with the Law of Nature.

SECTION 38.—**"The Wealth of Nations."**

It is the special merit of Adam Smith that in his great book, the *Wealth of Nations,* published in 1776, he gave precision to ideas only vaguely held by less progressive minds of his period. He defines his teaching as a system of natural liberty modified to meet the requirements of human society. His debt to the Physiocrats is already evident in that definition. In his inquiry as to the causes of the wealth of nations he develops the Physiocratic criticism of the Mercantilist doctrine of precious metals. He shows that a nation does not increase its consumable wealth by adding to the store of its bullion or cash. A certain quantity of money is required for the transaction of exchanges. That quantity, in normal times, will be determined by the prices of the goods for sale, and the rapidity with which money passes from hand to hand. If at any time there is more money in a country than the sum required for this purpose, the surplus lies unused. It merely represents a sum of labour uselessly expended for its acquisition.

Without the prejudices in favour of the capitalist system adopted by his successors, Smith sought to discover the principles that would govern the production and distribution of wealth if society

were conducted in accordance with principles of freedom. Two dominant ideas form the strands of his economic system: (1) that wealth is produced directly as the division of labour is applied; (2) that an island people, depending on external sources for the raw materials used in its manufactures, improves its position by a policy of Free Trade. These predominant features of his system were no sooner stated than the rising manufacturing class accepted them for a battle cry. The first expressed in terms of science the organisation of labour and the secret of increasing its productive powers by association; the second gave to manufacturers a plan of attack on the aristocratic landowners who, as a class, were in favour of Protection by means of heavy tariffs.

Moreover, his convincing disproof of the Physiocratic doctrine that only labour in agriculture produced wealth found favour with the growing number of investors. With him all labour that adds to the consumable goods required by society brings wealth to the nation. Again, his conception of labour as including the functions of direction and his optimistic view that machinery would augment wealth to an extent that all might share in luxury, "even to the lowest ranks of the people," helped to gain a currency for his doctrines where philosophic thought was not the daily habit.

Adam Smith's researches into economics were the principal factor in raising to supremacy the idea that a nation's opulence could only be secured on lines of individual freedom. Restraints imposed by governments were an evil, more detrimental than the utmost abuse that liberty could suffer at the

hands of undesirable citizens. The new development of English manufactures required supplies of raw materials which could not be obtained from abroad without sacrificing the mercantile doctrine that exports must exceed imports in their value. At that time neither France nor America were exporting nations. In those countries the new freedom in ideas was expressed, in the case of France, in criticism of ecclesiastical institutions ; in both countries it was fought for under a banner which proclaimed the right of citizens to participate in the making of the laws. In England the concept of liberty did not acquire that form till many years later. Here the flag was raised not for the rights of man but for freedom in trade. Adam Smith's plea for natural liberty and his argument that the causes of the wealth of nations were apart from the acts of government, and often in defiance of the State, were in strict conformity with the interests of the capitalist proprietors already preparing their coming struggle with the landowners.

CHAPTER X

THE TOWN

SECTION 39.—**The Absence of Local Government.**

THE ancient incorporated towns like Newcastle-on-Tyne, Leeds and Liverpool, were governed by municipal oligarchies submerged in confusion and corruption. The privileges conferred by their charters were framed for other times. In the hands of a popular and honest administration their antiquated prerogatives could not have prevented the evils that followed the progress of the spinning jenny and the coke furnace. Still less were the privileges turned to communal advantage by the close preserves of aldermen, councillors and burgesses. By them their duty was conceived to lie in the open use of corporate funds and offices for individual benefit, and in ensuring the return to Parliament of the aristocratic patron's nominee. "Existing municipal corporations," the Commissioners stated in 1835, "neither possess nor deserve the confidence and respect of your Majesty's subjects."

New towns like Birmingham and Manchester, and a score of hamlets and villages that expanded into centres of activity, had no form of municipal

government chosen by the community, nor had they any representation in Parliament. The only control in the local affairs of Manchester until the establishment of the Commissioners of Police by a local Act in 1824, emanated from the manorial court of the Mosley family. The Board of Health, formed in 1784, was a voluntary association of medical men in the neighbourhood. With a population of 187,000 the town was still governed in 1821 by a Borough-reeve and two Constables, chosen yearly by "most respectable inhabitants" in a jury empanelled by the Steward of the Manor. Actual superintendence of the police was discharged by a deputy-constable with four beadles under his command. Neither the borough-reeve nor the two constables were burdened with many duties. For their assistance two hundred special constables were sworn in annually. After 1791, when an Act was obtained for lighting, watching and cleaning the town, fifty-three watchmen nightly paraded the streets, and until that year no authority existed charged to sweep its streets or to remove the soil of its inhabitants.

The new towns grew without rules for the regulation of drainage, sewerage, lighting, or the control of building operations within their undefined limits. In Leeds, with a semblance of municipal administration, the streets were badly paved; the causeways were separated from the streets by posts, along the line of which ran a gutter, the repository for all refuse. At either end of the bridge, buildings had been allowed to be erected, with the result that the approaches "were narrow, dangerous and decidedly obstructive to traffic."

Anyone who cared could build anywhere he pleased, and anyhow. In 1786 "there was not one wide or well constructed street in Liverpool"; thirty years had to pass before improvements authorised by an Act of that year were carried out. A year or two later the Dean, Newcastle, was still a place "of filth and dirt," though the town had been lighted since 1763. So late as 1795, the streets of Birmingham, with 70,000 people resident, were described by Hutton as the cause of "many unfortunate accidents" due to the fact that "the buildings . . . had encroached upon the path four or five feet on each side, which caused an irregular line and made those streets eight or ten feet narrower."

Joseph Kay observed that "scarcely any rich people live in Manchester." Before the rich departed from the fields where their profits were reaped, every attempt at local cleanliness and amenity was resisted. The first step in that direction was to petition Parliament, requesting authority for certain Commissioners named in the Bill to light the streets of the town. From 1770, to the reconstruction of urban local government by the Municipal Corporations Act of 1835, there is a succession of applications for local Acts. As a rule, by the terms of the local Acts when granted, the owners of dwelling houses of a rental value of £10 per annum and above were assessed to payment of poor-rates. The owners and occupiers of houses below that annual value were not liable to that charge.

In Birmingham, of 8,000 houses built in the thirty years following 1760, only 1,300 paid poor-

rates. In 1768, the inhabitants wished their town to be lighted. It was proposed that a rate not to exceed 8d. in the £ should be collected from inhabitants assessed to poor-rates. The proceeds were to be applied to work a Lamp Act and employ labour to gather the refuse of the streets—to be swept previously by the inhabitants—and to remove the soil every Friday. On a poll a majority of the owners objected. A fund was opened to prevent the passing of the Bill. Arguments against the Bill varied from the contention that a nuisance which had " entirely obstructed the footway for six months in the principal street " was of no public importance, to the suggestion that lamps would afford light to robbers. Birmingham secured its Act, but for many years to come its wage-earning inhabitants bought their drinking water from the carts that plied its streets.

SECTION 40.—**Water Supply.**

An adequate and pure water supply is the first requisite of health where men congregate in numbers. In the last years of the eighteenth century the pleasure towns around the coast attracted ever greater concourse with wealth to spend. The Prince Regent had barely descended on Brighton with his rabble of gamblers and loose women before the sanitation of that town became the subject of long continued study. Meanwhile, the woollen workers of Bradford lived without drainage ; in 1844, house refuse continued to be thrown into its streets ; sewers were not laid ; and water was purchased from carts at the price its vendors could command.

From the time when the first accumulations of modern capital were effected it had been recognised that a water service presented an admirable opportunity for the beneficial use of joint stock capital. Investments in cotton, iron or coal brought a larger revenue, however. Instead of the provision of a water supply being among the first ventures of great wealth, that branch of the public service received no systematic attention, except in the north of London, until a vast surplus had been created over and beyond sufficient for the capital requirements of more profitable industry.

In this matter of water supply some parts of Manchester were rather better provided, presumably in consequence of its vigilant Board of Health. Houses of "moderate size" were furnished with a lead or stone cistern which served as a reservoir for the rain falling from the building. Having no other available and convenient supply—the pumps being few and far between and almost confined to the decent parts of the city—Joseph Aston, writing in 1816, says, "this water is used not only for cleaning, but for brewing, and even culinary purposes."

The convenience of a cistern to catch rain water was not conferred on the majority of the wage-earning population in the Manchester area. Along the whole town side of the Irk, with its chaos of filthy houses, no other water was accessible but the polluted stream itself. In 1832, the Special Board of Health appointed during the cholera epidemic inspected 4,572 workmen's houses in the fully working-class quarter, and found 1,649 without lavatory accommodation in any form. Gaskell

refers to instances of fifty houses, "or even more," having only a "single convenience to them all." At Scotland Bridge the floors of the inhabited cellars were two feet below the water-level of the Irk, flowing not six feet from the doors. On the opposite bank labouring people rented the first floor of a dilapidated dwelling; immediately beneath them the ground floor, stripped of doors and window fittings, was used as a common closet by the whole neighbourhood.

SECTION 41.—**Housing.**

Much has been written on the housing of the working class at this period, and especially in the Manchester district. It was as bad in Merthyr, in Bethnal Green, in Sunderland and Gateshead, and in all the towns where riches were acquired beyond the hopes of an earlier cupidity. At Liverpool, with a fifth of its population in cellar dwellings, the Society for Bettering the Condition of the Poor concluded a report with the following words: "The labourers are the hands of the merchant; the implements of the agriculturist and manufacturer; a source of wealth in peace, and our defence in war. In the hour of danger they keep the enemy from our coast and stand a wall of fire around our loved isle." How were these "implements" housed?

With the factory system there appeared in its neighbourhood a body of semi-destitute, resourceless wage-seeking men and women. Immigrants from the farming counties, defeated in their battle with the machine, or imported from Ireland to reduce the wage of the native English in the

lower grades of work, this army of casual labourers sought a domicile within the shadow of the factory. Their poverty insisted that no opportunity of employment should be missed. But their very presence forced up rents against themselves. If houses at a distance had been available, it is doubtful whether the central congestion could have been relieved. All ill-paid, casual labour prefers to live near the chance of work. Short of the actual demolition of their hovels, removal was barred by economic considerations on the labourer's part. And demolition was out of the question. The compensation entailed would have fallen on a community of ratepayers not yet enlightened on the remunerative properties of health.

In all great towns we suffer yet from the legacy bequeathed by the housing conditions of that time. The back-to-back house remains. Unknown before the Industrial Revolution, in all the manufacturing towns and colliery villages, this type of dwelling was erected with all haste after 1785. They were described as "fronting one way into a narrow court, across which the inhabitants of the opposite houses may shake hands without stepping out of their own doors; and the other way into a back street, unpaved and unsewered."

In the larger towns in Lancashire most of the houses, and in London the houses let in tenements, had cellars beneath them. In Manchester alone, 20,000 people dwelt in cellars; in Liverpool, long after the passage of the Reform Bill, 45,000 lived in "homes" of this class. Courts built on four sides, having one entrance only, were exclusively inhabited by working people. In Bristol

nearly half the population belonged to families living in one room. Untended by municipal guardians, the human wreckage drifted down to the state of the hand-loom weaver and the bricklayer's labourer, "whose children are match sellers in conjunction with their mother." Hidden by the thousand in loathsome underground dwellings on the soil and only partly flagged, without drains, sometimes flooded, they lived their cankered lives, ate disgusting food, and died while England was "doing the town population work of more than half the world."

Many had not the permanence afforded by a cellar dwelling. In the upheaval of industry and the break-up of customary associations, the common lodging-house assumed an important place in the life of the man seeking work. Dr. Ferriero, in a report to a committee for the regulation of the Manchester police in the last year of the eighteenth century, states that: "The lodging-houses never seem to undergo any attempt towards cleaning them, from their first purchase till they rot under their tenants. . . . In these houses a very dangerous fever constantly subsists and has subsisted for a considerable number of years . . . nine patients confined with fever at the same time, in one of these houses, were crammed in three small, dirty rooms, without the regular attendance of any friend or nurse."

As the great towns extended they deteriorated. Their sanitary condition in 1790 was superior to their state thirty years later. As material wealth accumulated the rate of mortality among children increased, until it was merely normal in manu-

facturing towns that half the children born should die before attaining the age of five years. It cannot be regarded as strange that the consumption of gin and whisky, amounting to twenty-seven million gallons in the three years 1821–2–3, should increase to sixty-five million gallons in 1831–2–3.

SECTION 42.—**Cholera.**

Appeals to cleanse the towns fell on deaf ears. Among all the towns and cities in the kingdom only Bath and South Shields removed refuse at the public expense from the courts and alleys where the poor lived. Sanitary reformers had to wait for a ghastly ally before demands or argument could win the attention of successful money-makers.

On the north-east coast, as indeed elsewhere, no squeamish obedience to rules interfered with private rights to be a source of contagion if the subject preferred disease before health. For long a remunerative traffic in "subjects for anatomy" had passed through the towns from York to Edinburgh. Neither riots recurring at Berwick nor the hostility of the pitmen sufficed to stamp out the trade in dead bodies, which, it was surmised, were not the mortal remains of wealthy ironmasters or colliery owners. It was a frequent occurrence at the coach-office in Newcastle to find a dead body in a "package." On discovery the "package" would not be delivered; it was returned to the sender. As he, not infrequently, re-despatched it by the next coach, the prevailing standards of public health afforded explanation of the fact that the cholera should have made its first appearance in that district.

Observed in Sunderland on October 26, 1831, the cholera attacked 538 persons, of whom, by April 3, 1832, 205 had died. Special Boards of Health were hurriedly established through the country. School-houses were transformed into hospitals; all soldiers were confined to barracks. The crews of all incoming ships were sequestrated. In towns and villages without a municipal authority the Justices "caused the streets and lanes to be cleansed with fire-engines." Elsewhere, the decayed and inactive Corporations rallied to the danger and appointed committees of gentlemen. Dividing the town into districts, they visited each district daily, ensuring that all afflicted persons should have medical aid. A local chronicle reports that "it raged principally amongst the lower orders, whose dissolute habits and poverty rendered them speedy victims to its direful attacks."

Before its appearance in London in December, the cholera reached Newcastle, whence it spread to most of the larger towns and cities. In three months 971 persons were attacked, of whom 306 died. By order of the Government a Special Board of Health was appointed. In its letters to the owners of property in "ill-ventilated and dirty places," the Board advised washing the interior of the houses with hot lime, "either at their own or at their tenant's expense." The epidemic failed to arouse the city elders to a sense of public responsibility. On the facts, it is not ungenerous to assume their alarm and their activities were engendered by the fear of infection.

It was computed that the cholera claimed from forty to fifty thousand victims, mainly drawn from

the overcrowded and insanitary dwellings. It appears to have been required. Without its visitation the masters of the new industrial wealth might have continued indifferent to the fate of those whom *The Times* described as "rotting from famine, filth and disease."

The factory lords had built a palace, but like Ulysses, the craftily wise and full of devices, to approach its gates they traversed a road heavy with "infinite dung."

CHAPTER XI

RENT: RICARDO

SECTION 43.—**The Rise in Rent.**

FROM the beginning of the eighteenth century the rent of land was rising; by the acceleration of enclosures it increased rapidly. With the introduction of the great inventions, the growth of population, and the rise of manufacturing towns, the rent of building and urban lands greatly appreciated, while the demand for agricultural produce enhanced the value of land in rural districts. On the outbreak of the war with France in 1793 the country was to become, for nearly twenty-two years, almost entirely dependent on home resources for its food supplies. Yet nearer the end of the century the expansion of the currency by the unrestricted issue of paper money was a factor of tremendous force in raising prices. On the revision or renewal of tenancies it substantially contributed to higher farming rents.

A Committee of the House of Commons in 1833 reported that the revenue drawn in the form of rent from the ownership of the soil had at least been doubled since 1790. Mr. Caird was of opinion that cultivated land, which in 1770 paid a rent of 13s. per acre, was in 1850 yield-

ing 27s. Baron Ernle, in his *Pioneers and Progress of English Farming*, referring to agricultural land only, states that in the half-century following 1772, "rents and production were more than quadrupled." When the Board of Agriculture in 1793 made its general inquiry, tenants were living on enclosed land, paying from 10s. 6d. to 20s. per acre, who formerly farmed in the open fields and paid a rent to the owner of the common right of 2s. 6d. or 3s. It became the fashion to regard high rents as evidence of national prosperity. An increase of rental was advocated as a spur to industry. Arthur Young, when supporting enclosures without his later reservations, frankly urged the increase of rents as a soundly economical means to press the farmer to aim at greater production.

The period of rapid increase in rents begins about the year 1782. When agricultural methods improved after the middle of the century, though population increased, prices fell until the bad seasons, beginning with the harvest of 1765. Then enclosures were frequent, the demand from the towns extended, a bounty was paid on the exportation of corn, and yet prices continued to fall. It might be inferred that rents would also fall. On the contrary, rents progressively increased. By 1791, the value of land was on the average sold for thirty-three and a half years' purchase, the owner, as a rule, accepting the obligation to maintain the homestead and farm buildings. That so high a price for land could have been obtained when the returns on capital invested in industry were especially remunerative clearly indicates the

expectation that its possession would yield increasing profits.

It was computed in 1793 that the rent drawn for the use of cultivated land in Great Britain amounted to £18,000,000. By the end of 1815 the sum was said to be £40,000,000. In the meantime money had greatly fallen in purchasing power. The owners of rent were not drawing so much larger a share from the total annual wealth at the later date as the figures, on first appearance, may suggest. On the other hand, substantial evidence of advancing luxury in the lives of landowners and farmers is extant. It was shown by their expenditure in the Metropolis.

In 1772 "A Country Gentleman," writing on *The Advantages and Disadvantages of Enclosing Waste Lands*, estimated the profits to be derived from that policy. In the following table he compares the difference between the "present rent," that is the rent paid by tenant-farmers in the open field or for the use of commons (or, if held in freehold, the annual rental value of their land or right), with the "new rent" to the landlord after enclosure :—

Description of Land.	Present Rent.	New Rent to Landlord.	Net Profit to Farmer.
	Per acre.	£	£
(1) 1,000 acres of rich open fields	6s.	300	360
Do., ten years after enclosure	15s.	750	500
(2) 1,000 acres of poorer land ..	4s.	200	300
Do., ten years after enclosure	8s.	400	370
(3) 1,000 acres of rich common pasture	2s.	100	240
Do., ten years after enclosure	15s.	750	500
(4) 1,000 acres of heaths and moors	1s.	50	60
Do., ten years after enclosure	8s.	400	370

Baron Ernle states that "within the next half-century these predictions were amply confirmed by results."

As wealth was produced in greater volume the principles governing its distribution gained more attention. Mercantilists had held that a Balance of Trade in England's favour was the most important consideration. Adam Smith regarded the problems of production as the salient questions of his time. As these questions were resolved by the division of labour and the use of machinery, the mode of distribution became the subject of more critical attention.

