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Abstract

This thesis examines the nature and development of social security provision in a capitalist society. It begins with a consideration of poverty as wage labour, and traces the origins of social security as a response by successive ruling classes and by the emerging State to the problems involved in the creation and maintenance of wage labour in the transition from feudalism to capitalism.

This theme is then continued in an examination of the Poor Law as an instrument of labour discipline through to and including the 1834 Poor Law Amendment Act, where the impact of industrial capitalism not only on poverty and unemployment but also upon the structure of politics and the State is discussed.

The second section of the thesis examines in closer detail the causes and problems of unemployment and the development of social reform and of National Insurance as a response to the problem in the period from 1880-1911. It is argued that it was in this period that the characteristic form of the present social security system was developed. In particular the New Liberalism, the ideology of social democracy and of citizenship, the attempt at working class incorporation, and the extension of State activity through social reform as an alternative against the threat of a more fundamental challenge to existing social relationships and inequalities are identified as having laid the foundation of the contemporary Welfare State.

By way of conclusion the thesis considers the post-war development of social security from the Beveridge Report to the present day. The continuing use of social security as a means of strengthening labour discipline is examined, and the political implications of its structure and administration are discussed. Finally, some conclusions are drawn about the nature of the State in capitalist society, its role in preserving class divisions and inequalities, and the limitations of social reform as a solution to the problems of poverty and unemployment within capitalism.

POVERTY AND THE STATE

A Study of Unemployment and Social Security in Britain.

Thesis submitted for the degree of Doctor of Philosophy

I owe a great debt of thanks to many people for the preparation and completion of this thesis. I would like first to thank my parents, whose assistance over this and for many years has been invaluable. I would also like to thank all those friends who have given me support and offered their advice; and especially Chris, without whose help, enthusiasm and encouragement the whole thing, like so many mountains, would have been unassailable.

Tony Hovak.

University of Durham.

March 1976.

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Poverty and the State

"We are apt to consider the fact that we are a law-abiding people and that we have not suffered from violent revolutions to be entirely due to the virtues of the national character and the excellence of the British constitution. But before the introduction of our system for relieving the poor we were by no means so free from disorder. The poor laws themselves were at least partly police measures, and, until they were successfully administered, the country was repeatedly disturbed by rebellions and constantly plagued by vagrants. The connection between the relief of the poor and orderly government in England appears fully during the course of the sixteenth and seventeenth centuries, and it may be that our legal system of poor relief has ever since contributed to the absence of violent catastrophes in our national history."

(E.H. Leonard 'The Early History of English Poor Relief'. 1900.)

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Introduction

This thesis is about poverty, about its cause, and about the various policies which governments in this country have developed to deal with 'the problem' of poverty.

It is also about unemployment, and its relationship with poverty. We are often led to believe that unemployment, like sickness or old age, is a 'cause' of poverty. What is not often pointed out is that for certain sections of the population to be without work, even permanently, is no more a cause of poverty than to be sick or old.⁽¹⁾ As Ralph Miliband has put it:

"To be an old, ailing, and idle rentier may not be agreeable, but neither need it mean poverty."

('Politics and Poverty'. 1974. p 184.)

If unemployment or sickness only causes poverty amongst certain sections of the population, and not amongst others, if only certain groups in society are or are likely to become poor, then there must be something specific about those groups that makes them vulnerable. If we are adequately to understand poverty, then we need an analysis which can take account of these differences.

In trying to develop such an analysis, the approach that will be taken will be largely an historical one. This does not mean that this study pretends or attempts to give a complete and sufficient history of poverty, or of the attempts by the State to deal with the problems it presents; rather, it seeks to use the example of historical experience in order to highlight and illuminate the various processes at work in our society at present. There are two important reasons for adopting this approach: the first is that an

(1) One would not expect Lord Thomson, for example, whose personal wealth in his own companies alone amounted in 1973 to £59.5 million, to be forced to apply for social security benefits if he were suddenly incapacitated. (See: Labour Research Department 'The 2 Nations' Inequality in Britain'. 1973.) See also L.R.D. 'Inequality in Britain Today'. May, 1977.

understanding of history can often help us to identify and understand certain features of our society whose real nature and purpose have become clouded with years of familiarity and experience. We live in a society in which a great many things appear to be beyond individual control, in which we are confronted by institutions and practices which have the appearance of permanency, and which are taken-for-granted conditions of existence. These features, including often poverty and unemployment, appear as 'natural' and inevitable, as elements which would exist in any society, and which are necessary in order for society to survive. What we often fail to recognise is that society, and the way it is organised and arranged, is itself the product of human action and behaviour. Our present society and its features is not timeless and inevitable, but the result of past actions and events, and if we are to understand the things that surround us, we must understand them as the product of our history.⁽¹⁾

The second and related reason for adopting our historical approach is that we cannot understand our present society as one fixed at a particular point in time. Just as the present arises out of a whole series of events and actions that have gone on in the past, so it is also part of this ongoing process of change. Social organisation is a dynamic process, a series of interactions and relationships between individuals and groups of individuals; any aspect of society has to be considered as part of this process, as something which has evolved and changed over time, and which is still evolving and changing.⁽¹¹⁾ Through a study of the way in which this change has occurred in the past, we can begin to discern the mechanisms and processes through which change occurs, and thus the possibilities and the limitations of solving the problems that we face.

(1) According to the nineteenth-century political economist J.S. Mill: people "revolve in their eternal circles of landlords, capitalists and labourers, until they seem to think of the distinction of society into those three classes as if it were one of God's ordinances, and not man's." ('Monthly Review'. 1834. Qu A Briggs 'The Language of Class in Early Nineteenth-Century England'. 1967. p 43.)

(11) As E.P. Thompson has argued with respect to class. "Class is not this or that part of the machine, but the way the machine works once it is set in motion... Class is a social and cultural formation .. which cannot be defined abstractly, or in isolation, but only in terms of relationship between other classes; and, ultimately, the definition can be made only in the medium of time - that is, action and reaction, change and conflict." ('The Peculiarities of the English'. 1965. p 357.)

Just as we need to be able to see our society as part of an historical process, so, if we are to understand any particular aspect of society, we need to see that aspect in relation to all the rest. The various parts of our social organisation do not exist in isolation from each other, but form a whole in which they constantly interplay and react upon one another. According to Tom Nairn:

"Studies of any aspect of society, even the most central, have their real meaning only in relation to all the rest - to a social structure as a whole, seen historically. And it is not the case that we have any sufficient idea of British society at this level - not the case that there is even a rudimentary historical debate regarding the total development of British society, in terms adequate to the complexity of the subject... Until this has ceased to be so, it will be more important to ask questions and frame hypotheses (however 'vague' and 'speculative') about the whole than to be precise about the parts - in order that, ultimately, partial studies can be carried out still more precisely and significantly than is now possible, as features contributing to and clarifying some general, meaningful, intellectual landscape."

('The British Political Elite'. 1964. p 23.)

What then this study attempts to do is to analyse poverty, unemployment and social security in a more general context, both historically and in relation to other features of social structure and organisation which have a bearing upon them.⁽¹⁾ It is this general and historical approach which is most lacking in the study of social policy; as J.A. Hobson argued as long ago as 1895:

"A mistaken respect for thoroughness often leads students of society to a piecemeal treatment of industry which blinds them to a perception of large organic operations... It is not so creditable that statesmen and economists should do their best to make it appear that 'the unemployed' is not one, but a hundred different questions to be studied in detail and to be solved by a hundred different little local remedies. This detailed research is highly necessary, but it can lead us to a knowledge only of secondary and contributory causes; no clear understanding of the problem is attained until this fragmentary knowledge is gathered into the unity of a higher synthesis."

('The Economic Causes of Unemployment'. 1895. p 744.)

(i) "If administrative history is to mean anything at all, it must always be related to the society from which it springs."

(V. Cromwell 'Interpretations of Nineteenth-Century Administration'. 1966. p 255.)

"Any study of a single institution or a system of institutions must locate this firmly in its general historical context."

(G.E. Aylmer 'Problems of Method in the Study of Administrative History'. 1958.

Qu ibid p 254.)

It is still of course the practice of many politicians and economists to present the problems of unemployment and of poverty as composed of many distinct, and often separate problems, requiring different solutions and minor adjustments here and there. This is reflected also in the study of social policy, which abounds with detailed studies of social problems in particular localities, or with studies of particular problems without relation to others or to the wider context within which they occur. Yet it is precisely in the study of social problems and social policy that such a wider appreciation is required; studies of particular problems or aspects of policy are important, but they can only help us make sense of the world if we are able to see them in relation to that world, to the way in which society is organised and operates, and to the economic, social and political processes by which problems are created and policies to deal with them are developed.⁽¹⁾

In developing such an approach to social security, various themes will present themselves, and will form the basis of our analysis. Firstly, as we have already noted, we will be concerned to discover the nature and cause of poverty and of unemployment. As we shall see, unemployment, like poverty, is a phenomenon unique to our own particular form of economic and social organisation, a form which is shared by those societies which are known as capitalist.⁽¹ⁱ⁾ In order to understand poverty and unemployment, therefore, we will need to base our understanding on the way in which our society - as opposed to previous or possible alternative forms of social organisation - operates, the way in which wealth is produced and distributed, jobs are allocated, and poverty and unemployment are created.

(i) Not only is such a general theoretical understanding and approach largely missing from the study of social policy, but its very possibility has been denied: "The assumption of the existence of a theory of social policy development or even of social security or of medical care development must .. be considered as premature. We would suggest that each event in the development of social policy should be treated initially as unique and potentially unrelated to both previous and subsequent developments." (J. Carrier and J. Kendal 'Social Policy and Social Change'. 1973. p 222.)

Such a viewpoint, however, would ignore social policy as part of the total social process, a process which, as we shall see, embodies its own vital continuities. Similar arguments against the possibility of a theoretical understanding of social policy have been advanced on the grounds that "the very nature of the empirical material - in large part an inventory of human want and misery - makes it equally likely that any related body of theory will be strongly normative" (R. Pinker 'Social Theory and Social Policy'. 1973. p 105) that "unscientific value judgements .. are unavoidable in this area of study"

An understanding of the nature and cause of such problems, however, does not lead us immediately to an understanding of the development of social policy. Problems such as poverty exist, yet it is only at certain times that initiative and action are taken to deal with them, as past 'discoveries' and 'rediscoveries' of poverty have shown. The fact that poverty or unemployment are constituted as social problems at all, about which something has to be done, and that at some times rather than others, should alert us to the need for an understanding of the way in which and by whom problems are defined and policies developed. There exists a tendency to see the development of social policy as an automatic and "integral part of industrialisation",⁽ⁱ⁾ a reaction to the mere existence of poverty or unemployment; on such a view:

"The 'social problems of industrialist society' are apparently self-evident. This approach therefore fails satisfactorily to explain why members of urban, industrial society have disregarded such 'social problems' in the past and have continued to ignore them in the present."

(J. Carrier and J. Kendal 'Social Policy and Social Change'. 1973. p 214.)

/Contd. from p 4 ...

(V. George and P. Wilding 'Ideology and Social Welfare'. 1976. p 2.) and that as a consequence "on fundamental issues of welfare provision .. there can be little true evidence" (Ibid p 22.)

Again such a viewpoint results from confusion, and from the failure to differentiate between subjective assessments and knowledge; whatever we may feel about poverty or social security, they do exist, and it is therefore possible to give an objective account of their causes, development, and function.

(ii) "Sickness, old age and death entail hardships in any kind of society... Unemployment, however, at least in the form in which it is thought of as a social contingency, is a product of industrial societies, and it is unemployment more than any other social contingency which has determined the shape and the timing of modern 'welfare' legislation."

(Asa Briggs 'The Welfare State in Historical Perspective'. 1961. p 229.) Cf also Richard Titmuss 'The Social Division of Welfare'. 1956.

The euphemistic substitution of 'industrial' for 'capitalist' society is of course wholly misleading: industrial production can take place under forms of social organisation which are not capitalist, and which therefore do not entail the consequences specific to that form. It is regretted that space does not allow consideration of poverty in East European 'State capitalist' societies.

(i) R. Titmuss 'Essays on the Welfare State'. Cf: "An organic process within industrialist society .. the essential feature of social policy has been the growing capacity to measure, and hence to express in politically constructive ways, the economic costs of the social wastage inherent in unregulated industrialism."

(O.R. McGregor 'Social Research and Social Policy in the Nineteenth Century'. 1957. p 146.)

The ability to measure has never, of course, meant that anything would be done.

Social policy, or the social security system in particular, has developed in response to certain 'problems', but just as poverty has always existed, it is only at certain times that it has become problematic;⁽ⁱ⁾ we need, therefore:

"not only to show the existence of a social problem but also how this was made known to contemporaries and how the gravity of its consequences was brought home to those in positions of influence and authority...

Similarly .. the particular course of development followed must .. be interpreted as in large part the outcome of successive encounters between various sectional groupings pursuing different and often conflicting objectives. Public health legislation, factory and labour legislation, the provisions made for social security were all to some degree or other created out of a process of struggle and compromise."

(J. Goldthorpe 'The Development of Social Policy in England'. 1964. p 54/5

The poor and the unemployed do not decide themselves what is to happen to them: the development and operation of social security depends upon those who are in a position to define and implement policy; it is thus important to know not only why at certain times they see poverty as problematic and requiring action, but also the way in which they see it as a problem, for it is on the way in which the problem is defined that the nature, purpose and effects of legislation will depend.

The attempt to answer these questions will lead us on to what is perhaps the most difficult part of our task: an understanding of the political processes by which social policy and social security has developed; in short, to an understanding of the State. There are of course certain forms of welfare provision which strictly speaking fall outside of the realm of the State, such as those occupational benefits and pensions provided directly by employers for their workers, but while such distinctions are themselves politically significant,⁽ⁱⁱ⁾ we will be concerned with the provision of social security only in its 'public' form. This provision of social security at present forms a major activity and item of expenditure of the State, not only in Britain, but in all advanced capitalist countries, and we shall be concerned to know how and why it has developed and what its

(i) "General efforts are seldom made for the relief of partial ills, until they threaten to convulse the whole social condition."

(J.P. Kay-Shuttleworth 'The Moral and Physical Condition of the Working Class'. 1832. p 18.)

Once again: "an adequate account of 'how the problem arose' requires a theory of how the society is organised and operated."

(M. Clarke 'Social Problem Ideologies'. 1975. p 407.)

(ii) See R. Titmuss 'The Social Division of Welfare'. 1956.

consequences have been for unemployment and poverty.

The State has not always existed,⁽¹⁾ and neither has a system of public provision for social security. In fact, as we shall see, the two have developed more or less together in response to what has been seen as 'the problem' of poverty. It is of course impossible to talk of the system of social security as something distinct from the State: to a large extent the growth of social security provision charts also the growth of the State, the creation by groups and individuals in society of institutions to deal with what they experienced as the problem of poverty, and we will therefore need to know how and why, and in whose interest, State policy has defined and reacted to the problem in the way that it has. Social security is not of course the whole of the State's activity, for in this we must include the government and civil service, the military and police forces, and the various other branches of administration such as the legal system, as well as those areas such as education, health, and housing that are most commonly identified as areas of social policy. Such distinctions are, however, perhaps not very useful, for to separate, for example, the State's economic from its social policy is to ignore the effect that each has on the other, and the relationship between them on which they mutually depend. An examination of social security provides one avenue for exploring this relationship, and for coming to understand the nature of the State and the political processes by which we are governed, which in turn will help to clarify the nature of our system of social security provision. That this provision has been in existence, in one form or another, for over five hundred years is one of the discrepancies to which this thesis is addressed. It will suggest that far from being a paradox, the continued existence of poverty and unemployment within the 'Welfare State' has to be seen not in terms of the 'failure' or shortcomings of social security, but through a re-examination of its operation, in terms of its underlying functions and intentions. It will attempt to show that, far from being intended to abolish poverty, the social security system has been developed in order to strengthen and perpetuate those economic and social relations and interests, and a particular form of social organisation, which itself conditions and creates poverty.

(1) Cf: F. Engels 'The Origins of the Family, Private Property and the State'.

Part OneThe Problem of Poverty

"It would be easier, where property is well secured, to live without money than without poor; for who would do the work ? ... As they ought to be kept from starving, so they should receive nothing worth saving. If here and there one of the lowest class by uncommon industry, and pinching his belly, lifts himself above the condition he was brought up in, nobody ought to hinder him; nay it is undeniably the wisest course for every person in the society, and for every private family to be frugal; but it is in the interest of all rich nations, that the greatest part of the poor should almost never be idle, and yet continually spend what they get... Those that get their living by their daily labour .. have nothing to stir them up to be serviceable but their wants which it is prudence to relieve, but folly to cure."

(Bernard de Mandeville 'The Fable of the Bees'. 1728.
Qu Karl Marx 'Capital' Vol I. p 576.)

Chapter OneThe Origins of Poverty

"Poverty as such begins with the tiller's freedom."
(Karl Marx 'Grundrisse'. p 735.)

Poverty, as we understand it, is not only a materially, but also an historically relative phenomenon. It arises at a certain period in history, and it is tied to a particular form of economic and social organisation.

All societies, as forms of human social organisation, depend upon the production of those goods - such as food, clothing, and shelter - which are necessary for existence in order to survive. What distinguishes one type of society from another are the conditions, the social arrangements, under which this production is carried out. In order to produce, we have to work: it is the application of man's labour to the raw elements provided by nature that enables us to create goods, to transform iron ore into ships, or wood into furniture. In the most primitive societies, this labour was direct, it involved merely fishing, hunting, and gathering, but as societies progressed this labour was applied also to the production of tools. These means of production enable people to produce more with the same amount of labour, they increase the productivity of labour, and thus increase the amount of wealth that can be created. In our society, however, these means of production - tools, machines, factories - do not belong to the people whose labour is used to produce the goods that are created, and it is this fact which must be the starting-point in our analysis of poverty; for if to be poor is to lack the means of subsistence, then we must begin with the separation of the majority of the population from the direct means of obtaining that subsistence.

In all but its most primitive stages, the social organisation of production has been characterised by a division between those who own and

those who do not own the means of producing wealth - between slave and master, serf and lord, worker and employer - between one class of people and another. While it is this fundamental division of society into social groups according to their relationship to the means of production which is the basis for Marx's observation that "the history of all hitherto existing society is the history of class struggles",⁽¹⁾ the mechanisms of its operation have differed: the slave for example did not own land, but neither did he own his own body, for both were the property of his master. Similarly before the advent of capitalism in Britain, feudal society was divided into those who, ultimately through force, claimed to 'own' the land, and those who lived and worked upon it.

This arrangement enabled the feudal lords to take for themselves the surplus of serf and peasant production; through the sanction of force, custom, religious belief and superstition, but also in return for protection and other obligations, they demanded tithes, dues and services, payable in kind or in compulsory labour, and later in the form of taxes and rents paid in money, but their ability to do this depended first and foremost on the ability of the peasant population to produce and maintain themselves. So long as the peasant had access to the land, or the artisan control over his tools and equipment, he was able to produce his own means of subsistence, and the ruling class of feudal landowners were able to secure whatever surplus was produced only through their position of political and legal domination. It is therefore to the breakdown of this system, and its replacement by another, different form of social and economic organisation, that we must look for the origins of poverty.

The development of capitalism began from within the structure of feudal society, with the development of trade and commerce, and the spread of money into an otherwise fairly static and self-sufficient economy.⁽ⁱⁱ⁾ As we have noted, one of the first effects of this was the substitution of

(1) Karl Marx and Frederick Engels 'Manifesto of the Communist Party'. In Marx and Engels 'Selected Works'. p 35.

(ii) It is even, perhaps, misleading to talk of 'an' economy, for in reality feudal society was composed of a series of more or less self-sufficient and distinct economies, centred around a particular feudal estate and lord of the manor, and tied only loosely through a further series of economic, political and military relations to the larger barons, and, ultimately, to the monarch.

the traditional dues and services paid to the feudal lord in kind or in labour by a series of cash payments; as one writer has put it:

"Buying off the services in money took partly the shape of getting rid of some of the more hateful and cumbersome duties .. and thus appeared as a kind of emancipation by instalments."

(Vinogradoff 'The Growth of the Manor'. 1895. Qu W. Hasbach 'A History of the English Agricultural Labourer'. 1908. p 14.)

We shall return to consider the nature and implications of this 'emancipation' shortly, for these developments signified much more fundamental changes: with the spread of money, of trade and commerce, and with the growth of towns as centres of trade and of small-scale manufacture, the economic and social base of the feudal estate began to be transformed.

Whereas previously both agricultural production and consumption had taken place more or less within the confines of the feudal household or estate, the development of trade and the growth of towns encouraged and demanded production for a commercial market. So long as the lord of the manor continued to take the surplus of feudal production for his own personal consumption, then such commercial production was impossible; but as trade, and its benefits in the form of imported luxuries etc., developed, aided by the spread of money, so a significant proportion of the feudal ruling class began to see an advantage in transforming the economic, and social, basis of the feudal estate:

"Commerce, at length, offered him allurements of a different kind, and induced him, from motives of personal gratification, to lessen the number of his idle retainers and dependents, and to grant the usufructuary enjoyment of a portion of his demesnes to a tenant, on condition of receiving a rent, which might enable him to extend his pursuits beyond sumptuous entertainments, field sports, or domestic warfare."

(Sir F.M. Eden 'The State of the Poor'. 1796. p 54.)⁽¹⁾

The result was to be the eventual transformation of the feudal landowning class into a class of 'rent-receivers', or land-lords, and, on the land they rented out, the rise of a class of 'independent' tenant farmers,

(1) "The lord limits his home-farm, or even gives it up altogether, and becomes more and more, or even exclusively, a simple rent-receiver."
(W. Hasbach 'A History of the English Agricultural Labourer'. 1908. p 17.)

producing now not directly for their overlords, but for a market. At the same time this process saw also the creation of another new class: people who were dismissed from their position as servants or retainers within the former feudal household, and people who lacked sufficient land to produce for all their needs, and who thus worked part of their time for the larger tenant farmers in return for money. This development of course occurred over a long period of time, and at different rates in different parts of the country, depending upon, for example, the proximity to markets and towns, the degree of agricultural innovation, and the amount of pressure for and resistance to change, both on the part of landowners and of their servile population. By the beginning of the thirteenth century, according to Eden, the payment of money in return for labour was fairly widespread, although there were few who lived on such wages alone;⁽¹⁾ yet by the mid-fourteenth century, as some of the larger feudal households were 'rationalised', and as the production and manufacture in particular of wool increased, with its consequent enclosure of land and the squeezing out of the serfs and smaller tenants, the number of labourers without any visible means of support had grown. It was at this point that legislation first took account of this new phenomenon:

"To the introduction of manufactures, and the consequent emancipation of those who were dismissed by masters, and to those also who ran away from them with the adventurous project of trying their fortunes in the lottery of trade, I ascribe the introduction of a new class of men, henceforward described by the legislature under the denomination of Poor."

(Sir F.M. Eden 'The State of the Poor'. 1796. p 57.)

As Marx noted, poverty began with the tiller's 'freedom':

"When .. the great English landowners dismissed their retainers who had, with them, consumed the surplus product of the land; when further their tenants chased off the smaller cottagers, etc., then .. a mass of living labour power was thereby thrown onto the labour market, a mass which was free in a double sense,

(1) 'The State of the Poor'. p 14.

The payment of wages was at first confined to such periods as harvest-time, when the larger tenant-farmers would employ the labour of the smaller tenants or of craftsmen and artisans from the towns, but initially this was only a subsidiary form of income.

free from the old relation of clientship, bondage, and servitude, and secondly free of all belongings and possessions, and of every objective, material form of being, free of all property; dependent on the sale of its labour capacity or on begging, vagabondage, and robbery as its only source of income."

('Grundrisse'. p 507.)

The emancipation of feudal society was of course double-edged: it meant freedom from feudal servitude, but it meant also to be cut adrift from the land, from the principle means of production, and to be left without any means of support: it meant poverty.⁽¹⁾

Over the next three hundred years this steadily increasing pool of 'free' labour was to provide the condition for the development and growth of capitalism.⁽¹¹⁾ As a mode of production distinct from feudalism, capitalism depends not upon the direct access of the producers to the means of production, but on their separation; it accumulates wealth not indirectly by seizing the surplus product of labour, but directly by buying labour-power and using it to augment and increase the privately-owned means of production. The worker who sells his labour-power is of course paid a wage, but this wage represents only a portion of the wealth that his labour creates: the remainder is retained by the owner of the means of production, for his personal consumption and to increase his existing wealth. As Eden noted:

"It is not the possession of land, or of money, but the command of labour, which the various circumstances of society place more or less within their disposal, that distinguishes the opulent from the labouring part of the community."

('The State of the Poor'. p 2.)

The existence of 'free' labour is one of the 'various circumstances of

(1) "For pre-Commonwealth governments, the 'poor' were not unfortunates at the bottom of a social or economic ladder; they were the whole body of those who had neither property nor a master."
(Sir John Walley 'Social Security - Another British Failure?'. 1972. p 11.)

(11) As Rodney Hilton has pointed out the spread of a 'money economy' is of itself insufficient to explain the demise of feudalism and the rise of capitalism; the growth of the latter depended above all on the 'freeing' of the population from the means of production. Of course the spread of money and of trade was a vital contribution to this process.
(R. Hilton 'The Origins of Capitalism'. 1976.)

society' which places the labour-power of the majority of the population at the disposal of that small section which owns the means of production, but it is not a sufficient condition; as Marx noted, those who were freed from the restrictions of feudalism were faced with other alternatives besides wage labour, and we shall have to consider shortly how various other circumstances of society were deployed in order to get them to sell their labour. The point is, however, that the existence of 'free' labour formed the essential precondition for the existence and development of capitalism: only when people lack their own means of producing their own subsistence are they forced to work for others in order to survive. It is this separation of the majority of people from the means of production, and the private ownership of these means in the hands of a small ruling section of the population, which is the fundamental cause of poverty. Thus according to one nineteenth-century economist:

"Poverty is that state and condition in society where the individual has no surplus labour in store, and, consequently, no property but what is derived from the constant exercise of industry in the various occupations of life; or in other words, it is the state of every one who must labour for subsistence.

Poverty is therefore a most necessary and indispensable ingredient in society, without which nations and communities could not exist in a state of civilisation. It is the lot of man - it is the source of wealth, since without poverty there would be no labour, and without labour there could be no riches, no refinement, no comfort, and no benefit to those who may be possessed of wealth."

(P. Colquhoun 'A Treatise on Indigence'. 1806. Qu M.E. Rose 'The English Poor Law 1780-1930'. 1971. p 47.)

If to be poor is to lack the means of production and subsistence, to be forced to work for others in order to exist, to be rich is to be able to live off the labour of others. The wealth of a society is measured not so much by the amount of goods that are available at any time, but by the amount of wealth that a society is able to produce: by its means of production. Those who own and control the means of production own and control its wealth.

It is the lack of ownership and control over the means of production that is the fundamental cause of poverty, and it is this condition of being dependent on employment by those who do own the wealth that produces the destitution and distress that follows from the periods of sickness, old age,

or unemployment that we normally take to be the 'causes' of poverty:

"It is already contained in the concept of the free labourer, that he is a pauper: virtual pauper. According to his economic conditions, he is merely a living labour capacity, hence equipped with the necessaries of life... If the capitalist has no use for his surplus labour, then the worker may not perform his necessary labour; not produce his necessaries."

(Marx 'Grundrisse'. p 604.)₍₁₎

As a system of production, capitalism depends upon 'free' rather than 'unfree' labour,⁽ⁱⁱ⁾ on the divorce of the producers from the means of production rather than their attachment to them; in short, the development of capitalism depended upon the break-up of feudalism. The two systems were antagonistic, for the conditions of one were the negation of the conditions of the other, and thus during the period of the initial development of capitalism this antagonism was to produce problems, conflicts and crises. It was in response to these crises, to the newly-emerging 'problem of poverty', that the first of the English Poor Laws, and with them the administrative structures of the State, were built up.

The Statute of Labourers of 1349 - the first in the history of English Poor Law and social security legislation - was passed in response to the immediate threat of the Black Death, the bubonic plague which swept the country and most of Europe, and which was almost to halve the total number of the population. One result was to create an immediate shortage of labour, and a consequent rise in wages for those who depended upon the employment

(i) "The possessing class has so arranged the conditions of social life and industrial activity that the worker can only obtain his subsistence when permitted by it, and it only sanctions his doing so on the customary conditions that the wage system represents. So long as the wage worker can be profitably employed by the capitalist employer in producing by his labour marketable products, which the capitalist appropriates as his own, by means of the wages system, and markets as if he were the producer of them, for so long only will the labourers be permitted to work."

(D. Campbell 'The Unemployed Problem - The Socialist Solution'. 1892. p 8.)

(ii) The 'freedom' of labour under capitalism is only however an illusion of freedom: present-day capitalism depends heavily upon various forms of 'unfree' (domestic, peasant, and even slave) labour (cf P.R.D. Corrigan 'Feudal Relics or Capitalist Monuments? Notes on the Sociology of Unfree Labour'. 1977.), but even wage labour is not 'free', for by denying people the possibility of producing for their own needs, it denies them the possibility of realising their freedom; they remain in Marx's term 'wage-slaves'.

of free wage labour; according to the Statute:

"Because a great part of the people, and especially of workmen and servants, late died of the pestilence, many seeing the necessity of masters, and great scarcity of servants, will not serve unless they may receive excessive wages, and some rather willing to be in idleness than by labour to get their living; we .. have ordained: That every man and woman of our realm of England .. not living in merchandise, nor exercising any craft, nor having of his own whereof he may live, nor proper land .. and not serving any other .. shall be bounden to serve him which so shall him require."

(23 Edward III)⁽¹⁾

The problem to which the Statute was addressed was not merely that of rising wages as they affected those who employed labour, for this was still a predominantly feudal society, headed by a monarchy and a large part of the ruling class whose interests still lay in the preservation of existing relations. But a shortage of labour and rising wages did threaten further to weaken these relations, for it provided a further incentive for serfs to escape and seek their 'freedom', it threatened to undermine the existing structure;⁽¹¹⁾ and in return the feudal lords responded by increasing

(1) This and the following extracts from the early Poor Law statutes are taken from Karl deSchweinitz 'England's Road to Social Security'. 1947.

(11) During the ascendancy of capitalism, this call for the 'freedom' of labour (but a freedom only to be bought and sold) constituted a 'radical' challenge: a rallying-point for those still subject to feudal servitude, and a threat to those whose interests lay in preserving the existing feudal structure of society. It was this call also that was to remain the 'cutting edge' of capitalism and its most enthusiastic spokesmen in the form of Liberalism throughout the nineteenth century. (I am grateful to Philip Corrigan for this observation.)

Significantly, however, this call has lost its edge: in an editorial (aptly although misleadingly entitled 'Man is born free') on a speech by Margaret Thatcher, the present leader of the Conservative Party, The Times (5.7.1977.) noted: "Mrs Thatcher is commonly regarded as belonging to the right, but this is because her belief in liberal economics is nowadays labelled right wing. In the past liberal economic theory has normally been regarded as a left wing cause. Adam Smith himself was more a man of the left than of the right, and the individualist free market economics which he advocated were the backbone of the Liberal Party, at least until quite recent times... It is not, however, inappropriate that Mrs Thatcher should make a serious declaration of her underlying views, of her philosophy of politics .. her belief about the relationship between the individual and society... This belief, whose roots in history go back to the Middle Ages, has until very recent times been the underlying principle of those who wish to change British society rather than of those who wished to preserve it in its existing

the exactions they imposed on the peasantry,⁽ⁱ⁾ thus contributing to the growing discontent and resistance that was to break out in the great peasant revolts up until the end of the sixteenth century.⁽ⁱⁱ⁾ Accordingly the Statute of 1349 had sought not only to limit wages to those payable before the onset of the plague, but also required workers to be hired by the year rather than by the day, and threatened to imprison anyone giving support to those without work. Again according to Eden the Statute was an attempt:

"to preserve some affinity between the new class of labourers and the old class of villeins, by limiting their earnings ..
 [so as to] curb the aspiring exertions of industry and independence."

('The State of the Poor'. p 41.)⁽ⁱⁱⁱ⁾

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form... Can it really be that this ideology of individualism .. has suddenly become a reactionary influence, an obsolete idea ? ... What is certain is that they are ideas of revolutionary force... They dethroned King Charles I in England... They inspired the capture of power from the landowners by the middle class in the first half of the nineteenth century, and they inspired the great social reforms of the Liberal Party."

The point is, however, that this ideology of individual 'freedom' remained a revolutionary force so long as it still had a job to do in establishing capitalism as the dominant form, in overthrowing a feudal monarchy, and in seizing power from the landowners for the industrial capitalists. Once established, it has of course now become a 'reactionary' force, seeking to preserve the existing structure of society against those forces which now seek to transform it further.

(i) "The shortage of labour so strengthened the economic position of tenants and labourers vis-a-vis landowners and employers that one way in which the ruling class could have reacted would have been the tightening up of controls on the movement of unfree persons, increase in rents and jurisdictional fines, and a freeze on wages. For about two decades after 1350 this policy was tried, but with complete lack of success."
 (R. Hilton 'The Origins of Capitalism', 1976.)

(ii) E.g. the Great Peasant Revolt of 1381, the Pilgrimage of Grace 1536, revolts in Devonshire, Norfolk, and Cornwall in 1549, and in 1607 in the Midlands, "the last purely peasant rebellion in England" (H. Trevor-Roper 'The Rise and Fall of the English Gentry'. Qu Barrington Moore 'The Social Origins of Dictatorship and Democracy'. 1969. p 13.)

(iii) "Their origin was an attempt substantially to restore the expiring system of slavery."
 (Nassau Senior 'The English Poor Laws'. 1865. p 47.)

This legislation proved difficult to enforce: the feudal 'State' was not a national institution, for this was still a time when the nobility, with their own standing armies, engaged each other in open conflict, and when the Royal Household, although it could pass legislation, lacked any adequate means to enforce it. Thus:

"The workmen adopted many devices, in order to escape from any part of the country where these regulations were enforced. Some seem to have pretended to be crippled and diseased, and so, when undetected, could wander and beg with impunity. Others, apparently, joined bands of pilgrims .. and, journeying with them, would reach a district where they could obtain good wages and be undisturbed by the execution of the labour laws. In 1388, therefore, regulations were made restricting the movements, not only of able-bodied beggars, but of all beggars and of all labourers and, at the same time, admitting the right to relief of those who were unable to work for themselves."

(E.M. Leonard 'The Early History of English Poor Relief'. 1900. p 4.)

The Statute of 1388⁽¹⁾ sought again to fix maximum wages, imposing a fine on anyone giving or taking more than the maximum; it further ordered that anyone employed in husbandry up until the age of 12 was to remain there for the rest of their lives, and it forbade any labourer or servant to move out of his or her locality without a letter of authorisation from the local Justice of the Peace, appointed by the Crown, on pain of being placed in the stocks. The problem existed, however, of those who although without the means of subsistence were themselves unable to work, the Statute ordered therefore that those "beggars impotent to serve" were to be allowed to continue to beg within their place of residence or birth; but any person "that goeth begging and is able to serve or labour" was to be punished.

This distinction between the 'deserving' and the 'undeserving' poor, between the 'able-bodied' and the 'impotent', those who could work and those who could not, was to become an increasing feature of poor relief policy, but it reflected also what was becoming a growing concern: the problem of vagrancy. The spread of capitalist methods and employment in agriculture,

(1) This again noted how workers "will not, nor by a long season would serve and labour without outrageous and excessive hire, and much more than hath been given to such servants and labourers in any time past, so that for scarcity of the said servants and labourers, the husbands and land tenants may not pay their rents, nor live upon their lands, to the great damage and loss as well of the lords as all the commons."

(12 Richard II)

and in particular the development of sheep farming, was turning what had been a labour shortage into a surplus, was creating a constant growth in the 'free' population who, once deprived of their traditional means of subsistence, had to turn to other ways of obtaining a living. Sheep farming of course called for fewer labourers and more land, and the beginning of the enclosure movement, although it was not to reach its height until the second half of the eighteenth century had by the fifteenth century already come to be seen as a major cause of economic and social dislocation.⁽¹⁾

Those who had achieved their 'freedom', or who had simply been thrown off the land on which they and their families had always lived and worked, did not necessarily see that their next step was to go and work for someone else: begging, vagrancy, poaching, and living off the charity of others were still easy and acceptable alternatives. As their numbers grew, the threat of disorder they posed increased, and legislation was continually passed to restrict their movements, to prohibit indiscriminate charity, to suppress vagrancy, and to force them into work.⁽¹¹⁾ These attempts through legislation of course required an increasing extension of the power of the central monarchy in its attempt to establish some degree of national regulation and control,⁽ⁱⁱⁱ⁾ but in the very process of

(1) "The King .. remembreth that among all other things great inconvenience daily doth increase by desolation and pulling down and wilful waste of houses and towns within this his realm, and laying to pasture lands which customarily hath been used in tilth, whereby idleness, ground and beginning of all mischiefs, daily do increase .. to the great displeasure of God, and to the subversion of the policy and good rule of this land."
(4 Henry VII c19. 1488)

(ii) The dissolution of the monasteries, which together held one-fifth of all the land, itself contributed towards the loss of traditional means of charitable support, as well as adding an estimated 50,000 monks to the ranks of the dispossessed. Nor was this attack on such forms of relief restricted to England; Europe too was undergoing a similar transformation, as one German priest complained: "I accuse them of almost completely destroying the establishment for the relief of the poor built up by our fathers at great expense, and of rendering it useless. In former times, there were Christians who so loved the poor that they called them fathers and sons, washed their feet, prepared meals for them, served them at table as did our Lord Himself. Now they are forbidden to enter the towns and are driven away, men close their doors against them as though they were wrongdoers and public enemies."
(Qu G. Rusche and O. Kirchheimer 'Punishment and Social Structure'. 1968. p 39.)

(iii) "From the labour legislation of 1349-51 onwards, the centralised power of the state had been advancing hand in hand with the power of the J.P.s as its local administrative agent: national regulation and control of labour came to be one of the more important of the new functions of government."
(Christopher Hill 'Puritans and the Poor'. 1952. p 37.)

establishing control the creation of a national State itself contributed to the problems it faced:

"The age was a time of transition... The feudal society of the Middle Ages was giving place to the modern industrial and commercial community. War, public and private, and service with great nobles had formerly occupied great numbers of the male population. But the fifteenth century had witnessed the growth of central authorities strong enough to preserve order and to control the power of the great lords... In England the Wars of the Roses and the policy of Henry VII had combined to break the power of the English nobility... The chief occupation of the Middle Ages had become unnecessary; men whom the nobles had formerly been glad to enlist now had to seek other means of earning a livelihood."

(Leonard 'The Early History of English Poor Relief'. p 14/5.)

These events introduced a new dimension, for these men were trained soldiers, and capable of being used in further factional challenges for the Crown; the suppression of vagrancy at this level thus became a matter of political necessity:

"The action of the central government was dictated by fear. Every Tudor monarch had to contend with at least one serious rising, and, not insignificantly, every decade from the 1530s onwards saw at least one Act directed towards the relief of the poor and the suppression of vagrancy."

(J. Pound 'Poverty and Vagrancy in Tudor England'. 1973. p 82.)⁽¹⁾

Factional rivalry within the ruling class, and the attempt to control it, was to be an important factor in the building of the power of a centralised State, but this ruling class itself was becoming increasingly differentiated. Alongside the existing feudal nobility there had grown an increasingly powerful class of merchants, landlords, farmers, and manufacturers, whose wealth depended upon their ability, or the ability of their tenants to secure and employ a supply of cheap labour. Capitalism, however, was still the subordinate mode of production;⁽¹¹⁾ its ability to

(i) One cannot help being reminded here of the concern over unemployment in the 1920s. As a Special Branch report on unemployment amongst ex-servicemen then argued: "Unless something can be done to reduce unemployment, it may become serious. It must be remembered that in the event of rioting, for the first time in history rioters will be better trained than the troops."

(Qu Socialist Labour League Pamphlet 'Forces Attack the Unemployed'.)

(ii) "With free labour, wage labour is not yet completely posited. The labourers still have support in the feudal relations; their supply is still too small; capital hence still unable to reduce them to a minimum. Hence statutory determination of wages. So long as wages are still regulated by statute, it cannot yet be said either that capital has subsumed production under itself

command labour was severely restricted by the alternative forms of subsistence available, and thus depended upon the statutory control of labour; 'free' labour had to be coerced into work:

"Wages again regulated in 1514, almost like the previous time. Hours of work again fixed. Whoever will not work upon application arrested. Hence still compulsory labour by free workers at the given wages. They must be forced to work within the conditions posited by capital. The propertyless are more inclined to become vagabonds and robbers and beggars than workers. The last becomes normal only in the developed mode of capital's production. In the prehistory of capital, state coercion to transform the propertyless into workers at conditions advantageous for capital, which are not yet forced upon the workers by competition among one another."

(Marx 'Grundrisse'. p 736.)

Or as Christopher Hill has argued:

"The main problem was to transform the mental outlook of the lower orders so that they no longer waited at the rich man's gate for charity but went out to offer their services on the labour market... The precondition for the development of capitalist industry on a large scale was the existence of a pool of 'free' labour. The problem set by vagabondage and vagrancy was to force men who had been deprived of their independent means of livelihood to enter into 'free' contracts to work for a capitalist employer, and to accustom them to the habit of steady work throughout the year. A new pattern of social discipline had to be imposed."

('Puritans and the Poor'. 1952. p 36.)

So long as the feudal monarchy, in its attempts to suppress vagrancy and maintain order, forced workers into the employment of private individuals these conditions were supplied, and capitalism continued to flourish and expand. But from the point of view of the ruling feudal order and monarchy this policy was itself contradictory, for as capitalism flourished, creating fresh generations of dispossessed people, as well as the turmoil of enclosures, inflation, over-production, and periodic economic depression, the threat to

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as capital, or that wage labour has attained the mode of existence adequate to it."

(Marx 'Grundrisse'. p 736.)

order and stability, to the existing interests and structure of society was increased. Through to the reign of Elizabeth I the monarchy was to attempt to restrict and restrain the development of capitalism by the building-up of its mechanisms of State control and regulation, but in doing so it was to cut itself adrift from those classes who were rapidly coming to gain the balance of economic, if not yet of political power. The feudal social relations of production, which the State was to attempt to maintain and reinforce, were already being challenged and rendered obsolete by the growing productive forces of capital.

During the course of the sixteenth century acts to suppress vagrancy and force free labourers into work were pursued with almost hysterical vigour.⁽ⁱ⁾

(i) In 1531 an "Act Concerning the Punishment of Beggars and Vagabonds", which began with the now usual preamble about the great increase of vagabonds and beggars, and of "idleness, mother and root of all vices, whereby hath insurged and sprung, and daily insurgeth and springeth, continual thefts, murders, and other heinous offences and great enormities", ordered the Justices of the Peace to search out the aged and impotent beggars and give them a licence to beg; anyone "being strong and able in their bodies to work" but who was not working was to be "tied to the end of a cart naked and be beaten with whips .. till his body be bloody .. and to return to the place where he was born, or where he last dwelled before the same punishment by the space of three years, and there put himself to labour like a true man oweth to do." (22 Henry VIII c12)

In 1536 the Justices were empowered to take any child between the ages of 5 and 14 "in begging, or idleness" and apprentice them to a trade. Penalties for a second offence of "loitering, wandering and idleness, or vagabondage" were also increased, so that the offender should be "not only whipped again .. but also shall have the upper part of the gristle of his right ear clean cut off", while for a third offence "shall have judgement to suffer pains and execution of death as a felon and as enemies of the Commonwealth." (27 Henry VIII c 25)

By 1547 it was ordered that "If any man or woman, able to work, should refuse to labour, and live idly for three days, that he or she should be branded with a red-hot iron on the breast with the letter V, and should be adjudged the slave, for two years, of any person who should inform against such idler." Any attempt to escape during this period would make that person a slave for life, while a second attempted escape would be met with execution. (1 Edward VI c3)

It is indeed heartening to know that the strength of Britain's free labour force was built upon such liberal and benevolent foundations.

The use of repressive measures alone, however, was incapable of stemming the rising problem of unemployment and poverty, and the State was increasingly forced, through the agency of the gentry as local justices of the peace, as well as through the Privy Council, to overcome the disturbances of vagrancy, famine, and the erratic and unpredictable fluctuations of trade and manufacture that characterised the uneven development of the growing capitalist economy, by attempting to fix the prices of provisions, regulate markets, and control production in order to maintain a stability of employment.⁽ⁱ⁾ Similarly the latter half of the sixteenth century saw an increasing number of attempts to restrict the spread of enclosure, to bind workers into apprenticeship, and to fix minimum periods of hire. In 1589, for example, it was forbidden to build any house unless it had four acres of land attached, to build a house within three miles of London except for those with over £5 in goods or £3 in land, to take in lodgers, or to divide houses into tenements; "evidently" writes Hasbach "to guard against the development of a proletarian class of day-labourers".⁽ⁱⁱ⁾

The Elizabethan Poor Laws similarly reflected this policy of stabilisation and containment.⁽ⁱⁱⁱ⁾ Thus in 1576 the Justices of the Peace were ordered to provide a stock of wool and other materials in every parish,

(i) "In 1549 and 1550 the prices of provisions were again high, and the people were mutinous. A proclamation was therefore issued fixing the price of corn, butter, poultry, and other provisions .. but the whole series of orders was disobeyed... The difficulty was a recurring one. The years of high-priced corn were years of riot, and resulted in increasing efforts of the Privy Council on behalf of the poor."

(Leonard 'The Early History of English Poor Relief'. p 51.)

Similarly in the 1620s, for example, over-production in the cloth trade caused a slump, so that "the merchants and manufacturers found that heavy stocks were on their hands and ceased to employ the workmen." The Privy Council then ordered sheep farmers to sell their wool at moderate prices, instructed the J.P.s to prevent manufacturers from laying off their workers, and arranged for the buying of finished cloth by threatening the merchants with opening the market to foreign competitors unless they complied.

(Ibid p 145/53.)

(ii) 'A History of the English Agricultural Labourer'. p 41.

(iii) "The Elizabethan code aimed at stabilising the existing class structure, the location of industry and the flow of labour supply by granting privileges and by putting hindrances in the way of mobility and freedom of contract... Noblemen, gentlemen and others, as employers in their own households, were left quite free."

(Sir G.N. Clark 'The Wealth of England 1596-1760'. Qu Christopner Hill 'Puritans and the Poor'. p 35.)

paid for by the levy of a poor-rate on local property, and to be used to provide work for those without employment.⁽ⁱ⁾ The intention behind this policy of 'setting the poor to work' was one of containment and control, rather than of profitability,⁽ⁱⁱ⁾ and to this end the J.P.s were further authorised to build Houses of Correction, and:

"If hereafter any such person able to do any such work shall refuse to work or shall go abroad begging or live idly, or taking such work shall spoil or embezzle the same .. [he] shall be received into such House of Correction there to be straightly kept, as well in diet as in work, and also punished from time to time."

(18 Elizabeth c3)

In 1601 the Elizabethan statutes were re-codified under what was to become known as the Elizabethan Poor Law - the '43rd of Elizabeth' which was thereafter to become a rallying-point for working class demands for the right to relief and the 'right to work'⁽ⁱⁱⁱ⁾ - establishing a system of relief and of parish employment for those unable to obtain their own subsistence. Although not repealed until 1948 its practical history was, however, short-lived. Developed in an attempt to meet the problem of poverty

(1) The problem of funding some form of poor relief had been a long-standing one. Having first been licenced to beg, in 1536 parish and city officials were ordered "by discreet and convenient order" to collect alms on behalf of the impotent poor. By 1551 the obvious failure of this approach had led to the appointment of paid officials to collect alms from the rich, and if any refused to pay they were to "gently exhort him" - failing which the Bishop was to be sent for. Clearly, christian exhortation, even from the Bishop, was insufficient to move the pockets of the rich, and twelve years later the law was amended so that anyone failing to contribute the amount considered due was to be fined or imprisoned. In 1572 the process was completed with the establishment of a poor-rate compulsorily levied on property.

(ii) "One remarkable distinction of the present state of society, since Elizabeth, is that her poor law was especially a law for the enforcement of industry, intended to meet the mass of vagrancy that grew out of the suppression of the monasteries and the transition from slavery to free labour... The great difficulty then was to overcome the propensity to idleness and vagabondage, not to procure them remunerative occupation." (Tuckett 'A History of the Past and Present State of the Labouring Population'. 1846. Qu Marx 'Grundrisse' p 785)

As now, the disciplinary intention of this legislation was particularly directed at the young. "The aim of the act of 1576 .. was that 'youth may be accustomed and brought up in labour and work'... Lambarck said in 1582 that rogues were on the increase 'partly for that many young persons, not altogether evil at the first, beholding the ease and impunity that those wanderers enjoy, do abandon their honest labours wherewith they have been acquainted (as indeed the nature of man is prone that way) and do adjoin themselves to this idle and loitering company.' Keeping the young at labour was clearly a major social problem of this period."

(A.L. Beier 'Vagrants and the Social Order in Elizabethan England'. 1974. p 9.)

(iii) E.g. Keir Hardie 'Dealing with the Unemployed'. 1905. p 53/6.

the Poor Law by the beginning of the seventeenth century had come to reflect the interests and concerns of those who controlled the apparatus of State. To them, poverty was a threat; the product and precondition of an economic system which had grown up within feudalism, the social and economic relationships which this system entailed now threatened to destroy the social fabric and order. In the attempt to meet this problem the feudal State under the absolute rule of the monarchy had developed a variety of measures and means of control to halt the spread of poverty and vagrancy, to suppress the growth of a 'free' population, and increasingly to restrict and restrain the development and operation of capitalism.⁽¹⁾

Such attempts were, however, to prove futile: the coercion, regulation and control of 'free' labour had itself contributed to the establishment of a market in labour-power on which the growth of capitalism depended, and by the time that the Elizabethan State began to come to grips with the problem through the provision of public, rather than private, employment of the poor, and the regulation and control of prices and markets, it was already too late. The feudal State ruled over a society which was no longer feudal but capitalist, and the representatives of the new forces of capital had already secured a prominent place in the structure of political rule.⁽¹¹⁾ So long as State policy continued to serve their interests they were content to endure an alliance with their feudal host, but as this policy began to

(i) "State efforts to control prices and distribution of the food supply accompanied these labor controls which, in turn, were counterparts of the close regulation of all other parts of the economy. Exports of grain and its movement were closely managed by the Privy Council; producers were compelled to bring their supplies to market. The common law crimes of forestalling, regrating and engrossing were statutorily defined and strengthened, combinations to raise the price of victuals were made crimes."
(Jacobus tenBroek 'Family Law and the Poor'. p 20.)

(ii) "By the time that the gentry became collectively as strong as the feudal baronage had been in the fifteenth century, able to claim privileges and powers for the House of Commons such as previously had been claimed for the House of Lords, it was too late for Stuart governments to reverse the process."
(Christopher Hill 'Reformation to Industrial Revolution'. 1969. p 31.)

It is relevant in this context to reflect on the extra-Parliamentary role of the Privy Council: "It is quite possible that this side of government was enforced by the orders in Council [rather than by Act of Parliament] simply as a matter of convenience, it might have been difficult to pass new legislation contrary to the interests of the middle classes through a body in which the representation of those classes was so great as it was in the Tudor and Stuart House of Commons."
(Leonard op cit p 297.)

contradict their interests, so the State came to be seen as an obstacle to their development, as no longer reflecting the real shifting balance of power.⁽ⁱ⁾ According to Barrington Moore:

"The chief consequence of the crown's policy was to antagonise those who upheld the right to do what one liked .. with one's own property."

('The Social Origins of Dictatorship and Democracy'. 1969. p 14.)

The idea that property - not personal property, but property in the form of land and of capital, ie. the means of production - could be used as one liked by those who owned it is a concept peculiar to capitalism and to its owners, the bourgeoisie. Feudalism, whatever else may have been said about it, embodied the notion that ownership of property, of the land, entailed certain duties and obligations on the part of those who owned it, and was subject to certain rights and claims on behalf of those who did not.⁽¹¹⁾ But by the seventeenth century the real relations of property had already been transformed, and the developing forces of capitalism brought into

(1) "The relationship of .. great merchants to the state evolved very differently from that of the aristocracy. At the beginning of the sixteenth century traders needed strong centralised government for the maintenance of internal peace, law and order, as well as external support to cust foreign rivals and to protect the interests of English merchants in foreign countries. For all this it was worth payin, a good deal. But by the early seventeenth century England's national independence and internal order had been secured, the foreigners had gone. Now the burdens of government seemed more obvious than its advantages... Stuart governments were half-hearted in pressing the interests of English traders against foreign competition, and tended to back up the privileges of local oligarchies against Londoners. Yet by this time the interests of merchants were shared by other classes in society... As the government slid back into an alliance with an increasingly parasitic aristocracy, a growing number of gentlemen came to feel that their interests coincided with those of merchants, that jointly they formed 'the country' as against the narrow 'court' clique." (Hill 'Reformation to Industrial Revolution'. 1969. p 53/4.)

(ii) "In the mid-sixteenth century the idea that men could 'use their possessions as they list' seemed to Crowley tantamount to atheism; but individualism - 'City doctrine' Decker called it in 1612 - soon became respectable."
(Ibid p 26.)

As we shall see, the idea that property had certain defined obligations towards the poor was however to persist and to continue to be a source of conflict and friction within the ruling class as a whole. As one mid-eighteenth century writer put it: "To promote a comfortable Subsistence for the Poor is most certainly a Duty highly obligatory upon every Person in whom the traces of moral virtue are not quite obliterated; the performance of which is required by Policy and Religion. This is a Charity of the utmost extent, which .. will very much promote the Commerce, Wealth and Peace of the Kingdom." (W. Bailey. 1758. Qu D. Marshall 'The English Poor in the Eighteenth Century'. 1926. p 19.)

conflict with the surviving social relations of feudal production as embodied in the State.⁽ⁱ⁾ The contradiction inherent within the co-existence of two opposing forms of economic and social organisation could no longer be contained, and in the mid-seventeenth century broke out in the form of Civil War.

This 'English Revolution' marked the eventual ascendancy of capitalism as the dominant mode of production. Although it saw the execution and suspension of the monarchy and the assertion of the power of a Parliament dominated by capitalist landed, mercantile and manufacturing interests, it was not to involve such catastrophic and widespread upheaval as was its French counterpart in 1789, for capitalism had already developed throughout the previous centuries, and in large part from within the feudal ruling class itself, long before the Civil War. The eventual seizure of power was indeed a necessary stage in its further development, but the relative ease with which it was accomplished testified to its existing strength and the comparative weakness of the remaining structure of feudal government.⁽ⁱⁱ⁾ The period from the Civil War onwards was to mark the flourishing growth of agrarian capitalism, and alongside and out of it the emergence of modern industrial capital, but its foundations had already been secured. As Marx noted, the creation of a 'free' labouring population had made it "dependent on the sale of its labour capacity or on begging, vagabondage, and robbery as its only source of income...

It is a matter of historic record that they tried the latter first, but were driven from this path by gallows, stocks, and whippings onto the narrow road to the labour market; owing to this fact, the governments, eg., of Henry VII, VIII, etc. appear as conditions of the historic dissolution process and as makers of the conditions for the existence of capital."

('Grundrisse'. p 507.)

(i) "The means of production and exchange, on whose foundation the bourgeoisie built itself up, were generated in feudal society. At a certain stage in the development of these means of production and exchange, the conditions under which feudal society produced and exchanged, the feudal organisation of agriculture and manufacturing industry, in one word, the feudal relations of property became no longer compatible with the already developed productive forces; they became so many fetters. They had to be burst asunder; they were burst asunder."

(Karl Marx and Frederick Engels 'Manifesto of the Communist Party'. Sel. Wrks. 40

(ii) "The Revolution confirmed a title not to new property but to property which already existed - a title which was menaced by the unregulated exactions of the monarchy, and which had no secure sanction in the authoritarian and magical ideology which had outlived its feudal host."

(E.P. Thompson 'The Peculiarities of the English'. 1965. p 316.)

Chapter TwoPoverty and Discipline

"In all our views and reasonings on the subject, we contemplated the workhouse as little more than an instrument of economy... It was not until these results began to be developed, at Bingham and at Southwell, that the full consequences of the mitigated kind of necessity imposed on the working classes, by a well regulated workhouse, were understood and appreciated. We saw then that it compelled them, bred them, to be industrious, sober, provident, careful of themselves, of their parents and children... The workhouse thus acted instead of that law of necessity wisely imposed by Providence on mankind."

(Sir George Nicholls⁽¹⁾ qu J.R. Poynter 'Society and Pauperism: English Ideas on Poor Relief 1795-1834'. 1969. p 315.)

If wage labour was not a 'natural' phenomenon,⁽ⁱⁱ⁾ then neither were the demands that it made on the working population. The transition from feudalism to agrarian and then to industrial capitalism required the transformation of the working population: in the place of subsistence farming and independent craft production, it demanded that people should work and produce for others; it demanded new kinds of behaviour and responses, and, with the growth of factories, it required the breaking of the traditional rhythm of work according to the seasons, and the fitting of the new 'free' workforce to the discipline, long hours and monotony of factory production.⁽ⁱⁱⁱ⁾ In short, the development of capitalism required

(1) Sir George Nicholls, author of 'A History of the English Poor Law', was Overseer of the parish of Southwell in Nottinghamshire, where his 'experiments' on the effects of the workhouse on the working class are claimed to have attracted much attention and to have provided a model for the 1834 Poor Law Amendment Act. In 1834 Nicholls was one of the three Commissioners appointed to implement the new Act.

(ii) "Nature does not produce on the one side owners of money or commodities, and on the other men possessing nothing but their own labour-power. This relation has no natural basis, neither is its social basis one that is common to all historical periods. It is clearly the result of a past historical development, the product of many economic revolutions, of the

the creation of a working class - a creation not only in the physical sense of producing a mass of people without their own means of subsistence, but a creation also which involved the structuring and moulding of behaviour: once in existence, the working class had to be 'bred' into an acceptance of the conditions and disciplines of wage labour.

The first of these processes was, as we have seen, already well under way. "The Civil War", according to one historian, "swept away the main barrier to the enclosing landlord"⁽¹⁾ With a Parliament of aristocratic landlords now dominating national political life, their tenant farmers - "the real pioneers of agricultural development"⁽ⁱⁱ⁾ - were to find few legal obstacles to the pulling-down of 'surplus' cottages, the eviction of smallholders, or the fencing off of common land.⁽ⁱⁱⁱ⁾ The resulting poverty and homelessness continued to present problems, especially as the poor

/Contd from p 28...

extinction of a whole series of older forms of social production."
(Marx 'Capital'. Vol I. p 166.)

(iii) "The worker who left the background of his domestic workshop or peasant holding for the factory, entered a new culture as well as a new sense of direction... Men who were non-accumulative, non-acquisitive, accustomed to work for subsistence, not for maximisation of income, had to be made obedient to the cash stimulus."

(Sidney Pollard 'Factory Discipline in the Industrial Revolution'. 1963. p 254.)

(i) "... and simultaneously prepared England for rule by a 'committee of landlords', a reasonably accurate if unflattering designation of Parliament in the eighteenth century."

(Barrington Moore 'The Social Origins of Dictatorship and Democracy'. p 19.)

(ii) Ibid p 24.

(iii) Between 1760 and 1810 over five million acres of 'common land' were enclosed for private use - the majority with the active support of Parliament. There was of course resistance; as Christopher Hill has noted: "There were minor revolts in 1596, 1607, 1628-31, and in one part of England or another agrarian revolt was endemic through the sixteen-thirties. But there was no successful national agrarian revolt in seventeenth-century England... One reason was that the English peasantry had ceased to be a homogenous class. Many yeomen and better-off husbandmen were producing food or wool for the market, themselves employing wage labour, and shared the outlook and interests of gentlemen and merchants rather than of landless labourers and subsistence husbandmen."

('Reformation to Industrial Revolution'. p 70.)

moved to seek new land on which they could regain a living. In order to prevent this, and in deference to the unwillingness of individual parishes to bear the cost of relief to those who moved there, a Law of Settlement was passed restricting the poor to their parish of origin:

"Whereas by reason of some defects in the law, poor people are not restrained from going from one parish to another and therefore do endeavour to settle themselves in those parishes where there is the best stock, the largest commons or wastes to build cottages and the most woods for them to burn and destroy .. be it therefore enacted .. that it shall and may be lawful .. within forty days of any such person or persons coming to settle as aforesaid in any tenement under the yearly value of ten pounds .. to remove and convey such person or persons to such parish where he or they were last legally settled."

(13 & 14 Charles II c12)

Despite the protests of certain employers and economists later in the eighteenth century that this Law of Settlement restricted the mobility of labour, it was a law which like many others was never fully enforced; rather it was to be used to select and differentiate within the labour force, being used primarily against workers with families, and unmarried women, especially those with children.⁽ⁱ⁾ Like most of what little legislation there was to be enacted concerning the poor up until the beginning of the nineteenth century, its powers were merely permissive, and itself reflected and 'legalised' existing trends and practices.⁽ⁱⁱ⁾ Until 1834 the decision whether and to what extent existing Poor Law statutes were to be put into operation lay within each of the 15,000 separate parishes which divided the country.

Within each parish, responsibility for the maintenance of the poor was assigned to an Overseer: a person appointed from among the local

(i) "How seldom do the young and healthy, while single, find any difficulty in changing their residence, and fixing where they please... Were it otherwise, how has it happened that Sheffield, Birmingham, and Manchester have increased, from almost mere villages, to populous towns that rival or even surpass in magnitude our largest cities?"

(J. Howlett. 1788. Qu J.R. Poynter 'Society and Pauperism'. 1969. p 5.)

(ii) According to Dorothy Marshall, the Law of Settlement was an attempt "to provide some statutory definition of the practice." ('The Old Poor Law'. 1937. p 39.)

"The pattern of eighteenth century practice was not one of law determining methods of relief, but of fashions in relief receiving the sanction of law." (Poynter. op cit. p 13.)

property owners by the Justice of the Peace. While the owners of property could supervise the relief rolls through the parish vestry, the Justices also remained the ultimate authority over the number of parishes within their jurisdiction. These parishes of course differed widely: some were composed of a number of farms, others were becoming increasingly urban, while still others remained essentially little more than great feudal estates. This diversity in interests was to be reflected in the scope and diversity allowed to each parish to follow its own policies.

The Civil War had marked the shift in the balance of political power from a feudal to an essentially capitalist ruling class, but the old aristocracy had not been destroyed,⁽¹⁾ still less did its ideology cease to be a formative influence. The view that the poor had a right to be provided for and maintained continued to be put forward,⁽¹¹⁾ and supported in particular by the great mercantile interests which continued to seek State support for the regulation and control of trade. The age of mercantilism spanned the period of transition from feudalism to capitalism, but it was not to last long as agrarian production developed, and the owners of capital, both agricultural and manufacturing, established their strength.

The view that the poor should be 'set to work' did not necessarily arise out of a humane consideration for their condition. It was, as we have

(i) "We cannot say that the revolution 'made possible the transformation of the body of landowners into a basically capitalist class' because, where wool or the production of commodities for London and urban markets predominated, this process was already very well advanced. But equally, we cannot say that the revolution effected a dramatic acceleration in this process: the equilibrium of social forces was such that the full consequences of the revolution were delayed for nearly a hundred years."

(E.P. Thompson 'The Peculiarities of the English'. 1965. p 316.)

(ii) "At one time it was believed that the blame for idleness and beggary did not rest upon the people but upon the nation's folly in withholding from the labourer the employment which it was both the national interest to bestow and the labourer's right to receive. The workhouse was then suggested as a place of manufacture, implying the right of the labourer to resort to a public industry when he failed to find work with private employers... Significant as indicating this character is the fact that the early workhouse was not intended for the pauper class alone but for all workmen temporarily unemployed."
(E.S. Furniss 'The Position of the Labourer in a System of Nationalism'. 1918. p 85.)

"During the seventeenth century poverty was still believed to be the result of circumstance rather than of depravity... [It was] felt that in times of need it was still the duty of the more prosperous classes to discover some means by which the poor could earn a fair living."

(D. Marshall 'The Old Poor Law'. 1937. p 21.)

seen, its own form of control; according to the Chairman of the East India Company:

"Whether it turns to present profit or not is not much material, the great business of the nation being first but to keep the poor from begging and starving, and ensuring that such as are able to labour and discipline, that they may hereafter be useful members to the kingdom."

(Sir Josiah Child 'A New Discourse on Trade'. 1696. Qu Karl deSchweinitz 'England's Road to Social Security'. 1947. p 51.)

Ideas on how the poor should be treated, as on other matters, often reflect the activities and interests of those who put them forward. Traders and merchants did not employ the poor: for them the problem was essentially one of maintaining order and stability.⁽¹⁾ The view, however, that the problem of poverty was one of providing public employment for those without work and without the means of subsistence, did not long survive the rapid growth of commercial agriculture and, more especially, the rise of capitalist manufacture and industry. By the end of the seventeenth century a number of writers were already beginning to complain that the problem of poverty was created not by scarcity and unemployment, but by a lack of incentive and discipline amongst the poor themselves. As John Locke put it in 1696:

"If the cause of the evil be looked into, we humbly conceive it will be found to have proceeded neither from a scarcity of provision, nor from a want of employment for the poor, since the goodness of God has blessed these times with plenty, no less than the former, and a long peace during two reigns gave as plentiful trade as ever, the growth of the poor must have some other cause, and it can be nothing else but a relaxation of discipline and a corruption of manners."

('Report to the Board of Trade'. Qu D. Marshall 'The English Poor in the Eighteenth Century'. 1926. p 31.)

Manufacturers and farmers, as employers of labour, had different interests in the way that the poor were to be treated; at one level the provision of public work for the unemployed threatened to compete with their own

(1) According to J.P. Kay-Shuttleworth, a leading civil servant and social reformer of the early nineteenth century: "It might be apprehended that the merchants of the country were sufficiently conversant with the habits and wants of the operative population. The pure merchant is, however, seldom in immediate contact with the people... The objects of his calculation concern not the methods of production but the barter of things produced."
('The Moral and Physical Condition of the working Classes'. 1832. p 9.)

activities,⁽¹⁾ but more fundamentally it was seen by them as weakening the incentive to labour:

"'Tis the men that won't work, not the men that can get no work, which makes the number of our poor... What is needed is a regulation of the poor in England, not a setting them to work."

(Daniel Defoe 'Giving Alms No Charity and Employing the Poor A Grievance to the Nation'. 1704. Qu K.deSchweinitz op cit. p 59.)

As a system of production, capitalism develops unevenly: periods of activity when production increases and capital accumulates are followed by periods of stagnation and decline as producers compete to sell their products and prices decline. During the early stages of its development this fluctuation was very marked, and presented considerable problems for employers of labour:

"It has been remarked by our clothiers and manufacturers that when corn has been cheap they have had great difficulty to get their spinning and other work done. For the poor could buy provisions enough with two or three days wages to serve them a week, and would spend the rest in idleness, drinking, etc. But when corn has been dear, they have been forced to stick all the week at it."

(J. Gee 'The Trade and Navigation of Great Britain Considered'. 1729. Qu D. Marshall 'The English Poor..'. p 32.)

With a workforce accustomed to peasant production and willing only to work for others in order to get enough for subsistence, without the added stimulus of advertising, consumer durables, or hire purchase, fluctuations in the cost of subsistence had an immediate effect on the supply of labour, and created also the problem of controlling the poor in their periods of 'idleness' and 'leisure'. As another writer remarked:

"That mankind in general are naturally inclined to ease and indolence, we fatally experience to be true, from the conduct of our manufacturing populace, who do not labour, upon an average, above four days in a week, unless provisions

(1) According to Poynter the attack on parish employment was "in essence a defence of existing manufacturing interests against parish employment in circumstances of limited demand."

('Society and Pauperism'. p 26.)

happen to be very dear... Our populace have adopted a notion, that as Englishmen they enjoy a birthright privilege of being more free and independent than in any country in Europe. Now this idea, as far as it affects the bravery of our troops, may be of some use; but the less the manufacturing poor have of it, certainly the better for themselves and the State. The labouring people should never think themselves independent of their superiors... It is extremely dangerous to encourage mobs in a commercial state like ours, where, perhaps, seven parts out of eight of the whole, are people with little or no property. The cure will not be perfect till our manufacturing poor are contented to labour six days for the same sum which they now earn in four days."

('An Essay on Trade and Commerce'. 1770. Qu Marx 'Capital'. I. p 262.)⁽¹⁾

Or as Arthur Young argued:

"Everyone but an idiot knows that the lower classes must be kept poor or they will never be industrious, I do not mean that the poor of England are to be kept like the poor of France, but, the state of the country considered, they must (like all mankind) be in poverty or they will not work."

('Eastern Tours'. 1771. Qu Furniss op cit. p 118.)

Wages are a payment made for labour. The employer purchases the labour-power of others in the same way that he purchases the raw materials necessary for production; the difference being that, unlike other commodities, labour-power is a special article, for it is capable of transforming these raw materials into products, of adding new value to them, and thus of creating wealth. The payment paid for labour, however, does not reflect this creation of new value: if the worker were paid according to the value he created, there would be no profit, and nothing for the capitalist to accumulate. Instead, the value of labour-power, of

(1) The author goes on to propose the establishment of an 'ideal workhouse' to be named a 'House of Terror'.

This same sort of problem continued to be faced in the nineteenth century, where the institution of the 'truck system' of payment in kind or in credit at the employer's shop was seen as a means of averting too great an 'independence' on wages: "If the masters had not some hold over such a set of men, and were to make them entirely independent by giving them complete control over their high wages, they would work just when and how they liked... It is difficult enough to manage them as it is."

(1848 Report to the Committee of Council on Education in Monmouthshire. Qu H.L. Beales 'The Passing of the Poor Law'. 1948. p 317.)

wages, is determined ultimately by the cost of the maintenance of labour, of its production and reproduction, by the cost of subsistence.⁽¹⁾ In a capitalist economy the employer does not 'own' the worker, does not feed and clothe him directly, but advances a part of his capital, in the form of wages, to purchase labour power, and to enable the worker to maintain himself (and his family) and to continue to bring his (and in the future, their) labour to the market. As Young argued, the working class has to be kept at the level of subsistence, for otherwise they would have no compulsion to work for others, but this level is not fixed: it can vary between one country and another, and between one time in history and another; in other words, poverty is relative:

"His means of subsistence must .. be sufficient to maintain him in his normal state as a labouring individual. His natural wants, such as food, clothing, fuel and housing, vary according to the climatic and other physical conditions of the country. On the other hand, the number and extent of his so-called necessary wants, as also the modes of satisfying them, are themselves the product of historical development, and depend therefore to a great extent on the degree of civilisation of a country, more particularly on the habits and degree of comfort in which the class of free labourers has been formed."

(Marx 'Capital'. I. p 168.)₍₁₁₎

Labour is after all a human commodity; the cost of its production, what is 'necessary' for subsistence, is a fluctuating and relative level. It is a level, moreover, which rises with the rising level of productive power of a society:

"Capital can only increase by exchanging itself for labour-power, by calling wage labour to life. The labour power of the wage worker can only be exchanged for capital by increasing capital... The faster capital intended for production, productive capital, increases, the more, therefore, industry prospers, the more the bourgeoisie enriches itself and the better business is, the more workers does the capitalist need, and the more dearly does the worker sell himself. The indispensable condition for

(i) "The value of labour-power is determined, as in the case of every other commodity, by the labour-time necessary for the production, and consequently also the reproduction, of this special article... The value of labour-power is the value of the means of subsistence necessary for the maintenance of the labourer."

(Marx 'Capital'. I. p 167.)

(ii) "By necessity I understand not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without."

(Adam Smith 'The wealth of Nations'. Qu A.B. Atkinson 'Poverty in Britain and the Reform of Social Security'. 1970. p 17.)

a tolerable condition for the worker is, therefore, the fastest possible growth of productive capital... when productive capital grows, the demand for labour grows; consequently, the price of labour, wages, goes up."

(Marx 'Wage Labour and Capital'. In 'Selected Works'. p 83.)⁽ⁱ⁾

It is this growth in capital, in the productive power and wealth of a community, that raises the relative level of poverty; as many more recent studies of poverty have pointed out, to have five bowls of rice a day in a society where everyone else has only one is to be wealthy, but to have five bowls of rice to live on in a society like contemporary Britain is to fall below even the most meagre definitions of what it is to be poor. As Marx again noted:

"A noticeable increase in wages presupposes a rapid growth of productive capital. The rapid growth of productive capital brings about an equally rapid growth of wealth, luxury, social wants, social enjoyments. Thus, although the enjoyments of the workers have risen, the social satisfaction that they give has fallen in comparison with the increased enjoyments of the capitalist, which are inaccessible to the worker, in comparison with the state of development of society in general. Our desires and pleasures spring from society; we measure them, therefore, by society and not by the objects which serve for their satisfaction. Because they are of a social nature, they are of a relative nature."

(Ibid.)

Our wants are socially defined, and indeed increasingly socially created and extended: as we shall have occasion to see later, it is in fact only through the continual creation of new desires and new needs that production has been able to expand. As it has done so, it has set new standards of what is considered as an acceptable standard of living, of what constitutes poverty. Even those attempts to set 'absolute' levels of poverty, based on nutritional needs, fail against this process, for what is absolutely necessary for physical existence depends not only upon a developing and expanding level and science of nutrition, but also upon the growth of those minimum levels associated with nutrition (such as height, longevity of life, etc.) that are to be taken as acceptable.⁽ⁱⁱ⁾

(i) For a clear repudiation of the fallacy that Marx's writings prophesied an increasing and absolute impoverishment of the working class, see Thomas Sowell 'Marx's 'Increasing Misery' Doctrine'. 1960.

(ii) See, eg., Ken Coates and Richard Silburn 'Poverty: The Forgotten Englishmen'. 1970. Part One.

If poverty is a relative experience, then how adequate are current attempts to define and measure it? In all recent studies of poverty, poverty has been defined as all income which falls below the current level of State supplementary benefits payments. While useful in demarcating the number of people who exist at or below this level, the level itself, however, is an arbitrary one.⁽ⁱ⁾ If relative poverty is to be defined, then it has to be defined in relation to wealth, and if poverty is to be understood, it has to be understood in relation to the way in which wealth is not only distributed, but created. Once again we must return to wages. Wages represent the cost of labour-power, the price that has to be paid in order to enable the worker to continue working, to continue creating and expanding wealth.⁽ⁱⁱ⁾ As this wealth in the form of capital has increased, so the productivity of labour has increased, and with increasing productivity, so too have wages.⁽ⁱⁱⁱ⁾ The increased productiveness of society enables, and as we have seen requires, the standard of living to be raised: real wages go up, but relative wages - relative, that is, to the amount of wealth that is produced - at best remain stationary. As Marx pointed out:

(i) Further attempts to refine this concept of relative poverty, based on some notion of 'need' or 'satisfaction' without relating it to wealth, are in danger of running into absolute obscurity. Peter Townsend, for example, has recently argued that we need to see relative poverty as based not only on the relatively different needs and standards between societies, but also within societies as between different "individuals, families, work-groups, and communities." ('Poverty as Relative Deprivation'. 1974.) It appears that in future each individual is to have his or her own measure of poverty.