It has been observed that rent increased whether prices rose or fell; for land where farming did not improve, and for other land whether the produce increased or diminished after enclosure. Continuous addition to the revenue of one class, whilst the profits of capital or the wages of labour were subject to fluctuation, naturally excited inquiry, and in 1777 James Anderson advanced the Theory of Rent generally associated with the name of Ricardo. Though accepted by Malthus and West, the classic Theory of Rent remained unsupported by any systematic attempt at proof until its adoption by Ricardo as a leading principle in 1817. Capital was then the dominant economic power, though its owners were not yet endowed with political authority. The conflict between the owners of capital and the receivers of ground rents grew marked and clear as production expanded. In Ricardo's statement of the theory the owners of capital found an explanation of the injustice which they deemed themselves to suffer under.

Nevertheless, Ricardo's definition of Rent was narrow and peculiar. He speaks of rent only in relation to agricultural land, and seems unaware that his theory was completely true of the special and transient conditions of his time only. Rent, like modern Capital, has a history definitely related to certain social arrangements. In agriculture, its first form was payment in labour or service by the villein to his overlord; next, rent was paid in produce by the tenant to the landowner; that mode of payment was succeeded by the transfer of an equivalent amount in money; to be followed by the present system of differential money rents paid by the capitalist farmer for the use of land as an agent of production.

SECTION 44.—**Ricardo's Theory of Rent.**

Ricardo defines rent as "that portion of the produce of the earth which is paid to the landlord for the use of the original and indestructible powers of the soil."

What are "the original and indestructible powers of the soil"? Fertility cannot be included in their number, since continuous or unsuitable cropping destroys the productive capacity of land —a quality only to be maintained by scientific treatment. Neither can location be regarded as "original and indestructible." The money worth of locality depends not on a quality inherent in the land itself, but on proximity to markets and population—a relationship in the modern world affected in the highest degree by the state of communications.

According to Ricardo, the "portion of the pro-

duce " paid as rent is determined by the pressure of population on the food supply. Adam Smith had vaguely considered the ownership of land to be in the nature of a monopoly, and that rents were fixed at what the farmer could afford to pay. But Ricardo, striving to prove the operation of physical law in the prevailing economic system, aimed at discovering the natural limits to the law of rent.

He assumed that a given population is maintained on an area of land producing, say, 30 bushels of wheat per acre. The produce of the land being just sufficient to maintain the people, no rent is paid to its owners. As population increases, additional land is brought into cultivation, but the new land with the same expenditure of labour and capital yields 25 bushels only. Nevertheless, the price the 25 bushels commands is adequate for the remuneration of labour and capital or the increasing population would not be fed. The difference of 5 bushels per acre, the yield of the superior land over the land of second quality, is now paid to the owners of the soil first cultivated. In time, with further growth of numbers, the margin of cultivation must again be extended, and land is brought into tillage which yields no more than 20 bushels. Now the land of second quality pays a rent of 5 bushels, and the rent of the first quality soil advances to 10 bushels per acre. In short, Ricardo contends that the " portion of the produce " paid as rent is the difference between the product of a particular plot of land, and the least productive land in cultivation. This last is assumed to pay no rent and is at the margin of cultivation.

The conclusions deduced from this theory were in striking contradiction. Whilst embarrassing the landowners by the argument that as inferior soils are cultivated rent rises, Ricardo contended that rent was not an element in price. The landlord cost nothing to the community; rent was paid because prices were high; if prices were to fall, rent would fall. The landowner's power to exact rent, supported by legal right, derived from the natural, inevitable tendency of population to increase beyond the boundaries of the food supply. Ownership of land was a monopoly preserved by natural and human law, that some might gain by natural processes. It was ordained by the laws of the cosmic scheme that the struggling mass of mankind should not obtain more than bare subsistence, plus a return to capital, essential, if saving were to continue. Upheld by secular law, the monopoly was not a denial of natural justice, but in strict conformity with that abstraction. The surplus was not a gift of Nature herself as with the Physiocrats; it was, however, natural in the sense that it arose from the conflict for bread raging between man and man. The pitiable plight of the majority, not to be alleviated except by a reduction of numbers beyond the limits of probability, was the cause of high prices. If the numbers demanding food increased, the quantities of money offered in exchange were bound to be enhanced. Ascending prices were therefore as necessary to the scheme of things as the fall of rain, or sunlight. Were the landlords to forgo every penny of rent, prices could not fall. Production would not be augmented because the owner of land failed to

collect rents; the struggle for life could not abate while population added to its numbers. Rent was the measure of the unavoidable, imperative battle to win the material means for living. As natural a product as coal or cotton, were the landlords by a self-denying ordinance to surrender their claims, rent would pass to others, not the titular owners of the soil.

On the other hand, with the diminishing return secured by a given quantity of labour and capital as inferior soils are brought into use, the cost of production rises. The labourer requires higher wages to meet the higher price of food. As the profits of superior soils pass to the landlord, he bears no part of the extra cost of labour. Every addition to the labourer's wages, therefore, falls on the farmer, and the profits of capital decline in consequence.

Ricardo's Theory of Rent was nearer complete justification by facts from 1790 to 1820 than at any other time. In a country at war, entirely dependent on home supplies for food, and with a rapidly increasing population, the cultivated area contracted or expanded in response to expectation of future price, and, moreover, under the general system of short leases the landowners were in a position highly favourable for absorbing a large part of the farmer's gains. Even under the exceptional conditions of the time, however, rents were not determined by the purely competitive process Ricardo conceived; still less were the farmer's profits on capital deflected to pay the wages of labour. Later in the nineteenth century, during more than one period, British rents were

falling while population increased. The extension of the margin of cultivation from inferior British soils to the American wheat fields, raising only 10 or 11 bushels per acre, which followed the development of rail and ocean transport, did not result in the payment of higher rent for British farming lands. No land is "rentless" on the margin of cultivation. And there is an element of absurdity in the assumption that in normal times the cultivation of inferior soils will be undertaken not for the greater gain of those who follow that occupation, but either to add to the rent that the owners of more productive soils can levy or with the altruistic intention of providing food for stomachs otherwise empty.

SECTION 45.—**Is the Ricardian Statement Adequate?**

It would appear that the Ricardian theory does not afford a complete explanation of the cause of rent, nor account for the process that determines its amount. Preliminary to the payment of differential money rents, land is held in private property. On that basis of private appropriation a system operates which allows the use of capital in agricultural production for the profit of its owners. In order that they may reap that profit and pay rent for that privilege, labourers without resources of any value must be present in numbers, available for employment at wages.

The owner of ground rents, whether in town or country, is the proprietor of an article narrowly restricted in quantity. He can levy toll on the gross produce of labour and capital. But he must not be too immoderate in his demands, or

no farmer rents the farm nor will any builder erect houses on the land. He must be content with a share of the surplus: he cannot have it all. Now it is unreasonable to assume that an owner employs his capital in agriculture if the profits are at a lower rate than he can obtain on the same capital employed in industry. The farmer and manufacturer demand in profits a return not below the average rate at the time. The landlord cannot take more than a surplus left over after average profits are provided without discouraging production and presently reducing the amount that accrues as rent.

A wider definition of rent than Ricardo has given is required. The following is suggested: The rent of land is the money measure of that part of the produce or revenue paid for the use of land after wages and salaries, all standing charges, and the average rate of profit on the capital employed are deducted.

CHAPTER XII

THE CORN LAWS

SECTION 46.—Corn Law Policy.

ANTERIOR to 1791, on the whole, though not without much vacillation, the decisions of the legislature were aimed at ensuring a wheat supply adequate for the home consumption. The paramount view was that the quest of national power could best be pursued from a basis of general plenty. After 1791 that policy is reversed. In its stead there is substituted a systematic restriction of the corn supplies. The earlier acts, from the first Corn Law of 1225, were precautions against scarcity. From the Act of 1791 to the repeal of the Corn Laws an element of human construction enters into every shortage of grain; the artificial contraction of supplies is designed as a source of profit to certain groups in a particular industry.

So late as 1773 England was still a granary for countries overseas. In that year an Act authorised an export bounty of 5s. per quarter when wheat was at 44s. Between that date and 1791 the home price was below that figure in seven of the intervening years, and the bounty was

payable accordingly. A great change had been effected in the economic organisation of England during the twenty years preceding 1791. Only the first stages of the Industrial Revolution had passed, yet the wealth of manufacturers already awakened a desire for corresponding acquisitions by the agricultural interests. A committee was appointed in 1790 to consider an alteration in the Corn Laws; its outcome, the Act of 1791, provided that when the home price was below 50s. per quarter, imported wheat should pay a duty of 24s. 3d.

Had this mode of taxing commodities operated with the precision expected, its effect would have been disastrous to the safety of agricultural capital. In the temper then prevailing in the country, its owners might not have escaped the storm. To the market in receipt of deficient supplies, the foreign importer would have sent grain under import only when the realised price covered the duty, his cost of production and the freight. The normal cost of growing grain in England was not greatly in excess of the cost abroad. The home grower would therefore have been able to sell his produce at the price required for the remuneration of the foreign importer, since, under conditions of scarcity the last instalment of supplies saleable in the market plays a dominant part in fixing prices. The consumer—had the Act ever come into operation—would have been charged an addition to the price over the whole supply, both that part of it from home sources as well as that part from foreign—approximately equal to the import duty. The Act further provided that when

the price was above 50s., but under 54s., the duty should be 2s. 6d. per quarter; at or above 54s. sixpence per quarter.

In 1790 the average price of wheat was 54s. 9d. per quarter, the highest since 1767 (then 59s. 1d.). Its lowest price during the twenty-three years between was in the year of plenty, 1779, when it averaged 34s. 8d. To repair the shortage of 1790, 398,000 quarters of wheat and 820,000 quarters of oats were imported in 1791. In that year the harvest was the worst for many years, but the Corn Law succeeded in temporarily restricting imports. The era of thirty years of high prices had begun. A succession of bad harvests caused the price of the quartern loaf in London to rise from 6½d. in 1791 to 12¼d. in 1795. Export was then prohibited and import permitted without regard to prices. In the following year bounties on imported grains were granted for the first time in English history, until "500,000 quarters shall be imported." In these circumstances, says Tooke, the historian of prices, "the first great burst of (agricultural) prosperity clearly followed the deficient harvests of 1794–5."

The annual consumption of wheat at that time was estimated to amount to 8,000,000 quarters, and of other grains 22,000,000 quarters. The harvests of 1794–5 were deficient by one-eighth in each year. In 1793 eight million quarters at 48s. 11d., the average price, were estimated to realise £19,566,666. Deficient by one-eighth (that is to say, a total supply of seven million quarters only) in 1796, at 75s. 8d. the average price, would realise £26,483,333, or a "profit

of about £7,000,000 to be divided in each year among the agricultural interest on wheat alone." All other grains participated in the advance by corresponding shortage. After allowing for increased cost of seed, and for the maintenance of farmers' families and their working cattle, for tithes and higher poor-rates, Tooke estimates a net profit "from twenty-four to twenty-eight millions in the two years, to be divided among the farmers and landlords according to the terms of the lease."

SECTION 47.—**Extended Tillage.**

The instability of agricultural production, dependent on sales at a profit for its continuance, has rarely been more evident than at this period. High prices naturally gave a powerful stimulus to extended tillage. Enclosure Bills were pushed forward rapidly. Supplies increased, and wheat fell to 51s. 10d. in 1798, in which year 1,000,000 quarters of wheat and oats were imported. The cry arose, periodically repeated since agriculture became a capitalist industry, that farmers could not pay their rents, and a new Corn Law was demanded.

Events in the following year, however, constrained a suspension of the movement for guaranteed higher prices. "The season of 1799," says Tooke, "was perhaps as ungenial . . . as any upon record . . . many fields of corn were still uncut as late as November, and some were not cleared till the January following." In December wheat was 93s. 1d. per quarter. Thirteen pence was the price of the quartern loaf,

yet, according to Arthur Young, the average wage of an agricultural labourer did not exceed 15d. daily. In the manufacturing districts wages were falling: in agriculture wages partly paid from poor-rates, had increased since 1795, though not in the same proportion as the price of necessaries. The year 1800 opened with wheat at 99s. 9d., and except for a fall in August, it continued to advance till March, 1801, when its price was 156s. 2d. per quarter. From that date the price turned, and by March, 1804, with the prospect of a good harvest, it had fallen to 50s. Then a new Corn Law to keep out foreign grains was demanded as imperatively necessary.

Many years after, when supporting the repeal of the Corn Laws, Lord Ripon explained the motives of the promoters of the Act of 1804: "It was thought," he said, "that this Act of 1791 . . . was comparatively of no value, since in 1803 the harvest was very abundant, and the price of corn considerably lower than it had been . . . the Act of 1791 was not sufficiently stringent." The Act of 1804 retained the duty of 24s. 3d. per quarter, but raised the home price to 63s. before reduction of the impost commenced. Above 63s. but below 66s. the duty was 2s. 6d., and above that price 6d.

Some misgiving appears to have seized the country gentlemen at the last moment. Later reports of the ensuing harvest were not so favourable, and the operation of the Act was postponed till November. Again, an Act of Parliament failed to have any tangible effect. The harvest, and several succeeding harvests, were so deficient that

importation could not be prevented except at the peril of civil war. By the end of 1804 wheat was 84s. 4d.; it continued to rise to 106s. 5d. in 1810, and in 1812—"the worst year of all"—its average price was 126s. 6d. At last, in 1813, Nature's bounty was restored. The harvest was so abundant that neither war, paper money, nor legislation could prevent a fall in price. The quartern loaf, at 1s. 6½d. in January, had fallen to 11d. in December. Once again a new Corn Law was demanded to protect agricultural interests from the terrible consequences of abundance in a society where production depends on sales at a profit.

SECTION 48.—**The Higher Limit of Protection and the Free Traders.**

The fall in prices from 1813–16—a period of increased expenditure on war and a rise in the price of gold—was computed by Webb Hall to have cost the agricultural interest not less than £72,000,000. By that amount was their produce sold below the prices of 1812. The share of the loss borne by landlords by the remission of rents, or their decline on renewals of lease, was estimated at £9,000,000 a year. During scarcity many farmers had borrowed capital in order to produce from soils of secondary fertility at least twenty-four bushels to the acre. An opinion prevailed that if rents were to be paid, borrowed capital liquidated, and the land brought into cultivation during the war kept under the plough, wheat must be sold at not less than 100s. a quarter.

After four days of rioting in London, occasioned by the high price of food, the new Corn Law was passed on March 10, 1815. It enacted that foreign corn might be imported at all times, and warehoused, but it could be taken out for home consumption only when British was at or above 80s. per quarter. By this law British agriculture was afforded the highest fiscal protection it ever secured.

Once again a slip occurred. Abundant harvests again brought down the price. By January, 1816, wheat was at 52s. 6d., and farms in Norfolk offered rent free could not gain tenants. Land went out of cultivation, the very circumstance the Act was designed to prevent. "The labourers," said Western, the protagonist of the agricultural interest in the House of Commons, "appear to be starving in the midst of plenty." Then bad weather returned. In February, 1818, prices were at 85s., and the ports were opened for imports. Of the terrible distress in the manufacturing districts we speak elsewhere. The harvest of 1820 was so plentiful, however, that by April, 1821, as much corn was still in the country as in September in ordinary years. The average price for 1822 was 44s. 7d., the lowest for thirty years.

The Committee appointed in 1821 reported against the continuance of the prohibition on imports. The Act of 1815 had not maintained the price at 80s., and it is "impossible to carry protection further than monopoly," said the report. The Act of 1822 reverted to the sliding scale. Under 80s. per quarter the duty was fixed at

12s.; above 80s. but under 85s. a duty of 5s.; above 85s. a duty of 1s. was imposed.

During the discussions on this Act two schools of opinion emerged, presently to be more clearly distinguishable, and then to separate in rival camps as partisans of Free Trade and Protection. One, inclining towards greater freedom for all imports, was still in favour of a fixed duty on corn for purposes of revenue: the other asserted that the country's dependence on foreign sources for its food supply could be diminished, if not entirely averted, by a sliding scale. The strongest point advanced by this section was the proved impracticability of all attempts to collect a duty in time of scarcity. Success attended their efforts for several years longer. In 1828 a new tariff scale was constructed, graduating from a levy of 20s. 8d. when wheat was at 66s. but under 67s., to a duty of 1s. when the price was above 73s. Fourteen years later another scale was enacted, but the principal of a duty diminishing as the price increased was retained.

SECTION 49.—**Instability of Capitalist Agriculture.**

The later history of the Corn Laws, terminating with the entire repeal of all duties on corn in 1869, does not fall in our province. A disinterested view of agriculture since the introduction of free trade in corn does, however, confirm the conclusions that may be drawn from the foregoing.

It would appear that stability in agriculture is not to be secured by any fiscal policy conceivable. Had that desirable state been susceptible of realisation it would have been attained when

Parliament was in the hands of country gentlemen with whom the supreme importance of agriculture was a ruling passion. To preserve the capital invested in a vital national industry, the vicissitudes that attend all agricultural production compelled the farmer and the landlord to clamour for legislation designed to withhold food from an increasing population. Scarcity came, as it is bound to come in the absence of national provision, and whilst dependence on supply and demand is deemed a sufficient guarantee that food will be forthcoming. Then the legislation won by the agricultural interests was necessarily abandoned. Its retention must have resulted in civil war and the loss of that very capital the Corn Laws were passed to protect. Neither could the Corn Laws ensure a living wage for the labourer: protected he might be, but he lived in the direst necessity nevertheless.

In a system based on private ownership of the means of production, and resorting to competition as the mode by which distribution is determined, all productive operations are precarious and liable to sudden and irreparable loss. But the risks of agriculture are greater than the risks of manufacturing industry. The history of farming for gain is a record of temporary profits alternating with profound depression, founded on a life of unceasing, ill-requited toil for the labourers at its base. Neither freedom of trade nor a system of tariffs can bring security to the agents of agricultural production. Yet of all employments it is most important that the persons engaged in agriculture, and that the value of the tools,

machinery, and the stock they direct, should have the maximum security it is possible to establish. Can that stability be found with private ownership and sales for profit? Or must the fundamental task of raising a people's food become part of a collective system that encourages supplies in proportion to the public needs, and gives no thought to profit?

CHAPTER XIII

THE WORKING CLASS

SECTION 50.—**The Riots in Aid of Law.**

A RIOT is now so unusual an event that its occurrence elicits almost strained attention. From the rapid development of the factory system to the passage of the Reform Bill, however, rioting was so frequent that the governing class lived in continued expectation of popular violence. The people recalled a state of greater common prosperity. Its memory or tradition was vivid enough to arouse forcible resentment against the chronic hardship that wealth production on the grand scale awarded the wage earner. Moreover, popular ebullition had more room for play. Government had not yet attained the high powers of control it acquired after the Whig victory in 1832: its net not so widely spread, there were many holes in the mesh. And violence could easily be granted a measure of justification since among the masses of the people rioting was the only way to express an opinion in the absence of all rights, political or industrial.