(ii) It is perhaps the failure of writers like Townsend to see income as any more than "a 'style of living' as an end" which leads to their confusion. "what he does not see is that consumption is also the reconstitution of the labour-power available for the productive process .. income, or access to resources, is always conceived merely as the result of participation in the process of production, not as the necessary precondition of production itself... So arises a theory of politics which understands conflict as based essentially upon deprivation versus affluence .. giving rise to questions of equity and justice." (Hallam 'The Production of Poverty'.)

(iii) This occurs not only within a country as a whole, but within its different branches of production, according to the amount of capital invested. Thus the 1975 Census of Production "clearly shows that, as a broad generalisation high investment per head is associated with both high output per head and high wages and salary levels. The rate of investment is high in such manufacturing industries as organic chemicals, synthetic resins, dyestuffs, fertilizers, cement and brewing. In all these industries the annual capital expenditure per head is over two and a half times the average for all manufacturing industry. The net output per head is about double the average for all industries. Their wage and salary levels are about 25% above the average for all industries. ... Low investment is associated with low manpower productivity and low wages." (The Times 2.5.77.)

The same Census shows that 'the value added to materials' in 1975 was £4,928 per head; average wage/salary per employee £2,598. (ibid.)

"Real wages express the price of labour in relation to the price of other commodities; relative wages, on the other hand, express the share of direct labour in the new value it has created in relation to the share which falls to accumulated labour, to capital."

('Wage Labour and Capital'. In *Selected Works*. p 84.)

This share of labour in the wealth that it has produced, the relation of wages to capital, has, over the last hundred years alone for which figures are available, remained constant.⁽¹⁾ As a class, those who produce the wealth of this country have experienced a rising standard of living, but in relation to the growth of wealth that has occurred, their position has remained stationary. If then we are to understand poverty, as well as attempts to deal with 'the problem' of poverty, we have to understand poverty as the condition and experience of a class: to be poor is opposed to being rich; it is to be without the means of production and subsistence, and to be forced because of that to have to work for the benefit of others; it is to have to struggle for a day to day or week to week existence. There are of course gradations within this class, with important consequences as we shall see, for some will get below and others above the average price of labour; but on the whole, while this average has risen over time, it has risen only in relation to an equal rise in wealth: poverty is always a relative experience, but the conditions under which it exists, and the consequences which it has for people's lives remain the same.

The writers whom we are considering during the course of the eighteenth century were themselves coming to grapple with these facts. As one Member of Parliament saw it:

"As the original materials of all commodities are to be got by the people of all countries at pretty near the same price, the difference between the price of such commodities when worked up in one country and the price when worked up in another must always depend upon the wages of labour. But in all countries .. wages .. must depend on the price of those provisions which are necessary for their convenient support."

(Qu Furniss op cit. p 172.)

(1) According to an article in *The Times* (4.5.77): "It is a peculiar feature [sic] of censuses of production that the total wage and salary bill for the whole of manufacturing industry, when expressed as a percentage of the total net output (or added value) is virtually constant from year to year. This is true not just in Britain but in many other countries."

In 1860/69 wages represented 38.7% of the gross national product; in 1960/63 37.8%; the highest proportion achieved by labour was 39.5% in 1890/99. (C.H. Feinstein 'Changes in the Distribution of the National Income Since 1860'. 1968.)

In a situation of international trade and competition, it was argued, the existence of a higher level of subsistence meant a less competitive edge in markets,⁽ⁱ⁾ and this argument was to be used by employers against the protective tariffs and taxes on necessities imposed by the State; but while there were a number of writers who argued that wages should be kept relatively high, in order to encourage workers to consume and so stimulate production,⁽ⁱⁱ⁾ the majority of proposals of the period favoured a lowering of wages. Through this, or through a rise in the cost of subsistence, they argued, workers would be forced to 'stick all the week at it', and the problems of securing a constant supply of labour overcome.

During the later part of the eighteenth century these problems created by a violently fluctuating economy were to be resolved in part by inflation, and by the introduction of disciplinary methods of timekeeping and fining in the new factories themselves,⁽ⁱⁱⁱ⁾ but growing concern over the 'idleness' of the poor, and the problems faced by employers in securing a constant supply of labour, were to be reflected also in the developing role of poor relief as a means of discipline. Thus according to Furniss:

"As the conviction spread that the poor were idle from choice, the purpose of the workhouse changed fundamentally... In general, the beginning of the second quarter of the eighteenth century marked a change in the concept, for before this date the majority of the champions of the workhouse based their proposals squarely on the expectation of profit to be derived from employing the poor while the disciplinary character of the workhouse received but incidental attention."
 ('The Position of the Labourer..'. p 86/7.)

(i) E.g: "[The Irish] are a people that live on a coarser and cheaper diet nearer the manner of the French than the English do or can; and therefore can afford their work cheaper."
 (Sir W. Harris 'Remarks on Ireland'. 1691. Qu Furniss op cit. p 170.)

(ii) "Lowering wages would be injurious since the labouring class being the bulk of mankind would in this case affect the consumption of things in general so mightily that there would be a want of trade and business amongst the other part of the people."
 (J. Vanderlint 'Money answers All Things'. 1734. Qu ibid. p 127.)
 See also Furniss p 178/80 and Poynter p 26/7 & p 241.

(iii) See S. Pollard 'Factory Discipline in the Industrial Revolution'. 1963. and 'The Genesis of Modern Management'. 1908. E.P. Thompson 'Time, Work-Discipline and Industrial Capitalism'. 1967. and E.J. Hobsbawm 'Custom, Wages, and Work Load in Nineteenth Century Industry'. 1967.

These changes were essentially local, adapting the practice of poor relief to the needs of particular employers in particular parishes, but by 1722 they had become sufficiently widespread to receive legislative sanction.⁽ⁱ⁾ The workhouse, once ostensibly a place of public employment, now became a means of disciplining the poor, and of deterring them from applying for assistance. This disciplinary function received particular attention with respect to the young, the future generations of labour:

"When these children are four years old, they shall be sent to the country workhouse, and there taught to read two hours a day and be kept fully employed the rest of the time in any of the manufactures of the house which best suits their age, strength and capacity. If it be objected that at these early years, they cannot be made useful, I reply that at four years of age there are sturdy employments in which children can earn their living; but besides, there is considerable use in their being, somehow or other, constantly employed at least twelve hours in a day, whether they earn their living or not; for by these means, we hope that the rising generation will be so habituated to constant employment that it would at length prove agreeable and entertaining to them."

(W. Temple 'Essay'. 1770. Qu Furniss op cit. p 115.)⁽ⁱⁱ⁾

The Act of 1722 had also enabled parishes to sell the job of maintaining the poor and the workhouse to a private contractor who was to "keep and employ the poor and take the profits of their labour"⁽ⁱⁱⁱ⁾ as well as to hire out paupers to private employers.^(iv) In this way, pauper labour

(i) "It shall be lawful for the churchwardens and overseers of the poor to purchase any house or houses in the same parish, township or place, and to contract with any person or persons for the lodging, keeping, maintaining, and employing any or all such poor in their respective parishes... And in any case any such poor person or persons . . . shall refuse to be lodged, kept or maintained in such house or houses . . . they shall not be entitled to ask or receive collection or relief."

(9 George I. c7. Qu deSchweinitz op cit. p 60.)

(ii) Although J. Cary, who established the first such workhouse in Bristol at the beginning of the century, claimed that "our boys and girls are educated to sobriety and are brought up to delight in labour" (qu ibid. p 54) the conditions in many workhouses were harsh in the extreme, according to the 'Report of a Committee Appointed to Enquire into the State of the Parish Poor Infants Under the Age of 14 within the Bills of Mortality': "Taking the children born in workhouses, or parish houses, or received of and under twelve months old, in the year 1763, and following the same into 1764 and 1765, only seven in a hundred appear to have survived this short period." (Qu ibid. p 66.)

(iii) Qu R. Cowherd 'The Humanitarian Reform of the English Poor Laws' 1960 p341

(iv) As the Report of the Poor Law Commission of 1834 described the then current practice: "According to this plan, the parish in general makes some

was used to provide a vital supply for the growing industrial factories and mills.⁽ⁱ⁾ Nor was this naked identity between the interests of employers and the practice of poor relief lost on the labouring population: many of the early factories were themselves modelled on workhouses,⁽ⁱⁱ⁾ even to the point of appointing Overseers, and the reluctance with which rural labourers were willing to sell themselves to the new factory owners meant that to a large extent Britain's glorious industrial revolution was to be built on the forced labour of paupers and children.

Over the turn of the century the ability of the labouring poor to withstand the process of proletarianisation, their absorption into the system of wage labour, was dramatically undermined.⁽ⁱⁱⁱ⁾ We should remember that at this time English life was still predominantly rural; industrialisation itself was to begin in the villages and valleys of areas like the pennines, and it was not until the middle of the nineteenth century that the balance of population shifted into the towns; throughout the eighteenth century the

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agreement with a farmer to sell him the labour of one or more paupers, at a certain price, and pays to the pauper, out of parish funds, the difference between that price and the allowance which the scale, according to the price of bread and the number of his family, awards to him... In many places the roundsman system is effected by means of an auction... In Sulgrave, Northamptonshire, the old and infirm are sold at the monthly meeting to the best bidder .. at Yardloy, Hastings, all the unemployed men are put up to sale weekly." ('Report ..' (1974 ed) p 102.)

(i) The New Lanark cotton mills in Scotland, for example, employed about 500 pauper children - one-third of its total labour force. (A. Redford 'Labour Migration in England 1800-50'. 1926. p 26.)

(ii) "Recruitment to the uncongenial work [in factories] was difficult, and it was made worse by the deliberate or accidental modelling of many works on workhouses and prisons, a fact well known to the labouring population." (S. Pollard 'Factory Discipline in the Industrial Revolution'. 1963. p 162.)

(iii) "The house of correction grew out of a social situation in which the conditions of the labour market were favourable to the lower classes, but this situation changed. The demand for workers was satisfied and a surplus eventually developed. The population of England increased by one million in the first half of the eighteenth century, and by three million in the second half... What the ruling classes had been seeking for over a century was now an accomplished fact - relative overpopulation. Factory owners need no longer hunt for men. On the contrary, the workers had to search out places of employment. The rapidly growing population could not support itself on the land, especially after certain changes had taken place in agricultural production, resulting in enclosures and large estates. From the beginning of the eighteenth century agricultural workers began to stream into the towns, a movement which reached its climax in the first decades of the nineteenth century."

(G. Rusche and O. Kirchheimer 'Punishment and Social Structure'. 1968. p 86.)

majority of people lived and worked on the land, many with their own smallholdings, but increasingly forced into a dependence on employment by the larger farmers and estates. Indeed, the eighteenth century was the 'golden age' for British capitalist agriculture: the rush of enclosures, the amalgamation of smaller farms into large commercial undertakings, and the invention and development of new techniques and 'labour-saving' machinery boosted agricultural production into the principal economic force. Its social consequences should by now be familiar:

"Formerly many of the lower sort of people occupied tenements of their own, with parcels of land about them, or they rented such of others. On these they raised a considerable part of their subsistence, without being obliged, as now, to buy all they want at shops. And this kept their numbers from coming upon the parish. But since these small parcels of ground have been swallowed up in the contiguous farms and enclosures, and as cottages themselves have been pulled down, and the families which used to occupy them are crowded together in decayed farmhouses with hardly enough ground about them for a cabbage garden, and being thus reduced to mere hirelings, they are very liable to come to want."

(D. Davies 'The Case of the Labourers in Husbandry Stated and Considered'. 1795. Qu W. Hasbach 'A History of the English Agricultural Labourer'. p 129.)

To be 'thus reduced to mere hirelings' was the essence of agricultural 'improvement',⁽ⁱ⁾ as one review reported:

"Farmers, like manufacturers .. require constant labourers - men who have no other means of support than their daily labour, men who they can depend upon."

(W. Marshall 'Review of the Reports to the Board of Agriculture From the Western Department of England'. 1810. Qu *ibid.* p 136.)

To depend upon wage labourers is not the same as to be dependent on wage labour: those who thus found themselves forced to rely upon the vagaries of an employer or of the market were, as Davies noted, very liable to come to want. In such a situation people did not readily acquiesce to the advent

(i) The reforming and destructive zeal with which such 'improvement' was carried out has been well documented in the case of its most systematic application in Scotland, on which see John Prebble 'The Highland Clearances'. 1969.

of their own starvation:

"In many parishes of this county the wages given to young unmarried agricultural labourers .. seldom exceed 3s or 3s 6d a week, paid to them, generally, under the description of roundsman, by the overseer out of the poor rates; and often in the immediate vicinity of the dwellings of such half-starved labourers there are abundantly-stocked preserves of game, in which, during a single night, these dissatisfied young men can obtain a rich booty by snaring hares and taking or killing pheasants .. offences which they cannot be brought to acknowledge to be any violation of private property."

('Report of the Select Committee on Criminal Commitments and Convictions'. 1827. Qu J.L. and B. Hammond 'The Village Labourer 1760-1832'. 1913. p 191.)

As Engels wrote:

"Want leaves the workingman the choice between starving slowly, killing himself speedily, or taking what he needs where he finds it - in plain English, stealing. And there is no cause for surprise that most of them prefer stealing to starvation and suicide."

('The Condition of the Working Classes in England'. Qu Rusche and Kirchheimer 'Punishment and Social Structure'. p 96.)

'Theft' however goes under many guises, not all of which are proscribed by law; indeed, while farmers and landowners enclosed acres of 'common land', and put an end to the customary and traditional 'rights' of the poor to glean the fields after harvest (itself providing the equivalent, even under the improved methods of agriculture, of six or seven weeks' wages), new laws were enacted to protect the rights of 'private property', and to define old practices as illegal.⁽¹⁾

Meanwhile, the fluctuations in prices that had characterised the earlier part of the eighteenth century gave way to a gradual and steady rise: between 1760 and 1813, while wages rose by 60%, the price of wheat,

(1) "The concept of the feud [had] offered a legal cover for breaches of the peace and for all kinds of robbery by the upper classes... The creation of a law effective in combating offences against property was one of the chief preoccupations of the rising urban bourgeoisie." (Rusche and Kirchheimer op cit. p 15.)

The right to hunt game, for example, was restricted by law to those with estates worth £100 a year and over, in 1816 anyone found in illegal possession of nets was made subject to seven years transportation. Between 1805 and 1833, criminal convictions increased by 540%, one-seventh of which were convictions under the game laws.

the staple diet, rose by 130%. It is of course this sort of pressure that remains the ultimate incentive to wage labour; as one writer put it:

"It seems to be a law of nature that the poor should be to a certain degree improvident, that there may always be some to fulfil the most servile, the most sordid, and the most ignoble offices in the community. The stock of human happiness is thereby much increased, whilst the more delicate are not only relieved from drudgery, and freed from those occasional employments which would make them miserable, but are left at liberty, without interruption, to pursue those callings which are best suited to their various dispositions, and most useful to the State... There must be a degree of pressure, and that which is attended with the least violence will be the best. When hunger is either felt or feared, the desire of obtaining bread will quietly dispose the mind to undergo the greatest hardships, and will sweeten the severest labours."

(J. Townsend 'A Dissertation on the Poor Laws'. 1786.
Qu Poynter 'Society and Pauperism'. p xvi.)⁽¹⁾

While such arguments were to be put forward as a basis for abolishing all poor relief,⁽¹¹⁾ such a step was not practicable; as Poynter has noted:

"Abolition itself remained impossible. The ruling classes were always aware of the usefulness of the Poor Law as an insurance against rebellion, and insurrection was then sufficiently threatening without provoking the poor by stopping relief. The doom of abolition was that it could never achieve powerful support except when rates were high and distress great, the very circumstances in which abolition was least practicable."

(Op cit. p xxiv.)

Moreover, not only was the abolition of poor relief generally impracticable, but, to the more 'enlightened', such proposals were positively retrogressive. As we have seen Sir George Nicholls was to argue, 'necessity' was the mother of labour, but only a 'mitigated kind of necessity' could ensure

(1) Or as the Supplementary Benefits Commission has it. "There has to be a certain amount of pressure on claimants to find work and stay in it and it is a matter of hard fact that this involves letting it be known that state money is not there for the asking for anyone who is able to work but unwilling to do so."

(Evidence to the Committee reprinted in 'The Report of the Committee on Abuse of Social Security Benefits'. 1973. p 109.)

(11) "In general it is only hunger that can spur and goad them on to labour. ... The wisest legislature will never be able to devise a more equitable, a more effectual, or in any respect a more suitable punishment than hunger is for a disobedient servant."

(J. Townsend qu Poynter op cit. p 42.)

discipline; the Poor Law was too useful an instrument of control to be abolished, and while hunger might 'sweeten' labour, it could, without it, also lead to riot and rebellion.

Such riots were, indeed, common throughout the eighteenth, and nineteenth, century. It was a violence, however, which responded to another form of violence: people did not accept hunger and scarcity as 'inevitable' in a society when, as now, they could see ships loaded up with grain (often the product of their own labour) ready for export, or when they found manufacturers, middle-men, or merchants holding back supplies in order to raise prices; instead, they demanded to be served at 'fair' prices, and if refused, seized the cargoes and emptied the warehouses, and sold the goods amongst themselves, usually returning the proceeds to the owner.⁽¹⁾

These 'bread' and 'export' riots which punctuated the eighteenth century were not merely protests against hunger and scarcity, they were a recognition of and resistance against the spread of capitalism, and of profiteering, a denial of the claim that those who 'owned' the means of production could do what they liked with their property. As we have seen, this belief can be traced back to its feudal origins, to the duty imposed by custom, if not by statute, on the lord of the manor to protect and maintain those dependent on him, and on whose labour he in turn depended, and it was a belief which persisted in the notion of a 'moral economy', and in the right of everyone to an adequate and fair subsistence.⁽¹ⁱ⁾ Although this belief was to be shared, for their own purposes, by a small number of high Tories, the material basis of the 'moral economy' had gradually been whittled away through enclosure, the relapse of legislative control over prices and provisions, the mutation of poor relief and of the 'right to work', and the transformation of labour from a reciprocal, if unequal, life-long relationship between master and servant to the daily

(1) These events have been graphically documented in, e.g., E.P. Thompson 'The Moral Economy of the English Crowd in the Eighteenth Century'. 1971.

(1i) "The men and women in the crowd were informed by the belief that they were defending traditional rights or customs; and, in general, that they were supported by the wider consensus of the community. On occasion this popular consensus was endorsed by some measure of licence afforded by the authorities. More commonly, the consensus was so strong that it overrode motives of fear or deference."
(Ibid. p 78.)

hire of 'hands' for the harvest or the factory.⁽¹⁾ As one agricultural labourer recounted:

"Those who owned and held the land believed, and acted up to their belief as far as they were able, that the land belonged to the rich man only, that the poor had no part or lot in it, and had no sort of claim on society. If the poor man dared to marry and have children, they thought he had no right to claim the necessary food wherewith to keep himself and his family alive. They thought, too, every mother's son of them, that, when a labourer could no longer work, he had lost the right to live. Work was all they wanted from him; he was to work and hold his tongue, year in and year out, early and late, and if he could not work, why, what was the use of him? It was what he was made for, to labour and toil for his betters, without complaint on a starvation wage."

('The Life of Joseph Arch By Himself'. Qu Patricia Hollis 'Class and Conflict in Nineteenth Century England'. 1973. p 122.)

In 1789 the French Revolution toppled the aristocratic government of France, thus preparing the way for the development of capitalism which, in England, had been achieved over a hundred years earlier. The rupture of the English revolution had, as we have seen, been less cataclysmic; it had left an aristocracy in power, but it had only been able to do this because this aristocracy was essentially no longer feudal but capitalist. As merchants, bankers, but predominantly as landlords, they had already allied themselves to the rising forces of capital, and in control of the political apparatus of the State, at both the national and a local level,

(1) "We persistently forget that laissez-faire emerged, not as the ideology of some manufacturing lobby, not as the intellectual yarn turned out by the cotton mills, but in the great agricultural corn-belt. Smith's argument is derived, very largely, from agriculture; a main opponent was the paternalist regulation of the corn trade which - while in an advanced stage of real decomposition - was nevertheless supported by a substantial body of paternalist economic theory and an enormous force of popular (and urban) feeling. The abrogation of the old moral economy of 'provision' was not the work of the industrial bourgeoisie but of the capitalist farmers, improving landlords, and great millers and corn merchants... The agricultural interests embraced an anti-political economy whose harsh profit-and-loss purgatives voided the body politic of old notions of duty, mutuality, and paternal care. And it was exactly this ideology which provided a bridge, during the Napoleonic wars, spanning the interests of cotton and of land."

(E.P. Thompson 'The Peculiarities of the English'. 1965. p 318.)

We should not, however, dismiss the interest that even eighteenth-century manufacturers had in the repeal of 'paternalist' or 'restrictive' legislation. "As the bounty of wheat is five shillings per quarter, it may be sold in France much cheaper than it is bought in England... This will enable our rivals to eat cheaper and consequently to sell their commodities cheaper than we possibly can do." (Gentleman's Magazine. XXII. 1742. Qu Furniss op cit. p 189.)

they had prepared and assisted the development of capitalist agriculture. There had thus been no fundamental conflict which might have necessitated their complete overthrow, and while similarly there were to be further tensions, they were also to assist in and survive the rise of industrial capitalism.

Throughout the eighteenth century the development of agriculture and of small-scale manufacture had produced a steady accretion of capital; the industrial revolution hastened this process: it added to labour-power the power of machinery and of energy, in the form of coal, steam, and later electricity, thus enabling one worker to produce what perhaps previously had taken the labour of a dozen. This after all is the essence of capitalism: it uses labour to create value, to produce wealth, but part of this newly-created value is set aside, it is reserved and transformed into capital, into new and more machinery and means of production, which in turn increases the ever-expanding production of wealth. Capitalism thus begins with wage labour, with a means of creating wealth that depends upon the buying of labour-power, and its use to produce not only the wages of the labourers but also the profit of those who employ them; it thus began in agriculture, but it comes into its own fully only with industrial capitalism, with the direct application of labour-power to the stored-up labour of capital.

The shift from agrarian to industrial capitalism in Britain was, however, a relatively easy process of transition. 'Industrialisation' after all began on the land, with, for example, the application of steam-power to threshing, and industrial production proper was initially a rural development: it began not in the small manufacturing centres of the midlands or London, but in the mills and valleys of Lancashire and Yorkshire, and depended heavily on the coalfields of the rural landowners.⁽ⁱ⁾ Similarly, the capital necessary for the establishment of industry was drawn in large part from the surplus of agriculture: the first industrialists were not on the whole 'self-made' men, but landowners, gentry and merchants. Above all, however, the rise of industrial production depended upon labour, and

(i) "Except in Westminster .. men were never far from the sight of corn. Manufacturing industry was dispersed in the countryside. the colliers went to their labour by the side of cornfields; domestic workers left their looms and workshops for the harvest."

(E.P. Thompson 'The Moral Economy of the English Crowd ..'. p 99.)

on rural labour; it depended upon the pre-existence of a mass of 'free' labour, detached from the land, and forced increasingly to search for work by the very process of agrarian 'improvement' and development.⁽ⁱ⁾

The rise of an industrial bourgeoisie, of factory and mill owners, was not however without tension and conflict. The existing structure of politics and of social relations was the product of an agricultural society, and in its highest level, in the State, it was dominated by a body of aristocrats whose fortunes derived principally from rent, and whose interests, like those of the previous feudal nobility, lay in the preservation of existing relationships. As the industrial bourgeoisie increased in size and strength over the turn of the century they found themselves increasingly opposed to and distanced from this structure; personally, whereas previously men like Peel, whose fortune derived from cotton, had been able to buy their way into this ruling elite, they found themselves excluded, and their advocacy of hard work, accumulation, and discipline in conflict with the luxurious life-styles and riotous living of aristocratic fops; politically, they resented the rule of a class which they felt no longer represented the real wealth of the nation, and which presided over a set of political and social institutions and relationships which, while not wholly contradictory, were inimical to their own development. As the economic power of this urban industrial bourgeoisie increased so they were to demand commensurate political power, and this was to involve them in an attack on what had become known as 'Old Corruption'.⁽ⁱⁱ⁾

(i) "Comparative analysis of the structures of different societies on the eve of their industrialising experience sharply emphasises the uniqueness of British history in the eighteenth century. In no other country did pre-industrial society attain the pervasiveness of the market economy, the widespread acceptance of the profit motive. Above all .. nowhere save in Britain was the peasantry virtually eliminated before the acceleration of economic growth that is associated with the development of industrial capitalism, and of the many special features of early industrialisation in Britain, none is more striking than the presence of a rapidly growing proletariat in the countryside."

(John Saville 'Primitive Accumulation and Early Industrialisation in Britain'. 1969. p 250.)

(ii) "The main beneficiaries [of the Settlement of 1688] were those vigorous agrarian capitalists, the gentry. But this does not mean that the governing institutions represented, in an unqualified manner, the gentry as a 'ruling class'. At a local level (the magistracy) they did so in an astonishingly naked manner. At a national level .. a distance opened up between the majority of the middle and lesser gentry (and associated groups) and certain great agrarian magnates, privileged merchant capitalists, and their hangers-on, who manipulated the organs of State in their own private

Such battles are not always fought with swords; ideas can themselves be a potent, material force, giving an identity and cohesion to a scattered group of individuals, and used as a weapon against existing ideas and the practices they represent. For the rising industrial bourgeoisie one such set of ideas was formed in the philosophy of political economy. Political economy - 'the science of wealth' - was an attempt to formulate the 'laws' which governed the operation of a capitalist economy, an attempt at least by the intellectual representatives of the bourgeoisie to understand as well as to defend and justify their form of production. As a theory it was based on the premise that production - rather than land - was the source of wealth; it thus pointed to the aristocracy as parasitic on industry:

"Assuming that it is by the annual labour of the people employed in agriculture, mines, minerals, manufacture, shipping, commerce, fisheries, and inland trade, assisted by capital, machinery and skill, that the means of subsistence are obtained; it can be demonstrated that all other classes of the community, although many of them partake largely in the new property annually created, have no share whatever in its production, and, whatever they may do to diminish, do nothing to increase the national wealth... Like menial servants their labour adds to the value of nothing, since not like the agriculturalist, the manufacturer and the trader, they work upon no material that possesses a reproductive quality, and yet their consumption of the labour of others generally exceeds that allotted to many of the labourers themselves."

(Patrick Colquhoun 'A Treatise on the Wealth, Power, and Resources of the British Empire'. 1814. Qu Patricia Hollis 'Class and Conflict in Nineteenth Century England'. 1973. p 5.)

Capital of course does not have a 'reproductive quality' - it cannot expand itself - only labour is capable of creating wealth, but while political economy was used to criticise those who lived off rent, tithes, and taxes, it was also to lay claim to a common bond between workers and employers; both, it was argued, formed together the 'productive classes', and both

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interest. Nor was this a simple 'class' tension between an aristocracy of great magnates and lesser gentry. Certain magnates only were on the 'inside', and influence swung according to factional politics... It should be seen less as government by an aristocracy .. than as a parasitism... It was .. nothing but itself. A unique formation. Old Corruption."
(E.P. Thompson 'The Peculiarities of the English'. p 322/3.)

had a common grievance against the parasitism of the unproductive. The bourgeoisie - the then 'middle class' between a parasitic aristocracy on the one hand, and a dispossessed working class on the other - needed the support or at least the pressure of working class discontent in order to push its claim for political representation, and thus they found, and helped form, in the growing working class agitation, organisation, and publications that were developing.⁽¹⁾ According to one such paper:

"The upper classes .. the Church and Law, the Aristocracy .. the loyal parsons, Commissioners of Taxes, and in general, all those employed in the highest departments of the Revenue, which together with the magistracy of the country .. are identified with Corruption, and from a principle of self-preservation will resolutely oppose every attempt at Reform. Opposed to this phalanx, with interests quite distinct and even incompatible, are arrayed, the PRODUCTIVE CLASSES of society."

('The Gorgon'. 8.8.1818. Qu Hollis 'Class and Conflict ..'. p 10.)

It was Old Corruption that was held responsible for the misery and destitution of the workers, for while political economy had shown production to be the source of wealth, the working class remained poor, and the cause of this was:

"the enormous amount of taxes which the government compels us to pay for the support of its army, its placemen, its pensioners, etc., and for the payment of the interest of its debt."

('The Political Register'. 2.11.1816. Qu *ibid.* p 8.)

The French revolution, with its overthrow of the aristocracy and its claim for liberty and equality thus coincided and gave additional impetus to the rising demand for the abolition of aristocratic rule in England, the lifting of the burden in particular of indirect taxation, and the reform of parliamentary government. Throughout the country middle and working class reform movements were established to campaign for the

(1) "At this stage the labourers still form an incoherent mass scattered over the whole country, and broken up by their mutual competition. If anywhere they unite to form more compact bodies, this is not yet the consequence of their own active union, but of the union of the bourgeoisie, which class, in order to attain its own political ends, is compelled to set the whole proletariat in motion, and is moreover yet, for a time, able to do so. At this stage, therefore, the proletarians do not fight their enemies, but the enemies of their enemies, the remnants of absolute monarchy, the landowners, the non-industrial bourgeois, the petit bourgeois. Thus the whole historical movement is concentrated in the hands of the bourgeoisie; every victory so obtained is a victory for the bourgeoisie."

('Manifesto of the Communist Party' in Marx & Engels 'Selected Works'. p 42.)

principle of 'no taxation without representation' and against the rule of Old Corruption. But the bourgeoisie were playing a dangerous game; in whipping up the masses against the property and power of the aristocracy their actions threatened, as was occurring in France, to endanger their own property. As this became apparent, they slid out of their alliance with the workers back into the support of the government's policy of repression at home, and war against the French republic. Thus:

"The English ancien regime received a new lease of life... In return the manufacturers received important concessions: and notably the abrogation or repeal of 'paternalist' legislation covering apprenticeship, wage regulation, or conditions of industry. The aristocracy were interested in repressing the Jacobin 'conspiracies' of the people, the manufacturers in defeating their 'conspiracies' to increase wages: the Combination Acts served both purposes."

(E.P. Thompson 'The Making of the English Working Class'. 1974. p 216.)

Not only the Combination Acts, but also the 'Two Acts' of 1795, the arrest and imprisonment of radical working class leaders, the widespread use of spies and informers, the newspaper stamp tax of 1815,⁽¹⁾ and the repressive tactics of Peterloo and the further Six Acts of 1819 built up into a concerted attempt to stifle growing working class organisation and protest.

The declaration of war against France, on the other hand, proved a boon to British agriculture; with many imports blocked rents increased as much as five-fold as all 'available' land was brought under cultivation.⁽¹¹⁾ The price of provisions soared, and Poor Law expenditure rose, reaching new peaks in 1795 and 1801 as workers were forced to apply for relief in order

(i) "Of all the taxes levied (or attempted to be levied) upon the poor man, the most odious and the most inexcusable is the tax upon political knowledge. ... You may have 'religious knowledge' and all sorts of romantic and idle stories 'dirt cheap' but if you wish to know anything about the pickpocket machinery which robs the poor man of eight shillings out of every thirteen which he spends, then the Aristocracy say 'You shall know nothing about our black art, our dirty works and our swindling schemes, unless you pay us fourpence for a red mark which we put upon the paper.'" (The 'Poor Man's Guardian'. 20.8.1831. Qu S. Harrison 'Poor Men's Guardians'. 1974. p 75.) Despite the penalties, however, the 'unstamped' and thus illegal working class press continued to flourish.

(ii) "It was during the war that the cottagers of England were chiefly deprived of the little pieces of land and garden, and made solely dependent for subsistence on the wages of their daily labour, or the poor rates. Land, and the produce of it, had become so valuable that the labourer was envied the occupation of the smallest piece of ground which he possessed, and even 'the bare-worn common' was denied." (Kentish Chronicle. 14.12.1830. Qu J.L. & B. Hammond 'The Village Labourer'. 1913. p 175.)

to supplement their income. In 1795 riots once again broke out throughout the country: food was seized from farmers, wholesalers, distributors and exporters; women tended to predominate in the movement, "they organised distribution, selling the food at what they considered fair rates, and handing back the proceeds to the owners"⁽ⁱ⁾ in Nottingham "they went from one baker's shop to another, set their own price on the stock therein, and putting down the money, took it away"⁽ⁱⁱ⁾ in many places troops called out to quell the 'riot' themselves joined in the seizure and distribution of the goods. In Parliament the situation was met with a number of half-hearted attempts to introduce some form of minimum wage legislation, but these proposals were rejected on the grounds of being an undue and harmful interference with the 'natural laws' of supply and demand, and as a move which, once effected, would prove extremely difficult to reverse.⁽ⁱⁱⁱ⁾ In the event, the problem was to be partially and temporarily resolved through local action in the extension of poor relief.

As we have seen, the exercise of the Poor Law was dependent upon the discretion of local parishes and their Overseers, supervised by the Justice of the Peace. At the time of the rioting an Act was passed enabling any Justice to order the Overseer to give relief "to any industrious poor person or persons; and he, she, or they shall be entitled to ask and to receive such relief at his, her or their homes"^(iv) This acknowledged abandonment of the 'workhouse test', however, again reflected what had already become common practice; although the implementation of the Act of 1722 allowing parishes to restrict relief to those confined to a workhouse had in many parishes led to a reduction in the poor rate, the increasing number of applicants for relief throughout the later half of the century had forced many parishes to abandon such schemes, and to revert to the simpler, and cheaper, practice of paying small amounts of 'outdoor' relief to the poor in their own homes.^(v) With the escalation of food prices, however,

(i) J.L. & B. Hammond 'The Village Labourer'. p 121.

(ii) E.P. Thompson 'The Making of the English Working Class'. p 70. According to Thompson, these riots were a final attempt to "reimpose the older moral economy as against the free economy of the market." (Ibid. p 73.)

(iii) "All the interests and instincts of class were disguised under the gold dust of Adam Smith's philosophy." (J.L. & B. Hammond op cit. p 142.) The claim to a 'free market' in labour, however, did not even yet prevent the statutory setting of maximum wages.

(iv) 36 George III c101. Qu de Schweinitz op cit. p 73.

(v) E.g. at Witham in Essex the opening of a workhouse reduced the poor-rate by half to £230; by 1785 it had reached £2,879. (D. Marshall 'The Old Poor Law'. 1937. p 45.)

these doles proved even less adequate than usual.⁽¹⁾ It remained, however, within the power of the Justices of the Peace to alter these levels; within the structure of Poor Law administration, as indeed of the structure of local government as a whole, the Justices occupied a pivotal position, capable of over-ruling parish vestries and Overseers, acting as the ultimate court of appeal against their decisions, and empowered to order the amount and manner in which relief was to be given. Appointed initially by the feudal monarchy in its struggle to subdue the warring barons and nobility and to extend the power and control of the State, they were as a group drawn principally from the landed gentry. They were thus part of the social hierarchy of the traditional rural order, and in exercising their function of control and regulation they had, in many rural areas especially, continued to do so from an ideology of 'paternalism' and a belief in the 'moral economy'.⁽ⁱⁱ⁾

Their response to the distress and rioting of 1795 was characteristic; at Speenhamland in Berkshire, for example, a meeting of Justices was held to consider fixing a minimum scale of wages for the county to offset the effects of inflation, instead they decided upon the expedient of drawing up a sliding scale of relief which fluctuated with the price of bread. This 'Speenhamland System' as it was to become known was by no means the first nor the only form of a variety of similar practices that were adopted in many areas to meet the economic and political crisis of the time, but it was characteristic of a particular kind of response - that of subsidising wages, of paying allowances to support the children of large families, and in general of meeting distress through an extension

(1) "The weekly allowances cannot supply more than food; how then are clothing, firing, and rent to be provided? By robbery and plunder." (Evidence to the Commons Committee on Labourers' Wages. 1824. Qu in 'The Report of His Majesty's Commission .. / on / .. the Poor Laws'. 1834. p 148.)

(ii) According to E.P. Thompson, the Justices often colluded with popular resistance to the encroachment of the market economy: "It was a common complaint of the protagonists of free trade in corn that misguided gentry added fuel to the flames of mob discontent. There is truth in this. The crowd derived its sense of legitimation, in fact, from the paternalist model. Many gentlemen still resented the middleman as interloper... This hostility to the dealer existed even among many county magistrates, some of whom were noted to be inactive when popular disturbances swept through the areas under their jurisdiction." ('The Moral Economy of the English Crowd'. p 95.)

and reassertion of the 'right' to maintenance and relief⁽ⁱ⁾ - a response moreover which, as we shall see, was later to meet with controversy and opposition and to lead to a reconsideration of the structure of Poor Law administration.

While the Napoleonic War had seen a rapid rise in prices, with its end the boom in agriculture collapsed. With over-production the price of corn fell from 126s. a quarter in 1812 to 65s. by 1815; farms fell into disuse, and the rent on land plummeted, over £9 million being lost in rent revenue in 1816 alone.⁽ⁱⁱ⁾ Whereas during the war poor relief had been invoked to deal with the problem of distress resulting from rising prices, it now escalated in the face of increasing unemployment, swelled by the disbanding of the returning armies. The poor-rate, which in 1790 had been considered too high at £2½ million, reached £7½ million by 1820, the majority of which fell as a rate on land, and parishes were involved in increasing and costly litigation over settlement in the attempt to remove applicants for relief back to their parishes of origin.⁽ⁱⁱⁱ⁾

Despite the continuing threat of rural insurrection and riot, parishes also sought to tighten up on poor relief expenditure. In 1818 and 1819, the time of the beginning of Sir George Nicholls' experiments in Southwell,^(iv) two Vestry Acts were introduced which sought to strengthen the control of

(i) "The Speenhamland decision of 1795, to subsidise wages in relation to the price of bread, must be seen as arising out of this background; where the custom of the market place was in dissolution, paternalists attempted to evoke it in the scale of relief." (Thompson 'The Making of the Working Class'. p 73.) Similarly E.J. Hobsbawm considers it "an attempt - a last, inefficient, ill-considered and unsuccessful attempt - to maintain a traditional rural order in the face of the market economy." ('Industry and Empire'. 1974. p 105.)

(ii) P. Dunkley 'The New Poor Law in Co. Durham'.

(iii) The national breakdown of the poor rate for the year ending 25.3.1823 was:

land	£4,602,252
dwelling houses	£1,762,950
mills and factories	£247,389
manorial properties	£90,908

(Report of the Select Committee on Poor Rate Returns. 1824.)

In comparison, taxation to cover war costs amounted to over £100 million a year, of which some £50 million was spent subsidising certain European governments as strategic centres. (J.L. & B. Hammond op cit. p 175.)

Between 1776 and 1819 the amount spent on litigation over Settlement increased ten-fold (Poynter op cit. p 16); in 1815 alone this expense amounted to over £¼ million (Hammond op cit. p 134.)

(iv) On which see J.D. Marshall 'Nottinghamshire Reformers and the New Poor Law'. 1961.

the larger property-owners by introducing a system of plural voting (£50 worth of property entitling the owner to one vote, and each additional £25 to a further vote to a maximum of six), and which allowed parishes to appoint Select Vestries and employ salaried and permanent assistant Overseers to supervise and control expenditure. By 1830 the general scale of relief given to individuals had been reduced to two-thirds of its level of 1795.

In a situation of rising unemployment, and of increasing discontent, it is not uncommon, at least for those least affected by it, to blame the situation on the unemployed themselves, and in particular on the existence of a system of social security or poor relief:

"Such a compulsory contribution for the indigent could not fail in time .. to produce the unfortunate effect of abating those exertions on the part of the labouring classes, on which, according to the nature of things, the happiness and welfare of mankind has been made to rest. By diminishing this natural impulse by which men are instigated to industry and good conduct, by superseeding the necessity of providing in the season of health and vigour for the wants of sickness and old age, and by making poverty and misery the condition on which relief is to be obtained .. this system is perpetually encouraging and increasing the amount of misery it was designed to alleviate .. and not infrequently engenders dispositions and habits calculated to separate rather than unite the interests of the higher and lower orders of the community."

('Report of the Select Committee on the Poor Laws'. 1817. p 4.)⁽¹⁾

To make poverty and misery the condition on which relief was to be granted was thus seen as weakening that 'natural' impulse by which those without property are forced to work for those who possess it. According to political economy, poverty was the natural and inevitable condition of wage labour, and thus any attempt to provide relief for the able-bodied poor was seen as undermining the very foundation on which the wealth of the economy

(1) "By far the worst consequence of the system is the degradation of the character of the labouring class... Able bodied men are found slovenly at their work, and dissolute in their hours of relaxation; a father is negligent of his children, the children do not consider it necessary to contribute to the support of their parents; the employers and employed are engaged in perpetual quarrels, and the pauper, always relieved, is always discontented; crime advances with increasing boldness, and the parts of the country where this system prevails are, in spite of our galls and laws, filled with poachers and thieves."

('Report of the Select Committee Appointed to Inquire into the Practice Which Prevails in Some Parts of the Country, of Paying the Wages of Labour Out of the Poor Rates'. 1824. p 4.)

depended.⁽ⁱ⁾

The political economists did not, however, argue that the poverty of the working class was absolute - indeed it varied according to the prevailing level of subsistence in any country - but that wages were and must always be set at subsistence level, at sufficient only to secure a constant supply of labour. It was Thomas Malthus who first made this doctrine 'popular' at the end of the eighteenth century with his 'Essay on Population',⁽ⁱⁱ⁾ based predominantly on an agricultural economy, this argued that the means of subsistence were finite and limited, and could increase only at a simple arithmetical progression; population on the other hand, he argued, increased geometrically; the tendency was therefore for the growth in population to outstrip the available means of subsistence, resulting in famine, death, and a return of the population to its appropriate size.⁽ⁱⁱⁱ⁾ Thus a convenient argument was provided for

(i) "It has never been deemed expedient that the provision should extend to the relief of poverty; that is, the state of one who, in order to obtain a mere subsistence, is forced to have recourse to labour." ('Report of His Majesty's Commission .. on .. the Poor Laws'. 1834. p 334.) Cf. also P. Colquhoun qu p 14 above.

(ii) According to Marx, Sir Frederick Eden was "the only disciple of Adam Smith during the eighteenth century that produced any work of importance." ('Capital'. I. p 578.) For his views on Malthus see *ibid* footnote p 578.

(iii) "Although Malthus was a parson of the English State Church, he had taken the monastic vow of celibacy... This circumstance favourably distinguishes Malthus from the other Protestant parsons, who have shuffled off the command enjoining celibacy of the priesthood and have taken, 'Be fruitful and multiply' as their special Biblical mission in such a degree that they generally contribute to the increase of population to a really unbecoming extent, whilst they preach at the same time to the labourers the 'principle of population'." (*Ibid*)

The view that too rapid an increase in population was the cause of much distress during the development of capitalism is one that has continued to be given much prominence. It should be noted however that a growth in population is in itself only of limited value in explaining unemployment or starvation for the effect of increased population will depend upon the nature of the economic and social structure, whether, for example, the population is 'freed' from or can depend upon the land. Furthermore any substantial growth in population must be related to the development of the productive forces of society, because man is able to create his own means of subsistence, he is able to increase the subsistence available to an ever greater population. It is this growth in productive power, in capital, that ultimately must allow for population growth "Capital can only increase by exchanging itself for labour-power, by calling wage labour to life. The labour power of the wage-worker can only be exchanged for capital by increasing capital... Hence increase of capital is increase of the proletariat, that is, of the working class." (Marx 'Wage Labour and Capital' op cit p 83.) Or as Arthur Young made the more simple observation: "It is employment that creates population.

those who wished to abolish poor relief, for poor relief served only to support that 'surplus' population which nature would otherwise have dealt with in its own way.

The development of this theory by political economy found its expression in the doctrine of 'the wages fund'. The wage fund theory was based on the assertion that the wages of labour were provided by capital, rather than that labour created not only its own wages, but also the capital of those who employed them, and it too argued that the fund for the payment of labour was limited. Hence any increase in population would result in each individual receiving a lesser share of the wage fund; and similarly any attempt by the workers to increase their wages would, by increasing the size of their families lead to the inevitable reduction of wages back to the level of subsistence.⁽ⁱ⁾ Moreover, anyone maintained in idleness was maintained at the expense of the fund.⁽¹¹⁾

"What number of persons can be employed in labour must depend absolutely upon the amount of the funds which alone are applicable to the maintenance of labour... The immediate effect of a compulsory application of the whole or part of these funds, is to change the application, not to alter the amount of them... Whoever therefore is maintained by the law as a labouring pauper, is maintained only instead of some other individual who otherwise would have earned by his own industry the money bestowed on the pauper."

('Report of the Select Committee on the Poor Laws'. 1817. p 17.)

Thus poor relief itself was held to blame for the lack of employment, and

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marriages are early and numerous in proportion to the amount of employment." (Qu J. Saville 'Primitive Accumulation and Early Industrialisation..'. p 264.) This of course is far from saying, as we shall see, that a temporary or relative surplus of workers is not produced.

(1) "According to [political economy] wages rise in consequence of accumulation of capital. The higher wages stimulate the working population to more rapid multiplication, and this goes on until the labour market becomes too full, and therefore capital, relatively to the supply of labour becomes insufficient. wages fall, and now we have the reverse of the model... Between 1849 and 1859, a rise of wages .. took place in the English agricultural districts. In Wiltshire, eg., the weekly wage rose from 7s. to 8s.; in Dorsetshire from 7s. or 8s. to 9s. &c... What did the farmers do now? Did they wait until, in consequence of this brilliant remuneration the agricultural labourers had so increased and multiplied that their wages must fall again, as prescribed by the dogmatic economic brain? They introduced more machinery, and in a moment the labourers were redundant again in a proportion satisfactory even to the farmers." (Marx 'Capital'. I. p 597.)

(11) Not so, it would appear, the aristocracy however. Thus although Colclough

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insofar as it helped support (and insofar as it provided allowances for children increase) a 'surplus' population, it was held also to blame for the low level of wages:

"As the funds which each person can expend in labour are limited, in proportion as the poor rate diminishes those funds, in the same proportion will the wages of labour be reduced."

(Ibid. p 4.)

Such fallacies⁽ⁱ⁾ were to have an important influence on those who administered and were to reform poor law relief, even if there existed still a group of high-minded Tories amongst the aristocracy who resented industrialisation, or at least its forms, and who, like Southey, considered political economy a "diarrhoea of the intellect".⁽ⁱⁱ⁾ Wages, however, are not created by capital, nor does the number of workers restrict the amount of wages; on the contrary, the more workers that are required the higher the wages:

"The correlation between the accumulation of capital and rate of wages is nothing else than the correlation between the unpaid labour transformed into capital, and the additional paid labour necessary for the setting in motion of this additional capital. It is therefore in no way a relation between two magnitudes, independent one of the other: on the one hand, the magnitude of the capital; on the other the number of the labouring population, it is rather, at bottom, only the

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had argued that the aristocracy were, strictly speaking, 'unproductive', it was only the class of paupers who were purely 'parasitic': "All who labour in any useful pursuit contribute to the general comfort and happiness of every well governed community. It is only those who pass their lives in vice and idleness .. who are real nuisances in society - who live upon the land and labour of the people, without fulfilling any useful station in the body politic, or making the smallest return or compensation to society for what they consume."

(Qu P. Hollis 'Class and Conflict'. p 5.)

(i) The doctrine of the wages fund was officially to be dropped from political economy later in the century, even if we are still led to believe that 'one man's wage increase is another man's ticket to the dole queue': "The doctrine hitherto taught by all or most economists (including myself) which denied it to be possible that trade combinations can raise wages .. is deprived of its scientific foundation, and must be thrown aside." (John Stuart Mill. 1869. Qu S.G. Checkland 'The Rise of Industrial Society in England 1815-1885'. 1964. p 415.)

(ii) "... we cannot deny the [poor's] claim to a maintenance from the public." (Qu Poynter op cit. p 251.)

Coleridge similarly argued that "this enormous mischief is undeniably the offspring of the commercial system." (ibid)

relation between the unpaid and the paid labour of the same labouring population. If the quantity of unpaid labour supplied by the working class, and accumulated by the capitalist class, increases so rapidly that its conversion into capital requires an extraordinary addition of paid labour, then wages rise, and, all other circumstances remaining equal, the unpaid labour diminishes in proportion. But as soon as this diminution touches the point at which the surplus-labour that nourishes capital is no longer supplied in normal quantity, a reaction sets in: a smaller part of revenue is capitalised, accumulation lags, and the movement of rise in wages receives a check. The rise of wages therefore is confined within limits that not only leave intact the foundations of the capitalistic system, but also secure its reproduction on a progressive scale."

(Marx 'Capital'. I. p 581.)

Real wages rise with the accumulation of capital, with the growing productivity of labour, and with the increasing wealth of society; but relative wages - the share of labour in the new value it creates - can only increase at the expense of the surplus-value that is taken by the capitalist. This relation, as we have seen, has been subject to only very minor fluctuation; as soon as wages threaten this surplus value (profit) capital is withdrawn from production. But even advances in real wages have to be bargained and fought for. If the level of real wages is low - if they lag behind the prevailing level of subsistence that sets the normal price of labour - it is because the workers are unorganised and unable to fight for their increase, or because there is a relative 'surplus' of labour which enables employers to pay below the normal price of labour. Thus as one farmer remarked.

"The more men unemployed the better, and the higher the poor-rates the better for us, the landlords must reduce their rents in proportion, and we shall be benefitted by employing men at such wages as we choose to give them."

(Qu in 'The Report of His Majesty's Commission..'. 1834. p 313.)

The existence of a 'surplus' population of unemployed labour thus acts to keep wages low, not because they detract from some fund for the payment of labour, but because through their competition they enable employers to hold wage levels down. Moreover, as we shall see later, the existence of this relative surplus is itself the product of capitalist development, and the precondition for its further growth.

While 'the dogmatic economic brain' was thus warning the workers of the futility of attempting to increase wages, and blaming their poverty and unemployment on the existence of a system of poor relief,⁽ⁱ⁾ the bourgeoisie began once again to join battle with the aristocracy. With the ending of the Napoleonic Wars, the establishment of political stability in Europe, and with a working class movement weakened, although not destroyed, by the government's policies of repression, the movement for the reform of the political structure re-emerged, and once again the bourgeoisie looked to working class support. Increasingly, however, their attempts to manipulate working class discontent as a lever against the aristocracy met with a response which not only identified Old Corruption as the enemy, but included also the employers themselves. According to Hollis:

"For twenty years .. working class theorists had recognised that there was a gap between what the labourer produced and what his wage would buy, and in turn taxation, upper class parasites, the theft of land, and competition were held to account for it. Any more devastating critique was inhibited because .. of the inclusion of the manufacturers among the productive classes. Working men were oppressed rather than exploited."

(Patricia Hollis 'The Pauper Press'. 1970. p 217.)

Now it was increasingly recognised that it was not only the aristocracy who oppressed the working class, but that a far greater exaction was taken from them in the process of production itself:

"Enormous taxation is no doubt an evil; but it is only one of a number of evils, many of them equally oppressive as taxation, and all growing out of, and equally inseparable from, the present constitution of society... RENTS and TITLES and INTEREST of money, and tolls, and above all, of the profits realised on capital, which is greater than all the other burdens put together."

('The Operative'. 18.11.1838. Qu Hollis 'Class and Conflict'. p 15.)

It was not a corrupt and antiquated political structure that had to be transformed, but the entire constitution of society - the existence of a

(i) This is not to say that the working class accepted such dogma, see, for example, R.V. Clements 'British Trade Unions and Popular Political Economy'. 1961.

system of production which served to benefit not those who produced, but those who claimed to own the means of production:

"Betwixt him who produces food and him who produces clothing, betwixt him who makes instruments and him who uses them, in steps the capitalist, who neither makes nor uses them, and appropriates to himself the produce of both."

(T. Hodgskin 'Labour Defended Against the Claims of Capital'. 1825. Qu *ibid.* p 41.)⁽ⁱ⁾

Throughout the closing years of the 1820s the 'middle class' fought to maintain control of working class discontent, to contain it and direct it along the lines only of parliamentary reform.⁽ⁱⁱ⁾ In 1830, in the midst of great demonstrations and campaigns throughout the country, riots broke out once again in the southern rural counties. Agricultural labourers rose up to demand higher wages, greater employment, and more adequate poor relief; farmers and magistrates were attacked and threatened, workhouses burned down, and Overseers driven out of the parish, "several counties in the south of England were in a state bordering on insurrection".⁽ⁱⁱⁱ⁾

(i) It was this recognition that was to be the starting-point for the Co-operative Movement. "You struggle in vain against capitalists and landowners, who besides the overwhelming influence of their private wealth, are necessarily the makers of the laws which regulate and tax your labours and control all your actions, even your words and opinions, to their supposed advantage... How long, then, will you be the dupes of politicians and speculators, themselves the sincere dupes of their own want of knowledge and acquired habits? Each of whom is only looking forward to make what is called his fortune, that is to say, a large yearly command of the products of your labour for his exclusive use, by some of the thousand expedients of individual competition... Would you get out from a wretched contest with all those classes, who are now preying upon your labour, without any discussion or quarrelling with them? would you like to be your own masters, and your own employers? Would you like to be secure of employment?... If you would like to acquire these things, you have nothing more to do than simply to alter the direction of your labour. Instead of working for you know not whom, work for each other." (W. Thompson 'The Co-operative Magazine'. 1820. Qu B. Youngjohns 'Co-operation and the State 1814-1914'. 1954. p 22.)

(ii) "A violent revolution is not only beyond the means of those who threaten it, but is to them their greatest object of alarm; for they know that such a revolution can only be effected by the poor and despoiled millions who, if excited to the step, might use it for their own advantage." ('Poor Man's Guardian'. 1.10.1831. Qu E.P. Thompson 'The Making of the English Working Class'. 1974. p 890.) Thompson's book provides an extremely detailed study of these events.

(iii) J.L. & B. Hammond 'The Village Labourer'. p 44.

The riots added further fuel to the demand for reform,⁽¹⁾ faced with a mounting challenge and crisis Wellington and the Tory administration resigned, and the Whigs, "the aristocratic representatives" of the industrial bourgeoisie, assumed office.⁽ⁱⁱ⁾ Lord Grey, leader of the Whig government spoke thus of the agricultural revolt:

"With regard to this war .. I can only promise that the state of the country shall be made the object of our immediate attention... To relieve the distress which now so unhappily exists in different parts will be the first and most anxious end of our deliberations; but I here declare .. that is is my determined resolution, wherever outrages are perpetuated, or excesses committed, to suppress them with severity and vigour. (Cheers)."

(Qu Hollis 'Class and Conflict'. p 120.)

For the latter part, Grey was true to his word: Special Commissions were appointed to try those who had taken part in the revolt - nine were hanged, four hundred and fifty seven transported, and over four hundred imprisoned.⁽ⁱⁱⁱ⁾ As for 'our most anxious end' to relieve the distress that had occasioned the revolt, further action was not to be taken for almost two years. In the meantime there was a more important task facing the Whigs, which, according to Grey, was:

"to associate the middle with the higher orders of society in the love and support of the institutions and government of the country."

(Qu Thompson 'The Making of the English Working Class'. p 899.)

In 1832, after a series of setbacks and crises in which, according to Thompson, England "was within an ace of a revolution which, once commenced, might well have prefigured, in its radicalisation, the revolutions of 1848

(1) "Among the tradesmen, even of the metropolis, ninety nine out of a hundred are on the side of the labourers." (Cobbett's 'Political Register'. 4.12.1830. Qu Thompson 'The Making..'. p 253.)

(ii) "The Tories passed as the guardians of the traditions of Old England. They were suspected of admiring in the British Constitution the eighth wonder of the world, to be .. enthusiasts for the throne, the High Church... The Tories, in the end, are Bourgeois as much as the remainder .. they are distinguished from the other Bourgeois in the same way as the rent of land is distinguished from commercial and industrial profit. Rent of land is conservative, profit is progressive; rent of land is national, profit is cosmopolitan, rent of land believes in the State Church, profit is a dissenter from birth... The Whigs are the aristocratic representatives of the bourgeoisie, of the industrial and commercial middle class. Under the condition that the Bourgeoisie should abandon to them, to an oligarchy of aristocratic families, the monopoly of government and the exclusive possession of office, they make

and the Paris Commune⁽¹⁾ Grey succeeded in pushing a Reform Bill through Parliament. The property franchise on which the extension of the vote was based had itself been carefully calculated so as to include only the new bourgeoisie, and to exclude the mass of the population on whose agitation the reform had been carried, and in case any of the ruling class doubted the wisdom of such a move, or saw it as creating a dangerous precedent, Grey reassured them:

"If any persons suppose that this reform will lead to ulterior measures they are mistaken; for there is no one more decided against annual parliaments, universal suffrage, and the ballot, than I am. My objection is not to favour but to put an end to such hopes and projects."

(Qu ibid. p 892.)

Two months before the Bill was passed, he kept his earlier promise, by appointing a Royal Commission to investigate the state of the Poor Law.

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to the middle class, and assist it in conquering, all those concessions, which in the course of social and political development have become unavoidable and undelayable. Neither more nor less."

(Karl Marx 'The Elections in England - Tories and Whigs'. In Marx and Engels 'Articles on Britain'. 1975. pp 109/16.)

(iii) J.L. & B. Hammond op cit. p 308.

(i) Op cit. p 898.

Chapter ThreeThe Laws of Nature- The 1834 Poor Law Amendment Act

"The social body cannot be constructed like a machine, on abstract principles which merely include physical motions, and their numerical results in the production of wealth... Political economy, though its object be to ascertain the means of increasing the wealth of nations, cannot accomplish its designs, without at the same time regarding the cultivation of religion and morality."

(J.P. Kay-Shuttleworth 'The Moral and Physical Condition of the Working Classes'. 1832. p 64.)

"There was never a better illustration of the great truths, that in morals, as well as in political economy, the laws of nature are wiser than those of men."

(Nassau W. Senior 'The English Poor Laws'. 1865. p 97.)

The Report of the Poor Law Commission was published in 1834; within six months its principal recommendations had been put into effect, giving rise to a national supervision of poor relief and a set of principles of poor law administration which have in essence continued ever since to form the basis of our system of social security.

The writing of the Report, as well as the greater part of the work of the Commission itself, was undertaken by two men: Nassau Senior, Professor of Political Economy at Oxford, and Edwin Chadwick, student of the philosopher and political economist Jeremy Bentham, and in his own right a leading spokesman and authority on social reform.⁽¹⁾ Neither of these men were

(1) For biographies see: S.E. Finer 'The Life and Times of Sir Edwin Chadwick'. 1952. S.L. Levy 'Nassau W. Senior'. 1970. M. Bowley 'Nassau W. Senior and Classical Economics'. 1949.

novices, nor can they be counted amongst that great mass of ultimately uninfluential commentators who through a wealth of books, articles, and pamphlets claimed to have found a solution to the political and social problems of the time. They were civil servants, and they drew upon a wide range of experience and writings, both of their own, and of those other civil servants and economists who, together with them were to establish during the course of the nineteenth century the systems of poor relief, public education, health, housing, and factory legislation that forms the core of contemporary social policy.⁽¹⁾ They were:

"the architects of the new, industrial civilisation, professional public servants who formulated the social and administrative principles on which it was to develop."

(O.R. McGregor 'Social Research and Social Policy in the Nineteenth Century'. 1957. p 150.)

The Poor Law Commission, of which there were nine members including Chadwick and Senior, themselves appointed twenty six Assistant Commissioners, who were to visit and report on some one-fifth of the existing Poor Law authorities. According to the Report the post of Assistant Commissioner was one:

"requiring no ordinary qualifications, necessarily involving a great sacrifice of time and labour, likely to be followed by much hostility, and accompanied by no remuneration."

('Report of His Majesty's Commission for Inquiring Into the Administration and Practical Operation of the Poor Laws'. 1834. (1974 ed.) p 68.)

Under such conditions, we can doubt the extent to which the poor themselves had the opportunity of participating in the inquiry; like most of the major investigations of poverty or social security, the inquiry was undertaken by men of property.⁽¹¹⁾ Nor, as the Report indicated, was it anticipated that the inquiry and its results would be popular; indeed, although the Commission was to rely upon a selection of evidence from the reports of

(1) See P.R.D. Corrigan 'State Formation and Moral Regulation in Nineteenth-Century Britain'. 1977. for an excellent account of the activities of four of these major 'state servants'. Chadwick, Kay-Shuttleworth, Tremenhare, and Horner.

(11) One need only think of Charles Booth, the Liverpool shipping merchant, the work of the Rowntree and Cadbury families, or the Chairman of the recent Committee on Abuse of Social Security Benefits, the merchant banker Sir Henry Fisher.

the Assistant Commissioners to make out the case for reform,⁽¹⁾ its purposes had already been defined. This purpose was spelt out to the Assistant Commissioners before they commenced their work:

"There are two general enquiries to which each specific enquiry may be made subservient. One is the great question how far the law which throws on the owners of property the duty of providing the subsistence and superintending the conduct of the poor, has really effected its object; how far the proprietors of land and capital appear to have had the power and the will to create, or increase, or render secure the prosperity and morality of those who live by the wages of labour."

('Instructions From the Central Board of Poor Law Commissioners to Assistant Commissioners'. Reprinted in the 'Extracts from the Information Received..'. 1833. (1837 ed.) p 425.)

The 'morality' of the working class was a central concern of political economy; it recognised, at least in its more sophisticated forms, that production was a social process - that it depended upon the existence and maintenance of certain social relationships between groups of people - that it was political as well as economic.⁽ⁱⁱ⁾ Moreover, the maintenance of this social and political structure as a precondition for production could not be left purely to economic forces; it could not be constructed like a machine solely concerned with the physical production of wealth. Labour as a human characteristic was far too conscious and volatile to submit readily to the demands and the kinds of behaviour and attitudes that capital

(1) As two zealous Assistant Commissioners reported: "My Lords and Gentlemen, in compliance with your request that a selection should be made of a few parishes most strikingly exhibiting circumstances connected with the administration of the poor laws .. this selection is intended to illustrate .. the effect of the worst administration of the poor laws in full operation." (Report of H. and R. Pilkington, Assistant Commissioners for Leicestershire and Derbyshire. In 'Extracts from the Information Received by His Majesty's Commissioners..'. 1833. (1837 ed) p 183.)

(ii) As a recent article in The Times noted: "When a leading businessman dreams, what does he see? A world without politics, a neutral state. A liberal, but not libertarian society. At all events he does not see himself involved in the political struggle, and still less admitting to it. But the age of passive tolerance has run its course... Company decision-making is not a neutral affair. Are there not many cases where the decision to invest in a given sector or country is to some extent a political option going beyond the bounds of purely economic considerations? Hiring and firing, employing young people, old people, women, graduates or non-graduates ... all these things involve making a choice. Setting targets for profitability or capacity use, or even merely waiting to see what will happen all involves some form of commitment... No form of economic action is politically neutral any longer." (1.11.1977.)

Of course, such decisions have never been 'neutral'; still less have they

required: it had to be bred and cultured into an acceptance of its position in society.⁽¹⁾ This was the task which political economy and the major and influential civil servants of the nineteenth century set themselves: to see beyond the often immediate and short-term interests of employers in order to establish the necessary social, economic, and political relations on which capitalist production depended. As Kay-Shuttleworth, a leading figure in the establishment of a system of public education noted with regard to one such factor:

"What, for example, is cheap labour? In the solution of this question it is not possible to neglect all moral considerations... Wealth may be purchased at too great a price - ruinous to individual happiness or to the well-being of the State, because at a price inconsistent with moral laws .. by introducing a ferment of disaffection and an element of moral and social weakness into the State."

('Address .. on Public Education and the Relations of Moral and Physical Forces in Civilisation'. Qu Corrigan 'State Formation and Moral Regulation'. 1977. p 355.)

The morality - the discipline, behaviour, customs, attitudes and beliefs - of the working class were thus seen as essential to economic and political stability, and where the 'right' behaviour and attitudes were lacking, these had to be transformed by the creation of new institutions and practices;⁽¹¹⁾ one such obstacle and means to securing the 'character' of

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ever been able to operate without the pre-existence of the necessary social, economic, and political framework.

(1) "In this sphere of labour, as in every other, prudent and diligent culture is necessary to obtain genial products from the soil; noxious agencies are abroad, and, while we refuse to sow the germs of truth and virtue, the wings of heaven bring the winged seeds of error and vice."
(Kay-Shuttleworth 'The Moral and Physical Condition of the Working Classes'. 1832. p 95.)

(11) "It is impossible either to limit the pernicious influence of pauperism or crime to the wealth and productive power of the country, or to combat them effectually without employing moral transformatory as well as economical repressive forces for their extirpation."
(Kay-Shuttleworth 'Address on Public Education..'. Qu Corrigan op cit. p 345.)

the working class was the system of poor relief:⁽¹⁾

"It has been supposed .. that the idleness, profligacy, and improvidence, which now debase the character and increase the population of many of the south-eastern districts, are owing to the changes, partly by statute, and partly by practice to which that law has been subjected. On the other hand, it has been maintained, that it is the natural tendency of public relief .. to become a substitute, and a very bad substitute, for .. industry and forethought on the part of the poor... The other general question is, how far the evils of the present system .. are diminishing, stationary, or increasing... If the progress of the evils .. may be traced in the diminished cultivation and value of the land; the diminution of industry, forethought, and natural affection among the labourers; the conversion of wages from a matter of contract to a matter of right .. in the accelerated increase of every form of profligacy, in fires, riots, and almost treasonable robbery and devastation, if such be the representation which the Commissioners have to make to His Majesty, they cannot append to it a suggestion of mere palliative amendments."

('Instructions from the Central Board .. to Assistant Commissioners'. In 'Extracts..'. p 425.)

This then was the brief upon which the enquiry was to be undertaken. the falling value of land, increasing unemployment, destitution, discontent, and riot were to be blamed on the character of the labouring population as the result of the existence or the practice of the system of poor relief.

The slump that had been created with the ending of the Napoleonic Wars had been particularly persistent, especially in agriculture, where mechanisation had continued to produce problems of unemployment and over-production; the price of corn had fallen by a third between 1818 and 1832, "that of clothes and of other necessaries of life in a still greater proportion"⁽¹¹⁾ as the Report pointed out:

(1) The Poor Law was of course only one means through which this transformation was to be effected; a further major strategy was to be education: "A little knowledge is .. inevitable, and it is proverbially a dangerous thing. Alarming disturbances of social order generally commence with a people only partially instructed. The preservation of internal peace, not less than the improvement of our national institutions, depends upon the education of the working classes... Unacquainted with the real sources of their own distress .. the people have too frequently neglected the constitutional expedients by which redress ought only to have been sought, and have brought obloquy on their just cause, by the blind ferocity of those insurrectionary movements, in which they have assaulted the institutions of society. That good government may be stable, the people must be so instructed, that they may love that which they know to be right... The ascertained truths of political science should be early taught to the labouring classes, and correct political information should be constantly and industriously disseminated amongst them."

(Key-Shuttleworth 'The Moral and Physical Condition of the Working Classes'

"No complaint is more general than that of the difficulty of finding the means of profitable investment. The constantly increasing capital of the country, after having reduced interest and profits to lower rates than any persons now living can recollect, after having choked all the professions, and overflowed in all the channels of manufacture and commerce, is still seeking employment, however hazardous and however distant."

('Report...'. p 149.)

The constant accumulation of capital,⁽ⁱ⁾ the tendency of the means of production, and thus the ability to produce goods, to increase beyond the ability of the population to buy those goods, is, as we shall see, one of the fundamental characteristics of the capitalist mode of production. The resulting stagnation, falling interest and profits, and increasing unemployment, mark the periods of 'depression' which characterise its development.⁽¹¹⁾ In such a situation, despite cut-backs in the level of

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p 95/7.) Like many other areas of social policy, the development of a State education system relied heavily upon initial experiments within the embracing structure of the Poor Law. (See, eg., F. Duke 'Pauper Education'. 1976.)

(ii) 'Report...' p 128. The investment of capital in the cotton industry, for example, had so increased output that the selling price of 1lb of spun cotton had fallen from 10s.11d. in 1784 to 11 $\frac{1}{4}$ d. by 1832. (Hobsbawm 'Industry and Empire'. 1974. p 76.)

(i) By the 1840s the total annual surplus of capital was estimated at £60 million, much of which was to find investment in the 'railway boom' and, increasingly, overseas. (Ibid p 112.)

(ii) We shall be returning to this point. For the moment we need only reflect on what J.A. Hobson wrote in 1895. "'Unemployment' of labour, waste of labour-power, does not stand alone. At the great periods of depression we have not only 'unemployed' labour but 'unemployed' capital... The waste of labour-power in our modern industry is evidently but one important aspect of an even larger economic problem. The question is one we may well allow to germinate in our minds. 'Why is it that, with a wheat-growing area so huge and so productive that in good years whole crops are left to rot in the ground, thousands of English labourers, millions of Russian peasants, cannot get enough bread to eat? Why is it that with so many cotton mills in Lancashire, that they cannot all be kept working for any length of time together, thousands of people in Manchester cannot get a decent shirt to their backs? Why is it that, with a growing glut of mines and miners, myriads of people are shivering for lack of coal?'"

('The Meaning and Measure of 'Unemployment''. p 432.)

In the light of more recent investigations of the continuing relation between inadequate nutrition and premature death amongst working class children (The Times 30.5.1977.) we might well ask the same question of milk lakes and butter or beef mountains.

relief, and a general lowering in the cost of subsistence, the cost of poor relief had continued to rise.⁽ⁱ⁾ Whatever other explanation there thus existed for the falling value and rent of land, the Commission sought to account for it in the rising cost and practice of poor relief. According to their Report there existed a widespread practice - known as the Allowance System - of giving relief to people already in employment,⁽¹¹⁾ as a result:

"The employers of paupers are attached to a system which enables them to dismiss and resume their labourers according to their daily or even hourly want of them, to reduce wages to a minimum, or even below the minimum of what will support a married man, and to throw upon others the payment of a part, frequently of a greater part, and sometimes almost the whole of the wages actually received by the labourer."

('Report..' p 135.)

In many of those agricultural areas in which this practice prevailed, it was argued, this payment fell principally to the owners of land, for:

"the tenant considers rents and rates as payment for the farm, and one can only be increased at the expense of the other... High rates are a ground for demanding an abatement of rent: high wages are not."

('Report..' p 136.)

The Commissioners could not have been unaware that they were writing their Report firstly for a Parliament of landowners, and that the success of their proposals would depend upon their support; as they argued, "a good administration of the Poor Laws is the landlord's interest".⁽¹¹¹⁾ This administration they found to be corrupt and defective. As we have already noted its first level rested with the local Vestry, a collection of elected or self-appointed rate-payers responsible for overall parish affairs, including the appointment of an Overseers and the scrutiny of the poor-rate;

(i) "After allowing for an increase of population of one-fifth, the actual amount of relief given in 1832 was much larger in proportion to the population than even that given in 1818, which has generally been considered as the year in which it attained its highest amount."

('Report..' p 128.)

(11) According to Mark Blaug ('The Poor Law Report Re-examined'. 1964.) relief paid to subsidise low wages accounted for only a small percentage of the cost, averaging some 11% in those counties operating a 'sliding scale' of relief, and 7% in others. The Commission he argues deliberately confused this practice with the more widespread payment of allowances for children in order to secure its abolition. (Cf. the 'Report..' p 90.)

(111) 'Report..' p 151.

according to the Commission:

"They form the most irresponsible bodies that were ever entrusted with the performance of public duties, or the distribution of public money...

Each vestryman, so far as he is an immediate employer of labour, is interested in keeping down the rate of wages, and in throwing part of their payment on others, and, above all, on the principal object of parochial fraud, the tithe-owner; if he is the owner of cottages, he endeavours to get their rent paid by the parish; if he keeps a shop, he struggles to get allowances for his customers or debtors; if he deals in articles used in the workhouse, he tries to increase the workhouse consumption; if he is in humble circumstances, his own relatives and friends may be among the applicants; and, since the unhappy events of 1830, he feels that any attempt to reduce the parochial expenditure may endanger his property and person."

('Report..' p 192.)

Similarly the position of Overseer - an unpaid post rotated annually or even quarterly amongst the rate-payers - was seen as open to abuse and fraud. The Overseer was often "an uneducated man"⁽¹⁾

"the persons appointed are in general farmers in county places, and shopkeepers or manufacturers in towns... If, as an immediate employer of labour, he is interested in keeping down its price, he may gain, or think that he gains, more by the reduction of wages than he loses by the rise of rates."

('Report..' p 181.)

In terms of the administrative structure of poor relief, however, the greatest force of the Commission's criticism was directed at the Justices of the Peace. As we have seen, their position was one of overall authority over a number of parishes, and it was this authority to over-rule vestries and Overseers and to order relief to be granted that was held to be a major reason for the increase of the poor rate; as one Assistant Commissioner is quoted as reporting:

"The over-liberality of magistrates in granting relief has been a principal cause of the high rates, and of the dependence of the labourers on the parish. In many instances they have adopted a dictatorial tone to the parish overseers, which has induced men

(1) 'Report..' p 320.

As the Commission had warned their investigators: "It appears probable that such agents will be prevented from their other avocations from giving the time necessary to the vigilant and effectual performance of their duties; that neither diligence or zeal are to be expected from such persons .. through partiality and favouritism .. the desire of general popularity, or through the fear of general unpopularity."

('Instruction from the Central Board..' In 'Extracts..' p 418/9.)

of respectability to avoid the office and when harsh observations have been made in the presence of the pauper, the authority of the officer is destroyed... A gentleman of property, without experience in the employment of labour, or the character of labourers, is easily imposed upon by their false representations."

('Report..' p 226.)

Indeed, as men of property, rather than as employers of labour, the magistrates as gentry existed in a different relationship to the poor. This relationship embodied the ideology of paternalism, the notion that although the poor were to remain in their place, they were entitled to protection and relief from the rich - they "considered themselves as protectors of the poor"⁽¹⁾ It was this ideology which rankled most strongly with the authors of the Report:

"Great evils arise from their interference... In the first place, the very mode in which their jurisdiction is enforced seems intended to destroy all vigilance and economy on the part of those who administer relief, and all sense of shame and degradation on those who receive it."