Appropriation of the common fields, rising prices, falling wages, and the introduction of machinery,

were recurring causes of outbreaks magnified by the fears of the ruling class to the dimensions of general insurrection. On more than one occasion these causes mingled and composed a complex provocation. The restless state of the Spitalfields weavers in 1764–8—a condition alternating in appeals to Parliament and pitched battles between hand-loom workers and engine-loom weavers—is to be accounted for by the increasing cost of food, a falling piece-wage, and unemployment. The traditional aversion to the vendor who made the market and seized on the chances presented by artificial scarity, is displayed in many directions at this period of industrial change. The suspension of the Corn Laws in 1767, in order that grains might be imported freely, was preceded by numerous popular risings which denounced the partial monopoly of food as one of several grievances.

It was customary for the people to take the law into their own hands, but looting was a rare occurrence, punished as harshly by the rioters as by the authorities. The view still held that society at some remote time had contracted with its members for the protection of the poor against the monopolist. If Government failed to maintain the law, the more necessity for the people to remind it of its function! In all the risings marked with excess, beneath the seeming lawlessness, was the appeal to law and customary justice. This was the spirit animating the Derbyshire colliers in 1764, when they seized wheat offered in the market at 8s. 4d. the bushel, sold it at 5s., which they asserted was the London price, and

handed the proceeds to the owners. Or, a better known example, it inspired the meeting held to affirm the right to the suffrage, ending in the Peterloo Massacre, 1819.

Beyond this it is to be remembered that the Elizabethan Poor Law was held to admit a right of subsistence, which the new machines endangered. Moreover, the machines were applied to the production of goods of inferior quality, and the customary law for centuries had supported the craftsman's natural love for high standards in workmanship. On this ground the artisan in the town and the village labourer had a common cause. The law was fast falling into ruin. Silently it acquiesced in speculative dealings in food supplies, it sanctioned an invasion of the legal right to life by the oncoming machines, and in defiance of ancient customs it abandoned the maintenance of standards of quality. With these considerations in mind we can weigh the motives of the men assailing the King with cries for "Bread and Peace" in 1795, or who smashed the machines in 1812, and understand that almost unrecorded rising of despair—the labourers' movement in the southern counties in 1830.

The "Annual Register" for 1766 records some fifty "risings of the poor" in that year. The price of food enters the list of causes in every case, and blends with hatred of the workhouse. On the Tyne and Wear it contributes, with a detestation of leaving certificates, to a widespread long continued strike. Throughout the entire West country grain was seized and sold at a "just price." Gradually the troops restored order and special

Commissioners were appointed to try the arrested offenders in Reading, Norwich, Gloucester and Salisbury. Sentence of death was passed on twenty-four men.

Popular hostility to the war with France in 1795 has been mentioned. That it was the year of the Speenhamland decision affords a suggestion of the state of the working class. Two notable events confirm the existence of terrible distress. The Lord Mayor of London, on behalf of the City merchants, presented one of many petitions urging a speedy peace in view of the disastrous state of the country ; and the Government, without debate in Parliament, deemed it expedient to increase the allowance of bread and meat to the Army quartered at home.

SECTION 51.—**At the Close of the War.**

On the appalling consequences which attended the close of the Great War, much has been written. The Wages of Bolton weavers fell from 14s. in 1815 to 9s. in 1817. In Glasgow 5s. 6d. was a weaver's wage in the latter year. The clamour against the income tax won its repeal in 1816, the year in which so many factories and mines were closed down that it was not unusual to hear the suggestion, "Bony should be set up on his feet again." The copper and iron workers of Staffordshire harnessed themselves to wagons containing tons of coal and made their way to London, hoping that their arduous labours would excite the pity which, in their simplicity, they relied on for the cure of their state. Ricks and farm buildings burned all through the eastern counties. In despair

from hunger, and a prey to Government spies, the "blanketeers" set out on their ill-fated journey, only to discover, after a remnant had escaped the yeomanry, that the State was already too powerful to be carried by assault. Iron furnaces were out of blast, miners were idle, cotton workers rioted at Preston because the wage was at a standard "below human endurance." Penury and starvation were in possession of the common people when Robert Owen, staggered by the economic consequences arising from the loss of "England's best customer, the war," propounded his scheme for the solution of the unemployed problem.

For a view of rural life in the "twenties" one may turn to Cobbett's *Rural Rides*. In its vivid pages are pictures that remain indelible on the memory. He sees labourers at Marlborough in "such an appearance of rags as I never saw before." At Cricklade, their dwellings were "little better than pig-beds." He notes the absorption of small farms. Kilmston, once a large prosperous village, has "mouldered into two farms and a few miserable tumble-down houses for the labourers." "It is not easy for the eyes of man," says Cobbett, "to discover labouring people more miserable than in Wiltshire." Meat must be given to convicts or they cannot work the treadmill, "but never a morsel of mutton" enters the lips of the shepherd who spends his life amid the flocks on the silent downs.

Section 52.—**The Rising of 1830.**

A few more years were to pass before the labourer made his last despairing, forcible attempt

to recover a freedom that he still cherished as part of the traditional golden age of long ago. On August 29, 1830, four hundred labourers destroyed some threshing machines at Hardres, Kent. Through September the machine breaking continued around Canterbury. In October the ricks began to blaze. During the next few weeks farmers and landowners received threatening letters signed "Swing," and bands of labourers marched through the country demanding half a crown a day for wages and regular employment. At Maidstone, without resistance, soldiers captured the ringleaders in a crowd of four hundred men; a circumstance that does not support the theory of violent assembly. By November the Sussex labourers were moving, and soon a large area in the two counties was in the labourers' hands.

For a few days the agitation in Sussex was conducted with calculated restraint; then an overseer's rick was fired at Battle, and rick burning became general. At Brede the assistant overseer was bundled into a cart and dragged by women and children round the countryside till they deposited him beyond the parish borders. The example was too good to be missed, and the expulsion of the detested overseers became the order of the day.

After the middle of November the rising extended to Berkshire, Hampshire and Wiltshire, and grew more serious. In Hampshire a large number of threshing machines were broken, and the workhouses at Selborne and Headley were demolished; "there was not a room left entire except that in which the sick children were." In

Wiltshire there seems to have been some considerable destruction of property, but the rising in that county was accompanied by a pronounced tendency to mob begging. The appeal for money, supported by some compulsion, had its source in the notoriously low wages paid throughout the county.

A Special Commission of three judges appointed to try the men and boys arrested during the outbreak commenced work at Winchester on December 19th. There were three hundred prisoners. Justice Alderson, one of the Commissioners, struck the tone of the proceedings in his charge to the jury: "We do not come here to inquire into grievances. We come here to decide law." Extenuating circumstances were irrelevant. The judges passed on to Salisbury, where another three hundred men awaited trial. Here prisoners were not allowed to see their counsel except in the presence of the gaolers. Contemporary records give a distressing account of the scenes in court on the passing of sentence. One man, transported for life, beseeched the judges that he might take his motherless child, eight months old. The request was not granted. "Prostration," says a witness of the final stage at the trial, "overcame the mental faculties" as the terrible punishments were announced.

The judges went on to Dorchester; thence to Reading and to Aylesbury. For three weeks the trials were striking terror in the hearts of simple and ignorant men and women. That one man had been killed was the gravest charge the Government could bring against the rioters, and he, it

was generally believed at the time, was killed by a yeomanry soldier's shot. To avenge that unproven offence and the smashing of a few score machines and the burning of a hundred stacks and barns, nine men and boys were hung, four hundred and fifty-seven men and boys were transported, and four hundred more were imprisoned in the homeland.

Admonished on the one hand that their poverty arose from excessive numbers and a consequent glut of labour, the common people were bewildered and alarmed, on the other, by the doctrine that machinery was required to save labour. "The poor were going mad with misery," said Molesworth the Radical, speaking of the labourers' revolt. In the aberrations of insanity they were easily beaten to the ground.

CHAPTER XIV

LABOUR AND CAPITAL

SECTION 53.—**The Economists and Labour.**

THE classical economists, finding the occasion for their speculations in the great industry, held that Labour was the second factor required for production; the first being Land, and the third, Capital.

According to these English economists from Sir William Petty to Ricardo, labour is the basis and measure of value. "If a man can bring to London," says Sir William Petty, "an ounce of silver out of the earth in Peru in the same time that he can produce a bushel of corn, then one is the natural price of the other." The words *natural price* are used as synonymous with value, though the classical economists regarded *value* and *price* as separate entities.

In Adam Smith's view, "It is natural that what is usually the produce of two days' or two hours' labour should be worth double of what is usually the produce of one day's or one hour's labour." Given utility, according to Ricardo, "the value of a commodity" depends on the "quantity of labour which is necessary for its production." As

we shall see, this doctrine that labour is the measure of value, recurring in shadowy outline again and again in the writings of Petty, Smith, Malthus and Ricardo, was to become the basis for demanding a revolutionary reconstruction of society long before its elaboration by Marx. In his hands it was to appear as the solvent of the capitalist system of production.

Though Petty was writing at a period when individual skill was the dominant force in production, he did not assign to manual labour the sole power of creating value. He speaks of those who "labour only to eat" as the "vile and brutish part of mankind," rendered more productive of value by the direction of a manager who can save "over and above his expense." In Adam Smith's day "labour" covered the activities of capitalists engaged in the manipulation of their capital, as well as the acts of wage-earners. He uses the word "manufacturer" to connote both the worker in the mill and his employer. Indeed, he describes "labouring cattle" as productive labourers, and refers to the owners of "valuable property, which is acquired by the labour of many years." Whilst Ricardo, in the third section of his chapter on Value, speaks of "Economy in the use of labour . . . whether the saving be in the labour necessary to the manufacture of the commodity itself, or in that necessary to the formation of the capital, by the aid of which it is produced."

The discussion contains several causes of confusion. There is a failure to distinguish between the results that flow from the two differing categories of human effort; (*a*) energy used for

manual production but requiring an element of mental direction for which the labourer's personal consciousness will suffice, and (*b*) energy expended in the organisation of manual labour. Both are required for purposes of production, and together they produce wealth, or more accurately, utilities. Had the classical economists halted at this stage of their analysis the chaos of economic controversy might have been avoided. Unfortunately for the clarity of thought, on some occasions they had used "wealth," "production" and "value," as words with the same connotations. Suggesting rather than contending that labour is the measure of value, they failed to note that the energy expended in management aims at the diminution of values concurrently with the increase or expansion of wealth. Its purpose, in a competitive community, is the reduction of cost, whilst at the same time the necessity for sales compels it to add to the number of useful articles available for consumption. On the other hand, in a competitive society, manual labourers, whose labour is the measure of value, are induced by the very structure of the system to resist, or at least to retard, every appliance for reducing the time required for the production of each specific article. Their labour, manual labour, does not suffice for the production of wealth in a system based upon capitalist ownership. Capital accumulation, the energy expended by or on behalf of the owners of capital in organising labour, and the manual labourers, are all necessary for the production of wealth, that is utilities. But manual labour alone, the Socialist successors of the classical economists

maintain, is the measure and determinant of value. Its source is society itself.

SECTION 54.—**Labour-power the Aggregate of Mental and Physical Capabilities.**

As we have seen, it was not the intention of the classical school to restrict the term "labour" to the efforts of the manual labourers only. Such are direct or immediate producers, but they are not the only human agents in the production of utilities. The organiser co-ordinates the activities of the workers directly operating on materials, and so arranges the shop or yard that one hundred men working together produce more than the same number working separately. Further removed from the manual worker there stands the chemist, whose research made possible the early stages of manufacture; and beyond the scientist there is the inventor. These latter may or may not be the owners of capital. Their gains as capitalists are distinct from their labours that aid the processes of wealth production. The exercise of their labour-power is as necessary to the easy production of wealth as the toil of the engineer or miner. Probably intending this, the classical economists failed to state it. Because organisation and the machine in motion contribute to the increase of wealth they confounded that fact with the question of value, whereas a definition of the capacity for work was called for. It is suggested, therefore, that not "labour," but the power to labour requires elucidation, and that Marx provides it in the following: "By labour-power or capacity for labour is to be understood the aggregate of those

mental and physical capabilities existing in a human being, which he exercises whenever he produces a use-value of any description."

If the mental and physical capabilities, when associated in one person, produce articles of utility, they cannot cease to perform that function when divided between the manual worker and the technical management.

The importance of capital as a factor in production became pronounced when industry displaced agriculture as the principal occupation of the people. The period of simple manufactures by numbers whose labour was divided yet organised, though without the assistance of machinery moved by human energy, was eventually succeeded by the general use of steam as motive power. Production passed from a state where manual labour played the greater part, to one where the continuous improvement of machinery progressively diminished the amount of human labour in each article made for sale. That change was rendered possible by the gradual accumulation of capital. Its owners, therefore, since the Industrial Revolution, assume an ever more important position in the community.

The authority of capital rests on two of its attributes :—

(*a*) Its efficiency as an aid to human labour for the production of wealth.

(*b*) The power and right its possession confers upon its owners of organising labour for their personal gain.

SECTION 55.—**Economists and Capital.**

Adam Smith divided the "whole stock" of a man into two parts, and defined capital as "that part which he expects is to afford him his revenue." This, one of several definitions framed by Smith, suggests that the existence of the capitalist implies the existence of the wage-labourer and a consequent division into classes.

Ricardo was not so lucid. With him, "Capital is that part of the wealth of a country which is employed in production, and consists of food, clothing, tools, raw materials, machinery, etc., necessary to give effect to labour." It would seem that Ricardo intended the food in the workman's larder to fall within his definition of capital. When writing his *Principles,* the attitude of the working class towards the owners of capital in general was not so friendly as in Smith's time. Ricardo naturally sought to allay that antagonism by drawing together the workman and his master, and doubtless assumed that end would be accomplished if it were shown that the labourer was himself a capitalist.

Having defined Capital, Smith proceeds to its analysis. He divided Capital into (1) Fixed, and (2) Circulating. He further subdivides Fixed Capital into (*a*) machines and tools which abridge labour; (*b*) profitable buildings; (*c*) improvements in land; (*d*) acquired and useful abilities. Circulating Capital he subdivides into (*a*) money; (*b*) food in possession of the butcher, grocer, etc.; (*c*) raw materials and partly manufactured goods; (*d*) work completed but remaining in the mer-

chant's or manufacturer's hands. It will be observed that, according to Smith, a workman's skill or the eloquence of a clergyman are a part of Fixed Capital.

Again Ricardo fails in lucidity. His analysis of Capital is bald in the extreme. "According as capital is rapidly perishable, and required to be frequently reproduced, or is of slow consumption, it is classed under the heads of circulating or fixed capital." How rapidly must capital perish for it to be classed as one or the other? At what rate should it be consumed to be fixed or circulating? No line can be drawn at a point where fixity ceases and circulation begins.

The growth of capital led to changes in its composition. A definition that might be adequate when Smith wrote the *Wealth of Nations* was already incomplete when Ricardo wrote his *Principles*. In the interval banking had developed, and in consequence Credit now played a considerable part in the sustenance of productive activity.

Since the Industrial Revolution, and indeed, to an extent before that series of events, the business of production has been carried on for exchange. Goods are made to sell. The owner of capital buys in order to sell. He uses existing material wealth, not merely as Ricardo said, "to give effect to labour," or to "produce more wealth." He uses existing material wealth or credit with a view to the acquisition of profit in the form of money. With that aim his capital, if employed in industry, must be used to produce wealth. But wealth production, though the immediate, is a secondary consideration. It is the means to an end; that

end is the acquisition of profit or gain. Not all capital is used in industry, however. In considerable proportions capital is now employed by intermediaries, standing between the producer and the consumer, and rendering no essential service in distribution. Whilst impeding the movement of commodities to places where they are required, these complete or partial monopolists depend for their gains on the differences between that price at which they buy and the selling price. Their capital does not add to the facilities of wealth production.

The capital known to modern capitalism is an economic quantity in the form of material wealth or credit used with a view to the acquisition of profit in the form of money.

SECTION 56.—**The Forms of Capital.**

Of Capital there are several forms. Its owner may possess or use capital in one, or more, or all of its forms. The modern capitalist begins with (1) Money or Credit. With a part of that money or credit he buys (2) Materials and accessory materials like oil and coal. With another part of (1) he buys (3) machines, tools and buildings. Now these latter may be called the transferable part of capital, because by wear and tear their price or value is deemed to pass over gradually into the product. In time our capitalists' raw materials are converted into (4) stocks of wholly or partly finished commodities, and a portion of their value will be (5) the Transferred capital embodied in them which passed over out of (3).

In order that the materials, with the aid of

machinery, may be converted into stocks containing part of the value of machinery and tools, our capitalist must have expended another part of (1)—Money or Credit—on the purchase of labour power. That part of his money which he spends in this direction is (6) Variable Capital, so-called because it is spent on labour-power which returns more than it receives. And finally, at the completion of the industrial process our capitalist will have standing to his credit some commodities drawn from stocks already in the hands of customers, but not yet paid for. That part of capital is (7) capital in circulation. The forms of Industrial Capital are then as follows :—

(1) Money or Credit.
(2) Materials (raw or partly manufactured) and accessory materials.
(3) Transferable capital: i.e. machines and implements.
(4) Stocks or partly or wholly finished commodities.
(5) Transferred capital: i.e. that part of machines or instruments used up in production.
(6) Variable capital.
(7) Capital in circulation.

This analysis of capital conforms to the practice of modern business. In computing capital the business men of to-day exclude human skill—"acquired and useful abilities." Commodities in the hands of consumers and already paid for are not included, because they are no longer marketable goods. Land or minerals are included only

to the extent that money has been expended on the improvement of the former, or on means for extracting the latter. In other words, those who direct the current use of capital deem it to consist of purchased materials, plant and implements used in production, finished goods unsold or unpaid for, and the money in hand, which is a claim to further goods or services.

CHAPTER XV

ELEMENTARY EDUCATION

SECTION 57.—The Office of the School.

FREQUENTLY it is asserted that the elementary school is an institution maintained by the State for the propagation of ideas that serve the interests of the ruling class. The school takes the colour of the State : in a military society it trains the mind in preparation for life as a soldier ; in an industrial society, schools for the lower class, engender discipline and an outlook calculated to ensure readiness to work, when required, at moderate wages.

If this view of the office of the school arises sooner or later in the mind of every ruling class, it played a small part in the earlier intellectual history of capitalism. There is no evidence that the rising capitalists desired the instruction of the wage-earning class, or that they had the least perception of the stabilising influence the control of education can exert. On the contrary, there is abundant evidence of their opinion that workmen should be kept in awe by force, and that ignorance should be preserved. Every effort to make elementary education a national responsibility

was resisted, and in 1840 a Poor Law Commissioner was constrained to report: "It is impossible to overlook the fact that a certain portion of the upper and middle classes harbour a rooted distrust of any plan for the education of the poor."