('Report..' p 220.)

The Commissioners, however, were not unaware of the strength of this ideology, of notions of a 'moral economy' and of the right to relief, nor of its importance in the political structure of the rural economy and its social order. Although they may have wished to demonstrate that the activities of the magistrates resulted from corruption and self-interest,⁽ⁱⁱ⁾ they were forced to concede that:

"The magistrates have exercised the powers delegated to them by the Poor Laws - not wisely, indeed, or beneficially, but still with benevolent and honest intentions, and that the mischief

(i) 'Report..' p 229.

As Mr Bennett, the Justice of the Peace for Shoreditch, told Chadwick: "I do not think that the character of the pauper, if he is in distress, can be taken into consideration; for the Poor Laws were not established as a reward for good conduct, but as a provision for the person in immediate distress, and a person just discharged from the house of correction, or a prostitute, is as much entitled to relief as the most respectable pauper in the parish, because the principle of the English Poor Law is that no one shall starve."

(Qu in the 'Report..' p 235.)

(ii) As they told their Assistant Commissioners: "In some places they appear to act as if the property of the rate-payers were an unlimited fund to be drawn upon by the magistrates as the stewards for the paupers... Where he finds much interference, he will enquire whether the magistrates are or are not resident within the parish in whose concerns they interfere .. whether they contribute to its rates; whether any and what profit arises to their clerks from summonses and orders." ('Extracts..' p 420.)

that they have done was not the result of self-interest or partiality, or timidity, or negligence, but was, in part, the necessary consequence of their social position, and of the jurisdiction that was confided to them, and in part arose from the errors respecting the nature of pauperism and relief which prevailed among all classes at the time when the allowance system and scale were introduced, and still appear to prevail among the majority."

('Report..'. p 290.) Emphasis added.

It was this social position of the magistracy within a rural agrarian economy and its social relations which guided their actions;⁽¹⁾ but this economy was increasingly giving way to an urban and industrial one. Just as the authors of the Report were to see their purpose in establishing these new relations, in correcting the prevailing 'errors' concerning pauperism and relief, so too they saw as an inevitable part of this the necessity of transforming and recreating the appropriate political structure within which such relations could be developed. A challenge to the social authority, cohesion, and power of the magistrates was thus inevitable; as Nassau Senior remarked privately:

"The means of obtaining popularity and exerting influence which the present system gives to the magistrates seems to be, with most of them, superior to any other consideration. They appear, also, from their replies, to be actuated by an esprit de corps more intense than that of any other class of functionaries. Overseers and vestrymen readily admit that their fellows are sometimes subject to human errors, but every justice claims for the magistracy in general, and for his own division especially, that perfect purity, diligence and wisdom which is necessary to render them the safe though irresponsible administrators of six millions sterling a year. I have no hope of real improvement while their power of interference remains undiminished and no hope that they will voluntarily surrender a single particle of it."

(Letter to Lord Brougham. 1832. Qu S.L. Levy 'Nassau W. Senior'. 1970. p 249.)

(1) Not all magistrates of course acted out of a concern for the poor, nor did they all seek to uphold the rights of the poor to relief, but as one Assistant Commissioner reorted: "If two or ten magistrates of a division agree to act in unison or with vigour on the subject of relief to the poor, more especially the idle and dissolute poor, and one black sheep in that division, one popularity-hunter chooses, he may thwart and destroy the effect of their endeavours, and perhaps they may get their stacks burnt about them for their hard-heartedness, or rather, I should say, integrity and principle."

(Capt. Chapman. Qu in the 'Report..'. p 230.)

While the Report thus gave considerable space to criticism of the existing structure of Poor Law administration, its greatest attention was focused on the operation of this administration and its effects on the poor themselves; and while it decried petty corruption, the rising cost of poor relief, and the declining value of land and of rent, it considered that:

"The severest sufferers are those for whose benefit the system is supposed to have been introduced, and to be perpetuated, the labourers and their families."

('Report..'. p 155.)

As we have noted it was a familiar criticism of poor relief that it detracted from the 'wage fund' and thus led to a general lowering of wages; where this relief was given to those already in employment, the Report argued, wages were reduced even further below the level of subsistence, in the knowledge that the remainder would be made up by the parish.⁽¹⁾ The effect was, they further argued, that those labourers with families, whose dependents would be supported out of the rates, were employed in favour of those who were single, and that those who had accumulated small savings were forced to spend them before they could become eligible for relief, and thus for work:

"Can we wonder if the labourer abandons virtues of which this is the reward? If he gives up the economy in return for which he has been proscribed, the diligence for which he has been condemned to involuntary idleness, and the prudence, if it can be called such, which diminishes his means just as much as it diminishes his wants? Can we wonder if, smarting under these oppressions, he considers the law and all who administer the law as his enemies, the fair objects of his fraud or violence? Can we wonder if, to increase his income, and to revenge himself on the parish, he marries, and thus helps to increase that local over-population which is gradually eating away the fund out of which he and all the other labourers of the parish are to be maintained?"

('Report' p 167.)(ii)

(1) As Blaug has argued, however, "the Report of 1834 would have us believe that the causal chain ran from outdoor relief to low wages. On the weight of the evidence, however, it is more reasonable to think that low wages were the cause, and outdoor relief to large families the effect."

('The Poor Law Report Re-examined'. p 242.) This view is supported also by D. Baugh 'The Cost of Poor Relief in South-East England'. 1975.

(ii) Despite this and many other references throughout the Report to the effect of poor relief in creating 'over-population', the authors again seem not to have been unaware that "the demand and supply of labour" is regulated by "the alternate expansion and contraction of capital, the labour-market now appearing relatively under-full, because capital is expanding, now again

It was not however with the small numbers thus affected that the Report was primarily concerned, but with those who actually received relief, and with what the Commissioners saw as its effects on the morality and character of the working class as a whole:

"The severest sufferers are those that have become callous to their own degradation, who value parish support as their privilege, and demand it as their right."

('Report...'. p 167.)

That the poor considered that they had a right to relief was, as we have seen throughout, an established part of the social tradition and custom of pre-industrial capitalism; according to the Poor Man's Guardian:

"The right of these people to poor relief is of more than two centuries standing. It was given them in exchange for their share of the church property, of which the Reformation despoiled them. It was their 'vested interest' in the most enlarged sense of those words, for it was not only guaranteed by the law of the land, but also by those of justice, humanity, and sound religion."

(18.10.1834.)

Or as one Assistant Commissioner saw it:

"The poor-rate is considered by the lower orders as a fund in which they have an absolute property, and they do not scruple at artifice, violence or fraud to establish their claim to it. This feeling contributes more than any other cause to the progressive increase of the poor-rate, and to the general demoralisation which prevails in the lower ranks of society."

('Extracts from the Information Received...'. p 145.)

Despite their claim to this right, and its support by a small and declining section of the ruling class, it had of course been increasingly denied, along

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over-full, because it is contracting." (Marx 'Capital'. I. p 597.) At the end of their Report they concluded that despite the appearance of a 'surplus' population, such a real surplus did probably not in fact exist, precisely for this reason: "After a system of administration, one of the most unquestionable effects of which is the encouragement and increase of improvident marriages among the labouring class, has prevailed in full vigour for nearly forty years, it is a remarkable proof of the advance of the wealth of this part of the kingdom that a question should arise as to the existence of a surplus population. ('Report...' p 484.)

with those other aspects of the 'moral economy'. Despite the workhouse, despite the use of paupers as cheap labour, and despite the low levels of relief and the conditions on which it was granted,⁽ⁱ⁾ it was, however, a right which they continued to cling to and fought to maintain. It had thus become a right that was defended less by legal process than by popular and direct action.⁽ⁱⁱ⁾ Thus according to another Assistant Commissioner:

"The character and habits of the labourer have by this scale system been completely changed. Industry fails, moral character is annihilated and the poor man of twenty years ago, who tried to earn his money and was thankful for it, is now converted into an insolent, discontented, surly, and thoughtless pauper, who talks of 'right' and 'income', and who will soon fight for those supposed rights and income, unless some step is taken to arrest his progress to open violence."

('Report..'. p 168.)

Or as Senior himself recognised:

"The riots, and still more the fires, of 1830 were a practical lesson on the rights of the poor and the means of enforcing them, the fruits of which are far from being exhausted... Wages and allowances were raised; the parish pay was increased .. and for a time it seemed to be admitted that landlords, tithe owners and farmers are mere trustees for the labourers and entitled only to the surplus (if any) after the labourers have received the wages and relief which they may think proper to require. The immediate terror has passed off; some of the extravagant rates of wages and allowances have been reduced, but the labourers have not forgotten what were the rights which they then established, nor the overseers or magistrates how they were established. Many of our replies from the districts then disturbed admit that since that time relief is more profusely administered lest the stacks of those who refuse it may suffer .. and the facility with which some magistrates grant orders for relief has been accounted for 'because their property lies much exposed.'"

(Letter to Lord Brougham. 1832. Qu S.L. Levy op cit. p 249.)

(i) "Sometimes relief (to an amount insufficient for a complete subsistence) is afforded, without imposing any further condition than that the applicant shall shift, as it is called, for himself, and give the parish no further trouble... It is more usual to give a rather larger weekly sum and to force the applicants to give up a certain portion of their time by confining them in a gravel-pit or in some other enclosure, or directing them to sit at a certain spot and do nothing, or obliging them to attend a roll-call several times in the day, or by any contrivance which shall prevent their leisure from becoming a means either of profit or of amusement."

('Report..' p 88/9.)

(ii) "The tribunal which enforces it sits, not at the petty sessions, but at the beer shop; it compels obedience, not by summons and distress, but by violence and conflagration."

('Report..' p 132.)

The Commission was not solely concerned with the prevention of riot; indeed these events were themselves only symptomatic of the much wider hostility and class conflict that threatened the stability of capitalism throughout the beginning of the nineteenth century. The existing Poor Law was, however, seen as contributing to this conflict:

"The very labourers among whom the farmer has to live, on whose merits as workmen and on whose affection as friends he ought to depend, are becoming not merely idle and ignorant and dishonest, but positively hostile; not merely unfit for his service and indifferent to his welfare, but actually desirous to injure him."

('Report..' p 145.)

Poor relief was thus seen as a system which "has destroyed the industry and morals of the labourers"⁽¹⁾ it was a system which had developed to meet the problems and secure the social relations of an agrarian society, but these relations were themselves in dissolution. As Kay-Shuttleworth argued:

"The poor-laws as at present administered retain all the evils of the gross and indiscriminate bounty of ancient monasteries. They also fail in exciting the gratitude of the people, and they extinguish the charity of the rich. The custom is not now demanded as the prop of any superstition; nor is it fit that institutions, well calculated to assuage the miseries which feudalism inflicted on its unemployed and unhappy serfs, should be allowed to perpetuate indigence, improvidence, idleness and vice, in a commercial community. The artificial structure of society, in providing security against existing evils, has too frequently neglected the remote moral influence of its arrangements on the community... The unlimited extension of benefits .. has a direct tendency to encourage among the poor apathy concerning present exigencies, and the neglect of a provision for the contingencies of the future."

('The Moral and Physical Condition of the Working Classes'. p 45.)⁽ⁱⁱ⁾

(1) 'Report..' p 149.

(ii) "... Charity once extended an invisible chain of sympathy between the higher and lower ranks of society, which has been destroyed by the luckless pseudo-philanthropy of the law. Few aged or decrepid pensioners now gratefully receive the visits of the higher classes - few of the poor seek the counsel, the admonitions, and assistance of the rich in the periods of the inevitable accidents of life. The bar of the overseer is however crowded with the sturdy applicants for a legalized relief, who regard the distributor of this bounty as their stern and merciless oppressor, instructed by the compassionless rich to reduce to the lowest possible amount the alms which the law wrings from their reluctant hands." (p 48/9.)

If class conflict was to be avoided, and the security of private property guaranteed, then this 'artificial structure' had to be removed, and replaced by a structure more appropriate to the social relations and disciplinary requirements of industrial capitalism. In effect it meant the obliteration of claims for a 'right' to relief and maintenance, and the final realisation of that centuries-long process of creating a working class entirely dependent upon wage labour. As the Report indicated it was the existence of poor relief as an alternative, or, more correctly as a potential alternative, to wage labour which the Commission held to be the cause of the great 'demoralisation' of the labouring population:

"The labourer feels that the existing system, though it gives him low wages, always gives him easy work. It gives him also, strange as it may appear, what he values more, a sort of independence. He need not bestir himself to seek work; he need not study to please his master; he need not put any restraint upon his temper; he need not ask relief as a favour. He has all the slave's security for subsistence without his liability to punishment."

('Report...'. p 132.)

This phraseology, moreover, was not misplaced; according to political economy wage labour was freedom, but it is a peculiar kind of 'freedom'. It does not, for example, guarantee work:

"We deplore the misconception of the labourers in thinking that wages are not a matter of contract but of right; that any diminution of their comforts occasioned by an increase of their numbers, without an equal increase of the fund for their subsistence, is an evil to be remedied, not by themselves, but by the magistrates; not an error, or even a misfortune, but an injustice."

('Report...' p 325.)

Nor does it guarantee that those who are employed will receive sufficient to maintain themselves and their families. According to one correspondent:

"Wages, considered as a result of a bargain between the capitalist and the labourer, for the advantage of both parties, can hardly be said to exist. The farmer, like the parish, commonly pays every man according to the wants of himself and his family."

('Extracts...' p 77.)

But according to Senior:

"The instant the labourer is paid, not according to his value, but according to his wants, he ceases to be a free man."

('Three Lectures on the Rate of Wages'. 1830. Qu Poynter op cit. p 304.)

As we shall see, it remains a contradiction within capitalism, and a cause

of much conflict and distress, that it depends upon a wage system which, while intended to secure the maintenance and reproduction of a working class, cannot vary its payments according to the size of the families and future generations of labour that have to be maintained. But labour under capitalism is, after all, a commodity - this dehumanisation is not an invention of Marxism, but a reflection of the reality of a system which depends upon the buying and selling of labour-power - a commodity which, like all other commodities, has its price set by the average cost of production, and in this case subsistence. It was with this 'freedom', the freedom of the worker to sell his labour, and to be responsible for his failure to do so, that the authors of the Report were concerned and sought to bring about. Thus according to Senior the existing Poor Law had:

"ultimately succeeded in many districts in giving to the labourer and his family the security of servitude. They succeeded in relieving him and those who, in a real state of freedom would have been dependent on him, from many of the penalties imposed by nature on idleness, improvidence and misconduct... Before the Poor Law Amendment Act, nothing but the power of arbitrary punishment was wanting in the pauperised parishes to complete a system of praedial slavery."

('The English Poor Laws'. p 12/3.)⁽¹⁾

By 1834 this state of affairs was seen, at least if not by the workers themselves then by those who professed to be concerned with the production of wealth, not **only**, as freedom, but as 'natural'; natural that people should depend for their livelihood on increasing the wealth of others, that they should be forced to look to wage labour as their sole mean of support, and that they should bear the cost of unemployment and poverty as a necessary pressure on them to do so. Thus.

"It appears to the pauper that the Government has undertaken to repeal, in his favour, the ordinary laws of nature; to enact that the children shall not suffer for the misconduct of their parents - the wife for that of the husband, or the husband for that of the wife. In short, that the penalty which, after all, must be paid by someone for idleness and improvidence, is to fall not on the guilty person and his family, but on the proprietors of the lands and houses encumbered by his settlement."

('Report..' p 135.)

Thus the 'laws' of political economy and the new 'laws' of nature were to

(1) It would seem that there are still many who are misled by this rhetoric, e.g.: "Those who drafted and administered the Act had no wish to 'rule the poor'. They wished to direct them, harshly if necessary, along the only true path to freedom."

(Robert Pinker 'Social Theory and Social Policy'. 1973. p 59.)

be fused in the 1834 Poor Law Amendment Act.

The Poor Law Amendment Act was a device designed to give effect to the recommendations of the Report:

"It may be assumed that in the administration of relief the public is warranted in imposing such conditions on the individual relieved, as are conducive to the benefit either of the individual himself, or of the country at large, at whose expense he is relieved."

Of these:

"The first and most essential of all conditions, a principle which we find universally admitted, even by those whose practice is at variance with it, is that his situation on the whole shall not be made really or apparently so eligible as the situation of the independent labourer of the lowest class."

('Report..'. p 335.)_(i)

It would be naive to suppose that the Commission wished to abolish the Poor Law altogether; we have already seen how that was considered both impolitic and counter-productive. They proposed instead the establishment of workhouses, strictly classified, segregated, and disciplined, in which all applicants for relief would be confined. As Sir George Nicholls saw it:

"I wish to see the Poor House looked to with dread by our labouring classes, and the reproach for being an inmate of it extend down from father to son... For without this, where is the needful stimulus to industry?"

(Qu Poynter op cit. p 314.)

Of course neither the principle of less eligibility, nor the workhouse, were new. The workhouse had certainly been introduced initially for another purpose, and on the whole those which still existed left, in the eyes of the Commission, much to be desired.⁽¹¹⁾ But in a number of areas they had proved their worth as a means of disciplining the working class, and securing their 'attachment' to wage labour; according to one Assistant Commissioner's

(i) Cf: "The principle of the wage stop is that it would be unfair sic to the man who was working but earning less than the supplementary benefit level if his counterpart who was unemployed received a higher income."
('Supplementary Benefits Handbook'. 1971.)

(ii) "In by far the greater number of cases it is a large almshouse, in which the young are trained in idleness, ignorance and vice; the able-bodied maintained in sluggish sensual indolence; the aged and more respectable exposed to all the misery that is incident to dwelling in such a society, without government or classification, and the whole body of inmates subsisted on food far exceeding both in kind and in amount, not merely the diet of the independent labourer, but that of the majority of the persons who contribute to their support."

('Report..'. p 127.) we can only assume that this lavish treatment of the unemployed resulted from a transformation in the attitudes and generosity of ratepayers and overseers.

report, the effect was transformatory:

"New life, new energy is infused into the constitution of the pauper, he is like one aroused from sleep, his relations with all his neighbours, high and low, is changed; he surveys his former employers with new eyes. He begs a job..."

('Report..'. p 358.)

The 'workhouse test' was simple: the law would relieve only those who were destitute; those who were not destitute would be deterred from applying; while those who were willing to accept the conditions of the workhouse, who were prepared to have their families separated, to be subject to its restraints, discipline, and monotony, would thus prove their destitution and become entitled to relief.⁽¹⁾

What was new was the proposal that this system be established nationally and uniformly, enforced by the power of central government. According to the Report:

"Whatever may have been the various causes of the agricultural riots in various districts, whether the object was to force an increase of wages or a reduction of tithes or rent, the one effect has been to prove that the discretion exercised in the distribution of the Poor's rates can be effected by intimidation... Under these circumstances, any discretionary power left to the local officers must be a source of suspicion."

('Report..'. p 408.)

It was this which was to excite the most opposition from within the ruling class, and almost to thwart the implementation of the Report, for to extend the power of central government over the local administration of the Poor Law was seen by many as a threat to the established tradition of local government independence and autonomy, an interference in the way in which they spent their money, and a challenge to the exercise of local interests in Poor Law administration.⁽¹¹⁾ The Commission felt, however, that only the power of central government was sufficient to bring the desired

(i) As now, it was assumed that those who were deterred or failed to apply for relief would by definition have the necessary resources to live on; again as now, however, no attempts were to be made to find whether this was in fact the case. As one correspondent reported: "In this case [of a woman with 'several small children' whose husband had been hanged for stealing a horse] as in almost all others, it would have been utterly impossible for the parish officers to have ascertained whether the pauper did or did not possess the suspected resources."

('Report..' p 360.)

(11) For a good account of the way in which these interests continued to be exercised after the implementation of the Act see Anne Digby 'The Labour Market and the Continuity of Social Policy after 1834.'. 1975.

changes about, that it alone had the authority to over-rule vested local interests, to force employers and rate-payers to see the 'moral' consequences of their actions and the need for a more long-term and effective strategy, and to contain and control working class discontent.⁽¹⁾ The government had therefore to proceed with caution.⁽¹¹⁾

It would of course have been possible, if both expensive and cumbersome, to have made poor relief a wholly national institution, financed from central government sources and administered by a national network of central government agencies. Such would have been a big step in a society where the majority of government was local, and where the apparatus of the central State was small and largely confined to Whitehall, but there were other reasons for continuing to rely upon the existing machinery of administration, as the Report pointed out, a nationally-controlled and operated system of relief had been considered:

"It is probable - indeed it is to be expected - that at first it would work well, that there would be a vigilant and uniform administration, a reduction in expenditure, a diminution of pauperism, an improvement of the industry and morality of the labourers, and an increase of agricultural profit and rent. But in this case, as in many others, what was beneficial as a remedy might become fatal as a regimen. It is to be expected that in time the vigilance and economy, unstimulated by any private interest, would be relaxed; that the workhouses would be allowed to breed an hereditary workhouse population and would cease to be objects of terror."

('Report..' p 276.)

(i) As the Report quoted one magistrate as saying: "When in the parish of Mayfield it was rumoured that I intended interfering to reduce the rates, it was immediately suspected by the paupers that I was opposed to their interests. On the door of the first vestry I attended I found affixed a notice that they intended washing their hands in my blood. In 1826, a threat of that kind was readily disregarded, at present it would be consummated in a riot or fire. But if the alteration be the act of the Legislature, it assumes a different aspect. It comes with the sanction of law, and however it may be murmured at, the odium is removed from the obnoxious vestryman, or the individual magistrate... He may hope to intimidate a vestry, but he cannot dare to oppose a government."

('Report..' p 409.)

(ii) As Lord John Russell told Chadwick. "In the improvement of our institutions .. we must beware not to lose the co-operation of the country... Some faults must be indulged for the sake of carrying improvements in the mass."

(Qu P. Richards 'The State and the Working Class. Private M.P.s and Social Policy in the 1830s'. 1975. p 115.)

The 'private interest' of the ratepayers was thus to be retained as a means of ensuring a strict control over expenditure; fears that the central government would be incapable of exercising such close control, and that any attempt to establish a national system would be seen as a re-assertion of the 'right' to relief, were to delay the creation of a national administration for exactly a hundred years.⁽¹⁾ This did not mean, however, that the local administration was to be left unchanged and unregulated, but it was not felt that this could be achieved through legislation alone; it was to be done through a process of central inspection and regulation:

"The instances presented to us throughout the present enquiry of the defeat of former legislation by unforeseen obstacles and often by an administration directly at variance with the plainly expressed will of the Legislature, have forced us to distrust the operation of the clearest enactments .. unless an especial agency be appointed and empowered to superintend and control their execution."

('Report..'. p 398.)

Under the terms of the Act, therefore, a Poor Law Commission was established, independent of Parliament, for the purpose of implementing the 'New' Poor Law. This Commission was composed of three members, including Nicholls, all on a salary of £2,000 a year, with Chadwick as their Secretary.⁽¹¹⁾ In recognition of the fact that "difficulty may arise in case any immediate and universal remedy is attempted",⁽¹¹ⁱ⁾ the Act left to the Commission the power to decide how, when, and where the various reforms were to be put into effect, and empowered it to create larger Poor Law Unions out of a grouping of existing parishes, to re-organise the administration, and to issue Orders and Regulations concerning the manner in which relief was to be given. One of the first tasks to which this extra-Parliamentary body of State officials set itself was thus to draw up Union boundaries and organise the election of Boards of Guardians, from amongst the local property-owners and ratepayers, which were now to form the basis of administration. These Boards were then

(i) I.e. the Unemployment Assistance Board created under the 1934 National Insurance Act.

(ii) Chadwick's salary was to be £1,200 a year; on his own estimate, the yearly income of a cotton operative in the mid-nineteenth century was, by contrast, £27. (Corrigan 'State Formation..'. 1977. App 48.)

(iii) Qu H.E. Rose 'The Anti-Poor Law Movement in the North of England'. 1966. p 99.)

to appoint salaried officials to administer relief according to the instructions of the Commission. The Justices of the Peace, who had previously held the position of ultimate authority and appeal, were to become ex-officio members of the Board. According to Nassau Senior:

"The Poor Law Amendment Act found the county justices each in his own circle the master of the property of the ratepayers, and of the incomes of the labourers. It left them either excluded from influence in the management of their own parishes, or forced to accept a seat in the Board of Guardians, and to debate and vote among shopkeepers and farmers."

('Remarks on the Opposition to the Poor Law Amendment Bill'. 1841. Qu Levy op cit. p 87.)(1)

The activities of the Commission were not to be without difficulty; their attempts to introduce the workhouse system met with fierce and sustained opposition, especially in the industrial north, where workers, aware of the consequences of such a policy, combined in an alliance with those 'Tory radicals', such as Oastler, who saw in the new Poor Law, as indeed of industrial capitalism itself, a sharpening of class conflict and the undermining of traditional means of patronage and control.⁽¹¹⁾ The power of the Commission to introduce the new system at its own pace thus proved of great advantage in its flexibility, and although, as we shall see, for such and other reasons outdoor relief was never to be fully abolished, it was to take until well into the nineteenth century before the new administrative structure was established. As Senior noted:

"The appointment of controlling commissioners; the creation through their agency of unions, depriving the magistrates, vestries, and overseers in those unions of their discretionary power, and enabling the commissioners gradually to introduce, and subsequently to enforce, a wise administration was the only just, the only safe, and, in fact, the only practicable course."

('The English Poor Laws'. 1865. p 89.)

(1) It has been argued by A. Brundage ('The Landed Interest and the New Poor Law' 1972.) that the Act in fact strengthened, rather than weakened, the power of the 'landed interest' and of the Justices. While it is true that Union boundaries were often drawn up in accordance with the wishes of large landowners, and that through the system of plural voting these larger landowners exercised considerable control; whether it can thus be said that the Act was primarily intended to serve their 'interest', rather than that of the employers of industrial labour is a different matter, and would require a much fuller analysis of these events than is possible here. We can however note that it is perfectly feasible for the Act to be seen as serving both 'interests' at once: landed proprietors were certainly to continue as an important means of maintaining social and political stability and control, but, as with the J.P.s, their discretionary powers in doing so were to be restricted. It is in this content and manner of

Much has been made of the 'New' Poor Law, and still more has been written on the nature of the State up until the last quarter of the nineteenth century - on whether its policies were guided by the principle of 'laissez-faire' or of 'intervention', and if it did intervene, for what purpose, how, and why the changes came about - whether it was the result of humanitarianism, of a growing 'public conscience' and awareness of poverty, or the result of "spontaneous developments in administration?"⁽¹⁾

Few writers would now assert, as they once did, that the activities of the State during the middle half of the nineteenth century represented a policy of 'laissez-faire': that it sought only to clear the ring, to remove archaic and obsolete obstructions and practices, and to allow for the free flow and untrammelled pursuit of individual interests, that its activities were largely negative.⁽¹¹⁾ Indeed it is now recognised that

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administration, rather than its form, that the real implications of the Poor Law have to be considered. In its form it continued, as was necessary, to give power to the 'landed interest', to allow them to exercise their important functions of control, as D. Roberts has argued: "this great increase in the power of the central government did not mean that local government was supplanted. It merely ended its autonomy and irresponsibility [sic]. Indeed in one sense it promoted its growth by establishing a new unit of local government, the poor-law union." ('Victorian Origins of the British Welfare State'. 1960. p 45.) 'Responsible' administration, however, was administration of a particular type, and to a particular end, more suited to the needs and requirements of industrial capitalism than its rural predecessor.

(11) This alliance was also the basis for the struggle for the factory acts, but it was not merely an alliance of workers and Tory aristocrats against the new industrial bourgeoisie; just as support for factory regulation came from a number of large employers, who saw in it the effective means of raising productivity and of equalising 'competition', so a number were also to be found in opposition to the new Poor Law, on the grounds that more subtle and effective means of control could be found (cf Fielden, the Lancashire mill-owner, as described in Richards 'The State and the Working Class..'. 1975.) or simply that they already practiced a suitably effective policy (Rose 'The Anti-Poor Law Movement'. 1966. E. Midwinter 'State Intervention at the Local Level: the New Poor Law in Lancashire..'. 1974.)

Further accounts of this opposition to the implementation of the new Poor Law can be found in H.C. Edsall 'The Anti-Poor Law Movement'. 1971. C. Griffin 'Chartism and Opposition to the new Poor Law'. 1974. N. Senior 'Remarks on the Opposition to the Poor Law Amendment Bill'. 1841.

(1) For a comprehensive list of these writings see P.R.D. Corrigan 'State Formation and Moral Regulation..'. 1977. A useful introductory article to this 'debate' is V. Cromwell 'Interpretations of Nineteenth Century Administration'. 1966.

(11) Except, for example, R.L. Crouch, who argues for a view of "refined laissez-faire", a refinement which "demands positive state action in a class of well-defined situations" - a refinement, in short, which is in danger of making

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during this period, through factory legislation, sanitary legislation, education, public health, and a wide and increasing array of controls, inspectors, and regulations, both the amount and the degree to which the State 'intervened' in social and economic affairs grew enormously, establishing the foundations for its further extension during the course of the twentieth century.

Curiously, and significantly in terms of how this growth in the activity of the State is to be explained, the 1834 Poor Law, with its creation of a central controlling Commission, its attempt to reorganise the political structure of the country, and to introduce a national and uniform system of relief, has received little attention as part of this process. Indeed, with few exceptions, the 1834 Poor Law has been seen as the "ultimate expression"⁽¹⁾ of laissez-faire; not as part of the process of building-up a centralised State and of extending the controls of government, but its very opposite:

"The welfare state did not have its origin in that repressive system of social police; it is to be found rather in the thinking and in the policies of those who repudiated the paralysing fatalities of less eligibility and the Malthusian political economy from which they sprang. Before the seventies such repudiation came effectively from .. doctors, civil servants, and social investigators."

(O.R. McGregor 'Sociology and Welfare'. p 34.)

Consequently, the 1834 Poor Law is seen as a negative starting-point for the development of social policy and social reform, for health and factory legislation, schools and medical inspectors, which, according to Pinker, form:

"a counter-attack against the principles of 1834, and the social and economic doctrines represented by those principles."

('Social Theory and Social Policy'. 1973. p 50.)⁽¹¹⁾

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the concept useless. ('Laissez-Faire in Nineteenth Century Britain - Myth or Reality?'. 1967. p 215.)

The original, and still useful, article questioning the established view of this period as one of laissez-faire appears to be J.B. Brebner 'Laissez-Faire and State Intervention in Nineteenth Century Britain'. 1948.

(1) S. Mencher 'The Changing Basis of Status and Contract in Assistance Policy'. 1961. p 22.

(11) "In the main the story .. is a record of failure, of the failure, that is, of the principles and methods of 1834."
(H.L. Beales 'The New Poor Law'. 1931. p 317.)

This denigration of what Senior considered to be a "domestic revolution"⁽¹⁾ does not really do credit to those who engineered the Poor Law Amendment Act; it results perhaps from a mistaken understanding of the nature of the demand for 'laissez-faire', of the 'principles and methods' of 1834, and above all of the nature and activity of the State.

'Laissez-faire' was an ideology that argued that the proper function of the State was to remove the barriers and establish the parameters for the operation of 'free enterprise', that its job was to allow people to pursue their own interests and thus establish the 'common good' of all. It was the demand that was raised in opposition to the paternalist control of prices and markets, and it was a demand also that was to be used against the restrictive practices of the 'old' Poor Law in pursuit of a 'free market' in labour. As we have seen, however, a 'free' market in labour no more exists 'naturally' than any other form of social organisation for producing wealth; it was not a question of the State simply unleashing forces which would then follow their natural course; such a market had to be created, it had been in creation for many years, primarily as the result of the State's regulation and control of labour through the Poor Laws, and in 1834 it required the further 'intervention' of the State to continue this creation. In this sense, 'laissez-faire' was a myth:

"a political and economic myth .. a slogan or war cry employed by new forms of enterprise in their politico-economical war against the landed oligarchy."

(J.B. Brebner 'Laissez-Faire and State Intervention'. 1948. p 59.)

Indeed, not only was laissez-faire a myth, it was a camouflage for the direct intervention of the State, in the form of the Poor Law Commission or of the workhouse, in order to enable it not only to create a 'free market' in labour but also to maintain and perpetuate it, under the guise of freedom and the 'natural laws' of economics.⁽ⁱⁱ⁾

It is by taking this notion of a 'free' labour market at its face value

(i) Qu W.C. Lubenow 'The Politics of Government Growth'. 1971. p 39.

(ii) "Laissez faire too is a form of State 'regulation', introduced and maintained by legislative and coercive means."
(Gramsci 'Prison Notebooks'. 1971. p 160.)

that many writers have seen the 1834 Poor Law as an example of laissez-faire, as the removal and absence of restrictions, and consequently as irrelevant to an understanding of the later development of State agencies and controls to deal with the problem of poverty and its associated conditions;⁽¹⁾ as one such writer has argued:

"It now seems clear that the Poor Law Commission's analysis of poverty was faulty... In the industrialised parts of the economy, stress affects large numbers at a time, in spite of [sic] a free labour market and not because of its absence."

(E. Midwinter 'Victorian Social Reform'. 1968. p 30/1.)

Or according to McGregor:

"The Poor Law has often been described as the nucleus from which social policy grew... But the distant future lay with those whose empirical investigations enabled them to repudiate the paralysing fatalities of the principles of 1834 and the theory on which they rested."

('Social Research and Social Policy in the Nineteenth Century'. 1957. p 148

The analysis of poverty and the theory on which these 'paralysing fatalities' rested was that of political economy, and it was precisely those who expounded it - civil servants like Chadwick and Senior - who were also to develop those other institutions of social policy against which the Poor Law has been contrasted. Political economy was not a philosophy of 'laissez-faire'; it certainly demanded the removal of what it saw as archaic restrictions, but where it was influential, it also demanded new forms of control, the creation of a certain discipline and morality as the indispensable foundation of a 'free market', and the creation of new State institutions to reinforce and sustain this discipline. Thus McGregor undermines his own argument when he quotes another of these leading political economists and civil servants in support of his argument that, in contrast to 1834, subsequent reforms were intended to correct the 'immoral' and laissez-faire reform of the Poor Law:

"It quite disgusts me to hear the cold, calculating economists throwing aside all moral considerations, and with entire ignorance

(1) "The poor law proved to be ill-adapted for dealing with poverty, and thus was increasingly ignored as a device for social reform."

(M.E. Rose 'The Relief of Poverty 1834-1914'. 1972. p 12.)

of the state of the people who work in factories, talk of its being an infringement of principle to interfere with labour. Why interfere with the use of capital in any way then? And do we not see laws in society passed every year to abate the abuse of the application of capital when it is productive of great moral and social evils? If I were free to write, I could from my experience make such a statement as would show the fallacious reasons, and bad political economy, of those very economists who, with their extravagant extensions of the doctrines of laissez-faire, bring discredit upon the science they cultivate."

(Leonard Horner, factory inspector, *qu* *ibid.* p 149.) Emphasis added.

According to McGregor "in such ways the administrative inadequacies of the economists' conception of poverty and pauperism came to be revealed." (*Ibid.*) There is, however, political economy and 'bad' political economy; the conception of poverty developed and utilised by Chadwick and Senior was not faulty or inadequate: they recognised poverty as the condition of wage labour; they saw that to provide relief for the poor, rather than solely for paupers, would be to undermine the discipline of wage labour on which capitalist production depends;⁽¹⁾ and they argued that the precarious hold of the working class on this discipline itself had to be strengthened by 'moral' transformation and the creation and maintenance of State institutions designed to serve as an example and to instruct the working class in the virtues and necessity of wage labour. As we have already seen, and shall see further, this moral transformation was not only to be effected through the creation of the new Poor Law, but also through education, public health,⁽¹¹⁾ and all those other aspects of State 'intervention' throughout the nineteenth century which created the foundation of the modern State.

(i) As Senior noted, there was that "unfortunate double meaning of the word poor. In one sense of that word, it means merely the aggregate of the individuals, who from infirmity or accident, or misconduct, have lost their station as independent members of society, and are really unable to earn their own subsistence... In its widest acceptation it is opposed to the word rich; and in its most common use it includes all, except the higher and middle classes - in short, all who derive their subsistence solely from manual labour." ('The English Poor Laws'. 1865. p 67.)

(11) According to Kay-Shuttleworth, for example, Cholera "conveys the strongest admonition of the consequences of insobriety, uncleanness, and that improvidence and idleness which waste the comforts of life, induce weakness, and invite disease... From events happening in the vicinity of their dwellings, which demonstrate that the fatal visitations of cholera are made in the houses of squalid poverty and vice, they will not fail to draw arguments in favour of industry and virtue, if care be taken that they substitute none of that vulgar sophistry which ignorance suggests to delude."
(*'The Moral and Physical Condition of the Working Classes'*. 1832. p 6.)

The new Poor Law has therefore to be seen as a part of the process by which the central State extended and strengthened its sphere of influence; as Poynter has argued:

"The notion that the early nineteenth century was an age of laissez-faire .. has long been questioned; it was rather an age of transition in government, in which the same generations which dismantled ancient devices of legislative and administrative control built the foundations of the modern administrative state even as they wrecked the old... The outcome was a new Poor Law which .. possessed a stronger administrative structure and a more consistent theoretical basis than the old system had ever enjoyed."

('Society and Pauperism'. 1969. p xxii.)

As this was the case, we must finally consider how, and for what reasons, this administrative State came about. According to one 'model':

"The growing body of exact knowledge, the prevalent humanitarianism, and the mechanical advances which opened up new possibilities .. drove the State, willy nilly, into very positive, technical, and comprehensive regulation."

(O. MacDonagh 'Emigration and the State 1833-55: An Essay in Administrative History'. 1955. p 158.)

The idea that the development and extension of State policy was automatic, that "the exposure of a social evil .. set an irresistible engine of change in motion",⁽¹⁾ is one that has dominated much writing on social policy. Thus according to Fraser:

"While men held generally to a belief that laissez-faire was at heart the best answer, they had to accept that the problems posed by urban industrial society of necessity enlarged the practical activities of the state... It cannot be overemphasised that social policies and their administration were geared to meet real and pressing problems... It was the pressure of facts, and unpalatable ones at that, which produced unexpected and (by most) undesired administrative growth... The social problems consequent upon industrialisation were the origin of that administrative state which few anticipated or at heart wished for."

(D. Fraser 'The Evolution of the British Welfare State'. 1973. p 103/9.)⁽¹¹⁾

(1) O. MacDonagh 'The Nineteenth Century Revolution in Government'. 1958. p 58.

(11) "Why this paradox? Why did England create an administrative state which she didn't want? There is, to this question, an attractive and simple answer: the growth of an industrial and urban society brought serious social abuses which, since local government did nothing to remove them, forced the English to establish effective central departments."

(D. Roberts 'Victorian Origins of the British Welfare State'. p 316.)
It should be noted that such 'simple' explanations and books as these occupy a prime position in the teaching of many academic courses in social policy.

As others have argued, such 'explanations' tell us little;⁽ⁱ⁾ we need to know to whom and why certain 'facts' and 'problems' (but not other facts or problems) were problematic, and why the policies that were developed to deal with these 'problems' took the form which they did. It is not enough to argue that 'the English' were forced to develop central agencies and controls to deal with 'social problems', for what was a problem to one group of English, such as the right to relief, can hardly be described as a problem to those who demanded and claimed it, in the same way that the workhouse was seen as the solution to the problems of one class, while it merely compounded the problems of the other.

If we are to understand why the administrative State developed, we could do worse than take note of those who developed and administered it. The modern State, with its bureaucracy, its officials, administrators, inspectors, was the product of the activities of these officials, of paid civil servants; as one writer has argued:

"In the second and third quarter of the nineteenth century, at the very time when private industry was putting on the strength of a giant, when men were prating on the benefits of freedom and of the dangers of Government interference, unnoticed, unplanned, and certainly as far as most men were concerned absolutely undesired, the modern State with its delegated powers imposing on the community the rule of experts and officials was beginning to take shape."

(G. Kitson Clark 'The Making of Victorian England'. 1962. p 109.)

We can doubt, in view of the exhaustive inquiries, Commissions, reports and investigations that were undertaken, the extent to which these activities were 'unplanned', and, in view for example of the organised resistance to the centralised Poor Law, the extent to which they went 'unnoticed', at least by a certain section of the population, but certainly the development of social policy was the development of "a policy devised by experts, appealing to experts, to be executed by experts"⁽ⁱⁱ⁾

'Expertise' however is only a means, it does not tell us to what ends it is to be applied, nor as we have seen is it sufficient to argue

(i) Cf. J. Hart 'Nineteenth Century Social Reform - A Tory Interpretation of History'. 1965.

(ii) Kitson Clark 'The Making of Victorian England'. p 110.

that "all the public servants .. simply took it for granted that the only proper consideration - public expenditure apart - was the most effective practicable means of preventing evils"⁽¹⁾ If we are to understand the growth and origins of the modern State we need to know how these 'evils' were defined, what the nature of the 'problems' were which lay behind the activities of 'experts' like Chadwick, Senior, Kay-Shuttleworth, and those other early nineteenth century reformers and civil servants who created the institutions of State control and regulation.

The State, as we have seen, developed as an instrument of a feudal ruling class and monarchy in its attempts to maintain the stability of that society against the disintegrating forces of the rise of 'free' labour and the development of capitalist production and its social relationships. Unable to contain this contradiction, and by its very attempts to do so itself contributing to the forces which undermined it, the feudal State - the ultimate expression and 'cement' of the social and political relationships of feudal society - was overthrown during the Civil War. Thereafter the central State occupied a less obtrusive role; it was at the level of local government, and its prime units of the parish, the vestry, and the magistracy, that the social relations of developing agrarian capitalism were created and maintained. The Poor Law, as always, played a central part in this process, for it was through the Poor Laws that the regulation and control of labour, both economically and politically, was secured. By the beginning of the nineteenth century, however, this administration and the relationships they embodied was in dissolution and crisis: challenged on the one hand by the rising class of an industrial bourgeoisie, who demanded political power, and the re-construction of the social body in accordance with the 'laws' of political economy; and on the other by a growing propertyless working class, increasingly forced off the land and into wage labour by the progression of agriculture, drawn together by the process of industrialisation into towns and factories, subject to the forces of economic fluctuation, depression and slump, and constantly growing in organisation and strength to challenge not only the agrarian forms of capitalism, but the institution of private property itself. It was principally to this working class challenge that social reform was directed.

(1) O. MacDonagh 'Delegated Legislation and Administrative Discretion'. 1958.
p 43.

"The operative population constitutes one of the most important elements of society, and when numerically considered, the magnitude of its interests and the extent of its power assume such vast proportions, that the folly which neglects them is allied to madness. If the higher classes are unwilling to diffuse intelligence among the lower, those exist who are ever ready to take advantage of their ignorance, if they will not seek their confidence, others will excite their distrust; if they will not endeavour to promote domestic comfort, virtue, and knowledge among them, their misery, vice, and prejudice will prove volcanic elements, by whose explosive violence the structure of society may be destroyed."

(Kay-Shuttleworth op cit. 1832. p 112.)

The 'evils' of pauperism and the old Poor Law, of crime, 'ignorance', and disease were problems insofar as they threatened the existing structure of society, as they were seen as provoking class hostility and conflict, and as challenging the existence and future of capitalism. It was not, however, simply a case of 'removing' these 'abuses': insofar as poverty and pauperism were the products of the form of social and economic organisation which these reformers sought to defend, the 'problems' had to be controlled and regulated; in order to remove the threat of revolution, the working class had to be disciplined and 'educated' to an acceptance of the conditions and relations of industrial capitalism, through Poor Law Commissioners, workhouses, Boards of Health which "will become organised centres of medical police",⁽¹⁾ schools, factory inspectors, and of course the ultimate means of securing 'public order', a regular police force.⁽¹¹⁾ What this entailed, of

(1) Kay-Shuttleworth op cit. p 13.

(ii) The association of poor relief with police and other penal measures is a long-standing one: "To the poor economic reform means a measure of justice between the 'haves' and the 'have nots'; but social reform means 'police' whether they are really required or not." (S. Reynolds & B. and T. Woolley 'Seems So! A Working Class View of Politics'. 1911. Qu Pat Thane 'The working Class and the Origins of the Welfare State'. p 49.)

From their origins, Houses of Correction and Workhouses were closely associated with prisons, often being interchangeable, as with the 'Bridewell' in London. After 1834 retired police officers were often recruited as relieving officers (cf A. Brundage 'The English Poor Law of 1834..'. 1974. p 413, Poynter op cit. p 200/7. For more recent proposals of a similar nature see the 'Report of the Committee on Abuse of Social Security Benefits'. 1973. para. 416.)

It was of course Chadwick, Poor Law and sanitary reformer, who was also author of the 1839 Constabulary Report: "Almost from the start he felt that the New Poor Law needed the aid of a strong rural police force... Chadwick pointed out (in a letter) to Russell how badly a rural police force was needed, not only to deal with beggars, vagrants, and casuals, but 'for the suppression of tumults connected with the administration of relief'." (Finer 'The Life and Times..' 1952) Or as the 1842 Chartist Petition recognised. "Your petitioners are of opinion

course, was not merely the removal of former institutions and practices which were seen as contributing to working class unrest and discontent - the authors of the Poor Law Report were certainly willing to exaggerate the extent to which existing poor relief practices had caused the great 'demoralisation' of labour - but, more importantly the creation of new agencies and institutions capable of securing more effective control.

The 'state servants' who argued for the need of these institutions, and who in doing so created the basis of the modern administrative State, may have acted out of a genuine belief that their actions would lead to greater prosperity and contentment for the working class, but they did so only in the knowledge that without these institutions and controls the existing structure of society was in danger of being overthrown. In developing these policies they were thus to take a leading role; their function as they saw it was also to educate their own class, to persuade them of the dangers of pauperism, of the short-term pursuit of 'cheap' labour which neglected its 'moral' consequences, and if necessary to oppose and challenge existing vested interests and power, to weaken the autonomy of local government, and persuade "the vanguard of the middle class, the industrial capitalists, that the strong state was in their interests."⁽¹⁾

Thus Kay-Shuttleworth again:

"The enlightened manufacturers of the country, acutely sensible to the miseries of large masses of the operative body, are to be ranked amongst the foremost advocates of every measure which can remove the pressure of the public burdens from the people, and the most active promoters of every plan which can conduce to their physical improvement or their moral elevation. There are, it is to be lamented, a few who would hide the condition of the working classes, lest its exposure become an apology for the excesses of the operatives, or an argument in favour of the nostrums

/Contd from p 93...

that the Poor-Law Bastilles and the police stations, being co-existent, have originated from the same curse, viz. the increased desire on the part of the irresponsible few to oppress and starve the many."
(Qu Hollis 'Class and Conflict'. p 220.)

In view of the close association of these 'reforms', both in intent and in personnel, it is somewhat surprising to read Fraser's comment that: "The first four chapters [factory legislation, Poor Law, public health, and education] are devoted to case studies of social policy on specific issues which were pragmatically dealt with and were not part of a coherent overall policy." ('The Evolution of the British Welfare State'. p 9.)

(1) P. Richards 'The State and the Working Class..'. p 102.

of political speculators. When this results not from ignorance it is a crime, and I am not willing to screen those from just contempt, who are so blind to the true interests of their own order, or so fearful of the propositions of every quack that, deaf to the appeals of humanity, they represent the people to be happy and contented.*

(Op cit, p 10.) Emphasis added.

To the nineteenth-century working class it was easy to see whose 'true interests' the 'intervention' of the State in the form of the Poor Law Amendment Act was designed to serve. "The Poor Man's Destruction Bill", wrote the Poor Man's Guardian, "is purely and solely the work of the middle or profit-hunting classes. If these classes chose, the Act would never have been passed".⁽¹⁾ Or as another working class newspaper explained:

"In one respect, the New Poor Law has done good. It has helped to open the people's eyes as to who are the real enemies of the working classes. Previously to the passing of the Reform Bill, the middle orders were supposed to have some community of feeling with the labourers. That delusion has passed away. It barely survived the Irish Coercion Bill, it vanished completely with the enactment of the Starvation Law. No working man will ever again expect justice, morals or mercy at the hands of a profit-mongering legislature."

('Twopenny Despatch'. 10.9.1836. Qu Th. Rothstein 'From Chartism to Labourism'. 1926. p 99.)

Of course to talk of the 'intervention' of the State is to presuppose the existence of something separate - the 'economy', the 'market' - into which it intervenes. As we have seen, however, 'the market' did not exist separately from State regulation and control; economic production, while carried on by private individuals, has always depended upon the creation and maintenance of those social relationships on which it is based. Since the origins of capitalism the State has played a central part in the creation, maintenance, and regulation of these relationships; nor can this regulation be seen, as some have argued,⁽¹¹⁾ as confined to a 'social' sphere.

(1) Poor Man's Guardian. 18.10.1834.

(11) E.g. W.H. Coates 'Benthamism, Laissez-Faire and Collectivism'. 1950. It is the argument of many writers who, in opposition to the view of the growth of the State as an automatic reaction to 'social problems' or the result of administrative spontaneity, put forward the claim that the State's growth was 'inspired' by Bentham, that Benthamism postulated a 'natural' identity of interests in the 'economic sphere', while State intervention was required to establish such a harmony only in the 'social sphere'.

The regulation of social life, the creation and maintenance of a certain set of social relationships, is itself an 'economic' force; wage labour is both a relationship within society between those who own and those who do not own the means of production, and a process through which production takes place. Political economy, as its name tends to suggest, recognised this interdependence. The creation of the New Poor Law, the establishment of the principle of less eligibility, was therefore not only concerned to discipline the working class, to force them into a total reliance upon wage labour, it was also to use the power of the State as a means of intensifying the creation of surplus value and thus of capital:

"Once adopt the principle that whatever may be the labourer's condition, the pauper's must still be a degree worse, and that moment you place the labourer at the utter mercy of the capitalist - you compel him, in fact, to take whatever wages he is offered, for if he refuses, he has no other recourse than to go where he is to be less comfortable still. Twist and turn the proposition as you may, it inevitably comes to this - its adoption places the 'independent' labourer at the utter mercy of his employer."

(Poor Man's Guardian. 14.11.1835.)

Or as the Northern Star recognised:

"The abolition of the legal relief for the unemployed; the denial of all relief, except on terms that would deter everyone but the soul-destroyed starving slave from accepting it; the institution of the 'workhouse test' with its workhouse dress - its brand of poverty - its classification - its separation of man and wife and mother and child .. all this was well calculated to make the labourer offer his services for almost any amount of wage, sooner than subject himself to the cruelties that awaited him if he applied for aid in his necessity to those facetiously called his 'guardians'... And thus 'Philosophy' accomplished its aims. It got at the wages of labour."

(7.6.1845. Qu Hollis 'Class and Conflict'. p 212.)

Part Two

Unemployment and Social Reform 1880-1911.

"It looks as if we were in the presence of one of those periodic upheavals in the labour world such as occurred in 1833-4, and from time to time since that date, each succeeding occurrence showing a marked advance in organisation on the part of the workers and the necessity for a corresponding change of tactics on the part of the employers."

(G. Askwith. 1911. Qu J.H. Winter 'Socialism and the Challenge of War'. 1974. p 27.)

"General efforts are seldom made for the relief of partial ills", wrote Kay-Shuttleworth, "until they threaten to convulse the whole social condition".⁽¹⁾ Developments in social security, in the State's response to the 'problems' of poverty and unemployment, occur constantly, it is a system which shifts and adapts, whose controls can be tightened or relaxed, and whose benefits can be extended or restricted, in accordance with political pressures and with the prevailing definition of what is 'the problem' to which its measures are directed. At certain periods, however, we can identify major changes in policy, when the problems cannot be dealt with within the day-to-day administration of the scheme, and when these pressures give rise to a restructuring and reorganisation of the system itself. Such a change occurred with the 1834 Poor Law Amendment Act, which established the principles and basis for our present social security system, in 1911, with the National Insurance Act, the present structure of social security provision was erected on this base. Since then, although there have been major and important modifications, both in the extent of the scheme and the forms of its administration, this fundamental structure - of insurance and assistance - has remained unchanged. In considering the origins of national insurance, and the reasons for its introduction, we have, therefore, the opportunity to discover the reasons for the existence of our present structure of provision, and its effects and consequences for the issues of unemployment and poverty.⁽¹¹⁾

The National Insurance Act, like the Poor Law Amendment Act, was passed during a period of intense conflict and crisis. British capitalism was under challenge, from abroad came the rise of international industrial competitors and the threat of imperialist rivalry, but it also saw 'a nurturing of the barbarians from within, rather than as old, from without, an attack on the whole present organisation of society and even the permanency

(1) 'The Moral and Physical Condition of the working Classes'. 1832. p 18.

(11) I am indebted for the original formulation of the central argument of this section to Chris Jones and his paper 'The Reserve Army of Labour The Search for Solutions 1820-1914'. 1976.

of civilisation itself".⁽¹⁾ In short, those who owned and controlled the wealth of the country were confronted by an increasingly class-conscious, hostile, and organised working class, and by a growing movement amongst the workers which threatened to overturn the existing relations of property, wealth and poverty.

'Social reform' was but one response to this problem, it was not primarily, as we shall see, something that was demanded by the workers - "the tactical inducement of the political strategist" as how one writer was to describe it⁽¹¹⁾ - but it was a response which increasingly occupied the attention of politicians, civil servants, and social reformers, and through them of the ruling class as a whole. This fear of and concern for 'the condition of the people' was to give rise to an unprecedented burst of inquiry, analysis and activity, as groups and individuals sought to understand the nature and workings of capitalist society and its attendant problems of poverty and unemployment, and to formulate solutions to 'the social problem' which were compatible with its continued enterprise. They thus provide us with a somewhat uniquely self-conscious examination of the 'problems' of unemployment and poverty, and of the nature and purpose of social reform.

The problem of unemployment was not of course new, at least for those who had experienced it for generations; it was the conditions under which it occurred at the end of the nineteenth century which prompted the attempt to mitigate some of its destructive consequences, to reconcile unemployment with poverty. Just as unemployment was not, however, to be the sole feature or expression of the social problem, so the re-form of social security was not to stand alone in what was to be perhaps the greatest restructuring and reorientation of social welfare policy that has ever taken place at any one time. These reformulations of course addressed themselves to the similar problem, and if unemployment was not to be the whole of the problem it was at least a central point of focus and attention.

(1) Qu Chris Jones 'The Reserve Army of Labour The Search for Solutions'. 1976. p 6.

(11) L.A. Atherley-Jones 'Liberalism and Social Reform. A Warning'. 1893. p 29.

As William Beveridge, whose education in the ways of social reform began long before the writing of his famous report, argued.

"The problem of unemployment lies, in a very special sense, at the root of most other social problems. Society is built upon labour, it lays upon its members responsibilities which in the vast majority of cases can only be met from the reward of labour."

('Unemployment. A Problem of Industry'. 1909. p 1.)

To take away employment was to take away its reward, it was to threaten destitution, starvation, or the workhouse. If this was not new, however, then we must begin by looking at the reasons, in the situation and in the working class's response to it, why "for the first time since the industrial revolution changed the very nature of industry, the problem of unemployment has become a political issue"⁽¹⁾.

(1) Cyril Jackson 'Unemployment and Trade Unions'. 1910. p 1.

Chapter FourThe Problem of Unemployment

"Civilisation .. which is most powerfully promoted by commerce, surrounds man with innumerable inventions. It thus has a constant tendency to multiply, without limits, the comforts of existence, and that by an amount of labour at all times undergoing an indefinite diminution."

(J.P. Kay-Shuttleworth 'The moral and Physical Condition of the working Classes'. 1832. p 79.)

A great deal can happen over a period of fifty years, even at the relatively slower pace of development of the nineteenth century. In 1834 Britain was still largely an agricultural country, the majority of the working population were farm labourers, some of whom had moved to the towns and the industrial mills in search of work, Parliament was dominated by a land-owning aristocracy, intent on protecting the 'agricultural interest', and the industrial bourgeoisie, although vociferous and powerful, had yet to bring the whole country under their sway. By the 1880s Britain was an industrial nation, producing steel and complex machinery, with a vast network of railways and communication systems, and constantly revolutionising the processes of production as the power and influence of agriculture declined; it faced a working class which had grown up in the cities and with factories, with the influence of Marx and Engels, the Social Democratic Federation, and with mass trades unionism; it was confronted with imperialism, unemployment, and socialism. By 1911 there was also to be the motor car, Dreadnaughts, Winston Churchill, Lloyd George, and National Insurance.

Behind these developments lay the massive increase in British industry and in its productive power which had made Britain 'the workshop of the world'. By the 1840s the leading sectors of the economy, the woollen and textile industries on which the first phase of industrialisation had been based, had already begun to give way to newer industrial forms, and in particular to the production of those 'capital goods' - coal, iron, steel, and industrial

machinery - on which further expansion and growth was to depend. By the 1840s Britain produced two-thirds of the world's coal, one half of its iron, five-sevenths of its steel, and consumed two-thirds of its total steam-power. As a product of this development, Britain also enjoyed some six thousand miles of railway, compared with only seven thousand in the whole of the Americas, and thirteen thousand in the rest of Europe, most of which had anyway been built with British finance, labour, and equipment. In addition the total surplus of uninvested capital amounted to some £60 million a year, almost twice the total capital value of the entire cotton industry.⁽¹⁾

In this British industry relied heavily upon the opening and expansion of world trade, both as a market in which to sell goods and machinery and to invest capital as the domestic market became satiated, and as a source of cheap raw materials and food to supply its growing industry and feed its increasingly urban population. Exports increased steadily, and, considering themselves at the pinnacle of this mutual and world-wide division of labour, the British bourgeoisie dreamt of increasing and unrivalled prosperity, producing machinery and goods in exchange for commodities and raw materials, and accumulating ever greater wealth to be invested in further production, both at home and abroad. They also dreamt of growing internal social stability, reflecting on the defeat and collapse of the Chartist movement some ten years earlier, the Edinburgh Review considered that.

"since then time has solved all these problems - the discovery of gold fields in California and Australia, the absorption caused by the Crimean War, and, latterly, the enormous increase of our commerce and manufactures, resulting from our successful commercial policy, have changed the whole complexion of our labouring classes. Penury has given way to plenty, idleness to employment, disaffection to content."

(Qu Th. Rothstein 'From Chartism to Labourism'. 1926. p 184.)

The view that the middle half of the nineteenth century was a period of political quiescence, when, after the turmoil and agitation of the 1820s and '30s, the workers finally came to accept capitalism and its 'laws', to accept their position in society and to try to improve it from within rather than challenge it as a whole, is one that has achieved much currency, and which has been used to explain much of subsequent political developments in this country. According to one not uninfluential Marxist commentator on the

(1) From E.J. Hobsbawm 'Industry and Empire'. 1974.

development of the labour movement, after the defeat of Chartism the working class.

"quickly turned into an apparently docile class. It embraced one species of moderate reformism after another, became a consciously subordinate part of society, and has remained wedded to the narrowest and greyest of bourgeois ideologies in its principal movements."

(Tom Nairn 'The English Working Class'. 1972. p 188.)⁽¹⁾

This apparent decline in working class hostility and opposition has been explained as the product of the boom itself. the growth of industry and engineering gave rise to a new 'elite' of workers, whose skilled labour was in high demand, whose wages were comparatively higher and rose steadily, and whose employment was more secure. Experiencing a rising standard of living, and encouraged by middle class social reformers and writers, this 'labour aristocracy' it is argued came to see themselves as examples of what could be achieved through discipline, hard work, abstinence, and thrift. they looked down on the unskilled and the unemployed as products of the lack of these 'virtues', and they looked up to their employers as models to imitate and follow. It was these skilled workers who established co-operative stores and friendly societies, invested their money in savings banks, and built up the restrictive practices of trade unionism in the attempt to defend their privileged position, above all they saw the salvation of the working class as lying not in the overthrow of capitalism but in the promotion of self-reliance, thrift and independence; the challenge of Chartism collapsed under the weight of a striving for 'respectability'; they became:

"a specific vehicle of assimilation, whereby bourgeois ideas and customs were refracted down into the working class. The result was not a naked imitation of the middle class but a kind of .. caricature of bourgeois ultra-respectability."

(Ibid p 188.)

It is this incorporation of the elite of the working class into the values and an acceptance of the existence of capitalism during the course of the nineteenth century which has been held to describe and account for the subsequent characteristic forms of working class politics and organisation, for the rise of a Labour Party and a trade union movement which has sought to defend and extend the interests of the working class within capitalism rather than to transform the structure of society itself. in theoretical

(1) See also the writings of Perry Anderson, both authors have been resoundingly criticised by E.P. Thompson in 'The Peculiarities of the English'. 1965.

terms this incorporation has been described as the process of 'hegemony'. According to Perry Anderson:

"Hegemony was defined by Gramsci as the dominance of one social bloc over another, not simply by means of force or wealth, but by a total social authority whose ultimate sanction and expression is a profound cultural supremacy. The hegemonic class is the primary determinant of consciousness, character and customs throughout society... The English proletariat emerged in the nineteenth century as a class distinguished by an immovable consciousness and almost no hegemonic ideology... A hegemonic class seeks to transform society in its own image, inventing afresh its economic system, its political institutions, its cultural values, its whole mode of insertion into the world. [The English working class] seeks to defend and improve its own position within a social order accepted as given."

('Origins of the Present Crisis'. 1966.)

As a description of the activities of the 'labour aristocracy' during the course of the nineteenth century, such accounts have some appeal; it was then still possible, at least for a time, for individual craftsmen to set themselves up as employers of labour, and much working class activity and literature was devoted to the promotion of 'self-reliance' and 'independence'. But we should beware of mistaking an appearance for the reality: what may appear as the adoption of 'middle class' values by a section of the working class can have a radically different meaning and consequence within a working class context. Moreover, such accounts fail to explain the fact that it was precisely this aristocracy of labour - the engineers, railwaymen and such - who were to be at the forefront of the industrial and political unrest during the first decades of the twentieth century, nor do they explain why it was around this group that the fears and activities of social reformers were to be concentrated. If we are to understand these events, the full impact and consequences which the re-emergence of mass unemployment was to have for the social and political structure of Britain at the end of the nineteenth century, we will have for a moment to consider the development of the working class itself. As Paul Corrigan has pointed out, we can only talk of hegemony, of the attempt by one class to structure and determine the other's experience and understanding of the world, of the nature of poverty, of what is 'natural' and 'inevitable', "assuming that there is something to hegemonise...

assuming that there is a constant struggle on behalf of the bourgeoisie to create society in its own image, assuming that struggle was a struggle and not a walkover, assuming that it still is a struggle and remains so every day."

('Working Class Politics - the Hidden Materialism'. 1974. p 13.)

The defeat of Chartism was a blow to what must have been an almost exhausted working class, but the withdrawal from the campaign for universal suffrage, even if that had been all that the Chartist movement represented, was not solely the consequence of defeat. According to one contemporary working class leader.

"He was well aware that the Chartists supposed that if they had the Charter, then they would be able to send such parties to Parliament as would make those laws which were required for the good of the people. Now, he must submit that so long as class organisation existed, so long must class legislation exist. ... That would be the case equally under a monarchy, or a republic, so long as society was divided into classes. As a proof that a republican form of government was not of itself sufficient to remove the state of anarchy, confusion, and want of employment among the poor, he might refer them to America, where they had had more than Chartist institutions for more than half a century, but where they had merely changed the form of government without changing the form of society."

(Alexander Campbell, founder of the Glasgow Co-operative Society and founder-member of the Co-operative Wholesale Society, in a public debate on Chartism. 1842. Qu B. Youngjohns 'Co-operation and the State'. 1954. p 26.)

It was this recognition that political reform alone was insufficient, that unless the fundamental structure and operation of capitalism was confronted, changes in its political administration could not solve the problems of poverty or unemployment, which underlaid the rejection by a section of the working class of the struggle for Parliamentary reform. Moreover, as the Co-operative movement's journal 'The New Moral World' pointed out, without a change in the real relations of power, the power of production, of private property, the power to command another person's labour, formal political representation was illusory:

"We fully admit the right of every individual to have a voice in the making of the laws by which he is to be governed, and in the distribution of taxes levied upon his industry: but admitting this, we do not believe that these measures, if attained, would secure the benefits to the people which they are taught to expect, and hence we renounce 'radicalism' - as advocated by political reformers - as a mode of permanently removing the evils of society... The political suffrage is only one element, and, in our opinion, a comparatively minor one of real equality... True democracy not only supposes that all its subjects are at all times capable of judging what is the best mode of promoting the well-being of the community, but also that they shall at all times be surrounded by such circumstances as will enable them to carry out their convictions."

Any attempt to act upon the principles of democracy, without the conditions there provided begins in delusion and ends in disappointment. The existence of privileged, wealthy, better educated, and rival classes in society - the principle of individual competition, and individual property - the selling of human labour as a commodity, the price of which is regulated like other commodities, by its supply and demand, are totally incompatible with true democracy. The working classes - the labour sellers, will, under such circumstances, and with the utmost possession of political power they can desire, for ever remain, in reality, the slaves of the privileged, monied, and educated influential classes."

(New Moral World. 24.12.1842. Qu Youngjohns 'Co-operation and the State'. p 32/3.)⁽¹⁾

Such prophesies were to prove well-founded.⁽¹¹⁾ Thereafter the Co-operative movement set about its task, as one of its leaders described it in 1878, of "delivering the public from the conspiracy of capitalists, traders, or manufacturers"⁽¹¹¹⁾ but the development of producer and consumer

(1) According to Perry Anderson, however, this was a time when "socialist theory was least formed and least available" ('Origins of the Present Crisis'. 1966. p 17.) and this lack of a theoretical understanding of capitalism and its political structure accounts for the failure of the working class to sustain its challenge. That socialist 'theory' should be seen as something that can only come from 'outside' the working class, that it arrived only with the writings of Marx and Engels later in the century, and that by then, as both Anderson and Hain argue, the working class had already accommodated itself to capitalism, and thus failed to grasp its relevance, is to ignore the reality of socialism as a philosophy and practice which arises out of working class experience of capitalism, and which has a history reaching back far beyond Marx to the origins of capitalism itself.

(11) As the aristocratic magazine 'Vanity Fair' was later to claim, with that arrogance characteristic of the social elite of our ruling class. "What will be the result of giving real power to the people of England no man can yet say, simply because no man has yet taken the trouble to understand the people of England. How should anybody? They live somewhere down in the East End among the Docks, in rows of cottages at Manchester, and in shanties about the fields outside people's parks... It is impossible to make the acquaintance of creatures who don't go to parties and dinners, and if we really have delivered ourselves into their hands let us simply hope for the best. At the worst we shall have to enlarge the workhouses. But it will be interesting to see what these creatures make of us their masters, and whether they intend to go on sending in supplies of grocers to play at being in politics and society. There is nothing so hateful as the Grocer, and the working man is far more intelligent, more honourable, more of a gentleman altogether - and of course we shall manage him just as we have always managed the grocers ever since we let them in."
(Vanity Fair. 6.7.1872. Qu G.R. McGregor 'Sociology and Welfare'. p 35.)

(111) George Holyoake 'The New Principle of Industry'. 1878. p 502.

co-operatives, largely by and within the labour aristocracy, was only one aspect of a much wider culture and set of organisations and institutions that were the expression of working class 'self-help'. By far the largest of these were the Friendly Societies, through which the working class developed their own form of insurance and mutual protection against the consequences of poverty, of unemployment and sickness. By 1872 their membership was estimated at some four million, with a total of eight million beneficiaries, far exceeding the membership of trade unions, and extending beyond the elite of skilled workers who formed their nucleus to encompass a wide range of workers and their families in a variety of schemes from the large nationally affiliated organisations to small local weekly savings clubs.⁽¹⁾

In an immediate sense these organised forms of working class self-help were a response to surrounding conditions, to the insecurity of employment and wages, and to a Poor Law which offered only the workhouse or a stigmatised and inadequate amount of outdoor relief.⁽¹¹⁾ But as an alternative form of social security the friendly societies, trade union provision of sickness and sometimes unemployment benefit, co-operative societies, and a host of lesser forms of mutual assistance, formed a central and integrating part of working class culture. They were organisations, many of which had their origins in the pre-industrial guilds, that were established and run by and for workers; as George Holyoake argued, their essence was that through them the workers "took their affairs into their own hands, and what is more to the point .. kept them in their own hands."⁽¹¹¹⁾

Of course such activities were not without ruling class support: as Gladstone told the House of Commons in 1864.

Nothing is more satisfactory or congenial, nothing more harmonious with the best English ideas than to see men of the labouring classes associating together, in the true and real spirit of self-government, for the purpose of providing against the contingencies of old age, sickness and death; and on societies of such a sacred character I would not lay a finger."

(Qu Th. Rothstein 'From Chartism to Labourism'. 1926.)

(1) See P.H. Gosden 'Self Help. Voluntary Associations in the Nineteenth Century'. 1973.

(11) 'Burial clubs' were perhaps the most widespread form of saving and insurance, and a simple reaction to the stigma of a pauper funeral. Throughout the nineteenth century it was forbidden to carry pauper coffins on the Queen's Highway, nor could funeral bells be tolled for the burial. (Admiral 'Victorian Social Reform'. 1900. p 52.)

(111) Qu A. Bonner 'British Co-operation'. 1961. p 41.

The encouragement of thrift and self-help was not merely a means of saving on poor relief, it was also seen as a means of providing the working class with a 'vested interest' in property, and securing social and political stability,⁽¹⁾ and it provided fuel for the ideology that poverty was a 'moral' failing, that it resulted not from low wages or irregular employment, but from laziness, intemperance, and a lack of discipline and control.

By pointing to the success of friendly societies and co-operatives at least amongst the more skilled working class bourgeois reformers argued that the poverty of the remainder resulted from the lack of such 'virtues', that:

"if the poor had an economic salvation it lay not in their being helped, but in helping themselves... In the last resort the welfare of the poor as a class was assumed to lie in changes in the values and habits and priorities of individuals."

(Barry Supple 'Legislation and Virtue. Working Class Self-help and the State'. 1974. p 213.)

The encouragement of thrift, sobriety, self-reliance and independence became a central feature of mid-Victorian reform activity, and a barrage of popularised writing was directed at the working class extolling the virtues of self-help,⁽¹¹⁾ as John Burns, a leader of the dock workers in the 1880s in their struggle to form a trade union, was to argue.

"The virtue - or vice - of thrift and independence amongst the pick of the working class, which well-fed reformers contend is applicable to all, is being abused and exploited."

('The Unemployed'. 1906. p 4.)

Ruling class encouragement of working class self-help was not without reservation as to its forms and content,⁽¹¹¹⁾ but even so, this should not

(1) According to one writer, thrift was "a matter of deep interest to the State, for the man who has invested a portion of his earnings in securities, to the permanence and safety of which the peace and good order of society is essential, will be a tranquil and conservative citizen."

(W. Greg 'Investment for the Working Classes'. Edinburgh Review. XCV. 1852.

Qu Supple 'Legislation and Virtue..'. 1974. p 213.)

See also J... Baernrither 'English Associations of Working Men'. 1889.

(11) The most famous being Samuel Smiles 'Self Help'. 1859. Cf also A Tyrell 'Class Consciousness in Early Victorian Britain. Samuel Smiles, Leeds Politics, and the Self-Help Creed'. 1970.

(111) It was, for example, commonly complained that the meetings of friendly societies were often held in public houses, and therefore encouraged spending and intemperance, clearly the working class were not supposed to enjoy themselves. according to the Rev. Wash Stephenson. 'Let there be mingling of class with class. Let the squirearchy and the clergy, and the employers of labour,

lead us to view working class self help merely as an acceptance and reflection of bourgeois ideology.⁽¹⁾ As Supple has argued, for example.

"In both ideological and institutional terms, thrift was an intrinsic part of working class history - an outgrowth of working class attitudes towards moral and social independence and stability, and not merely a habit thrust upon them by other social groups."

('Legislation and Virtue..'. p 215.)

Self help was both an expression and a foundation of working class culture and organisation, it sought to establish their 'independence' and 'self reliance' not after the individualised manner of 'well-fed reformers', but as the expression of the solidarity and cohesiveness of a class.⁽¹¹⁾ The

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uphold by their purse, and sanction by their person, the anniversary of the well-ordered benefit club... when this has been accomplished, or attempted, the upper classes will be enabled with a better grace to ascend the public platform, and, with a clearer conscience, denounce the demoralising amusements of the day."

(Qu C. Hardwick 'The History, Present Position, and Social Importance of Friendly Societies'. 1869. p 146.)

As Hardwick himself noted "It is somewhat singular that the working man's practice in this respect should have met with so much severe reprehension, while in many parts of the country the county magistrates assemble in the very same rooms for the purpose of dispensing justice in the name of the Queen!" (Ibid. p 149.)

(1) According to Derek Fraser: "Between the failure of Owenism and the rise of Marxist socialism working class social philosophy was affected by middle class values as working men became increasingly concerned to get a better deal from capitalism rather than overthrow it. This so-called embourgeoisement of working class attitudes was reflected in the self-help characteristics of much mid-Victorian working class activity... The enormous growth of friendly societies was further evidence of the basic soundness [!/] of the English working class." ('Evolution of the British welfare State'. p 99.)

Similarly Bentley Gilbert argues that friendly societies 'epitomised the Victorian ideals of thrift and respectability, of individual responsibility and self help.' ('The Decay of Nineteenth Century Provident Institutions and the Coming of Old Age Pensions'. 1964. p 531.)

(11) Thus Treble quotes one memoer of a friendly society as arguing that "Individual savings were not to be compared with the communal thrift inculcated by friendly societies. The mutual interests upon which their societies were based was a totally different thing to that which merely regarded a man's individual interests."

('The Odd Fellows' Magazine'. July 1908. Qu J.H. Treble 'The Attitudes of the Friendly Societies Towards .. State Pensions 1876-1908'. 1970. p 298.) My emphasis. Unfortunately, Treble himself is unable to see such statements as in any way contradicting his primary assertion that such organisations were the "prisoners of the prevailing individualist philosophy of the day." (Ibid p 275.)

For a sense in which these values were an essential part of working class organisation see R. Cray 'The Labour Aristocracy in the Victorian Class Structure 1974. p 23/8.

very existence of such institutions, far from reflecting an acceptance of the ideology of individualism and self-advancement, served as a bulwark against attempts to present poverty as an individual failing and to 're-moralise' the working class through the promotion of the virtues of thrift and sobriety.⁽¹⁾

"The doctrines of laissez-faire and self-help individualism, with their stress on competitive striving and mobility, did not gain a hold in the working class... A collective culture was insulated from those ideas by its communal institutions and a continuing situation of separation."