The first attempts at popular education were the charity schools, founded in considerable numbers in the early part of the eighteenth century. Entirely under the administration of members of the Church of England, they served rather as centres for instruction in the articles of that body, than as agencies for promoting knowledge. The causes of its ministrations, imperfect as they might be for the dissemination of learning, were of a character indicating that the Church could still command attention by an emphasis on the perils surrounding the immortal soul. Two shocks of earthquake occasioned widespread alarm; a circumstance that the Church turned to advantage by founding a society for the distribution of books of piety among the poor. The religious revival, led by Wesley and Whitfield, doubtless also contributed to greater proficiency in reading amongst the labourers. Without the meagre and interested facilities provided by religious bodies, the workers would have been as uninstructed as the cattle they tended, or the horses they displaced.

Steam had long been applied to industry before the doctrine that schools were cheaper than prisons or the poorhouse had currency in argument. That the child should be taken out of the mill in order to learn appeared an unwarrantable denial of the employer's liberty. For thirty years after 1760

few dared moot so offensive a proposal. Hence the first schools to teach reading and writing were Sunday schools. Begun to be organised by Raikes in 1781, with strictly limited means, they produced many workmen, who, as Samuel Bamford states, were the readers, writers and speakers of the Labour Movement during the forty years that followed.

SECTION 58.—**The Voluntary System.**

Adam Smith, strangely modern in many of his ideas, had contended that the State should encourage, and if need be, impose on a community the duty of acquiring elementary knowledge. This reasoning, however, was hardly more popular than his argument that a high standard of subsistence for the labourer was beneficial to the nation. Till long after Smith's time the temper of the cotton lords remained unmodified by the work of Whitbread and Brougham. A national system of education, its cost borne collectively, wholly or in part, was out of the question. The only possible alternative was a voluntary system, supported by subscriptions from the friends of education, and by such payments as the scholars' parents could make. On that basis Joseph Lancaster and Andrew Bell founded the voluntary system of elementary education.

Neither of these men who caused so great a stir in England were concerned with the philosophy of education. Of theory they were entirely innocent. When Dr. Bell, late in life, visited the school established by Pestalozzi, whose method proceeded from observation to consciousness and

thence to speech, the only criticism Bell offered was to suggest the introduction of monitors. Eminently practical men, they were essentially the product of their age.

Joseph Lancaster opened his first school in 1797, in Southwark, fitting up the forms and desks himself at a cost of twenty-five shillings. From some twenty scholars, whose parents paid fourpence weekly as fees, his school soon increased to ninety. Finding the weekly fee prohibitive, and that the children required food to benefit from instruction, he began to admit free of charge where payment could not be made, and to provide meals at a trifling expense to the scholars. A new schoolroom became necessary. In the following year a thousand children gathered daily to receive instruuction at his hands.

Had Lancaster desired to employ teachers none were available. In Crabbe's poem "The Borough," an elementary school of the time is described:

> . . . one there is, that small regard to rule
> Or study pays, and still is deemed a school.

Lancaster himself tells of such schools. "There is a sort of initiatory or preparatory school, he says, in his first pamphlet, "to be found in every part of London. . . . The mistress is frequently the wife of some mechanic, induced to undertake the task from a desire to increase a scanty income. . . . The number of children is very fluctuating. . . . The pay is very uncertain. . . . Disorder and noise seem more the characteristic. . . . Many poor children go at once from these schools to work. . . . Schools for elder children," he reports,

had "masters . . . generally the refuse . . . of society at large . . . schools . . . are abandoned to men of any character." Such were the facilities for education open not to the poorest, but to use the language of the time, "to the children of artificers" in fairly regular employ.

To remedy this deplorable condition, Lancaster devoted his life. A member of the Society of Friends, he held that a capacity to read the Bible was the true foundation for moral instruction. The simplest rules of arithmetic, reading and writing were taught, with undenominational religious instruction. It is possible that had the curriculum been confined to secular subjects only, Lancaster and his schools might have escaped the vehement attacks soon to break upon them, and our educational system might have been saved the blight of a century's quarrels between sectarians. Presently there rallied around him most of the more progressive Quakers and Dissenters, friendly to the education of the working population, and subsequently they formed the British and Foreign School Society.

So long as the only means of education was the charity school, where, as a bishop put it, the children "should attend school at leisure hours, only at such times as their friends have no work for them"; or the dame school, "where a deaf, poor, patient widow sits,"—so long as education did not go beyond that narrow circle, the Church evinced no alarm, though, as Malthus pointed out, the mass of the nation was sunk in the deepest ignorance. But the success of Lancaster's experiments caused dismay. The redoubtable Mrs. Sarah Trimmer, whose *Economy of Charity* passed

through several editions, entered the lists. Stigmatising the unhappy Quaker as the "Goliath of schismatics," she urged Bell into the belief that Lancaster had merely purloined a system of instruction applied by Bell in Madras in 1791, and succeeded in rousing the Church to a sense of danger if the education of the workman's child were continued on undenominational lines. Her efforts resulted in the establishment of the National Society in 1811, formed to promote the "Education of the Poor in the Doctrine and Discipline of the Established Church." The first Annual Report of the Society announced that Dr. Bell had consented to superintend the formation of the schools the Society proposed to organise, and the long battle between rival denominations for the right to bend the mind of the child was then fairly launched.

SECTION 59.—**Character of the Schools.**

In the schools both men pursued the same method for the teaching of secular subjects. Teachers, as already stated, were not available. But neither Bell nor Lancaster considered adult teachers to be necessary in any number. The schools were divided into classes of twenty-five to thirty, and each class was divided into tutors and pupils. The tutors were the brighter boys, and each sat beside his pupil. Again, each class had an assistant teacher drawn from the ranks of the elder boys. To these fell the duty of observing that the tutors carefully attended to the progress of their pupils. Next, or third in the ranks of the monitors was a teacher, in charge of one or

more classes. He directed the assistants, inspected the classes, and heard each class in his charge recite its lessons. This "staff" was drawn from the children in the school on the principle, acclaimed by Bentham and the elder Mill, that mutual instruction by the scholars themselves was the true road to knowledge. In other respects the school anticipated the proposals for self-government in education advanced by some educationists nearer our own time. At the head of this juvenile hierarchy of monitors was the schoolmaster.

In the absence of trained teachers, the monitorial system was alone possible at the beginnings of popular elementary education. Lancaster and Bell, however, both regarded it as the proper machinery for instruction, and erected the most extravagant claims on its behalf. "By the aid of monitors," said Lancaster, "one master can teach a thousand boys." The Secretary of the rival National Society explained in 1816, that in a school of nine hundred, the thirty more intelligent children ranking as teachers were admitted half an hour before the scholars. In that thirty minutes the schoolmaster coached them in the day's lesson, and they, in turn, expounded it to all the rest when the school opened. It may justly be considered impossible that education could have been followed on these lines at any time but in the age of the factory system; or that Bell and Lancaster, of all claims on their countrymen's regard, should deem it the highest that by their system the cost of instruction did not exceed five shillings per head per annum.

The rival societies established many schools, but the monitorial system ruined public confidence in

elementary education. After Brougham's Select Committee reported against it (1816), some slender efforts were made to augment the numbers of adult teachers. Knowledge that brought no immediate money gain stood so low in favour, however, that the meagre pay of teachers was sufficient warning against the work of instructing the young.

The erection of schools continued, and both factions appear to have considered that progress was made when the number of school-places multiplied. When Brougham, in 1829, formulated his Bill for the establishment of rate-aided schools, only to abandon it under the irreconcilable claims of Churchmen and Dissenters, 605,704 children were receiving instruction, the majority for a few hours weekly, out of 2,000,000 of school age. In Lambeth, so late as 1834, for a population of school age numbering 11,000, only 3,000 places were provided. When the paucity of school accommodation was raised, the voluntary system was said to be preferred on the ground that subscribers to school funds displayed an interest in the venture which ratepayers would not share. The dame schools continued, as at Bury, where, of thirty schools in 1835, only two were conducted by teachers educated for the profession. All the rest had other avocations. The teachers did their washing or kept their milk-cans in the schools, baked their bread, plied their other trade as tailor, or cobbled shoes, while weary scholars droned the uncomprehended lesson. Even in 1857, ten years was the normal age for the labourer's schooling to cease. It could not well be otherwise when

Guardians of the Poor were addicted to refusing relief to applicants with a child of eight at school.

When the country was in the throes of agitation for the Reform Bill an enthusiast for education entered a Lancashire school. The tired children, languid in the heavy air, were nearly all asleep on forms or on the floor. Embarrassed by the unexpected visitor, the kindness native to the nervous, untrained teacher rose above her dejection. It caused her to say, "They are better so than awake."

CHAPTER XVI

REFORMS AND THE POOR LAW

SECTION 60.—**Proposals for Economic Reform.**

WITH the country labourer's collapse in the "'nineties," and the fall in the town worker's wages, their lives called for a radical modification in the economic system if the working class were to be kept off the poor-rate. Wages no longer sufficed for subsistence, either in town or country. Three strands of opinion emerge from the controversies of the time: (1) That the labourer should be taught to spend his wages with economy; (2) that he should receive a living wage; (3) that wages should be supplemented by assistance from the poor-rate.

Under the first head the poor were advised to practise a reform in diet. The rich led the way by contemning pastry. Soup-kitchens, that became a synonym for opprobrium, were opened by well-intentioned people, but the labourers would have none of the "washy stuff." The poor were strangely conservative. Life neither on potatoes, maize, nor rice, appeared attractive. Compulsory substitutes for wheaten bread, where relief was given, failed to break down their hostility to Pitt's loaf of mixed barley, rye and wheat. The six

reports of the House of Commons Committee on Scarcity (1800) teem with suggestions for diet reform. The labourers were so convinced, however, "that brown bread disordered their bowels," that the Brown Bread Act, passed in 1800, was repealed in the following year for the simple reason that no economy in wheat consumption had been effected.

The most interesting of all the proposals for increasing wages came from the Norfolk labourers in 1796. In the *Annals of Agriculture,* Young records the fact that Adam Moore, a labourer of Heacham, was appointed to receive communications from labourers and farmers subscribing to a plan to fix the wage-scale in proportion to the price of wheat. The project bore no fruit, for the very good reason that associations of the kind were prohibited by Pitt's Treason and Sedition Acts.

In the winter of 1795, Samuel Whitbread introduced his Bill for a statutory minimum wage. The Act of Elizabeth for the assessment of wages in husbandry, long in desuetude, had in effect fixed a maximum for wages. Whitbread proposed a minimum to be determined by the Justices if they thought fit, in a specially convened General Sessions. It was an early example of a measure requiring voluntary acceptance after its enactment. If the Justices decided to hold the General Sessions they were to have power to "rate and appoint" wages and to "fix and declare the hours of working of all labourers in husbandry, by the day, week, month or year." Received at first not ungenerously, the Bill was rejected in February,

1796, after a speech from Pitt, in which he developed a plan for the amendment of the Poor Law.

At the end of that year, Pitt, returning from a visit to Halstead, where he had seen the state of the weavers for the first, and probably the only time in his life, introduced his Bill for the better support and maintenance of the poor. Schools of industry were to be established, to which all children above the age of five, whose parents were not self-supporting, were to be compelled to go. The proceeds of their work were to be devoted to the upkeep of the school. Adult persons were to be employed in the school "to carry on all trades." If the wages earned were insufficient for their maintenance the rates were to meet the deficiency. The Bill excited the keenest opposition; it was dropped, and Pitt never again essayed to remedy the defects of the industrial system that enabled the war with France to be waged.

Whitbread, four years later, used Pitt's failure as an argument in support of the second Bill to secure a minimum wage. By that date, however (February 11, 1800), legislative opinion against the regulation of wages had been strengthened by Malthus' *Essay*. Doctrines of state intervention were dissolving under the individualist philosophy; the second Bill was rejected more summarily than the first.

The agitation for a minimum wage made its appearance among the Lancashire hand-loom weavers in 1805. In the following year they petitioned Parliament, and again in 1807, when the appeal was signed by 130,000 cotton weavers.

Some masters supported on the ground that the competition of firms paying low wages was prejudicial to employers and men alike. Alarmed by the distress, the Government introduced a Bill guaranteeing a minimum wage for one year only, but in May the Bill was withdrawn. In the next year a Select Committee reported that a minimum wage "was wholly inadmissible in principle," and "would be productive of the most fatal consequences."

Frequent demands for the statutory fixing of prices for work by the piece were made during the next twenty years, but nothing more was heard of the minimum wage proposal till 1827. In that year a "General Association . . . for Bettering the Condition of Labourers" revived the idea. Its suggestions, conveyed to the Committee on Immigration, which reported in 1827, were dismissed as arising "from an entire ignorance of the universal operation of the principle of supply and demand."

Section 61.—Settlement and the Labourer.

The Settlement Acts had an important bearing on the labourer's condition. Originating in the fourteenth century in the attempt to suppress vagrancy, at the end of the eighteenth they served to impede the worker's movement in quest of higher wages. The principal Act was passed in 1662 "without affording either Parliament or public opinion time for discussion," says Aschrott, "merely because the representatives of London and a few wealthy landlords were desirous of lessening the burden of their own poor-rates."

It provided that if complaint were made within forty days after a person came to reside in a parish, two Justices could issue a warrant authorising the overseers to send the new-comer back to the place of his last legal settlement. Persons taking up tenements over ten pounds in yearly value were exempt from its provisions. Its incidence was therefore on the labourer. Before the date of this Act the place of birth had then, as now, determined ultimate settlement with its corollary of relief in distress. In practice, however, three years' residence had been taken by the parish officers as a sufficient title. As the burden of the poor increased, the law on the subject made the acquisition of settlement ever more difficult.

A labourer could be removed because he *might* become chargeable to the Poor Law. On the other hand, labour must enjoy a certain mobility or a superabundance of work in one place remains unexecuted, while labour stands idle in another. To meet that difficulty the Justices were empowered to issue certificates to labourers travelling to other parishes and remaining there for forty days or more. By these certificates the native parish accepted responsibility for settlement, and thus absolved the other parish, in which the labourer might work for thirty or forty years, of all charges in the event of his ultimate fall on the poor-rate. Local prejudice often made it impossible for a workman to secure a certificate of origin: his presence in his native village reduced the rate of wage, and his competition for work had a distinct value for the farmer or small employer. If he left the village without his certificate it would at

least be extremely difficult to gain settlement elsewhere, though wages might be higher through relative labour scarcity. To make it as difficult as possible, after the enclosures, cottages were frequently pulled down in order that the residence of labourers might be prevented. Parish authorities, accepting the labourer's work, expelled him from their midst.

The law was still substantially unchanged in 1795. Its most famous critic is Adam Smith. To him the Settlement Acts were brutal, since they tied the labourer, whilst leaving all above him unaffected; and absurd, since they obstructed the free movement which the factors of production required for their economic use. The amending Act of 1795 was prompted more by the exigencies of economic conditions that demanded the rapid and frequent transfer of labour from place to place, than by Smith's philosophic essentials of human freedom. It enacted that no settlement could be obtained beyond the parish of birth (women gained settlement by marriage), except by the payment of rates and taxes on a tenement of ten pounds or more in annual value. On the other hand, no person entering another parish could be removed until actually chargeable to the poor-rate, and in cases of dangerous illness, the removal of the pauper to the place of birth was to be suspended. The Act was a very fruitful source of litigation for the next two generations.

SECTION 62.—**The Speenhamland Decision.**

The payment of subsidies from the poor-rate in aid of wages was the course adopted for the

relief of distress. The labourer's preference for higher standards defeated the movement for the reform of his diet. Theoretical objections against raising labour above all other commodities secured the defeat of the minimum wage proposals. The governing class, then with less experience in the management of propertyless men, probably exaggerated the dangers confronting them. Be that as it may, within a few years, general application had been given to the famous decision of the Berkshire Justices, made at Speenhamland, on May 6, 1795.

The haphazard manner in which this policy of tremendous import was embarked upon is indicated by the fact that the Berkshire Justices and "some discreet persons" were called together to raise the money rate of wages. Certain farmers present at the meeting strongly objected to that course. By common consent, however, the ruling wages were totally inadequate. It was resolved, therefore, that when in Berkshire the gallon loaf (8 lb. 11 oz.) of seconds flour costs 1s., every poor and industrious man should have 3s. weekly for his support. That income, if not derived from his own or his family's labour, would be made up from the poor-rates. For his wife and each other member of his family 1s. 6d. weekly was deemed necessary, with bread at 1s. per gallon. If the family wages did not provide that quota, the deficiency would be forthcoming out of rates. When bread was at 1s. 4d. per gallon, the man's share of the necessary income was fixed at 4s., and the necessary share for the other members of his family was 1s. 4d. each. In 1795 the Berkshire Justices were of opinion that a labourer

required weekly funds equal to the cost of three gallon loaves for himself, and one and a half for each member of his family. In a family of four the subsistence level was therefore at seven and a half gallon loaves.

When the labourer came on the rates, not as the result of low wages, but in consequence of unemployment, he could take avail of a singular travesty of the "right to work." By an Act of 1722, parishes were authorised to farm out their able-bodied poor. Gilbert's Act of 1782, which provided for the union of separate parishes, empowered the guardians to find work for the able-bodied outside the workhouse. By a further Act of 1788 the Poor Law authorities were bound to relieve labourers not otherwise assisted by sending them in rotation to the parishioners. In proportion to the rateable value of their property the parishioners were compelled to give employment to the "roundsmen." Thus a variety of modes for relieving the able-bodied labourer were in operation. All had a characteristic in common. The guardians received the wages of all the labour farmed out, and when the Speenhamland system was generally adopted, differences were made up out of the rates.

By 1832 the Speenhamland system had been adopted in all the counties except Northumberland and Durham. The amount annually spent in England and Wales on the relief of the poor, which in the period 1760–75 averaged £1,520,000, or 4s. 10d. per inhabitant, and in the decennial period 1783–93, £2,050,000, or 5s. 6d. per inhabitant, increased by leaps and bounds. In

1811 it reached £6,656,105, or 13s. 1d. per inhabitant. In the counties in that year the expenditure per head of the population varied from 6s. 8d. in Cumberland to 32s. in Sussex. In the last years of the old Poor Law a stern, harsh administration succeeded the earlier laxity. By 1831 the average expenditure had been reduced to 9s. 9d. per head of the nation.

SECTION 63.—**The Standard of Subsistence.**

Meanwhile, the standard of subsistence had fallen while the poor-rate was rising. We have seen that in 1795 seven and a half gallon loaves, or their equivalent, were considered to be the minimum food supply for a man, his wife and two children. In 1816 the Northamptonshire magistrates fixed the scale for a man and his wife at slightly over three gallons; a year later two gallon loaves and seven-tenths were deemed enough for a man and his wife by the Wiltshire magistrates. The lowest standard appears in Hampshire, where, as Cobbett relates in a vivacious article, the eight Justices, five of whom were clergymen, allowed the cost of one gallon loaf a head as the necessary income, with 4d. per week in addition where the family did not exceed four persons. The money allowance was reduced by a penny for families of six, and by twopence per head where there were more than four children. Whilst the poor-rates were used as a subsidy on wages they did not preserve a standard of subsistence for the labourer.