(Ugel Young 'Promotheans or Troglodytes: The English Working Class and the Dialectics of Incorporation'. 1967. p 17.)

Or as one contemporary noted:

"The workers still retain some ethos, especially so in homogenous groups. They ask for a 'living wage', they would not 'best' their fellows. This communistic consciousness of solidarity .. has resisted the teaching of Political Economy and the Church, the (working class) proletariat is still a social solidarity guided by moral considerations."

(B. Kirkman-Gray 'Philanthropy and the State'. 1908. p 324.)

There were of course exceptions leaders and members of friendly societies and trade unions who accepted the views of middle class reformers, and who argued for conciliation between labour and capital. Charles Hardwick, for example, the leader of the largest of the friendly societies, took great pride in the fact that forty years after the Peterloo massacre members of his friendly society in Manchester provided an escort for a visit of the Queen, as he saw it.

"Every member of a Friendly Society has a 'stake in the country' of immense value to himself, and therefore a direct pecuniary interest in the prevention of anarchism, and in the preservation of good order."

('The History, Present Position and Social Importance of Friendly Societies'. 1869. p 162.)

But we should beware of taking such views as representative of the whole of

(1) As the Black Dwarf saw it as early as 1817 "It is very amusing to hear Mr Owen talk of re-moralising the poor. Does he not think that the rich are a little more in want of re-moralising, and particularly that class of them which has contributed to demoralise the poor, if they are demoralised, by supporting measures which have made them poor, and which now continue them poor and wretched?... Talk of the poor being de-moralised! It is their would-be masters that create all the evils that afflict the poor, and all the depravity that pretended philanthropists pretend to regret." (Qu Hollis 'Class and Conflict' 1973. p 32.) In 1843 Robert Owen, the supposed benefactor of the co-operative movement, was in fact thrown out for his involvement in middle class schemes to 'regenerate' the working class. (Youngjohns. 1954. p 36.)

working class opinion;⁽¹⁾ as Hardwick himself admitted, despite his enthusiasm for the activities of the central government Registrar of Friendly Societies

"many of the members look upon him in the light of solicitor to the government, and consequently regard with suspicion rather than confidence any recommendations, however valuable in themselves, which emanate from such a source."

(Op cit. p 147.)

By the end of the nineteenth century, despite the advantages which registration offered in terms of State-guaranteed and subsidised investment as well as legal status and protection for their funds, over two-thirds of the friendly societies remained unregistered.

Suspicion of and hostility towards the State was, like the growth of self help itself, a reflection of working class experience; an experience of capitalism and of its State which, in the form of the Poor Law and its other instruments of social policy, fostered a solidarity within the working class and a consciousness of their being not a part of but as separate from and opposed to the rest of 'society'. Similarly, the experience of poverty betrayed, at least for some, the falsity of the claim that poverty was the fault of the poor. As the working class representatives on the Poplar Board of Guardians who after the extension of the franchise came to administer its affairs argued.

"Thirty years ago five Labour men found themselves elected as Guardians of the Poor for parts of the parishes of Poplar and Bow and Bromley, which form the Poplar Union. The advent of these men into public life caused a great commotion at the time, and their work in the intervening years has given rise to much discussion and criticism. Again and again the forces of reaction have attacked them. Public and private investigations into their administrative work have taken place, in spite of all this they have carried on their work... During these years, the poor and the needy, the sick and the infirm, the fatherless, the widows, and the orphans have been properly and decently treated... This work has cost money, but the people of Poplar have steadily supported the view that the duty of the members of the Board of Guardians is to be Guardians of the Poor and not Guardians of the interests of property. In Poplar there is no cringing or wailing on the part of those who apply for public assistance... In Poplar it is well understood that the poor are poor because they are robbed, and are robbed because they are poor."

('Guilty and Proud of It'. J. H. E. Rose 'The English Poor Law'. 1971. p 30)

(1) See for example J. D. H. Cole 'Some Notes on Trade Unionism in the Third Quarter of the Nineteenth Century'. 1937. and N. V. Clements 'British Trade Unions and Popular Political Economy'. 1961.

Similarly Robert Blatchford wrote:

"The average Guardian, it seems to me, divides his paupers into two classes.

1. The undeserving wasters who have 'only themselves to blame' for their misfortune, and on whom kindness is wasted.
2. The 'industrious poor', who have become destitute through age or misfortune, and deserve the 'charity' of their more successful neighbours.

I accept these two divisions, but have something to say to the description. I take the 'wasters' first.

A man is what nature and circumstances make him. If he is born vicious he is not to blame for that, any more than he is to blame for being born blind or imbecile. If he becomes vicious from bad training, or evil surroundings, he is no more to blame for that than he is to blame for being taught to eat peas with a knife, or consider pigeon-shooting a sport.

We have to consider, then, the relations of this man to society. If all his failings were due to nature and none of them to society, then I say this waster is still of our bone and of our flesh, and is entitled to our succour and kindness, by virtue of his manhood. But when we remember the cruelties and injustices of competitive commercial warfare, and when we remember the slums, and the betting dens, and the dram shops, we cannot deny that in most cases, if not in all cases, the loafer, the drunkard, and the criminal are what modern civilisation has made them.

... Therefore, when we wax virtuously indignant with the waster, let us remember who makes him a loafer, a drunkard, a gambler, and who gets rich upon his ruin.

We now come to the second class... Of these I have only to say that they are indigent in their old age after a life of toil because they have been robbed of the fruits of their labour by the class from whom our guardians and magistrates are mostly drawn.

To these men the State is not only a debtor, it is a fraudulent trustee."

('The Clarion'. 17.9.1892. cf M.E. Rose 'The English Poor Law'. 1971. p 240

Such views, although not universal, were harboured within working class experience, and within a culture which, through its institutions of mutual aid and co-operation, strengthened a consciousness of solidarity and cohesion. 'Self help' was not, however, revolutionary: as events proved, friendly societies and savings banks could no more abolish poverty than the co-operative movement could simply 'by-pass' capitalism; their failure directly to confront the system of wage labour, and their inability to encompass the whole of the working class rather than the more skilled and highly paid, made them essentially defensive institutions, but it was a defensiveness which stressed working class interests as separate from rather than part of or subordinate to the rest of society; it created "an implicit rival societal frame, an alternative model of social relations, and a separate culture".⁽¹⁾ This culture, moreover, is one that has in many ways continued

(1) N. Young 'Prometheans or Troglodytes..'. 1967. p 4.

to express working class experience.

"When I look back on my childhood in Hunslet, a working class district in Leeds, the aspects which have a special bearing on present changes are these. First, a quite deeply rooted sense that we are at the thin end of society .. that we lived in the grimy south of the town, on the wrong side of the river. On the other side there was a rather shadowy impalpable 'them', local authorities, rating officers, Public Assistance officers, Welfare officers... There was this initial imaginative division between us... We know in our bones that this separation existed .. As a kind of reaction to this there was also a quite tight sense of being a local neighbourhood; a sense of belonging to an area and a group. Much of this sense was defensive, obviously, but when you look at it closely, you see that it was not merely defensive. What impresses, I think more than anything, is the virtues it sustained. If you examine some of its more obvious expressions such as the creation of co-operatives and friendly societies, or if you think of the interweaving of Christianity, socialism, a traditional 'peasant' community sense, a defensiveness against the bosses, and see how all these things came together in one texture, then you are struck by the intricacy - the extraordinary depth, strength and clarity - of that texture."

(Richard Hoggart 'The Welfare State - Appearance and Reality'. 1960. p 13.)

Defensiveness is also a form of opposition, it implies the existence of something to be defended against - a Poor Law, a system of production or distribution, a particular structuring of society, which is felt to be antithetical to the interests of those who seek to defend themselves from it - it thus embodies and sustains a view of society as hostile and threatening.⁽⁺⁾ During the course of the nineteenth century the working class established the major institutions of such a defence. In one sense they were to fail by the end of the nineteenth century, under the pressure of chronic unemployment, and in particular of the practice of paying sickness benefit to workers who although physically fit were too old to find employment, the friendly societies were to face a massive crisis of insolvency.⁽¹¹⁾ Similarly

(1) "It is true that at any one time the working class may only be interested in defending its position within capitalism, but that very defence may be so successful that the nature of the system directly impinges upon the ideology within that particular struggle."

(Paul Corrigan 'Working Class Politics..'. 1974. p 6.)

As an example, a banner of the Nottinghamshire and Derbyshire Coal Miners' Association, which in 1873 established a benefit scheme for its members, showed a widow faced with applying for poor relief who argued that her late husband's membership of the association meant that she did not have to obey 'the dictator' when he told her to 'sell off her furniture'. (See J. Benson 'English Coal Miners' Trade Union Accident Funds 1850-1900'. 1975. p 403.)

(11) By 1898 only 5,000 friendly society branches had funds in surplus, as

the trade union payment of benefits to its members was criticised from within the working class itself.

"Constituted as it is, Unionism carries with it the seeds of its own dissolution... Their reckless assumption of the duties and responsibilities that only the State or the whole community can discharge, in the nature of sick and superannuation benefits, at the instance of the middle class, is crushing out the larger unions by taxing their members to an unbearable extent. This so cripples them that the fear of being unable to discharge their friendly society liabilities often makes them submit to encroachments by the masters without protest. The result of this is that all of them have ceased to be unions for maintaining the rights of labour, and have degenerated into middle and upper-class rate-reducing institutions."

(John Burns. Quotationstein 'From Chartism to Labourism'. 1926. p 217.)

As we shall see, not all agreed that the problems of poverty could be solved merely by making their relief the responsibility of the State, but from the 1880s the working class began to move from its position of defence once more into an attack and confrontation with capital. It was a movement which involved a critique of previous positions, of the established trade unions and other working class organisations and their leadership, but it was also a movement which built on those foundations, on the sense of solidarity, independence, and opposition.⁽¹⁾ With the onset of mass unemployment during the 'Great Depression' of 1873-96 the hopes of increasing prosperity and stability that had accompanied the boom from the 1840s onwards received a check: "this optimism", William Beveridge wrote in 1909, "is broken".⁽¹¹⁾ Instead capitalism faced an increasingly organised challenge and threat to its existence from the working class, from a class which was not already 'incorporated' within society but which, as George Holyoake pointed out, had developed its own consciousness that was to make the problem of unemployment, and its solution, a major concern

"No protest that capital is his friend reassures him.
Terror has made him deaf, and experience unbelieving."

('The New Principle of Industry'. 1878. p 494.)

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compared with 12,000 who were in deficit. The Grand United Order of Oddfellows, the largest of the friendly societies, had present reserves and future income to cover only 67% of anticipated future claims, the Ancient Order of Foresters, the second largest, only 67.5%. (B. Gilbert. 1964. p 555.)

(1) Self help "might be interpreted as a mass of 'false consciousness' brought on by generations of 'social controls', with some truth, but at the risk of begging a lot of questions. The trouble is that the same values of hard work, discipline and sobriety are as necessary for a successful workers' movement

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Unemployment is a problem of capitalism. We do not, for example, hear of unemployed peasants or unemployed savages - it is their divorce from the means of production and their dependence on a system of wage labour, on employment by others, which makes unemployment possible.⁽¹⁾ Because they do not own or control the means of production, those who depend upon wage labour have no control over whether they are to work or not, whether they are to produce their wages, whether they are to be employed or unemployed. Within capitalism such decisions rest with capital, with those who do own and control wealth, and whose decision to employ labour must ultimately depend on whether it is profitable. Employment is not dictated by the needs of the majority of the population, whether it is for work or for the goods that their labour produces, but by the possibility of realising a surplus, of making a profit, out of their labour. If profits decline, firms close down.

At the same time, while the social relations of capitalism make unemployment possible, the development of capitalism also makes it inevitable. The Great Depression of 1873-96 followed as inexorably from the boom of the 1840s and '50s as the depression of the late 1920s and '30s followed the boom in production of the first world war. In one sense this inevitability is a feature of man's general historical development, a reflection of the constantly growing productivity of labour. As we have seen, increasing wealth - the ability to produce more goods and services - depends upon labour's productivity, and this in turn depends upon the increasing means of production to which that labour is applied. Unaided, the productivity of labour is restricted by the limits of physical strength and endurance, but once harnessed to machinery it is, as Kay-Shuttleworth argued, capable of almost

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as for successful capitalism. Without them and the intense sense of working class independence which went with them, no labour movement could have been possible." (Pat Thane 'History of Social Welfare'. 1974. p 541.)

(11) 'Unemployment: A Problem of Industry'. p 2.

(1) Despite reservations about poverty and the nature of production and social relations in the so-called communist countries (see p 4 fn 11 above), unemployment is a specifically capitalist phenomenon. To argue that countries like the Soviet Union 'artificially' create jobs to avoid unemployment is merely to assume that the method of allocating and creating work in our society is somehow 'natural'.

indefinite expansion.⁽¹⁾ The extension of the means of production, the settling-by of the product of past labour for future use, rather than its immediate consumption, means that a given amount of production can be undertaken with less labour, that as wealth and productivity increase, so the need for labour falls. As Marx noted:

"The growing extent of the means of production, as compared with the labour power incorporated with them, is an expression of the growing productiveness of labour. The increase of the latter appears, therefore, in the diminution of the mass of labour in proportion to the mass of means of production moved by it."

('Capital'. Vol I. p 583.)⁽¹¹⁾

It is this growth in the wealth and thus in the productive power of society which enables further wealth to be produced with relatively less labour. In Britain today under half the working population are employed in what could be considered 'productive' employment,⁽¹¹¹⁾ yet they produce in a shorter working time a much greater volume of goods than ever before - sufficient not only to maintain themselves, but also those who are employed in servicing and distribution. Moreover, as Albert Booth, the present Minister for Employment, has pointed out: "In the long term, it might be that only 25% of the workforce would be needed for all the manufacturing the country required"⁽¹¹⁾.

(1) It was precisely this recognition that the productivity of labour was raised not by exhaustively employing the working class to the limits of its physical endurance but by its intensive employment in extending the means of production that, with the growth of capital, allowed for the limitation of factory hours during the first part of the nineteenth century. As one contemporary noted. "Some from benevolence, some from emulation, some from shame, and more, perhaps, than all from a conviction that it would actually tend to profit may follow the examples set... I believe the conviction is strengthening and spreading that it is eminently the INTEREST of a manufacturer to have a moral, sober, well-informed, healthy and comfortable body of workers." (E. Baines 'The History of Cotton Manufacture in Great Britain'. 1835. Qu W.G. Carson 'Social Control, Deviance and Dissent'. 1971. p 9.) See also W.G. Carson and B. Martin 'The Factory Acts - A Sociological Perspective'. 1974.

(11) "The faster productivity grows, the greater is the output of goods and services for any given number of workers. A rapid growth in productivity therefore means that less extra jobs are created when business increases." (The Times 'Economic Notebook'. 18.8.1977.)

(111) Department of Employment Gazette. May 1975. p 405.

(11) Speech to the North West Industrial Development Association. Qu B. Davis. 1977. p 3.

This growth in productivity does not of course necessarily mean 'unemployment' as we experience it. Indeed, the steadily growing productive power of society offers the potential of an end to man's struggle for existence, it promises a world in which people do not have to work continually throughout their lives in order to subsist, but can spend the greater part in leisure and amusement. This is the great achievement of labour and the wonder of unemployment. But because of the way production and wealth are organised and controlled under capitalism this potential is denied. automation comes not as a relief to those who work, but as a threat, the means of production through which this is possible exist not to be used, but to use and to dominate those through whose labour they are created.

It is the social relations of capitalist production - the relations of private property and the private ownership of the means of production - which are the cause of unemployment as we know it. In order to compete and to accumulate wealth those who own and control capital have to produce more cheaply than their rivals, they have to raise the productivity of labour, to increase the amount of capital invested in production. This competition between employers forces the growth and accumulation of capital. it means that from the new wealth created a constantly greater proportion has to be invested in raising productivity, that as the production of wealth expands more wealth has to be applied to production, even to retain existing levels of employment. As Albert Booth again has argued. "Expansion must depend on manufacturing industry being competitive internationally, and there is no option but to go to capital-intensive methods of production"⁽¹⁾ It is thus obviously a fallacy that simply greater productivity and greater investment will solve the problem of unemployment, for the more investment and the more productivity, the less the demand for labour "New investment in manufacturing would not solve unemployment problems overnight... Some capital intensive investment projects were yielding as little as two or three jobs for every £1 million spent and might do little to help in the short term"⁽¹¹⁾

The competition that forces the accumulation of capital does not alone create unemployment. As the means of production increase relatively less labour is required to produce a given output, but as the volume of capital and of production grows, so it also absorbs fresh labour it is just that as

(1) The Sunday Times. 26.9.1976.

(11) Qu B. Davis. 1977. p 3.

industry expands, so the demand for labour increases, but it increases always at a proportionately lesser rate than the increase of capital.⁽¹⁾

The actual cause of unemployment within capitalism is, however, a product of this process. In order to realise a surplus on labour, in order to accumulate capital, the manufacturer has to sell the goods that are produced, and to do this he needs people who are able to buy. As we have seen, the unprecedented expansion of British industry during the middle of the nineteenth century had led to an expansion of world markets and trade, especially in Europe and North America, as the domestic market became satiated, an increasing proportion of these exports were those capital goods on which industrial production depended, their volume doubling between 1840 and 1860 to reach 40% of total exports. The result was to hasten the process of capitalist industrialisation overseas, and as the United States and Europe began to industrialise, they too began to search for markets to sell the growing volume of products. As the Royal Commission on the Depression of Trade noted in 1836

"We are beginning to feel the effects of foreign competition in quarters where our trade formerly enjoyed a practical monopoly ... In every quarter of the world the perseverance and enterprise of the Germans are making themselves felt."

(Qu H.M. Lynd 'England in the Eighteen Eighties'. 1943. p 34.)

Over the last half of the nineteenth century the share of British exports going to Europe and the U.S. fell rapidly: their share of exported cotton goods, for example, falling from 60% in 1820 to 7½% by 1900, while that of foreign investment fell between 1850 and 1890 from 50% to 8%.⁽¹¹⁾

The effect of this growing international competition, of the growth of competing world productive power, was not however confined solely to the squeezing of British exports out of former markets. In order to realise his profit, the manufacturer has to sell the articles that his workers produce;

(1) As Marx puts it, the demand for labour "falls relatively to the magnitude of the total capital, and at an accelerated rate, as this magnitude increases. With the growth of the total capital, its variable constituent, or the labour incorporated in it, also does increase, but in a constantly diminishing proportion."

('Capital'. I. p 591.)

(11) Hobsbawm 'Industry and Empire'. p 146/8.

but the growing extent of the means of production, by increasing the productive power of labour, also increases the amount of goods that are produced and that have to be sold. Each manufacturer attempts to gain a larger share of the market, but in doing so they collectively increase production beyond the point at which all the goods can be sold, the result is over-production, economic stagnation, and unemployment.

The Great Depression of 1873-96 was one major example of this process of capitalist development. The expansion of industry on a world scale, the opening of new markets, and the development of industrial production in Europe and the United States caused a great flood of commodities and goods onto the market, competition intensified, prices fell by over a third in agriculture and then in manufactured and industrial products, and as the growth in production halted so unemployment increased in all the developing capitalist economies. As Winston Churchill, as yet still in his youth, admitted this increase in unemployment had nothing to do with an excess of population above the means of subsistence

"On the contrary, our wealth is increasing faster than our numbers... Enterprise in this country requires no artificial stimulus; if it errs at all, it is from time to time upon the side of overtrading and overproduction."

('Liberalism and the Social Problem'. 1909. p 194.)

Overproduction, and its consequent unemployment, was not a new phenomenon, it had occurred periodically throughout the history of capitalism's development;⁽¹⁾ but it is an event which is unique to capitalism as a system of production. In precapitalist societies economic depression is the result of a failure of production - the product of bad harvests or of plague and so on - in which production fails to meet demand. The crises of capitalism, on the other hand, result from too great a success of production, from the development of a productive potential which, within existing economic and social relationships and the distribution of wealth and income, creates a surplus of goods which cannot be sold, which are stockpiled, turned into lakes or mountains, and which thus causes a restriction

(1) As even Malthus recognised by the 1820s "We see in almost every part of the world vast powers of production which are not put into action, and I explain this phenomenon by saying that from the want of a proper distribution of the actual produce adequate motives are not furnished to continued production...I distinctly maintain that an attempt to accumulate very rapidly, which necessarily implies a considerable diminution of unproductive consumption, by greatly impairing the usual motives to production must prematurely check the progress of wealth."
(Qu J.M. Keynes 'The General Theory'. 1973. p 362.)

in production and a consequent laying-off of workers. It is this nature of capitalist depression which creates the irony of poverty amidst plenty, of unemployed workers and empty factories, of the deliberate stockpiling and sometimes destruction of goods while people remain hungry and their needs unmet. Its causes lie in the nature of capitalist organisation, in the separation of the producers from the means of production, so that their employment depends not upon their needs but upon profitability; and in the constant accumulation and competition of capital, which constantly and blindly increases production until a glut occurs and depression sets in. As J.A. Hobson explained this phenomenon of overproduction arises in part out of the way wealth and income are distributed within capitalism those who own the means of production and wealth are forced to increase production in order to compete, but the increasing amount of goods which this process creates face a population whose wages, and thus whose power to purchase and consume these goods, have not risen proportionately, the result is that the goods cannot find an effective market⁽¹⁾

"Modern machinery and methods of production have brought about a vast and continuous increase in the power of producing wealth the rate of consumption has likewise risen, but less rapidly. This discrepancy in the pace of progress is manifested in the existence of a permanent surplus of producing-power - i.e. though every producing power implies the existence of a corresponding consuming-power the latter is not fully utilised. This failure to fully utilise consuming-power is due to the fact that much of it is owned by those who, having already satisfied all their strong present desires, have no adequate motive for utilising it in the present, and therefore allow it to accumulate."

('The Economic Cause of Unemployment'. 1895. p 758.)

The accumulation of capital in the hands of a few thousand individuals, and their competition to increase productivity is what makes economic depression and unemployment not merely incidental to but an essential

(1) There is some debate amongst economists as to whether overproduction occurs because of the effective inability of the mass of the population to purchase what is produced within the existing distribution of income and wealth, or whether it results from the refusal of manufacturers to accept the lower prices for their products which increased productivity would demand, on the latter, because less labour is now incorporated directly in each article, the value of such articles should fall, and it is the attempt to maintain prices at their previous levels which causes a glut of unsaleable goods, whose prices are then reduced automatically through the process of slump. (See E. Lardel 'Marxist Economic Theory'. 1971. Ch 11.) There is not the space to pursue the argument here, although it would not immediately appear that the two explanations are incompatible.

product of the anarchy of capitalist production.⁽¹⁾ Clearly, overproduction has nothing to do with the 'needs' of the majority of the population it does not mean that enough has been produced to satisfy all their desires;⁽¹¹⁾ on the contrary it is the inability of the owners of capital to find profitable markets for the increasing amount of goods that causes depression, and it is just at such times, when workers are being laid off, that the disparity between their needs for food, clothing, and shelter and the means which capitalism provides or denies for securing them becomes most apparent. Nor is this process within the control of the capitalists themselves, competing amongst one another, both nationally and internationally, to accumulate wealth they find that more has been produced than can be sold, they see their prices falling, profits declining, and their machinery and factories standing idle.⁽¹¹¹⁾

Capitalism of course is not in a permanent state of overproduction, the accumulation of capital and the growth of productive power takes place over a cycle, first through a period of boom as industry expands, followed by a period of slump as this growth creates a surplus. Since the end of the second world war, and until recently, the full effects of this once familiar 'trade cycle' have been somewhat mitigated by State control and

(1) Again according to the Royal Commission on the Depression of Trade "Owing to the nature of the times the demand for our commodities does not increase at the same rate as it did formerly, that our capacity for production is consequently in excess of our requirements... This is partly due to the competition of the large amount of capital which is being steadily accumulated in the country."

(Qu J.A. Hobson 'The Economic Causes of Unemployment'. 1895. p 745.)

(11) "The problem is essentially one of insufficient demand not insufficient supply. There is food available that the poor do not have the means to buy." (Mr P. Burns, General Secretary of War on Want, in a letter to The Times (10.3.1975) on the 'world Food Crisis'. Qu Socialist Standard. April 1975.)

(111) Until the present, all major recessions, including the Great Depression and the slump of the 1930s were characterised by falling prices as manufacturers struggled to sell an abundance of goods in a shrinking market. It may be that the increased monopolisation of capitalism, the cornering of markets and whole areas of production by single giant national and multi-national corporations, together with the growth of State guarantees for producers, has enabled them to withstand the pressure of overproduction towards a fall in prices, and that one result has been to contribute to a steadily growing rate of inflation that if the price of goods does not fall, the value of money falls to compensate. The result is still that people cannot afford to buy all that is produced.

regulation,⁽¹⁾ but over the closing years of the nineteenth century this cycle was coming to establish itself as a regular feature of economic life.⁽¹¹⁾ In 1885-7, 1893-5, 1902-4 and 1908-9 unemployment rose to 9.6%, 7.2%, 6.4% and 8.7% respectively;⁽¹¹¹⁾ as William Beveridge then noted.

"The outward and visible signs of an industrial depression are a high unemployed percentage and falling wages and profits. The essence of it is the inability of manufacturers to find markets at what they consider as remunerative prices. There follows stoppage or diminution of production until stocks are cleared or shortage of supplies raises the price once more."

('Unemployment. A Problem of Industry'. 1909. p 52.)

As Beveridge realised, industrial depression, although periodic, was only a temporary phenomenon. In the midst of depression, firms closed, unemployment increased, and wages fell; but as the surplus was cleared the unemployed were once again drawn back into production as fresh capital was invested to exploit new opportunities and to begin the process once again on a higher plane. In this sense cyclical depression is itself part of the process of capital accumulation, of the process of capitalist development

"This fluctuation of industrial activity has nothing to do with the wishes or characteristics of the men employed. It is not within the control of individual employers. It is not limited to particular trades... It is only one aspect of a still more general ebb and flow dominating the economic life of the nation."

(Beveridge 'Unemployment. A Problem of Industry'. 1909. p 41.)^(1v)

Or as Charles Booth, an influential social reformer, had it, the industrial cycle was to be considered

"as the orderly beating of a heart causing the blood to circulate - each throb a cycle... As to character, the effect, especially on wage-earners, is very similar to that exercised on a population by the recurrence of winter as compared to the enervation of continual summer."

('Life and Labour of the People of London'. 2nd Ser. Vol V. p 73. Qu Gareth Stedman Jones 'Outcast London'. 1971. p 288.)

(1) Such periodic depressions nevertheless continued to occur in 1952, 1958, 1963, 1968, and 1972 slumps in industrial activity took place and unemployment increased, although, until recently, not to pre-war levels. (Cf S. Brittan 'Full Employment Policy: A Reappraisal'. p 250.)

(11) "This peculiar course of modern industry, which occurs at no earlier period of human history, was also impossible in the childhood of capitalist production. The composition of capital changed but very slowly. With its accumulation, therefore, there kept pace, on the whole, a corresponding growth in the demand for labour. Slow as was the advance of accumulation compared with

The disciplinary effect of unemployment, its effect on wages and on the incentive to work under given conditions, is, as we shall see, an important factor in the rate at which capital is accumulated but the accumulation of capital is also effected by depression itself. Slumps in economic activity are not only times of stagnation, but also of reorganisation and restructuring smaller firms decline, while larger firms better able to withstand a period of depression emerge in a stronger position, with a greater share of the market, and equipped with a greater concentration and accumulation of capital ready for the next period of growth.

The Great Depression, which spanned a period of cyclical booms and slumps, was one such time of major reorganisation. Having begun from a position of Britain's dominance as the workshop of the world, the Depression was to see crisis and stagnation in all the newly-industrialising countries, but out of this both the United States and certain European countries, better able to take advantage of new technological developments, with a higher degree of concentration and accumulation of capital, and thus with the ability to introduce larger-scale industrial enterprises and mass-production, were to emerge in a relatively stronger position.⁽¹⁾ By 1890 both Germany and the U.S. were to surpass Britain in the production of the most essential of industrial commodities, steel, and over the turn of the century they were to forge even further ahead in their development of new forms of industry based on chemicals, electrical engineering, and motor transport.

This relative decline of British industry in the face of international competition was one of the factors which destroyed the optimism that had pervaded the middle decades of the nineteenth century. By the 1880s, with

/Contd from p 122...

that of modern times, it found a check in the natural limits of the exploitable population, limits which could only be got rid of by forcible means."

(Marx 'Capital'. I. p 593.)

(iii) Beveridge 'Unemployment A Problem of Industry'. 1909. p 39. These figures refer only to unemployment amongst registered trade unionists, fuller statistics were not yet kept.

(iv) Cf also William Beveridge 'The Pulse of the Nation'.

(1) By 1913 over half the total investment capital of Germany was held by nine Berlin banks, in 1901 1.1% of industrial enterprises in the United States employed 30.5% of the workforce, and accounted for 43.8% of total production, while in Germany 0.9% of firms employed 39.4% of the workers. (Lenin 'Imperialism the highest Stage of Capitalism'.)

unemployment increasing and the trade depression biting deeper, hopes of constant economic growth and of increasing social and political stability began to fade. The specific problem of unemployment, although not new to the working class, was now to force itself to the attention of the ruling class in ways in which it became impossible to ignore its reality. Whereas previously politicians, civil servants, economists and social reformers had sought to deal with unemployment as an issue of pauperism - to view it most commonly as a simple unwillingness to work to be dealt with by the workhouse, or at best as a temporary excess of population over the means of subsistence to be removed by emigration⁽¹⁾ - the appearance of mass unemployment and mass protest was to force some recognition of its durability as an essential product of capitalist production, or as William Beveridge had it, as 'A Problem of Industry'.

This is not to say that 'the personal factor' as it was commonly known was to disappear as an 'explanation' of unemployment, even amongst those social reformers who sought to understand and explain the real nature of unemployment, questions of 'morality', of discipline and character, were to remain both as a means of explaining unemployment and as a principle for reform. As Beveridge saw it

"Economic conditions determine that a number of men should be dismissed, while personal considerations determine which individuals shall be selected for dismissal."

('Unemployment A Problem of Industry'. p 134.)⁽¹¹⁾

But the coincidence of industrial depression and decline and of mass unemployment and its consequences in terms of poverty and working class unrest could not simply be ignored or explained away as idleness or malingering. The problem of unemployment is one that principally affects labour, but it is also in more ways than one a problem for capital, and as the dimensions of the problem emerged, so too did the awareness of the need to do something about it.

(1) But as the Professor of Political Economy at Oxford had recognised in 1841 "Suppose that, on the occasion of some of these crises, the nation were to raise itself to the effort of getting rid by emigration of some hundreds of thousands of superfluous arms, what would be the consequence? That at the first returning demand for labour there would be a deficiency. However rapid reproduction may be it takes, at all events, the space of a generation to replace the loss of adult labour. Now, the profits of our manufacturers depend mainly on the power of making use of the prosperous moment when demand is brisk... This power is secured to them only by the command of machinery and manual labour. They must have hands ready by them to increase the activity of their operations when required, and to slacken it again, according to the state of the market." (Qu 'Capital'. l. p 503)

(11) "Any men inclined to unsteadiness, idleness, drunkenness or sedition are then generally got rid of." (Charles Booth 'Life and Labour of the People of London'. 1904. Vol V. p 238. Qu Beveridge. 1909. p 137.)

Unemployment and Capital

The Great Depression was itself the product of the boom. the unprecedented expansion of world production collapsed, and for the next twenty years the economies of the major capitalist countries stagnated under the weight of a general overproduction. Britain, with its greater reliance on imports, was better able to withstand, and indeed benefitted from the collapse of prices in agriculture and raw materials which marked the beginning of the decline. but elsewhere, as in Russia and the United States, where agriculture and the production of raw materials were a major part of economic activity and employed a greater percentage of the population, the situation was met with populist uprisings, and the demand for protection and the imposition of tariff barriers against foreign imports.⁽¹⁾ As the collapse spread to manufacturing industry, however, Britain too began to feel the effects, and to experience its consequences in a restriction of output, falling wages and prices, and increasing unemployment.

By the 1880s the full effect of this international recession was to be felt, and with its onset the traditional defensiveness of the British working class became untenable. 'self help' was to prove incapable of meeting the size and scale of the problem, and as unemployment mounted and increased in duration, as poverty and distress widened, the working class was forced once again to move onto the offensive. As one put it.

"Even at the best of times .. 80% of the wage earners are receiving an average of 5/- per week less than is estimated as capable of supporting life decently at all.⁽¹¹⁾
 ...The battle cry of the future must not be Liberalism against Toryism, but Labourism against Capitalism."

(L. Hall 'The Old and New Unionism'. 1893. Quoted by H.M. Lynd 'England in the Eighteen Eighties'. 1943. p 292.)

(i) "After 1873 the situation of the 'advanced' world was one of rivalry between developed countries, and what is more, countries of whom only Britain had a built-in interest in total freedom of trade. Neither the U.S.A., nor Germany nor France relied to any substantial extent on massive imports of food or raw materials, indeed, except for Germany, they were substantial exporters of foodstuffs. Nor did they rely to anything like the British extent on exports for the market of their industries, indeed the U.S.A. relied almost entirely on its domestic market and Germany did so to a large extent."

(Hobsbawm 'Industry and Empire'. 1969. p 139.)

(11) According to Mr Giffen, the President of the Royal Statistical Society, and a man presumably in a position to know, the more precise figure was 82.6%. (Lynd op cit. p 52.)

Or as the Daily News saw it

"Until lately everybody was more or less content to accept the contrast between wealth and poverty as an inexorable social law... But we can see for ourselves at the present that every day there grows up more and more widespread the utter disbelief in the absolute necessity of existing conditions "

(Daily News 19.10.1883. Qu A S. Wohl 'The Bitter Cry of Outcast London'. 1968. p 213.)

In 1884 British industry entered into a further phase of economic slump. Coming on top of the general depression in trade, and aggravated by a series of harvest failures and by the more severe climatic conditions of the nineteenth century, unemployment and distress rose rapidly, the number of trade unionists out of work increased from 2.6% to 7.2%, and by the winter of 1886 had reached 9.6%, while in certain trades such as shipbuilding, metalwork and engineering the figure was as high as 13.5%.⁽¹⁾ In London the situation was particularly severe, where the harsh winter that led to the freezing-over of the Thames halted much dock and construction work, and where the major industry of shipbuilding was in a state of advanced decline as its centre shifted to the production of new steel-hulled ships in the north. At one of the many meetings of the unemployed held in Trafalgar Square to demand work or relief the crowd broke into riot, and marched through the West End, stoning the windows of the fashionable clubs of St James and looting shops en route. The response was one of panic, for a number of days the rich lived in fear of insurrection, and shops and houses were barricaded against rumours of fresh 'invasions' of workers from the East End; the Mansion House Fund, a previously fairly moribund charity for the relief of poverty, increased its public subscription from £3,000 to £60,000 within a fortnight - a small example of what Joseph Chamberlain had the year previously described as "the ransom which property will pay for the security which it now enjoys"⁽¹¹⁾ - and dispensed it just as quickly in the East End in what Beveridge was later to call "that orgie of relief"⁽¹¹¹⁾.

(1) Beveridge 'Unemployment A Problem of Industry'. 1909. p 39.

(11) Qu J. Saville 'The Welfare State An Historical Approach'. 1957. p 14.

(111) 'Unemployment A Problem of Industry'. p 158.

The Trafalgar Square Riots subsided, only to be followed by further if less dramatic demonstrations in subsequent winters in most major cities, but the Riots signified an important development, the re-emergence of open class conflict, the realisation of what the Bishop of Manchester had prophesied in 1879 as

"the strife of interests the war of classes widening and deepening day by day... The dull desperate hate with which those who want and have not come at last to regard the whole framework of society but one huge contrivance for their oppression."

(Transactions of the National Association for the Promotion of Social Science. Qu G.R. McGregor 'Social Research and Social Policy in the Nineteenth Century'. 1957. p 154.)

Of course 'those who want and have not' could see the wealth around them: in the ships they unloaded, in the factories where, if they were lucky, they worked to produce it, in stores and warehouses, and in the streets and shops of places like the West End of London - the capital of what was still for a time the richest nation on earth. In many ways London symbolised this contrast between wealth and poverty; and with the greatest single concentration of the urban working class, and their immediacy to the seat of national government, the 'problems' of poverty and unemployment in London were for a time to dominate national policy.

At the root of these problems lay "the great evil of the present day .. the entire disunion of the labourer and the capitalist"⁽¹⁾ Once again London symbolised this division, the line between its East and west Ends marked the separation and the meeting point between the two great classes "between whom", as Disraeli had described it

"there is no intercourse and no sympathy; who are as ignorant of each other's habits, thoughts and feelings as if they were dwellers of different zones, or inhabitants of different planets, who are formed by different breeding, are fed by different food, are ordered by different manners, and are not governed by the same laws."

('Sybil - or The Two Nations'. (1954 ed.) p 173.)

As the active disillusionment and hostility of the working class increased through the end of the century, as the utter disbelief in the absolute necessity of existing conditions spread, so this separation between the classes was to become a major cause of anxiety and concern to those in power.

(1) Stanley Jevons 'The State in relation to Labour'. 1887. Qu Lynd op cit. p 7.

It was a separation that was not only physical, but social, cultural, and ideological

"The population is greater than that of Berlin or Vienna, or St Petersburg or Philadelphia... In the streets there are never to be seen any private carriages, there is no fashionable quarter .. one meets no ladies in the principal thoroughfares. People, shops, houses, conveyances - all together are stamped with the unmistakable seal of the working class."