The allowance scales afford a more satisfactory measurement of the standard of life than the highly

imperfect statistics of wages. Arthur Young puts the average wage of agricultural labourers in 1768–70 at 6s. 4d. weekly. The very unreliable abstract of 1825 gives 11s. 4d. (without payment for harvest or additions for cottages let below rental value). The command of the money wage over supplies is the point of importance. The *Edinburgh Review* for January, 1831, throws light on that point. "The allowance scales now issued . . . are usually framed on the principle that every labourer should have a gallon loaf of standard wheaten bread weekly for every member of his family and one over; that is four loaves for three persons, five for four . . . and so on." In 1795 four persons would have seven and a half gallon loaves; in 1831 five only. The standard of subsistence had fallen by a third.

CHAPTER XVII

INDUSTRIAL CRISES: MONEY: BANKING

SECTION 64.—**The Crisis of 1815.**

ON the outbreak of war with France in 1793, the merchants of Liverpool and Bristol were alarmed in respect of their commitments on foreign trade. Some of the four hundred private banks then outside London suspended payment. Agreement on the part of the Liverpool merchants to accept mutual liability for bills, with financial guarantees from the Government, tided over the difficulty. The events of 1793 were an instance of stringency in the money market without the general suspension of production as during an industrial crisis. It was a momentary panic of the kind that was generally expected on the outbreak of a European war, and which the Government's financial arrangements avoided in 1914.

The industrial crisis of 1815 was entirely new as a social phenomenon. It followed the unexpected conclusion of peace. War had been a good customer. In 1814 the public expenditure amounted to £106,832,260; two years later it had fallen to £55,000,000. During the war the English merchants found markets in India, America

and Asia Minor. It had been anticipated that on the conclusion of peace, with the continental markets open for British goods, a vast expansion of trade would ensue. But Napoleon's Berlin Decree (1806), while excluding all regular traffic between continental ports and Britain, could not prevent the growth of a great smuggling trade, and on the return of peace the market really open for expansion was less than British traders hoped for.

Moreover, goods cannot be sold unless purchasers have the means to buy. Continental nations, in a less favourable position than Britain, had not developed manufactures during the twenty years of war. Their grain was excluded from British ports by the Corn Laws; with the exception of light wines and a few articles of luxury, they had nothing to give in exchange for British wares. Shiploads of goods, sent abroad in expectation of immediate sale, laid on the wharves at continental ports or were sold at lower prices than at their place of origin. Manufacturers closed their works; the demobilised army, without the partial support of Government allowances, entered into the fight for work; and wages fell. Bankruptcy and unemployment were the order of the day, though the harvest was good and abundant stocks of manufactured articles remained on hand awaiting human consumption.

SECTION 65.—**The Crisis of 1825.**

The crisis of 1815 was confined to victorious England only and she speedily recovered. A succession of good harvests helped the agricultural portion of the community to clear off the surplus

manufactured goods. By 1824 trade was not only in full swing but afforded such ample profits that speculation and adventurous enterprise made their appeal to the mercantile class, as rash ventures invariably have done when money gains were easily acquired. The banks had great sums at their disposal and capital was readily forthcoming for canals, road construction and railways. Society was already passing from the stage when capital is mainly required in the form of direct productive instruments. Distributive communications also made their call for gigantic sums and obtained them.

Beyond the demand for capital in the home market, foreign trade, recovering from the check it suffered on the conclusion of the war, made a great leap forward. Amidst all the prosperity South America was boomed as the land of the future. Investors poured money into Mexico and Argentina. A South American company, the Real del Monte, had called up £70 only on its shares of a nominal value of £400. In January, 1825, the shares thus partly subscribed were selling at £1,350. Money was so plentiful that within eighteen months £86,000,000 were loaned to foreign States, and £110,000,000 were offered at home as capital for 120 companies. The country banks, with unlimited right to issue small bank-notes flooded the country with paper money. Interest was therefore low and money could be obtained for almost any venture, sound or problematical.

The tide turned. It was discovered that the South American ventures could not yield returns

for many years. Foreign importers began to restrict their orders. Goods produced with the aid of the new machinery working at the highest pressure, were unsaleable at remunerative prices. The newly formed companies called for the balance of unsubscribed capital guaranteed by shareholders in expectation that high profits would continue: instead, profits were falling. The banks were urged not to retard the issue of money, and at first accommodation was given by the discount of bills at long dates. Then to restrict the call for cash the Bank was forced to raise the rate of discount. The holders of stocks and goods wildly competed in a selling panic. As the demand for funds grew more insistent suspicion began to arise. The banks could no longer lend the help so imperatively needed. "For some days," says the *Annual Register*, "the agitation in the City exceeded anything of the kind that had been witnessed for many years." The banking house of Pole & Co., keeping accounts with forty-four country banks, suspended payment on December 5th. In less than six weeks seventy-three banks failed. This crisis, unlike that of 1815, had considerable effect in foreign markets. At home, it was regarded by many responsible persons as presaging the impending downfall of the entire capitalist system.

SECTION 66.—**Money.**

The capitalist system did not fall, but the crisis had shown how discordant is the irrelation between supply and effective demand. It was observed that in periods when sales could not be effected there arose a universal demand for money. Investiga-

tions into the nature of money and its functions were therefore numerous and varied in the first half of the nineteenth century.

Money is the means of exchange. A system of barter convenient in a primitive community, becomes increasingly difficult as wants are multiplied. There arises the need for a standard by which the values of other goods can be measured. At various periods cattle, shells and the baser metals have served as money. By common consent civilised man agrees to use gold and silver in the form of coined cash as the basis for the means of exchange.

Before the expansion of trade and commerce in the eighteenth century the major part of our internal business was transacted by the transfer of coined cash. As the number of exchanges and their separate magnitudes increased, the constant use of cash grew inconvenient. The goldsmiths in the days of Charles II found that their receipts for the cash deposited with them as private bankers passed current from hand to hand in payment of account. Their acknowledgments constituted the first bank-notes. Bills of exchange had been used since the later Middle Ages for the settlement of debts between traders of different nations. With the growth of internal trade and the development of commerce after the great inventions, the bill of exchange acquired general acceptance for the satisfaction of considerable obligations. Convenient as an instrument for payment falling due at distant dates, it afforded security to the party supplying goods. At a discount he could obtain cash upon it and thus carry on his operations. But for the

payment of those innumerable transactions calling for immediate or short term settlement, the bill of exchange was unsuitable. For the satisfaction of claims of that order the cheque was invented.

In modern society, since the Industrial Revolution, its money consists of:—

Gold; silver and copper tokens	Composing the coined cash	The whole being the several forms of money.
Bank-notes, bills of exchange, cheques ..	Composing the paper or credit cash.	

SECTION 67.—**Gold.**

Gold is the basis of the currency. As trade expanded the use of gold was economised, until now (1923) it has passed out of ordinary circulation. On the monetary side the history of commerce is the substitution of gold by paper. But gold remains, and must remain the basis of currency and the measure of all values.

The persistence of gold as the measure of values—in other words, its pre-eminent qualification to discharge the primary function of money—rests on a simple fact. It is itself a commodity, the product of human labour applied to land. Since the essential characteristic of money is that it shall be accepted in exchange for any of the innumerable articles of value that appear on the market, it must itself contain value. A trader would not part with his goods for money without value embodied therein. Were he to do so he would find that such cash had no power of purchase. On parting with his goods for paper, he accepts the paper cash in bills, notes or cheques, on the assumption that

they are as good as gold, either now or at a later date. The paper money speaks in terms of gold ; it represents the gold at the basis of all exchanges. Gold is therefore the permanent measure of values, the mirror in which all other commodities reflect their price.

SECTION 68.—**Currency Reform.**

Failure to appreciate this essential and fundamental quality in the nature of money led to many wild proposals for alterations in the currency from 1797 onwards. Foremost among them was Thomas Attwood's plan for elasticity in the medium of circulation. He contended that with increasing population, as wants are multiplied, there is greater wealth production. But the employment of labour is only possible to those who possess a sum of the circulating medium. It therefore follows that cash, passing from hand to hand within a nation, should increase with the population, or unemployment and distress must result. By using gold as the denominator in exchange we restrict the use of money, since gold, not being a home product, is severely limited in supply. Attwood proposed that the banks should issue paper money equal to the value of all goods produced but not yet in the consumer's hands. The productive power of the nation would then become the basis of its currency, and not a precious metal.

Under Attwood's plan supply would still have been determined by competition without the least restriction. A currency based on production affords no guarantees for the wide or equitable distribution of purchasing power. With such a currency,

therefore, as under the present system, periods of under-consumption would recur. The paper money based on unsaleable goods would be deficient in purchasing power, or worthless. It would cease to be money. Gold, on the other hand, in a period of crucial distress, still commands goods of a value approximately equal to the value contained in the cash or bullion.

SECTION 69.—**The Note Issue.**

As industry developed the banks acquired power and importance. In Britain the goldsmiths were the first private bankers. In 1694, William III, finding it difficult to borrow from the Whigs because of the reputed instability of his Government, a company was formed to lend the Government £1,200,000 at 8 per cent., in return for a charter authorising the bank to issue notes up to the value of the Government's debt. Three years later the bank obtained a monopoly of joint-stock banking, and not until 1833 were other corporations given complete freedom to receive deposits and lend cash. Private banks, however, extended very rapidly after 1760.

Every bank—the Bank of England and the private banks—had the right to issue notes. In 1825 the face value of the notes in circulation was three times greater than in 1822. Their multiplication was a principal factor in forcing up prices and making money so plentiful that speculative ventures were encouraged. It is now known that note issue is by no means the most important operation in banking, but as notes were the first form in which banker's credit was manufactured,

the sea of paper money had a great significance in the early nineteenth century.

SECTION 70.—**Credit.**

Very early in deposit banking it was found that in normal times, on the average, more cash came in than was called out daily. A balance laid idle. Presently, the early bankers began to lend the surplus cash to merchants and manufacturers wishing to extend their business.

The next stage opened when, instead of paying out or loaning the surplus cash standing to the credit of depositors, the banker induced his customer wishing to withdraw or borrow to accept notes convertible into gold on application at the bank. Given confidence in the banker, his notes were accepted in payment by business men in their dealings with each other. Thus no call was made on the banker's store of hard cash. In that case notes could be issued to an indefinite amount. The same store of cash would serve as security for notes in circulation up to limits fixed by experience and caution. Or more often—as in the case of the private banks—the limit would be fixed by mere readiness to risk the chance of meeting the paper should it ever be presented for realisation in gold.

By this means the bankers used the gold deposits of their customers as capital on which they created an ever higher edifice of credit. For the use of that credit, though, perhaps, no hard cash had been withdrawn from the bank, the customer paid interest to the banker. In short, the bankers manufactured credit, which entered into circulation and became money.

SECTION 71.—**The Financial Power.**

From 1790 to 1820 great dissatisfaction prevailed with regard to the banking system. In 1797 the need for gold to carry on the war had so reduced the bank reserve that if the Government had not authorised the suspension of cash payments, the bank must have failed under the demand for gold in redemption of its own notes. That very suspension, however, necessitated the issue of ten millions in notes of small denomination in that year. By 1809 successive additions to the note currency had forced gold to a premium of £4 12s. per ounce, the standard price being then as now, £3 17s. 10½d. The famous Report of the Bullion Committee in 1810 was an attempt to discover the sources of inflation. Between 1810 and 1817 alone, 157 private banks failed to meet their own note issues and closed their doors. The resumption of cash payments, 1819–23, relieved the stress for a time but only at the expense of the agricultural community. The price of grain and all land produce fell rapidly as gold returned to circulation.

Universally, it came to be accepted that the bankers' freedom constituted a social danger. Limitation of his right to manufacture credit was sought by restricting the note issue. The Bank Act of 1844, twice suspended during the nineteenth century, was enacted for that purpose and in the expectation that crises would therefore not recur. Before its passage, however, the cheque had become the principal means of payment and restriction of the note issue has not restricted credit. The money

in circulation is continuously expanding by means of bankers' advances. Less coined cash than ever passes over the counter in proportion to the volume of banking transactions. Bankers lend the right to draw hard cash if it is required. In actual practice the loans they lend—their credits secured on existing wealth or future production—are drawn upon by cheque. Relatively they pay out but a little coined money and their power over industry grows day by day.

SECTION 72.—**Will Society Collapse through Industrial Crisis?**

It has been observed that during the crisis of 1825 the break-up of the existing economic system was predicted, and during every crisis since that date the same prophecy has been made. The French historian and economist, Sismondi, four years after the close of the war, contended that crises would inevitably occur in capitalist society since the mass of the people are not provided with sufficient money to buy back their products. Some forty years later, Marx maintained that the redistribution of purchasing power would not avoid the recurrence of the crisis, and pointed out that bad times are always preceded by periods in which the buying capacity of the working class is at its highest point. Nevertheless, he accepted Sismondi's general argument, and carrying it a stage farther, suggested that the present social system might collapse in a period of crisis. It was assumed that a moment would arrive when the universal desire to exchange goods for gold—the Marxian antagonism between money and commodities—

would cause the suspension of all credit operations and of all production, except for immediate gold payment.

When Sismondi, Robert Owen, the early English Socialists and Marx advanced that view, it appeared to be supported by great force. Had free competition between relatively small groups of capital continued, it might conceivably have been justified by events before the nineteenth century ended. But the development of machine industry has shown the economies that accrue to large-scale production. First by the territorial or national combination of capital, and secondly by international agreement between units of capital, a power to estimate demand is gained, inconceivable in the period 1820–30. The persistence of small business concerns renders it impossible to compute with absolute accuracy the exact area of demand. On the other hand, the large units of capital control the greater part of world production. They manufacture to order instead of on the chance that they may sell; a rise or fall in the world's markets is felt long before the small producer is affected, and the larger combinations of capital direct their operations accordingly. Industrial crises still occur, but the havoc they effect is a diminishing quantity. The withering away of the world market in 1920 was a necessary consequence of war. Its immediate causes were the high cost of production in Western countries, collateral with the disappearance of the power to buy on the part of foreign nations. Its causes were exceptional; they do not appear as elements in a normal depression of trade.

SECTION 73.—**Or Financial Panic ?**

In recent years those who formerly looked for a sudden collapse of the social system have seen reason to change their ground. There is a harking back to the arguments that Attwood, Owen and Gray used in support of their currency and labour exchange proposals. The vast increase of deposits in the banks is compared with the comparatively small extent of the gold reserve. A great part of the deposits are really loans cancelling each other, but a colossal sum remains, uncovered by gold if it should be called for. It is assumed that a complete failure of confidence will seize the business community. Gold will then be demanded for the withdrawal of all deposits ; notes will be rejected ; neither bills nor cheques will be negotiable in payment for goods. Without entirely rejecting the possibility of universal panic, improbable as it is to the point of extremity so long as stable government continues, it is well to remember that :—

(1) Gold can function as the basis of currency though the quantity in use continues to fall in proportion to the sum of monetary transactions.

(2) Gold is now almost entirely in the hands of governments, and thus a great power for restoring stability is vested in their hands. If a sudden demand for gold should arise, by throwing into circulation a comparatively small amount of coined cash, confidence could be restored. On several occasions the issue of an additional supply

of Bank of England notes without gold behind them and supported only by the Government's guarantees based on the power to tax the community, sufficed to arrest a financial crisis.

(3) If gold should be found essential in great quantities it may reasonably be expected that governments would commandeer the vast stores of the metal privately owned in the form of articles of luxury and decoration.

(4) Banking amalgamation has reduced the probability that a call for gold would be continued, if it should arise. Reserves, no longer distributed, are practically under a single direction and gold can be moved to any vulnerable point. By virtue of amalgamation, to an ever great degree, paper drafts on one bank are met by paper deposits with another bank operating in the same group. What separation of groups subsists is on the basis of mutual aid, should any one encounter momentary difficulty. Moreover, banking is no longer an economic function subject merely to empirical judgment, and regarded as independent of scientific guidance. A century of recorded experience on the great scale, and intensive combination, causes banking to acquire the character of a mathematical operation. Allowing spontaneity a place in human affairs, it seems possible to reduce the rest of life to rule and

average. The rest appears to be the larger part.

(5) The stability of the capitalist system does not rest finally on the power to realise values in coined cash, but on the continued readiness of the working class to work for wages.

CHAPTER XVIII

THEORIES OF LABOUR RIGHTS

SECTION 74.—**The Assertion of Labour Rights.**

IN the controversies of the time the words "labourer" and "manufacturer" embraced the activities of the workman employed at wages and the contribution to industry made by the owner of the means of production. Not only the classical economists, but the main stream of English thought since John Locke, had taught that private property was inseparable from human personality. The principle of liberty, it was held, required legal recognition of the unrestrained right to use property as the wills of its owners dictated. By the same principle every person should be free to acquire property if he could, and to enjoy the rights attaching to its possession.

When raised to the status of an element of personality private capital in the form of new machines was regarded as an almost sacred thing by the individualists. Their use crushed the wage-earner; he was told to exercise the power of which he complained by acquiring machines of his own. Raised to the plane of attributes to their owner's personality, the operation of machines, like the

activities of the wage-earner himself, were referred to as "labour," whenever capitalists and workmen agreed in the conflict with an aristocratic system drawing its main revenues from the rent of land.

The Labour Theory of Value loosely formulated by Smith had long been in the air breathed by English reformers. When William Godwin, therefore, in 1793, in his *Enquiry Concerning Political Justice,* advanced the doctrine that labour was a claimant with sole right to enjoy the whole of the produce, there rallied around him most of the thoughtful working-class representatives of his time. His influence on Charles Hall, author of the *Effects of Civilisation,* on William Thompson, whose *Distribution of Wealth* appeared in 1824, and indeed, on all the earlier English Socialists, was considerable. Views with regard to the rights of property now common to Socialists, and the idea that all necessary government can best be discharged by voluntary associations, are alike to be found in the writings of Godwin in more or less distinct form.

The more important deductions drawn from the Labour Value Theory by the school of Godwin, Thompson and their followers were three in number. First: That since labour is the sole producer of wealth, the law should secure to every workman the whole produce of his labour. Secondly: That every one, by right of life, is entitled to subsistence at the hands of the community. Thirdly: That every able-bodied person has a right to work.

Confident and enthusiastic in the belief that man-

kind had only to be converted to pure and abstract justice for the complete reconstruction of society, the early Socialists prepared some elaborate plans for a future social order. But they did not cease to be practical men, and throughout their lives, by one means and another, they laboured to apply the principles indicated to the actual life of the period.

SECTION 75.—**The Right to the Whole Produce.**

Their first proposition is not compatible with the existence of private property in the means of production. Already the early Socialists were using the word "labour" in the sense we use it to-day. Adam Smith and Ricardo had shown that rent, interest and profits were a part withdrawn from the total product, and considered the deduction just. Godwin and his successors regarded the deduction as a flagrant act of injustice. In Godwin's view the present system is framed to give to some men the power "of disposing of the produce of another man's industry."

Thompson, with a line of economists to draw on between Godwin and himself, is more analytical. He accepts the Ricardian theory that the wages of labourers are equal to, and fixed at the bare cost of subsistence. The workman is bound, therefore, to yield to the owners of land and capital all of the product due to the "use of machinery and other capital" after payment of the subsistence wages. "The whole of such surplus value," says Thompson, "is enjoyed by the capitalist for his superior intelligence and skill in accumulating and advancing to the labourers his capital, or the use

of it." This increment he regards as entirely unearned by its recipients. "There can be no other source of this profit than the value added to the unwrought material by the labour guided by the skill expended upon it. The materials, the buildings, the machinery, the wages, can add nothing to their own value." It would be fair and just, however, if the labourer were called upon to pay a part of his product for the use of the means of production. Thompson proposes that the recompense should be "such sums as would replace the waste and value of the capital by the time it would be consumed, with such added compensation to the owner and superintendent of it as would support him in equal comfort with the more actively employed productive labourers."

On these terms the use of capital could not be pursued where productive operations are carried on for the purpose of profit making. By returning the whole of the product to the labourers, less a quantity required for replacement and extension of the means of production and the payment for superintendence, profits, interest and rent, would cease to be economic categories. Furthermore, the claim still current among a school of individualists, that each separate labourer is entitled to the whole produce of his personal labour is incapable of realisation. By the division of labour and the use of machinery all men's work is thrown together. The respective shares of each particular labourer necessary to turn out the product cannot be distinguished. To return to Labour its whole produce implies therefore :—

(*a*) That the ownership of the means of production shall no longer give a title to unearned increment.

(*b*) That the means of production shall be collective property.

(*c*) That all the able-bodied render an approved service to the community.

SECTION 76.—**The Right to Subsistence.**

By their labour men make unequal contributions to the sum of values. Nevertheless, an ideal law of property, such as the early Socialists sought, would restore to collective labour the whole of its social product. It would aim at restoration by a distributive system, having a certain relation to individual wants. Absolute equality in distribution is not less impossible than absolute equality in the values issuing from separate labourers. Wants are as varied as capacity. The argument was carried to its logical limit by Godwin. A person has an inherent right, he maintained, to those things which bring him a greater benefit or pleasure than can arise if they remain the property of their present possessor. The difficulties of distribution on that basis, however, were readily perceived. The assumed right to wealth in accordance with personal wants was reduced under pressure of exigency. It found its expression in the lesser right to subsistence.

Hence, in the history of the English working class this demand to a small extent only rested on the communistic principles of Godwin. More generally it has been associated with the idea of a living wage, sufficient to ensure the worker a

minimum of necessaries on an ascending scale as national wealth expanded. In the early textile trade unions and among the first combinations of agricultural labourers, the right to subsistence, strenuously asserted as an abstract theory, was formulated on lines in agreement with this moderate demand. Moderation, however, could not procure its adoption in face of the prevailing notion that the fund available for wages was a fixed quantity, and that each labourer's share must rise or fall with numbers. Nevertheless, practical recognition of the right to subsistence is not incompatible with the continuance of private capitalism. The system of profit making could remain though, in return for work, every member of the community were assured a stated minimum share of goods necessary for a given standard of comfort. On the other hand, the theory could just as readily provide warrant for a minimum standard governing distribution in a socialist community.

SECTION 77.—**The Right to Work.**

The right to work is still less a revolutionary concept. As understood by the early unionists and Socialists, it was clearly distinguished from the right to relief guaranteed to destitute persons by the Poor Law. After an unavailing persecution of wandering labourers for more than two centuries the Poor Law authorities, in 1601, were authorised to set children to work whose parents could not maintain them. It also enjoined the provision of work for all adult persons "who use no ordinary and daily trade of life to get their living by." The Elizabethan law was at once a scheme

of industrial training for the unskilled, and a continuation of the efforts to stamp out vagabondage.

Entirely different were the claims of English labour. It is true that with the lax administration of the Poor Law after the Speenhamland decision, the title to relief from the labour rate, in money or in kind, came to be regarded as an integral part of the worker's income. In the popular view its restriction by the new Poor Law could only justly be compensated by the return of the common lands. But whenever English labour in the first third of the nineteenth century demands recognition of the right to work it insists on the liberty of the workman, and the continuance of such civil rights as he then enjoyed. Hence it is advanced as a demand for employment by the municipal authority or the State without the disqualifications attaching to relief. In this, the form most frequently encountered, it was a demand for work when employment could not be found in ordinary channels.

In the main, the Socialists of the time put their faith in voluntary methods. There were moments, however, in the Owenite agitations and among the trade unionists after the repeal of the Combination Laws, when the right to work assumed the form of a demand that the State should employ labour in competition with privately owned capital. The general incompatibility of the proposal with a system of private venture, still sufficiently powerful to reserve to itself the greater privileges and the most skilled workmen, accounts for the slender support it received.

SECTION 78.—**Malthus and Pessimism.**

By the end of the eighteenth century the working class were sunk in profound poverty. The power to produce wealth was unprecedented; fortunes were acquired in a few years. But the mass of the people had no share in the gains, and wages fell as poor-rates increased. Throughout the country the revolutionary claims of labour were gathering strength. Charity was abundant, but powerless to arrest the spread of misery. The only method open to the wage-earner for stating his view that private riches were a concomitant of general poverty was in riots and machine breaking.

In this dangerous atmosphere there appeared, in 1798, the *Essay on the Principles of Population*, by Thomas R. Malthus. The first edition of this famous polemic opposed Godwin's theory that a just distribution of property would lead to human perfection and happiness. Over against these generous anticipations Malthus erected the need of food and a presumed tendency of mankind to increase up to the limit of supplies. In 1803 the second edition was published. Malthus there summarises his conclusions in the following often quoted passage: "A man who is born into a world already possessed, if he cannot get subsistence from his parents on whom he has a just demand, and if the society do not want his labour, has no claim of *right* to the smallest portion of food, and in fact, has no business to be where he is. At Nature's mighty feast there is no vacant cover for him. She tells him to be gone, and will

quickly execute her own orders." From the third and subsequent editions this passage was omitted.

On its appearance the *Essay* was acclaimed with enthusiasm in the higher ranks of society. Its argument relieved the rich and powerful of all responsibility for the condition of the poor. Poverty arose from purely natural causes, and not from an unjust system of wealth distribution as Godwin had affirmed. By introducing pessimism into social philosophy for the pacification of the poor, Malthus justified the rich in their right to great possessions.

His theory was neither entirely new nor fortified by much historical investigation. Mankind, Malthus asserted, could double its numbers every twenty-five years, while the food supply did not increase more rapidly than by an equal quantity in each twenty-five years. War, famine and disease were Nature's "positive" checks for the reduction of population to limits that supplies could maintain. The "prudential" check on numbers would be found in postponement of marriage. Increase in the available subsistence, Malthus contended, resulted in additions to the population—a contention that appears to defeat the efficacy of the "prudential" check. In the absence of the "positive" and "prudential" checks greater wealth, by the operation of natural law, inevitably paved the way for deeper poverty.

SECTION 79.—**Diminishing Returns.**

During the discussions on the Corn Laws the argument was supported by reference to the so-called law of diminishing returns. The "law"

is, according to West (1814), "that each equal additional quantity of work bestowed upon agriculture yields an actually diminished return." Later economic research has evolved the theory that in manufactures as well as in agriculture there is a point beyond which equal quantities of labour and capital successively applied do not yield an increasing return. When that point is passed returns diminish, and the cost of each unit produced is progressively greater. Malthus assumed, however, that the "economic point" in agriculture was already near attainment in his day. Indeed, in many passages he appears to hold the opinion that the economic point was already turned, and that all future additions to the food supply could only be made at an advancing cost.

In the absence of modern trading communications Malthus was compelled to regard the food supply of a populous country as a necessary part of its own production. Fortunately, we can look to the world supply as a whole. His theory of increasing cost had certainly not been verified by the end of the nineteenth century. Since that date food has increased in price, with all other commodities, through causes that have not the remotest connection with a law of diminishing return. In order to establish the truth of the law of agriculture or diminishing return it would be necessary to show that the cost of an additional million quarters of wheat, or of each thousand oxen, was greater than the expenditure of labour and capital required for a corresponding addition to manufactures.

Without embarking on the dangerous course of

prophecy with regard to the future subsistence of man or his rate of increase under another social system, over-population was certainly not the final or radical cause of poverty when Malthus wrote the *Essay*. Increasing numbers, instead of leading to intenser misery, provide the way for scientific co-operation in productive undertakings. With less land per head under cultivation more has been won from the soil through the higher organisation of labour and capital. It would seem, therefore, that the mass of misery which Malthus observed to be expanding and sinking, did not arise from an absolute over-population, but from a local and relative redundancy in the numbers of men. Whatever may be the ultimate effect of the machine, unemployment is too often the immediate consequence of new mechanical power. Moreover, though it is not impossible in a competitive society to ensure that the unemployed workman shall receive a minimum standard of subsistence, continuous drifting in and out of work appears to be the inevitable lot of a large proportion of the wage-earning sections of the community. The machines and unemployment are both ancillary to the system of profit making. The out-of-works and the labourers permanently underpaid are the surplus, redundant population. Their poverty is not due to Nature's inability to maintain mankind in Western civilisation ; their state of chronic want appears as a condition necessary for the private acquisition of wealth by another social strata. The private use of capital for personal gain requires an artificial surplus of population as a condition of its operation.

CHAPTER XIX

TRADE UNIONISM

SECTION 80.—**The Cause of Combinations.**

A TRADE union is defined by Mr. and Mrs. Webb as "a continuous association of wage-earners for the purpose of maintaining or improving the conditions of their working lives."

In a small population every journeyman had before him the prospect of becoming a master. So long as that prospect remained undisturbed the relations of employer and employed were harmonious. The possibility of mastership begins to fall away in the woollen trade in the fourteenth century. With the decline of the workman's chance in life, he broke away from the guilds and formed his own separate organisations. The trade unions have greater similarity to these fraternities of journeymen in the later Middle Ages than to the guilds. Nevertheless, it would be erroneous to imagine that the guilds were the lineal predecessors of the Employers' Associations. The guilds were the product of a society not yet divided into economic classes, and their decomposition proceeded as the class division became more clearly marked.

The journeymen's fraternities, however, were not

trade unions as we define them. Formed to gain the redress of a single grievance, they disappeared when the issue was decided. Printed records of the sixteenth and seventeenth centuries give but scanty references to their existence. Printers' "chapels," the first experiment in workshop management by the workers, were in operation probably long before Benjamin Franklin wrote on their proceedings in 1725. But the first "continuous association" is that of the hatters' trade union, dating from 1667. Soon after the workmen employed by the master clothiers of Gloucester and Somerset combined to urge that Parliament should enforce the Tudor laws, restricting the number of looms an employer might have running. Complaint is also made of machinery displacing labour contrary to the spirit of the ancient regulations, which sought to direct trade in the interests of the artificers. During the eighteenth century this is the burden of numberless petitions to Parliament. Workmen combined for the enforcement of an old statute. Association for that purpose the Judges held to be legal: but combinations to regulate wages and conditions of employment were penalised as contrary to the common law. Regulation of trade and commerce was the concern of Parliament and not the business of workmen.

Throughout the eighteenth century, where the domestic industry continued Trade Unionism failed to gain a footing. In the West Riding the yarn was still bought by weavers who worked at the loom in their own cottages, and sold the cloth to a factor or at their own stand in the cloth-hall

at the nearest market town. These workers, still the owners of their rudimentary machines and not yet separated from their product, did not combine.

Among the wool combers the factory system made its appearance before the middle of the century. Their inexpensive pots and hand-combs were already superseded by more costly contrivances requiring capital. The growing expense of tools, in some cases the expense of materials, facilitated the reduction of independent craftsmen to the status of wage-earners. Whilst the wage or piece earner worked in his own home on a hired loom or stocking frame, the organisation of these scattered workers was difficult, though under great stress the difficulties were overcome. When the employer had gained control of materials so that in face of his superior buying power the isolated worker could not get supplies, and when the master had grasped the meaning of the economies that followed the organisation of labour in the factory, and their development by machinery and power, then the worker was entirely divorced from his product. At that stage the trade union enters the field. No longer able to protect his livelihood by personally selling the article fashioned by his labour, the workman was driven to combine with others for the regulation of the sale of each individual's labour-power.

SECTION 81.—**The Argument against Combination.**

As attempts at combination grew more frequent, arguments for the repression of workmen's associations were provided by the economists and readily accepted by legislators.

In the first place, though rather more juristic than economic, it was held that the State could not tolerate the growth of organisation without peril to its own position. The orthodox Whig conception of centralised power, working through constitutional authority, was interpreted to exclude all voluntary organisation. Power had been taken from the Church; the ecclesiastical authorities were merely bodies for the preservation of opinion and for the administration of their property, subject to rules imposed by the sovereign State. The people being one and indivisible, the State, the expression of their paramount will, could brook no limitations.

Furthermore, the combinations of workmen, besides administering oaths and inculcating loyalty to their commands, proposed to interfere with the natural course of trade. Beyond the revolutionary attempt to erect a state within the State, the workmen presumptuously ignored the reigning *laissez-faire* philosophy, and announced their intention of thwarting the processes of Nature. A century ago there could be no greater crime in the eyes of intellectual, cultured persons.

But the economic case against Trade Unionism made the strongest appeal to the great employers. In the *Essay* Malthus contended that a fixed proportion of the total food available in the country went to the labouring class. As the total is itself a fixed amount, increased demand merely leads to higher prices. Hence, says Malthus, "I cannot by means of money raise the condition of a poor man." If one labourer secured a higher wage it must be at the expense of another, whose share

of the fixed quantity of food was diminished accordingly. Later on, James Mill, substituting capital for food, affirmed that "if the ratio which capital and population bear to one another remains the same, wages will remain the same; if the ratio which capital bears to population increases, wages will rise; if the ratio which population bears to capital increase, wages will fall."

On the wages question Ricardo was rather less optimistic than James Mill. The latter at least considered it possible that wages could rise. The Ricardian law of wages offered no such generous prospect. Ricardo begins his chapter on "Wages" with a definition of the natural price of labour: "that price which is necessary to enable the labourers, one with another, to subsist and to perpetuate their race. . . ." The market price is the price really paid as wages through the operation of supply and demand. True, he denies that the natural price is immutable. "It varies at different times in the same country, and very materially differs in different countries."

But the qualifications of the principle escaped the attention of statesmen and manufacturers. Altogether acceptable to them was the doctrine that "in the natural advance of society, the wages of labour will have a tendency to fall . . . the supply of labourers will continue to increase at the same rate, whilst the demand for them will increase at a slower rate." If wages should momentarily rise above bare subsistence cost, therefore, no human power could preserve them at that standard. "Like all other contracts," the trade unionists were reminded that Ricardo had said, "wages should

be left to the fair and free competition of the market."

SECTION 82.—**Trade Unionists and the Wages Fund.**

Fortunately for mankind the early trade unionists were not alarmed by reiterated warnings against intervention in the processes of natural law. In their opinion the classical doctrine of wages did not render trade combinations intellectually invalid. On the contrary, it supplied them with the alarming deduction that if true, it proved the exploitation of labour to the point of robbery. The doctrine of a "natural" wage was denied; the theory that the food fund or the circulating capital available for wages is a fixed quantity was disputed. Its ultimate rejection by its own foremost advocates is testimony to the acuteness of the criticism which the wages fund doctrine suffered from trade unionists. Towards the end of our period, Thomas Hodgkin was contending that the wages of labour were paid from its current produce. By 1830, over against the dogmas of the classical school, trade unionists, co-operators, and the early Socialists had worked out a body of economic doctrine, which may be summarised thus :—

(1) That in a state of free competition the tendency is for wages to fall whilst profits increase.
(2) That combinations of workmen can not only arrest that tendency, but given the requisite strength of organisation the rate of real wages can be increased.
(3) That an increase of wages may be at the

expense of profits : only in conditions of monopoly or scarcity will the higher wage be reflected in higher prices.

(4) The trade unions are one of several kinds of organisations required to awaken workmen to an understanding of their common interests.

SECTION 83.—**The Combination Acts.**

As the great inventions entered into general use Parliament was inundated with complaints from manufacturers. It might have been assumed that with forty laws against conspiracy on the Statute Book in 1800, the State had ample legal resources in its conflict with colliers and weavers. But its powers were insufficient to satisfy the industrial magnates, who, having gradually acquired the advisory functions, formerly the sole prerogative of the landowners, now called for the root and branch extermination of the trade unions. In 1799, Wilberforce and Pitt produced the Workmen's Combination Bill, penalising all combinations, no matter what their purpose.

Under this Act two workmen acting together for an increase of wages or a decrease of hours were liable, on conviction by a single magistrate, to three months in gaol or two months' hard labour. The same penalties were imposed if a workman were convicted of persuading another to leave his work, or if he refused to work with another person. By mere attendance at a meeting called for the purpose of regulating hours or wages, or by the collection of money to that end, he rendered himself liable to the same penalties. Journeymen

rightly pointed out that the "crimes" created by the Act were so indefinite and ambiguous that none were safe in conversing on work or trade. Trustees and collectors were granted indemnity on the surrender of cash to the authorities, their undertakings with the persons by whom the monies were contributed being set aside. The Bill was presented on June 18th. On the following day it passed its second reading, and was committed to the whole House. Within twenty-four days it received the Royal Assent.

A year later the Act was re-affirmed with an amendment substituting two magistrates for one, and providing that neither magistrate should be an employer in the trade affected. The onus of proving that offences were committed "wilfully and maliciously" was thrown on the prosecution, and clauses were added, providing that in the event of a dispute, arbitrators, and if they could not agree, a Justice of the Peace, should determine hours and wages. There being no provision to make an arbitrator act, these clauses entirely failed.

For twenty years a guerilla war was fought by the trade unions. Many combinations and indictable offences did not encounter prosecution, for the sufficient reason that the most omnipresent government cannot punish for every infraction of its rules. Moreover, there are many examples between 1800 and 1824 of agreements jointly arrived at by workmen and employers' organisations. The latter enjoyed perfect freedom, though in legal theory it was just as irregular for employers to associate as for workmen to combine.

SECTION 84.—**Their Repeal.**

In 1824 Joseph Hume, a skilful parliamentarian, secured the appointment of a Committee to examine the case for the export of machinery and to make an inquiry into the Combination Laws. So little prominence was given to the latter subject that Hume was permitted to pack his Committee with the friends of Philosophic Radicalism. Outside the House of Commons, Francis Place selected the witnesses on the workman's side, prepared their evidence, briefed Hume, the chairman, and practised all the arts of an ingenious man to whom politics is not a sphere for conscientious scruples.

The plan was to hoist the supporters of the Combination Laws with their own petard. Place and Hume, in Owen's phrase, believed in a "thorough system of individual competition." But freedom to compete could not be sustained without freedom to combine. It is extremely doubtful whether Place's libertarian philosophy would alone have enlisted the aid of middle-class opinion, without whose support the repeal of the Combination Laws could not have been carried. There were other inducements, and to endow them with vitality a new interpretation was given to the current political economy.

Ricardo had rendered more than one service to the workmen. His *Principles* depicted capital as the most important factor of production. Capital sustained labour, and, he contended, if workmen were well advised, they would direct their efforts to augment the quantity of circulating capital, whence wages were drawn. Capital is the

harbinger of civilisation. Bearing the risk of ever-expanding undertakings its own relative income falls, as the tendency for profits to decline proves beyond all question. Of the decline in its relative gains, however, it makes no complaint. The sacrifice imposed upon it by the laws of Nature, Capital is ready and eager to bear. But another class, the landlord class, prospers. And this, while Capital is engaged in a struggle of ever-growing intensity, and while Labour cannot acquire more than sufficient for precarious existence. On these lines the arguments of the Ricardians proceeded.

Civilisation extends by the instrumentality of capital, but rents increase, though the owner of land makes no contribution to human progress. This would continue, the Ricardians contended, till the owners of capital superseded the owners of land in the control of political machinery. To that end an alliance with the working class must be affected. Since the workers desired the right to combination, that concession must be granted. By that means working-class support would become available in the agitations for political reform and for the repeal of the Corn Laws. With his customary sagacity, Place fathomed the mind of the middle class. To allay any doubts the manufacturers could entertain, he expressed the view that the trade unions would begin to fall directly the right to combination was acceded. Subsequent events did not confirm that expectation of highly doubtful sincerity.

Hume's Committee presented a report in favour of free trade in machinery, and urging the repeal of the Combination Laws. In the least ostenta-

tious manner possible a Bill was smuggled through to that effect. But Hume and Place were to suffer for their excess of zeal. Instead of disappearing, the unions increased their numbers, and regarding Parliament as on their side, entered claims that did not err in moderation. The employers were aroused. Parliament, angrily resenting the skill with which it had been manipulated, returned to the subject. The Act of 1825 was passed repealing the Act of 1824. By a compromise characteristic of English government, the new law once again made unions of employers or workmen illegal. But combinations for the regulations of hours and wages were exempt from its operations, and workmen were accorded the legal right to strike—a right among the most important of Labour's conquests.

CHAPTER XX

THE THEORY OF VALUE AND PRICE

SECTION 85.—**The Unit of Wealth.**

AS fortunes were acquired by the owners of the new means of production the political economists were prompted to ascertain the source of private riches. It was observed that capital, first applied to manufactures unaided by mechanical power, and then to machino-facture, brought its proprietors ever larger increments of wealth. The sums expended on the inanimate instruments of production and for the employment of labour were returned when the produce was sold. Above that return was a balance of value, a surplus, a profit. This balance assumed such dimensions that its origin had to be accounted for, not merely for the satisfaction of man's curiosity, nor for a better understanding of the social mechanism. An explanation had to be sought for the pacification of the restless mass of wage-earners, whose least intelligent members were grasping the conception that wealth was the outcome of labour and the forces of Nature.

In this inquiry the unit of wealth was found to be the commodity. Adam Smith, and more

especially Ricardo, in their analysis of the causes of the value of commodities, moved from production to distribution. After considering the means whereby the sum of values was socially created, they investigated the conditions governing the appropriation of wealth by private persons. In other words, political economy ceased to be political arithmetic, and became an investigation into the causes of private fortunes in a competitive community. In the hands of lesser men economics suffered corruption and assumed the rôle of advocate for an unrestrained competition with all its grosser evils.

"After the division of labour has once thoroughly taken place," says Adam Smith, "the value of any commodity . . . to the person who possesses it, and who means not to use it or consume it himself, but to exchange it for other commodities, is equal to the quantity of labour which it enables him to purchase or command. Labour, therefore, is the real measure of the exchangeable value of all commodities."

Ricardo, in the course of refining Smith's definitions of value, remarks on the existence of some commodities whose value is wholly independent of the quantity of labour necessary to produce them. These unique values, varying with the wealth and inclination of those who desire to possess them, form but a small part of the commodities daily exchanged. By far the greater part of exchanges affect commodities, "procured by labour," and "capable of multiplication," says Ricardo, "almost without any assignable limit." Excepting, then, such articles as rare books,

statuary and wines, Ricardo contends that "possessing utility, commodities derive their exchangeable value from . . . the quantity of labour required to obtain them."

It would appear, therefore, that according to Smith and Ricardo—

(*a*) Value attaches to a commodity to the extent that it is the produce of necessary labour.

(*b*) As pre-requisite to the realisation of value a commodity must have social utility.

Neither Adam Smith nor Ricardo, when they speak of labour, mean manual labour only. It is clear they intended labour power in action, as defined by Marx in the passage already given. For the production of commodities several kinds of human energy and the use of capital in many forms are required. Among the kinds of energy are the mental and physical qualities exercised by the directing authority, which all combined labour on a large scale required. An orchestra must have a conductor. Whilst these composite energies are required for the output of commodities, however, the Marxist analysis deduces the conclusion that manual labour alone is the measure of their values.

The appointment of this controlling authority, and less directly of the technical staff, is entirely vested in the owners of capital. The peculiar function of this superintendence is to devise ways and means for reducing the amount of human labour embodied in each commodity. In so doing, while adding to the number of useful articles accessible to the community, the directing authority

aims at reducing their cost—in other words, their value. The directing authority displays no corresponding anxiety to reduce the price when the commodity enters the market for sale. Hence, there is at times wide divergence between the value of an article and its market price.

In the capitalist system, in addition to providing the wages or salaries of labour, and for the replacement of capital used up in production, the product must suffice to pay the owners of capital the market rate for its use and such profit as they deem themselves entitled to. It is assumed that wealth production would decline, and presumably, cease altogether, if capital failed to receive interest and profits. The implications of that theory we do not discuss. It is sufficient for us to note that after such payments have been made to capital as serve to encourage its saving and employment, there remains a vast surplus to be distributed among the factors of industry powerful enough to enforce their demands to share in its appropriation. Whence comes this surplus?

SECTION 86.—**The Theory of Unpaid Labour.**

Contending that labour is the measure of value, Smith and Ricardo implied that the surplus which passes to the owners of land, capital or a monopoly of skill in superintendence, is the produce of labour for which no wages are paid. That implication was seized by the Ricardian Socialists, and at a later date Marx sought to establish it by proof. Labour and capital receive sufficient for their maintenance. But manual labour, working with the instruments which capital provides, does more

than maintain both factors. It yields a fund available for the augmentation of capital that an evolutionary society demands. Conjointly they produce a surplus composed in part of revenue, and of a remainder converted into new and additional capital. The fraction that is revenue makes up the fortunes expended on pleasures and luxury, adding nothing to the productive efficiency of society. They hang an incubus bearing down the actual agents of useful wealth production. The working life of the value-producing manual labourer is therefore divided into two parts: (1) He produces values by which the productive agents are paid; (2) he produces values unnecessarily and in which the productive agents do not share.

These were the deductions drawn from the teachings of Smith and Ricardo by the Labour Movement of the early nineteenth century. The revolutionary significance of this labour theory of value, with its origins deeply rooted in the classical economics, was discerned by William Thompson in his *Inquiry into the Principles of the Distribution of Wealth*. From that time the economists tended to separate in two main divisions. One held that the value of a commodity is determined by the necessary labour embodied therein; the other, that value depends entirely on utility.

The Labour Theory does not deny that every commodity must have utility. On the contrary, it is contended that an article cannot be saleable, and therefore cannot be a commodity, unless its form, quality or texture confer upon it a utility corresponding to the consumer's wish to satisfy a want. It is not the labour of the individual,

however, or of men in a particular factory, which determines value, but the labour that operates with tools, machinery and knowledge of average efficiency under the average conditions of the time.

Such quantity of labour measured by time, when embodied in the article, is the socially necessary labour. The market knows no difference between skilled and unskilled labour. When the goods are offered for sale all the labour required for their production, blends, and is reduced to units of human exertion. The highly skilled craftsman and the casual worker cannot distinguish their own particular contributions to the product when completed. Every improvement in machinery or in the organisation of labour diminishes the energy required to produce a given commodity, and ultimately reduces its value. In a state of free competition economies in labour ultimately reduce the price of the commodity, but whole or partial monopoly can retard the fall in price. The theory emphasises the producer's part in the creation of value.

SECTION 87.—**The Utility Theory.**

The opposing school contends that value is determined by the consumer's view of the worth of a commodity as measured in money. It treats value as synonymous with price, whereas the classical school and the Socialists regard price and value as distinct. The latter find the measure of value in average labour efficiency; innumerable productive streams are reduced to a level; it is a social theory. There is more of individualism in the theory that utility determines value and

price. Here it is not the average that rules, but the last commodity that one would buy rather than go without. The consumer's conception of its utility, which is said to decide its value and price, fixes the value and price of each commodity of the same kind in the whole of the consumer's demand. Thus, if a family should consume twelve loaves weekly, but had no possible need for thirteen, the twelfth loaf is on the margin of utility. The price the housewife gives for that twelfth loaf rather than economise with eleven will express her view of its value, and will decide the price she pays for each of the twelve loaves that she needs.

It would logically appear that if the consumer's estimate of utility at the margin governed value there could be no ruling price on the market. A consumer's notion of utility varies directly with his need. If the need were great, utility and therefore price would be high; if the need were small, the utility with which the article was accredited, and therefore the price, would be low. The number of the conceptions of marginal utility would be equal to the number of buyers. Each buyer would have a price of his own, not to be departed from except under pressure. As a matter of fact there is only one price in the market. Does not this uniformity suggest it is not the commodity on the margin of demand which fixes the price for the whole quantity demanded, but that the whole of the available supply enters into the settlement of price?

The thorough-going adherents of this school hold that the consumer's subjective opinion is the

sole factor in the determination of values. Its doctrine was not presented in systematic form until Jevons published his *Theory of Political Economy* in 1871. He there advances "the somewhat novel opinion that value depends entirely upon utility."

Had this theory gained acceptance the Labour Movement would have been constrained to base its tactics on the conciliation of consumers. What intellectual vigour and independence trade unionism, and to less degree, the political labour organisations display, is derived from a producer's theory of value production. The producer's claim to rights takes no account—except under the pressure of actual want resulting from a lock-out or strike—of the consumer's readiness to pay. Strikes are not yet undertaken to maintain prices at a certain level while enhancing wages at the expense of profits. If the consumer is the sole agent in the determination of value, and if the price be the value, the price is the consumer's estimate of labour's fair and adequate reward. The profits of capital are in like manner, where monopoly does not enter, the consumer's payment for services rendered. If the conceptions, subjectively constructed by the individual consciousness, are the true determinants of value, it would be as useless for labour to complain that its reward is not commensurate to the effort it expends, as to cavil at the laws of the solar system. Were it possible, which it is not, for the Labour Movement to accept the doctrine of utility in the form that Jevons gave it, the political consequence would appear as a general pacification of the working class. Where,

on every hand, there are signs of advancing prosperity enjoyed by the non-productive members of society, an expectation that the wage-earners should abate their demands is Utopian in the extreme. Nevertheless, it may yet come to be agreed that the doctrine of utility contains an element of truth and is not so completely antithetic to the Labour Value Theory as the adherents of either school were accustomed to assert.

SECTION 88.—**A Summary of the Arguments.**

For several years after Jevons the unmodified Utility Theory of Value held the field. Then gradually a critique of the doctrine evolved. The bearing that the period of time necessary for production has upon price was more clearly appreciated, and the powers of consumer and producer respectively to affect the price of certain classes of commodities were explored. In arriving at the price of goods that are produced rapidly, or that must be consumed immediately, like perishable food, the consumer in a well-stocked market plays a more aggressive part than the producer. But the majority of products under a capitalist system are slowly produced. In building a house all quarters of the globe may render a share of the necessary materials, and their accumulation may have taken many years. With more intense subdivision of labour and function greater time is required between the extraction of raw material and the production of the finished commodity. The current price of bread has but a remote bearing on the cost of iron and steel purchased to build a ship which three years hence will carry

wheat from the Argentine. But the present cost of the ship will materially affect the price of bread in four or five years' time.

In the case of commodities requiring prolonged periods to produce, it would appear that the cost of production is the stronger factor in deciding price. Over the greater part of the field of exchange, therefore, price tends to oscillate around the cost of production as measured in human labour and the renewal of capital. A return to the lines of the classical theory, modified by the Marxist statement of the Labour Value Theory, is marked by Boehm-Bawerk's opinion that "Usefulness and scarcity are the ultimate determinants of the value of goods." As scarcity depends, except for the few objects that form the "unique values," on the quantity of labour directed towards the production of particular commodities, the Austrian professor travels far away from the Jevonian dogma. A longer step in departure from the psychological school is taken by Professor Marshall, who says: "There has long been a controversy whether cost of production or utility governs value. It might as reasonably be disputed whether it is the upper or the lower blade of a pair of scissors that cuts a piece of paper." If that is the view now accepted by more orthodox economists than Marx—assuming cost of production to mean the cost in human labour, materials and the replacement of worn-out capital—it does not appear wholly divergent from the later expositions of the recent Marxists. Among the latter school the view gains ground that whilst value is measured by the social labour incorporated in

the commodity, the consumer performs the office of limiting value. Labour creates it, but the amount of value a commodity should contain is restricted by the consumer's consent to pay a certain price—the only means he has of expressing value for purposes of exchange. It is suggested :—

(1) That exchange value, that is the value of a commodity in terms of other commodities, is measured by the average quantity of necessary labour required for its production.

(2) That all commodities must have utility, that is to say, they must be capable of satisfying a consumer's conscious want.

(3) That the price normally paid for a commodity is an expression of its cost in terms of money estimated by the producer, plus an average rate of profit; and of its utility estimated by the consumer. The price is arrived at through the higgling of buyers and sellers.

(4) That the market price may be equal to the average cost of production plus profit, or it may be above or below that figure. In other words, the market price may not bear a specific relation to the quantity of labour embodied in the article. The market price is, nevertheless, dominated by the labour value since a reduction or an increase in the time required for production ultimately causes a fall or rise in price.

(5) That on realising the mere cost of a com-

modity the quantity of paid labour embodied in it is returned in money; on realising the value of a commodity a return in money, equal to the paid and unpaid labour it contains, is effected.

(6) That the total exchanges in a community, where industry is operated by privately owned capitals, must yield :—

(*a*) Wages and salaries to the many kinds of labour.

(*b*) Renewal of the instruments of production (transferable capital) partially worn out in work.

(*c*) Interest on capital sufficient to induce private accumulations for production on a greater scale.

(*d*) An average rate of profit.

(*e*) And a surplus shared among the proprietors of land, capital (including consumable goods in the hands of merchants and shopkeepers), and special skill in management, in proportion to their power to insist in the recognition of their demands.

CHAPTER XXI

LABOUR LEGISLATION AND THE FAMILY

SECTION 89.—**Labour Protection.**

THERE is a view widely held that conscious social movement arises from the clash of ideas. In their earliest form ideas seem mutually exclusive : on analysis they are found to be assimilable. The range of thought is a unity. Elements of identity that govern its divergence reflect a fundamental unity beneath the apparent differences in the material universe. The differences fail to detract from essential oneness. Revolution and evolution are not opposing forces, but recurring periods in the process of eternal change. Capitalism is the seed-ground, and contains the groundwork of Socialism. Just as contemporary capitalist society carries much of the dead lumber of feudalism, it may be assumed that in another social state, controlled by principles of equal right based on approximately equal effort, there will remain some customs and relationships that have arisen in the capitalist period. The oppositions of human thought and its interdependence cause the social realisation of any ideal in all its purity to be impossible. In that fact lies the guarantee of progress.

Such considerations would seem to be fortified by the modern theory of labour protection, which emerged in the epoch that demanded the utmost freedom of trade and industry. Complete absence of restraint as desired by the early manufacturers is thoroughly incompatible with a system of protective labour legislation, and the assimilation of these opposing theories gave a new direction to the economic system. It ceased to be a system tending to perfectly free competition, which Ricardo and Marx were forced to visualise before the operation of economic laws could be stated. After forty years of industrialism it was found that free competition was not a constructive, but a destructive force. Life, unless protected by law, counted for little in a society where material gain was the motive. An element of collective control over industry was introduced. The application of the principle has since been continuous, but it is not yet completed.

SECTION 90.—**The Earlier Factory Acts.**

Nassau Senior, in his letters on the Factory Act, said: "Cotton factories have always been worked for very long hours. From thirteen to fifteen, or even sixteen hours, appear to be the usual hours per day abroad. Our own, at their commencement, were kept going the whole twenty-four hours." He accounted for the long hours in cotton mills, first, by the great value of the fixed capital, and, secondly, "the extraordinary lightness of the labour, if labour it can be called."

What Senior termed the "exceeding easiness of cotton-factory labour" was alike the source of

the manufacturer's wealth and the fearful tragedy of child labour. It is merely romantic to imagine that child life was free and happy under the domestic system of industry. Defoe had found "scarce any thing above four years old, but its hands were sufficient for its own support." But the fate of the first labourers in cotton mills—the abandoned pauper children given away, sometimes with a premium, by the workhouse authorities—was incomparably worse. Antipathy towards the factory system had been so pronounced at its beginning that few parents would allow their children to enter the mills. Practically no other labour was forthcoming than that of the Poor Law apprentices, responsibility for whom the parishes were eager to discard. A fever among them in the works at Radcliffe directed attention to their state in 1784. In 1801, one Jevoux was sentenced to twelve months' hard labour for assaulting and beating a Poor Law apprentice; in the evidence it was stated that sixteen of these unhappy, helpless creatures shared two beds among them. A year later, the elder Sir Robert Peel carried the first Factory Act. It applied to Poor Law apprentices in cotton mills only. Their working hours were restricted to twelve, exclusive of meal times, and boys and girls were to sleep in separate rooms, and not more than two in a bed.

Seventeen years later (1819), mainly as a result of Robert Owen's labours, the second Factory Act became law. Its scope extended to all children in cotton mills; night work was forbidden, and no child under nine could be employed. The working hours for children between nine and six-

teen could not exceed twelve, excluding meal times. Much to Owen's chagrin, inspectors were not appointed and the Act was a dead letter. By 1825 there had been two convictions under the Act.

In 1825 the third Factory Act reduced the working hours for children in cotton mills from twelve to nine on Saturdays. It did not, however, prohibit the setting of children to clean machinery or do other work in meal times—a subject greatly agitated at the time. An amending Act of 1831 extended the protected age from sixteen to eighteen, and prohibited all night work by persons under twenty-one. From 1825 onwards the movement for the ten-hour day gathered strength, but the limitation of child labour in factories was not extended beyond the cotton trade till 1833.

SECTION 91.—**Child Labour in Mines.**

The factory child had many powerful advocates. Moreover, their numbers and concentration in practically two counties, and, after the end of the eighteenth century, the performance of their labour in the proximity of elder persons otherwise employed, all contributed to gain attention for the child factory "hands." The inhabitants of the mining areas were generally removed from contact with the puny forces making for civilisation and refinement; their villages were isolated except in the immediate neighbourhood of a few large towns. With the revival of the iron trade the increased demand for coal necessitated working deeper pits, and when the mines reached a depth of eighty fathoms the era of great explosions began. The

movements of noxious gases were little understood. Arrangements for ventilation were of the most primitive character, ranging from a fire lamp or small furnace to rarefy the air in the shallow mines infested with choke-damp, to the employment of children for shutting the trap-doors in the deeper mines where the perilous fire-damp was ceaselessly discharged. On the shutting of these doors the system of ventilation depended in most of the mines. Their care was entrusted to "children of from five to seven years of age, who for the most part sit, excepting for the moments when persons pass through these doors, for twelve hours consecutively in solitude, darkness and silence."

Not until 1842 were women and girls prohibited from working underground. In that year it was made illegal for boys under ten years to be employed in a mine. The worth of life in mining communities was deemed to be so slight that inquests were not held after mining explosions till 1815, nor were fatal accidents systematically reported till 1850. The earlier policy was "to take no particular notice of these things." In all the miners' first attempts at organisation the frequency of accidents and explosions assume a prominent place in their discussions.

SECTION 92.—**And in the Non-Textile Trades.**

Our principal sources of information on the general condition of child labour before 1832 are the Reports of the Factory Children's Commission, 1833; the Commission of Enquiry into Employment of Children in Trades, 1842–3; and the Children's Employment Commission, 1861–6.

These, with the Reports of several Parliamentary Committees that investigated conditions in specific trades, tell an appalling story of needless human suffering inflicted for personal gain, and continued only by the sheer indifference of the majority.

If juvenile factory hands and children in the mines were in sad state, the children employed in non-textile trades and on the land, entirely unprotected by labour legislation, were in still less enviable position. The "mould-runners" of six and seven years of age, employed in the potteries to put the plates or saucers in the stoves, worked in temperatures ranging from 120° to 148°. The lucifer match, so great a convenience in comparison with the flint, was procured in the "'thirties," and for long after, at the expense of "phossy jaw" in young girls. Children were introduced into the small fustian cutting workshops in 1825; fourteen hours was their normal working day, sometimes extended at the week-end to eighteen and twenty. For centuries straw-plaiting was a mode of child tyranny. To the straw-plaiting schools, mere infants of three or four would take their task of so many yards set them by their parents. The mistresses who got the most work out of these mites were considered the best educators. At long intervals a sympathetic doctor might report a casual visit to a straw-plait school where the space allowance for each person was seldom more than twenty cubic feet.

In the hosiery trade, even in 1862, of 120,000 persons employed, only 4,063 came under the Factory Acts. Domestic manufacture was still the rule, and the use of steam power in this industry

did not become general until a comparatively late period. One to four frames would be placed together in the only living room. The goods, finished by hand, entailed the employment of children from three and a half years. For the women to sit up all Friday night, at work, and for the children to be employed till midnight, was quite the common practice at the week-ends. In the hardware trades, in printing, dressmaking, about shops, wherever a child's energy could be turned to profitable account, its education, happiness or health were sacrificed in assisting England to become the workshop of the world.

SECTION 93.—**The Chimney Sweep.**

The labours of Owen, Michael Sadler, John Fielden and Lord Shaftesbury on behalf of the child slaves, encountered bitter hostility. Opponents of labour protection never tired in prophesying that Britain would be ruined by a breath of freedom for the young. The eighty years' battle to prohibit the use of boys and girls for chimney sweeping or "climbing." is an example of the mingled indifference and cupidity that reformers had to contend against. It would have been easy to save Blake's chimney-sweeper, whose

> . . . father sold me while yet my tongue
> Could scarcely cry, "Weep! weep! weep! weep!"

No powerful vested interest stood in the way to bar humanity like the property of the cotton lords or mine owners. In 1817 there were not more than 400 masters in London, not one of whom

had political power or influence, yet the only measure dealing with the subject till 1834, is the inoperative Act of 1788. Not the least reason existed for suffocating boys and girls, or scorching them, or for turning their flesh into masses of sores, or leaving them unwashed for a year. It was as easy to sweep chimneys with a broom in 1803, as when the Surveyor General reported in 1819 that 990 out of each 1,000 chimneys in London could be swept by a machine broom, and the other ten partly by ball and brush. After that year it was illegal to send girls up a flue. But climbing boys still served as the grimy victims of popular apathy. The practice, never directly prohibited, had almost died out in 1840, when Parliament resolved that no one under twenty-one should be allowed to climb a chimney.

SECTION 94.—**Family Life.**

That the tone of family life and its moral and emotional relationships suffered grievously during this period can hardly be a matter for doubt. The invention and development of the spinning jenny solved the greatest of the weaver's difficulties—the sufficiency of yarn—but at the expense of family life. Leaving her spinning wheel, the wife had to enter the factory while her husband remained at home working at his loom. In no other way could the weaver obtain yarn at a low price. As the factory spinners' wages fell, the children followed their mother. Later on, when the hand-loom weaver was engaged in his hopeless fight with the power loom, no relief from the rates was forthcoming unless all his children were factory

"hands." As the factory absorbed the whole family, one by one, the individual wage diminished until the entire family income approximated to the average cost of their maintenace. Life in the home was reduced to chaos, while all were made subservient to the factory discipline.

It would be difficult, if indeed it were possible, to prove that the women of the working class enjoyed a higher status before the Industrial Revolution than after the events of which it consists. In the middle of the eighteenth century women hewed coal in the Yorkshire mines; for centuries they had borne the hard labour of agriculture. If these extreme demands in defiance of the claims of the home and motherhood were exceptional, she could have had but very little leisure under the domestic system. On the other hand, industrialism, instead of releasing her from subjection, added to her labours. The paltry dignity of contributing directly to the family income was poor compensation for incessant employment in the factory by day and in the house at night. It degraded her and demoralised her children. The life of women and girls in the mines in the first third of the nineteenth century is a history of manufactured disgrace. The moral tone of the agricultural gangs and their effect on the rural labourer could not have been more damaging. The local records of manufacturing towns thoroughly confirm Gaskell's account of the dissolution of family life in his *Condition of the Manufacturing Population*.

The consequences of that disruption are evident. As the collective family wage fell until it sufficed

for its mere existence as a group, all hope was removed that the child, by education, might rise above the present family level. The extremity of the parents' need became the reason for a dogmatic objection to education for the young. In contrast to the children of their masters, encouraged to express their individuality in a hundred ways, the children of the workers were told that attainments were an assumption and that books were worthless. To their lasting credit, the workers who formed the first trade unions and co-operative societies did not succumb to the brutality that made the basis for riches. From them came resistance to the powers that regarded working-class ignorance as the modern humble virtue, or that would have reduced the family to an institution for the mere supply of labourers.

CHAPTER XXII

THE REFORM BILL: THE CONTROL OF INDUSTRY

SECTION 95.—**The Reform Bill.**

ON March 1, 1831, Lord John Russell introduced the first Reform Bill to the House of Commons. At the commencement of his speech he announced the Government's intention to restore the ancient rule "that no man should be taxed for the support of the State who has not consented by himself or by his representative to the imposition of those taxes." On March 21st the second reading was carried by a majority of one. Defeated on an amendment, the Government resigned. Returned to power with a majority in favour of Reform, Lord John Russell introduced the second Reform Bill on June 24th. Carried on its last division in the Commons by a majority of 106, it was rejected by the Lords. On December 12, 1831, the third Reform Bill was laid before the Commons. On March 23rd following, it passed the Lower House by 116 majority. On the second reading the Lords accepted it, but subsequently carried an amendment on a point of principle, against the Bill. Lord Grey, the Premier, resigned.

The King called in succession on Wellington and Peel to form a Ministry. Both advised him of their inability to do so. In despair, the King summoned Lord Grey, and requested him to form another Government. This, Grey agreed to undertake, provided that the King consented to the creation of a sufficient number of Peers to pass the Bill if the Lords should continue their resistance. The Lord Chancellor, Brougham, who was not a courtier, insisted that the royal assent should be in writing. Thereupon the written words were handed him: "The King grants permission to Lord Grey and his Chancellor, Lord Brougham, to create such a number of Peers as will ensure the passing of the Reform Bill."

The occasion to create the Peers did not arise. The Lords passed the Bill.

SECTION 96.—**The Significance of Reform.**

"It is impossible to understand the political revolution of 1832," writes Sir Spencer Walpole, in his *History of England,* "without noticing the social revolution which preceded and occasioned it."

In 1760, Parliament and all principal authority in local government, was in the hands of the land-owning class. Their attitude towards all political and social problems was dictated by the traditional views and the material interests of aristocracy. The rent of land was the economic source upholding their power. After steam was applied to industry, and at a still more rapid rate with the development of communications, the manufacturers challenged the claim of the landed class to govern. Where private gain is the strongest motive in

society, the acquisition of wealth brings social recognition. The nature of average men is such that the possession of riches excites in their proprietor a desire that the command over goods which money confers, shall be reflected in command over the social relations of men. That power, in civilised communities, is the attribute of those who actively participate in political government.

The first generation of master-manufacturers were uncouth men. Heavy drinkers, they cursed their child slaves in language not less obscene than it is customary to use where vocabularies are limited. But they mixed with their "hands" when work was done. No economic barriers between workmen and employers as yet caused a division into classes nor gave rise to a class point of view. By the first years of the nineteenth century a new type of employer had appeared. Their numbers and influence were already so considerable that the Dales were known as philanthropists, and the elder Peel could leave calico printing for a commanding place in the Legislature. Keen money-makers, they had learned that money, though a potent force alone, is reinforced by knowledge and culture. Seated on the Justice bench, with funds in landed estates, and acquainted with commercial problems to an extent that a pure aristocracy could not acquire even in a commercial age, the second and third generations of employers were formidable opponents indeed.

From that quarter came the attack on the Corn Laws. The clear struggle between landlord and capitalist begins with the Corn Law of 1815 and

continues till the middle of the century. While industry had gone forward with mammoth strides, in spite of absurd restrictions, agriculture was in almost constant distress, despite positive help from the State. Less than a third of the people now gained a livelihood by the land. Further subsidy or encouragement for agriculture was therefore a national disservice. The more it were supported by artificial means the greater the landlord's power to thrive at the expense of the community. The future of England depended on commerce. Britain could best feed herself by importing raw materials, exporting manufactured goods and receiving grains in exchange.

The two generations that read Adam Smith did not move towards Free Trade with any astonishing rapidity. It was observed that commerce was favoured by peace, when Canning introduced in foreign affairs the doctrine that inspired President Monroe to formulate a United States policy. When France, under her Bourbon king, announced the intention of assisting the despotic Spanish Government to reconquer the lost colonies in South America, Canning said: "We will not interfere with Spain in any attempt which she may make to reconquer for herself what were her colonies; but we will not permit any third Power to attack or reconquer them for her." As Spain could do nothing alone, war was avoided. The efforts of Canning and Huskisson to reduce tariffs, and to establish a more scientific scale of customs and inland duties, and the relaxation of the navigation laws, were all distinctly favourable to the manufacturers.

In response to the manufacturers' prolonged and sustained attack on the aristocratic citadel, Lord Grey's Government introduced the Reform Bill. The determination of the capitalists to share in government could no longer be thwarted. Manufacturers demanded Reform, and in support of their demand, had cleverly enlisted the aid of great numbers of the working class. Workmen, when fired by the French Revolution, had asked for universal suffrage long before the masters had displayed any collective interest in politics. After the conclusion of the Great War, distress had revived belief in the efficacy of politics as a means of social improvement. The manufacturers were then presented with a great tactical opportunity. By consenting to the repeal of the Combination Laws they gained vast popular support for the Reform Bill, since it was expected that that measure would extend the suffrage to the working class.

When the Bill was passed it was found that it granted the vote to resident householders in boroughs paying rates for a house of £10 yearly and upwards, to copyholders in the counties holding a value of £10 a year and to leaseholders whose annual rent was not less than £50. That is to say, it almost entirely excluded the wage-earning class. Ten pounds a year was then a considerable rental.

SECTION 97.—**The Principles of Social Movement.**

The passage of the Reform Bill reveals certain general principles in social movement.

(1) After prolonged resistance from the class

in power—the aristocracy—an important section of that class yielded to external demands. The remainder of that class, the nucleus of the modern Conservative Party, continued to combat progressive ideas in politics. But while opposing, like the more flexible section of their class, they were compelled to assimilate an ever larger measure of the thought of their more powerful opponents. In consequence and in flux of time, the principles of Liberalism and Conservatism were indistinguishable, though in their tactics—their opportunism—the rival political factions were in the harshest conflict.

(2) The capacity of the manufacturers to acquire political power, like the capacity of the aristocrats to retain it, depended on the control of wealth production plus the support of numbers. When commerce in the products of manufacturing industry superseded agriculture as the main source of national wealth, the real power passed from landlord to capitalist. By the enterprise of the capitalist expressed in the organisation of labour and the use of the inventor's skill, additions without parallel had been made to consumable wealth. The monopoly of land gave power over human life. But that power was less than that which arose from the command of materials, machinery and money. To have acquired economic power derived from ownership and not then to translate it into terms of political power would have been in defiance of natural courses.

(3) The power arising from the ownership of capital, however, could not suffice to wrest authority from the aristocratic section in control of all the

armed force and civil organisation of the State. The worker had an economic power also. Its operation could be made effective by voluntary organisation. In order that it might be used if required, the Combination Laws were repealed with the general support of the employers, and the strike was made legal. If aristocracy would not yield in response to reason when urged by capitalist proprietors, it should be compelled to bow before the universal stoppage of work. Moreover, given substantial unity among the wage-earning class, the State must bend. Its alleged inflexibility is a myth. Its history is a conscious adaptation to forces from the classes below. Against great numbers and resolution even the armed force of the State must yield. The masters became agitators amongst the people and against the aristocracy.

By yielding, the aristocrats preserved a considerable part of their authority. The manufacturers did not expel them from the place of government. On the contrary, by continuing to administrate, they became an element of economy in capitalist society. Their skill and knowledge in the arts of governing discontented people partly relieved the manufacturers of a costly and difficult task for which their own experience was imperfect. Moreover, conciliation was remunerative and expedient. The revenues of land were invested in industry; and the profits of trade were employed in acquiring the social prestige inseparable from territorial ownership.

SECTION 98.—**Anti-Parliamentarism.**

In the Labour Movement of the time there were elements that either had no faith in the power of the State to aid their aspirations, or else they had no faith in the sincerity of the employers who promised social improvements after Reform were gained. In 1827, William Thompson raised the shortcomings of sectional unionism. To meet the "competition of the underpaid of surrounding trades, the ready remedy is a central union of all the general unions of all the trades of the country." The need for a Labour General Staff was urged.

An outstanding feature of the twenty years before the passage of the Reform Bill is the splendid sanity of trade unionists. The activities of hordes of Government spies notwithstanding, few only of their number were incited to pit the fruitless folly of sporadic violence against the strength of a centralised State. Trade unionists played no part in Thistlewood's hectic scheme. He proposed that a very small minority, which as events proved contained the ordinary admixture of sincerity and charlatanism, should seize the Bank, set up a provisional government, and summon a popular revolution. Thistlewood was hanged. His imitators are the natural outcome of a disordered society. The trade unionists of his time kept all such projects at a distance. But when it was observed, especially after 1826, that the employers were consolidating their strength for the control of Parliament, new life was given to the tendencies towards voluntaryism always present in the British Labour Movement. The very fact that

the masters sought control of Parliament caused great numbers of trade unionists and co-operators to doubt its utility for their own purposes. They became anti-parliamentary. Self-help, with a revolutionary objective, was their programme.

The cotton spinners were the first to move from the parochial unionism of early trade organisation. Under Doherty a national union was formed. It prepared the way for the Association for the Protection of Labour, which comprised one hundred and fifty unions in twenty different trades, with Doherty as its secretary in 1830. It mysteriously disappears, but in the following year the Builders' Union succeeds to its place in public prominence. This union was an industrial organisation consisting of the separate organisations in seven building trades. Its spirit was shown during the strike in Liverpool in 1832, when the employers were informed that they must pay four shillings daily to each of their employees obeying the union's instruction to strike work. A proposition of rather greater value was the decision of the Builders' Union Conference to render the employer superfluous by themselves contracting for the building of houses.

SECTION 99.—**Control of Industry.**

At about this period, in Owenite literature, it was incessantly contended that the social problem would be solved by the producers taking over the management of industry. That progress was made towards applying the idea of labour control is shown by the statement of the Birmingham builders. During the erection of the new Grammar

School in 1832 a strike occurred. The grounds alleged for its justification were that in making the contract the employers had not received the authority of the builders' lodges, and that the employers had no right to fix the price at which labour should be sold. Investigation of the detailed estimates of quantities was demanded. It was further proposed that the employers should have a fixed percentage of profits in return for management and the provision of material, the balance to go to the wage-earners employed.

The position of the anti-parliamentary school was summarised by James E. Smith, in *The Crisis* a few months later: "A struggle is awaiting us, but it is a struggle in which we are sure to conquer. At present we are within the laws. . . . By and by they will make new laws and then reproach us for breaking them. Shall we consider it our duty to check our progress to prosperity and social happiness? Let them make laws for themselves if they are so fond of legislating. If they are so fond of imposing taxes let them tax one another; but let them first ask our consent before they prescribe pills for our disease, which we ourselves know much better how to cure. No! The immediate consequences of any attempt to crush the efforts of the popular mind, at this present juncture, will be a most resolute determination on the part of the people to legislate for themselves. This will be the result. We shall have a real House of Commons . . . a House of Trades, and that is only just beginning to be formed. We shall have a new set of boroughs when the unions are organised; every trade shall

be a borough, and every trade shall have a council of representatives to conduct its affairs. . . . There are 133,000 shoemakers in the country, yet not one representative have they in the House of Commons. . . . The same with carpenters and other trades. . . . Such a House of Commons, however, is growing. . . . The elements are gathering. . . . The Reformed Parliament is now blasted. . . . It will be substituted by a House of Trades."

The question of the control of industry had been raised. That control, though it may be delegated to directors or a managing committee, is inseparable from and consists in :—

(*a*) The provision of the means of production (now capital).
(*b*) The choice of raw materials.
(*c*) Decision as to the form that capital expenditure shall take.
(*d*) Decision as to the class of goods to be produced.
(*e*) The purchase and organisation of labour.
(*f*) Selling the goods.

In 1832 the development of capitalism had raised that complex problem for Labour's solution. The solution was not less than the forging of the means which should transfer the control of industry from groups and individuals to the community. It still awaits application, while the elements of the problem remain the same. Ninety years of later history have shown that neither the hysteria of summary seizure, nor the strike, whatever its worth in other directions, can ever wrest the means of

production from the hands of the owners. The control of the State, which makes and unmakes private property, is to be won only by political action, through the avenues of authority. In Western civilisation the period when States could be transformed by any other means is long since past.

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