(Walter Besant 'East London'. 1901. Qu Gareth Stedman Jones 'Outcast London'. 1971. p 14.)

It was a division between two worlds, the lower half of which - 'Darkest England' as the leader of the Salvation Army called it - threatened to rise and engulf the whole. Or as Samuel and Henrietta Barnett, the founders of the Settlement Movement that was to be an early attempt to meet the problem of class conflict through the 'colonisation' of working class areas, argued.

"The classes in our great cities are many, but the terms 'rich' and 'poor', if not exact definitions, represent clearly enough the two great classes of society. Their unity means strength, their division means ruin."

('Towards Social Reform'. p 26.)

Images of colonisation, of the discovery and exploration of the working class, and of attempts to infiltrate and control its activities, abounded in the initial responses to the emerging problem of unemployment and poverty.⁽¹⁾ Until the 1880s relatively little was known, or rather the rich paid little attention to what was known, of the degree of working class poverty and unemployment, or of their living conditions, attitudes, and behaviour. As the threat of unemployment and poverty increased, however, there came a great flood of surveys and investigations, of books, pamphlets, articles, and statistics, and the rise of a whole 'science' of sociology in the attempt to gauge the extent and understand the dimensions of 'the social problem'.⁽¹¹⁾

(1) "Colonisation by the well-to-do seems indeed the true solution to the East End question, for the problem is now to make the masses realise their spiritual and social solidarity with the rest of the capital and the kingdom how to revive their sense of citizenship, with its privileges they have lost and its responsibilities they have forgotten."
(1st Annual Report of the Oxford House Settlement. Qu B. Simon 'Education and the Labour Movement'. p 82.)

(11) See, for example, P. Abrams 'The Origins of British Sociology'. 1968.

These surveys found, much to their relief, that the working class was not, of course, an homogeneous mass, but was differentiated according to levels of skill and wages, of security of employment, and of organisation. At the top, according to Charles Booth's mammoth survey of 'The Life and Labour of the People in London', initiated in 1886, were to be found foremen and the self-employed, the "higher class of labour, and the best paid of the artisans .. these men are the non-commissioned officers of the industrial army"⁽¹⁾ Beneath this 'Class F' was 'Class E', the regularly-employed workers - "the recognised field of all forms of co-operation and combination"⁽¹¹⁾ - and together these two groups constituted the bulk of the working class; theirs "is the standard of life in which we hope to improve, and from which, upwards or downwards, we may measure the degrees of poverty or wealth of the rest of the community"⁽¹¹¹⁾

At the other extreme were the chronically unemployed and those who were under-employed those who had no regular employment, but who depended upon casual labour in the docks or in factories, on poor relief, and on passing charity, according to the Fabian Society.

"The great industrial residuum of all the industrial classes of the community, the men who have failed in life, or who, through feebleness of physique, or through want of perseverance or some hereditary incapacity, have not even succeeded in failing, the few who have lost their chance and the many who never had a chance to lose.

From this great mass of the permanently unemployed the criminal classes are recruited from thence also the Dock Companies draw, day by day, as they require it, their casual labour... By these and other miscellaneous occupations - eked out by Mansion House Funds and other spasmodic tributes of conscience money by the rich - the unemployed of our large towns contrive to live a hard to mouth existence."

('The Government Organisation of Unemployed Labour'. 1886. p 4.)

(1) 'Life and Labour of the People in London'. 1904. Vol I. p 53.

"He has in his skill and knowledge a commodity which people must have and for which they will pay."

(C. Jackson and J. Pringle 'The Effects of Employment or Assistance Given to the Unemployed Since 1886..' in the 'Report of the Royal Commission on the Poor Laws and the Relief of Distress'. 1909. App Vol xix. p 119.)

(11) 'Life and Labour..'. I. p 51.

"Protected against the chances and changes of his environment by his 'social habit'. He has accumulations of property and cash, he has relatives and friends beholden to him he is specially preferred by a particular foreman or master as a reliable desirable servant."

(Jackson and Pringle op cit. p 119.)

(111) 'Life and Labour..'. I. p 161.

This 'social wreckage' as Helen Bosanquet, a leader of the influential Charity Organisation Society, described them was indeed the 'industrial residuum' of capitalist production the old, sick and crippled, the permanently and casual unemployed who, constantly on the verge of destitution and pauperism, were forced into their characteristic 'hand-to-mouth' existence

"What then are the characteristics of the class? Measured by the economic standard they are negative rather than positive. The ideal economic man, as we know, is remarkable for his foresight and control; in the Residuum these qualities are entirely absent. In the place of foresight we find the happy faith which never fails 'that something will turn up', and instead of self-control .. impulsive recklessness... The true type of this class lives in the present moment only... His life is one incoherent jumble from beginning to end... All is aimless and drifting."

(Helen Bosanquet (nee Dendy) 'The Industrial Residuum'. 1903. p 601)

Or as Thomas Mackay described them.

"It is not a question of those who fall, but rather of those who never rise, who, though they have periods of prosperity, good and constant employment, use their advantage for making their hand-to-mouth life for the moment more profuse, and who have no conception of any other sort of life. They decline altogether to submit themselves to the teaching of the economic order. The economically disciplined classes fear poverty, and, taking some pains to avoid it, as a rule succeed in avoiding its severest forms. The main difficulty of the situation arises from the fact that for the undisciplined poverty has no terrors."

('The Poor Law and the Economic Order'. 1902. p 285.)

This "resolutely proletarian attitude" was, as we shall see, to be held by many to be a cause of their poverty;⁽¹⁾ moreover the volatility and lack of discipline of the residuum was to be the cause of considerable anxiety, especially as unemployment came to loosen the grip of wage labour on the more 'economically disciplined' and more organised sections of the working class. As Sir John Gorst saw the danger

"Modern civilisation has crowded the destitute classes together in the cities making their existence thereby more conspicuous

(1) "Taking this type of character as one of our data, we may now ask about its effects upon the economic position of its possessor. It will be found to result invariably in his permanent failure to maintain himself (and those legally dependent upon him) in that standard of comfort which is considered necessary, and insisted upon by the community."

(Helen Bosanquet 'The Industrial Residuum'. p 604.)

and more dangerous, these already form a substantial part of the population, and possess even now, though they are still ignorant of their full power, great political importance... The destitute classes may swell to such proportion as to render the continuance of our existant social system impossible."

(Qu B. Simon 'Education and the Labour Movement'. 1960. p 79.)

It was this swelling of destitution as a result of prolonged unemployment that was to cause the greatest alarm. While according to Booth "a disgrace but not a danger" the kernel of this residuum was seen as "perhaps incapable of improvement";⁽¹⁾ together with those who "from shiftlessness, helplessness, idleness or drink are inevitably poor" they formed what was seen as a constant and superfluous residue - "a deposit of those who from mental, moral, and physical reasons are incapable of better work".⁽¹¹⁾ What was more significant, however, was the 'discovery' that destitution was not confined to this 'submerged tenth' that above them there hovered a great mass of workers "too poor or too irregularly employed to co-operate or combine",⁽¹¹¹⁾ on whom "falls with particular severity the weight of recurrent depressions of trade",^(1v) and who as a result were being dragged down into the ranks of pauperism.

There had, of course, been earlier surveys of working class life and conditions. Kay-Shuttleworth's study of Manchester in 1832, or Henry Mayhew's mid-century survey of London, had revealed as much, if not more poverty, underemployment and distress as this mass of later studies were to document, but the latter fell on much more receptive ground. whereas previously revelations of working class life may have excited curiosity, or indifference, but little concern and action, the discovery that one-third of the working population was forced to live at a level below subsistence^(v) now excited fear - fear for the security of property and for political stability, and fear for the future and efficiency of British capitalism and its workforce at a time when industry was sagging, and when Britain's role as the world's leading industrial and military power was coming under increasing challenge.

This decline of British industry was, as we have seen, a relative decline, a decline in the face of the emergence of the United States, Germany, and soon Japan, as leading industrial powers. Industrialisation, however, requires capital, and Britain, the world's first capitalist nation,

(1) Booth op cit. p 38/9. (11) Ibid p 44. (111) Ibid p 162.

(1v) Ibid p 44.

(v) A level of subsistence, moreover, which as Booth and Rowntree often pointed out, and as contemporary statistics on disease and mortality would verify, was itself very close to malnutrition and starvation.

with the world's largest and richest Empire, was still very wealthy

"As her industry sagged, her finance triumphed, her services as shipper, trader and intermediary in the world's system of payments became more indispensable. Indeed if London ever was the real economic hub of the world, the pound sterling its foundation, it was between 1870 and 1913."

(Hobsbawm 'Industry and Empire'. p 151.)

In Britain at the end of the nineteenth century the union between financial and industrial capital, between bankers and manufacturers, was far less advanced than was the case in her new competitors, and this greater degree of separation was to have important consequences for both domestic and foreign policy. As the Great Depression lifted in the 1890s (although the 'cycle' of boom and slump was of course to continue) British industry found itself excluded by tariff barriers from previous markets in the 'advanced' world; it faced much fiercer competition from the larger and more capital-intensive industries of the United States, Germany, and Japan, and has ever since failed to match their levels of investment and productivity. The City of London, on the other hand, continued to flourish. In 1873 British financiers had £1,000 million invested abroad; by 1913, £4,000 million, a total which compared with less than £5,500 million in overseas investment held by Germany, France, Holland, Belgium, and the United States put together.

Like the manufacturers of capital and consumer goods, British financiers also found themselves excluded from traditional markets; as exports of goods and capital to the United States and Europe declined, so new markets had to be found for sales and investment. As foreign competition intensified over the turn of the century, attention became increasingly focused on Britain's Empire and, especially for the export of capital, the developing Dominions of Canada, Australasia, and South Africa, as well as Britain's informal empire in South America.⁽¹⁾ In the context of declining industry, and the recognised ambitions of countries like Germany for expansion, imperialism - the cornering and securing of world markets - became

(1) Between 1850 and 1890 capital exports to Europe and the United States fell from 50% of the total to 8%, by 1927 the proportion invested in the Dominions and South America had reached 81%. (Hobsbawm 'Industry and Empire')

a necessity.⁽¹⁾ It was seen as a solution to the problem of Britain's declining share of world markets, as well as the problems of overproduction and unemployment, as Cecil Rhodes explained

"I was in the East End of London yesterday and attended a meeting of the unemployed. I listened to the wild speeches, which were just a cry for 'bread', 'bread!' and on my way home I pondered over the scene and I became more than ever convinced of the importance of imperialism... My cherished idea is a solution for the social problem, i.e., in order to save the 40,000,000 inhabitants of the United Kingdom from a bloody civil war, we colonial statesmen must acquire new lands to settle the surplus population, to provide new markets for the goods produced in the factories and mines. The Empire, as I have always said, is a bread and butter question. If you want to avoid civil war, you must become imperialists."

(Qu Lenin 'Imperialism, the Highest Stage of Capitalism'. p 93.)

As a solution for the social problem, however, imperialism required an efficient and effective army - a working class that was willing and able to fight to defend and extend Britain's trading monopolies. According to Lord Rosebery:

"An Empire such as ours requires as its first condition an imperial race - a race vigorous and industrious and intrepid... In the rookeries and slums which still survive, an imperial race cannot be reared."

(Qu B. Semmel 'Imperialism and Social Reform'. 1960. p 62.)

Or as Sidney Webb, the leader of the Fabian Society put it

"How can we build up an effective commonwealth - how even can we get an effective army - out of the stunted, anaemic, demoralised denizens of the slum tenements of our great cities?"

('Twentieth Century Politics A Policy of National Efficiency'. 1906. p 9)

Unemployment is, even on capitalism's terms, wasteful wasteful in terms of a loss of productive potential as machines and factories stand idle, and wasteful of capitalism's most essential commodity - labour. The destructive effect of unemployment on working class life and living

(1) As Lord Rosebery, a son in law of Lord Rothschild and a leader of the Liberal Party argued at the time of the Boer War "It is said that our Empire is already large enough and does not need expansion. That would be true enough if the world were elastic, but unfortunately it is not elastic, and we are engaged at the present moment, in the language of mining, 'in pegging out our claims for the future'. We have to consider not what we want now, but what we shall want for the future."

(Qu B. Semmel 'Imperialism and Social Reform'. 1960. p 54.)

standards is something that is scarred on working class experience, it is something that could be, and increasingly was, measured in terms of infant mortality, diminished height and weight, disease, malnutrition, and destitution, but it was something which, from the onset of the Great Depression, it had taken the ruling class over twenty years to appreciate. The event of the Boer War over the turn of the century finally forced its recognition the campaign to secure 'British interests' in gold-rich South Africa was a story of inefficiency and ineptitude, the long struggle to defeat what was seen as little more than a handful of farmers standing in marked contrast to the swift and decisive defeat of Tsarist Russia by the emerging industrial nation of Japan. What was more, of the working class recruits called to service, over half had to be turned down as physically unfit to fight. The threat of poverty and unemployment to Britain's industrial efficiency, to her prospects in a world of increasing competition, and to the future of her imperialist ambitions, had been vividly brought home.⁽¹⁾ As the Inspector General of Recruiting told the Inter-Departmental Committee on Physical Deterioration specially set up to investigate the situation

"The one subject which causes anxiety in the future as regards recruiting is the general deterioration of the physique of the working classes from which the bulk of recruits must always be drawn."

(Qu O.R. McGregor 'Sociology and Welfare'. p 39.)

Unemployment and its consequences in terms of poverty, destitution, and malnutrition, were not of course features that were novel to the closing decades of the nineteenth century; rather the Great Depression and the periodic slumps in industrial activity served to highlight the problems that unemployment caused for the maintenance not only of an army of soldiers but also of an army of labour. In particular the onset of periodic mass unemployment raised the spectre of physical deterioration amongst those who had previously been in full-time and regular work; as one Member of Parliament argued "nothing degenerates faster from lack of use than the capacity to work, and the unemployed quickly sinks into the

(1) As Winston Churchill recognised candidly "The American labourer is a stronger, larger, healthier, better fed, and consequently more efficient animal than a large proportion of our population." (1901. Qu M. Bruce 'The Rise of the welfare State'. 1973. p 128.) I am grateful to Philip Corrigan for providing this quote.

ranks of the unemployable"⁽¹⁾ Over the turn of the century the realisation that mass unemployment threatened the deterioration not only of the residual sections of the working class, but also of the permanent industrial army brought with it fears of a widespread and irreversible decline in the quality and wealth-producing power of the working class as a whole

"Many who were active members of the industrial army .. are seen falling out of that army and being driven beyond hope of return to it by the pressure of prolonged idleness and starvation. With these families 'chronic' distress is in danger of being created as the result of physical and moral deterioration during a period of 'exceptional' distress."

(W. Beveridge and H.R. Maynard 'The Unemployed Lessons of the Mansion House Fund'. 1904. p 623.)

The 'exceptional' distress that resulted from unemployment caused by fluctuations in the industrial cycle was thus seen as threatening to reduce regular members of the workforce into permanently unemployable labour, but for certain sections of the working class unemployment and distress are not exceptional, but chronic features of existence. Unemployment increases rapidly in times of slump and depression, but some degree of unemployment is also a constant and permanent feature of life under capitalism. Apart from those who are too ill or too old to work,⁽¹¹⁾ the growth of capital, by introducing new machinery and new methods of production, by rendering certain skills and labour obsolete, constantly creates a relatively surplus population. The unemployed, however, are not merely the incidental product of capital's development; they also form an essential precondition for its growth:

"If a surplus labouring population is a necessary product of accumulation or the development of wealth on a capitalist basis this surplus population becomes, conversely, the lever of capitalist accumulation... It forms a disposable industrial reserve-army, that belongs to capital quite as absolutely as if the latter had bred it at its own cost. Independently of the actual increase of population, it creates, for the changing needs of the self-expansion of capital, a mass of human material

(1) John Gorst in the Preface to P. Alden 'The Unemployed - A National Question'. 1905.

(11) Before the introduction of old age pensions removed the elderly from the labour market, old age was a particularly prevalent reason for workers to be left without work, and therefore destitute "Under present conditions the early compulsory retirement, not into honourable and comfortable leisure, but into a miserable and degrading struggle for the casual means of a bare subsistence, which becomes more precarious as old age advances, must be accounted one of the most terrible forms of the problem of unemployment." (J.A. Hobson 'The meaning and measure of 'Unemployment''. 1895. p 421.) According to Rowntree and Lasker's study, 23% of unemployment was attributable to old age. (F.C. Mills 'Contemporary Theories of Unemployment'. 1917. p 40.)

always ready for exploitation... The mass of social wealth, overflowing with the advance of accumulation .. hursts itself frantically into old branches of production or into newly formed branches... In all such cases there must be the possibility of throwing great masses of men suddenly on the decisive spots without injury to the scale of production in other spheres."

(Marx 'Capital'. I. p 592.)

The unemployed act as a 'reserve army' of labour, ready to be drawn into production as capital expands, and dismissed as it contracts. In order to act as such a reserve, however, they have to be maintained in periods when they are out of work, but maintained also, as the Poor Law Commission of 1834 had realised, at a sufficiently low level so as to provide the incentive for them to return to work as more labour is required. During the course of the nineteenth century, as now, this reserve of unemployed labour took a variety of forms

"The relative surplus-population exists in every possible form. Every labourer belongs to it during the time when he is only partially employed or wholly unemployed. Not taking into account .. the industrial cycle .. it has always three forms, the floating, the latent, the stagnant."

(Ibid p 602.)

In its simplest form it was to be found in the 'floating' unemployed youths and older workers, who were passing from one job to another, and who in intervening periods of unemployment had recourse to poor relief, with its threat of the workhouse as the added incentive to return to work.⁽¹⁾ In its 'latent' form, such a surplus was to be found also in agriculturists, where with mechanisation, the general depression of the later half of the century, and a relatively declining level of wages, there had taken

(1) As at present, youth unemployment was then a major cause of concern, with its prospects of demoralisation, apathy, and discontent amongst the potential future labour force. As the Director of the Work Experience Programme of the Manpower Services Commission has recently outlined the problem. "The Work Experience Programme exists to provide young people with an opportunity to learn about the world of work at first hand and to experience its disciplines and satisfactions... The programme is not intended to create jobs, even temporary ones .. but with the co-operation of some thousands of employers and their staffs it is giving self-confidence and a sense of purpose to large numbers of young people who otherwise would have faced nothing but rapid deterioration through enforced idleness and boredom." (Letter to The Times 3.6.1977.) Or as Christopher Thomas, Labour Reporter of The Times sees it "Give a young person six months of feeling worthless, and you might have a lifetime delinquent, permanently unemployed and perhaps unemployable." (Ibid 17.3.1977.) See also, eg., Beveridge 1909.

Perhaps because of this, as well as the relative decline in the

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place a steady and constant flow of labour from the countryside into the towns in search of work.⁽¹⁾ But by far the most common, or at least the most noticeable form of this labour reserve was to be found in the great pools of 'stagnant' unemployed labour which hung around the docks and factory gates waiting for any casual work

"There is a tendency in many trades, almost in most trades, to have a fringe of casual labour on hand, available as a surplus whenever there is a boom, flung back into the pool whenever there is a slump."

(Winston Churchill 'Liberalism and the Social Problem'. 1909. p 201.)

Dock labour was the most notorious form of casual employment, subject as it was to fluctuations according to the weather and the tides, and to the seasonal imports of such commodities as tea, wood, and fruit. It was in the great ports of Liverpool, Bristol, and especially London, where the absence of large-scale industrial employment and a dependence on the production of luxury goods for the London 'season' made it a particular centre of casual employment, that the most vivid examples were to be

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wage differential between young and older worker, and the greater costs to employers of making older workers redundant, the problem of youth unemployment appears to be growing. In 1976 43.9% of the unemployed were under 25 years of age (The Times 17.5.1977.), and it is now widely admitted that the prospects of employment for the young will decrease rather than increase.

(1) This migration was itself seen as a cause of deterioration and increasing poverty amongst the urban working population "Instead of staying in the country they come to the towns, where, by their superior physical or moral capacities, they often displace the town bred labourers, and drive them down to lower or more precarious modes of existence."

(5th(Final) Report of the Royal Commission on Labour. by J. Brown 'Ideas Concerning Social Policy and their Influence on Legislation in Britain 1902-11'. 1964. p 118.)

It was also to lead to fallacious arguments for a 'return to the land' as a solution to the problem.

At least in its early stages, this migration had not been without official 'encouragement'. In 1835 the Poor Law Commission appointed two migration agents (in addition to seven emigration agents) to arrange for the transport of southern unemployed labourers to the industrial north. As one northern mill-owner had pointed out to them "It must be looked upon as a happy coincidence that at the period of depriving or curtailing perhaps the facilities of gaining a livelihood to the people of one half of England and causing a fall in their present low wages .. there should exist a difficulty in obtaining labourers at extravagant wages in these northern counties. This fortunate coincidence should be taken advantage of." (A.H. Greg in a letter to the Poor Law Commission. 17.9.1834. Quoted in H.E. Rose 'The English Poor Law'. 1971. p 108.)

Similarly a Mr E. Ashworth wrote to them that he was "most anxious that every

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found

"Up to the time of the great dock strike of 1889 the bulk of the work at the docks on the north of the river was performed purely by casual labourers taken on by the dock companies' foremen from a struggling crowd at the entry to each department. It was estimated that for work sufficient, if evenly distributed throughout the year, to give 3s. a day to 3,000 men, at least 10,000 competed regularly."

(Beveridge 'Unemployment. A Problem of Industry'. p 87.)

Casual labour was not confined to the docks, or to the building industry, but formed a reserve in most areas of trade. Its major employers were those industries requiring little capital investment, for as a Report of the Charity Organisation Society noted

"Where expensive machinery is used, there is a strong incentive to reduce costs by continuous running. Handrances to regular work are prevented."

('Report of the Special Committee on Unskilled Labour'. 1908. p 5.)

Or as Gareth Stedman Jones has argued:

"The industries which employed casual labour tended to be those most subject to arbitrary and unpredictable fluctuations in demand. Even in these industries, if labour was scarce or fixed capital formed an important proportion of the cost of production employers had little or no incentive to casualise the labour force; they were much more likely to offset market fluctuations through the use of short time or the readjustment of piece rates. When, however, the supply of labour was plentiful or the proportion of fixed capital was insignificant, it paid employers to adjust the size of the labour force to the exact state of demand, this might be done weekly, daily, or even hourly, depending on the nature of the industry."

('Outcast London'. 1971. p 54.)

Unemployment is always greater amongst unskilled labour in contrast to the more capital-intensive industries employing more skilled and thus more expensive labour, the employers of unskilled and casual labour depended upon a labour force that was easily disposable, and that could just as easily be replenished as the situation demanded. As Beveridge noted, "there has never been a time when employers could not get practically at a moment's notice all the labourers they required"⁽¹⁾

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facility be given to the removal of labourers from one county to another, according to the demand for labour, this would have a tendency to equalise wages, as well as prevent in some degree some of the turn-outs [strikes] which have been of late so prevalent." (Qu Redford 'Labour Migration.' p 113.)

(1) 'Unemployment A Problem of Industry'. p 69.

It was thus the poorer, unskilled and unorganised part of the working class who, in normal times, suffered the most from unemployment and who formed the bulk of casual labour. With employment at the most for two or three days a week, forced to rely on what limited relief could be wrung from the Boards of Guardians or from passing charity, this particular form of a labour reserve formed, as Marx explained

"a part of the active labour army, but with extremely irregular employment. Hence it furnishes to capital an inexhaustible reservoir of disposable labour-power. Its conditions of life sink below the average normal level of the working class; this makes it at once the broad basis of special branches of capitalist exploitation. It is characterised by maximum of working time and minimum of wages."

('Capital'. I. p 602.)

It was on such labour that the sweat-shops and other highly exploitative forms of industry in the East End and slum ghettos of other major cities were founded. Labour was cheap and plentiful the means of production were then relatively small as compared with modern times, and the possibilities of holding a large labour reserve maintained through a variety of casual jobs and forms of relief much greater. As the Majority Report of the 1909 Royal Commission on the Poor Laws put it bluntly "They sink to a level where the only demand is for labour so cheap that it does not pay to invent a mechanical substitute".⁽¹⁾

There were of course many individuals and organisations throughout the period who were to argue that the poverty of the working class, and especially of the unemployed, was the product of its own making the result of drink, lack of discipline, thriftlessness, improvidence and laziness.⁽¹¹⁾ Such accusations abounded, even as unemployment increased. But as William Beveridge, who was himself at times not averse to making such judgements,⁽¹¹¹⁾

(1) Op cit. p 435.

(11) Especially, for example, the Charity Organisation Society, whose influence in the field was widespread. See C. Jones 'An Analysis of the Development of Social Work and of Social Work Education'. 1973.

(111) E.g. "They cannot appropriately be described as men out of work because they are never in work. They are the social parasites most prominently represented by the habitual criminal and the habitual vagrant... As definitely diseased as the inmates of hospitals, asylums, and infirmaries / they / suffer from a distortion of judgement, an abnormal estimate of values, which makes them .. prefer the pains of being a criminal or a vagrant to the pains of being a workman."

('Unemployment A Problem of Industry'. p 134.)

also recognised, a realistic appraisal of the problem, and a solution to the threat of physical degeneration and inefficiency could not be made solely by viewing unemployed and casual labour as 'immoral'.

"The class is an economic phenomenon, it has to be discussed as a resultant of economic demand and supply. The demand in this case is clearly that of individual employers for a readily available reserve of labour to meet sudden contractions in the volume of their businesses."

('Labour Exchanges and the Unemployed'. 1907. p 70.)

The existence of such a reserve is, however, not simply a matter of convenience, nor was its existence an accidental product of economic life. As Winston Churchill explained

"Employers and foremen in many trades are drawn consciously or unconsciously to distribute their work among a larger number of men than they regularly require, because this obviously increases their bargaining power with them."

('Liberalism and the Social Problem'. 1909. p 201.)

This is the function of unemployment it provides a reserve of labour which increases the economic strength and bargaining power of employers. Wage labour is a social relationship a relationship between those who buy and those who sell their labour-power. It is a relationship that is dominated by the market, but it is also a relationship between people, and, unlike other commodities, the price of labour has to be bargained for, it is the product of struggle and compromise. It is this struggle which is the basic antagonism of class conflict, and it is a struggle which, as Churchill recognised, is affected by the relative strength - the relative power in the market - of capital and labour. Unemployment weakens the power of labour it provides a reserve which enables employers to increase production and take on more labour, and without which - with a shortage of labour - workers would be able to claim a greater share of what they produce. Unemployment, therefore, means not only privation for those who are unemployed, but it also serves to increase the power of capital over those who are already in work, and to force them by its threat to accept lower conditions and wages.⁽¹⁾

(1) "If the means of production as they increase in extent and effective power, become to a less extent means of employment of labourers, this state of things is again modified by the fact that as the productiveness of labour increases, capital increases its supply of labour more quickly than its demand for labourers. The over-work of the employed part of the working class swells the ranks of the reserve, whilst, conversely, the greater pressure that the latter by its competition exerts on the former, forces these to submit to over-work and to subjugation under the dictates of capital."

(Marx 'Capital'. I. p 595.)

Or as the Engineering and Shipbuilding Employers told Beveridge in 1909,

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According to the Fabian Society it was this function of unemployment, of a reserve of labour, which accounted for the preponderance of casual labour in the docks⁽¹⁾

"It would, no doubt, be a matter of some difficulty for the Dock Companies to organise a permanent staff of labourers, such an organisation might even involve additional expenditure, and a proportionate increase of rates or diminution of dividends. We are, moreover, informed, upon creditable authority, that the Companies are mainly withheld from taking such a departure by the fear that the men, if once organised, might use their organisation as a lever to extract increased wages under the threat of strikes."

('The Government Organisation of Unemployed Labour'. 1886. p 6.)

Just, however, as casual labour was not confined to the docks but present in most industries, so the reserve army of labour, whatever its form, acts as a drag and a restraint on the working class as a whole. As the President of the Trades Union Congress recognised, even his skilled 'labour elite' felt its presence⁽¹¹⁾

"In the ordinary course of things the unskilled or inferior workman is the first to suffer by a lessened demand for labour, and the last to benefit by increased demand, thus a margin of unemployed labour is created, which is brought into competition with the more skillful class of workers, thereby tending to lower wages, and acting as a drag upon the efforts of our workers to maintain a condition of comparative comfort in their respective trades."

(T.U.C. Annual Report. 1889. Qu Baumann 'Between Class and Elite'. p 91.)

Unemployment affects all workers, either directly or indirectly, it sets one group of workers against another, forces them to compete against each other for work, and weakens the bargaining power of labour.⁽¹¹¹⁾ It is

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without such a reserve of labour "the men .. become independent of their employers because they can get a job anywhere they like." (Qu Jose Harris 'Unemployment and Politics'. 1972. p 291.)

(1) For accounts of the way in which casualisation was deliberately created in the docks see J. Pudney 'London's Docks'. 1975. Chs. 9 & 12. and J. Lovell 'Stevedores and Dockers'. 1969. Ch. 2. I am again grateful to Philip Corrigan for these references.

(11) Trade union membership was still of course very small, and largely restricted to skilled labour, although it was, as we shall see, growing.

(111) As Charles Booth recognised "the poverty of the poor is mainly the result of the competition of the very poor". ('Life and Labour'. I. p 154)

this competition of the unemployed which historically has kept the wages of the working class at a level of subsistence, which has allowed capital and wealth to expand without affecting the ratio between wages and profits, and which has kept the working class at work. It is also, as we have seen, an automatic function of capitalist production every few years the system gluts itself; the growth of capital, rising out of proportion to the growth of wages, creates a check - unemployment increases, the rise in wages is halted or declines, and capital is once again provided with the means for further expansion.⁽¹⁾ Since the end of the second world war, as we shall see later, attempts have been made to smooth out this cycle, to maintain a level of comparatively full employment. The chronic instability of capitalism over these years has been one result, and the attempt to avert periodic crises has been, as we are now experiencing, merely to postpone a greater catastrophe. As Charles Booth recognised

"Our modern system of industry will not work without some unemployed margin, some reserve of labour."

(Qu J.A. Hobson 'The Meaning and Measure of 'Unemployment''. 1895. p 216.)

This normal functioning of unemployment, and its consequences, are of course intensified in periods of economic stagnation. By the end of the nineteenth century the particular coincidence of a world wide depression of trade together with the periodic slumps in industry was to produce, as it did in the 1930s, the problem of unemployment on a massive scale. So long as chronic unemployment and poverty had been confined to a relatively small and unorganised section of the working class the system of casual labour and of poor relief with its threat of the workhouse had been sufficient to maintain them as a ready reserve of labour, but as unemployment increased so it was recognised

"that a not inconsiderable number of men who were real workmen were in danger of falling into the casual grade from superior industrial positions in consequence not of defects of character but of economic misfortune."

(Charity Organisation Society 'Report of the Special Committee on Unskilled Labour'. 1906. p 15.)

(1) "Taking them as a whole, the general movement of wages are exclusively regulated by the expansion and contraction of the industrial reserve army, and these again correspond to the periodic changes of the industrial cycle. They are determined .. by the varying proportions in which the working class is divided into active and reserve army."
(Marx 'Capital'. I. p 596.)

As one writer then argued.

"The problem of unemployment is not merely the successful curative treatment of the few thousand men who parade their degradation in street processions and apply year after year with unfailing regularity to the Distress Committees of the Municipalities for assistance thinly disguised as relief work. Many of these men are unemployable, most are below the average ability, and their reclamation is relatively unimportant compared with the problem of providing for the vast numbers of efficient men who are deprived of work by the seasonal fluctuations of individual industries, or by the cyclical variations in the world's volume of trade."

(Cyril Jackson 'Unemployment and Trade Unions'. 1910. p 2/3.)

With unemployment increasing the traditional forms of maintaining a labour reserve had become strained competition for casual work intensified, applications for poor relief and charity increased, and pauperism and destitution mounted. moreover, as Beveridge pointed out, with a system of relief based on deterrence the physical decline and deterioration of the unemployed was inevitable.

"Referring to our previous simile of the wheel of industry, we may say that those who drop off it do not at once come under the Poor Law, their subsidence into pauperism takes a year or more. During this time, while the resources of casual jobs, pawn shops, savings, and charity are exhausted in an unweaving struggle, physical or moral deterioration sets in, and the once efficient workman comes to the Poor Law, perhaps permanently enfeebled by privation and disease, perhaps a victim to drunkenness for which he is only half responsible, perhaps incurably habituated to a casual and loafing existence."

('The Making of Paupers'. 1904. p 28.)

"Losing daily in industrial value .. the unemployed workman thrown out by industrial depression becomes at last hopelessly demoralised... He continues the downward course which leads him, a full-fledged unemployable, into the workhouse."

('Unemployment a Problem of Industry'. p 50.)

It was this steady decline of previously efficient, skilled, and regular workers which set the economic problem of unemployment. According to the Majority Report of the Poor Law Commission

"The very much greater problem now presented is as regards those who have never, or never willingly, accepted poor relief; who are, many of them, anxious to work six days out of the seven, and whom deterrent measures are likely to drive, not into employment, but into the very place which the Commissioners of 1834 had hoped to keep them out of..."

(Op cit p 437.)

Or as Beveridge argued, it was "the problem of maintaining the efficiency

of workers through periods of depression, the problem, in fact, of preserving the unemployed as merely 'unemployed' not 'unemployable'.

The problem is not how to relieve all distress whatsoever... A relief scheme is good or bad according as it does or does not, to the exclusion of all others, get hold of the right class of men, the men suffering from a 'cyclical' depression of employment, and does or does not preserve them through the depression to recover their places as soon as possible in regular industry... It must concentrate itself upon the task of preserving the efficiency of those workers alone who are temporarily unemployed, as the consequence of a periodic depression of trade beyond the reasonable powers of thrift or organisation."

('Unemployment in London The Preservation of Efficiency'. 1904. p 44/6.)

In the age of imperialism and of increasing international competition, efficiency was at a premium.⁽¹⁾ The British Empire and British industry depended upon its armies of labour unemployment threatened to reduce them to an army of unemployables. Capitalism, it was argued, could no longer be allowed to dispense so readily with its labour-power, especially that of its skilled workers on whom international competitiveness would depend, but whose skills and whose 'habits' of labour were in danger of being lost forever as a result of prolonged idleness and distress. As Beveridge argued

"In the problem thus outlined the community is vitally interested. It should be its object, other things being equal, to reduce to a minimum the involuntary idleness which means first and directly a present waste of productive power; second and indirectly, a depravation of human material and destruction of productive power for the future."

('The Problem of Unemployment'. 1906. p 326.)

Or as Balfour put it simply, if somewhat bluntly, to the House of Commons

"It is a most intolerable thing that we should permit the permanent deterioration of those who are fit for really good work. Putting aside all consideration of morals, all those considerations which move us as men of feeling, as flesh and blood, and looking at it with the hardest heart and the most calculating eye, is it not very poor economy to scrap good machinery?"

(Qu C. Jackson 'Unemployment and Trade Unions'. 1910. p 1.)

(1) "At the present time, and it is perhaps the most notable social fact of this age, there is a universal cry for efficiency in all the departments of society, in all the aspects of life. We hear the outcry on all hands and from the most unexpected persons. From the pulpit, the newspapers, the meetings in the drawing room, the smoking room, the street, the same cry is heard Give us Efficiency, or we die."

(The Spectator. 1902. u G R. Searle 'The Quest for National Efficiency'. 1971. p. 1.)

As a problem for capital the economic consequences of unemployment were serious. As Joseph Chamberlain pointed out in his Radical Programme

"It is to the interest of all in the community that the workman should become a better instrument of production, that his dwelling, should not be a hotbed of disease, that his degradation and misery should not be a constant source of danger to the State. The warning of Danton must be heeded; 'If you suffer the poor to grow up as animals they may chance to become wild animals and rend you.'"

(Qu C. Jones 'The Reserve Army of Labour. The Search for Solutions'. 1975)

The spectre of an increasingly debilitated working class was, however, only one aspect of the problem of unemployment, and an aspect which it had taken Britain's ruling class some twenty years of depression to appreciate, never mind remedy. In the meantime a far more haunting spectre had come to dominate the problem of unemployment one that was far more immediate and more threatening, and which was to make capitalism's need to do something about unemployment not simply a matter of efficiency, but of survival. As one writer recognised

"Not that it can be said that there is anything novel or unusual in the fact that many working men and women are laid idle through want of work. This has at all times been a regular occurrence, and it is only now, when socialist unrest by which we are surrounded has become accentuated, that attempts are being made to find 'cures' whereby the cloud of unemployment which lowers darkly over many a workman's home can be dispelled."

(J.G. Hutchinson 'A Workman's View of the Remedy for Unemployment'. 1908. p 331.)

Unemployment and Labour

Wage labour is perhaps the most fundamental mechanism by which the working class is controlled and regulated and kept in its place: the mere fact of having to go out to work for a living, of having one's self and one's family dependent on a job, of being paced by the clock and the machine, is itself a form of discipline which helps ensure conformity and acquiescence. Unemployment, as we have seen, sharpens this discipline, but the problem of unemployment is that it is also potentially disintegrative. In a society where wage labour remains a central preoccupation of life and a major focus of identity, loss of employment means that the discipline of wage labour is lost. When there is little prospect of finding work, and the material benefits it brings, when unemployment results in poverty, it can also become a preceding-

ground for disillusionment and discontent.⁽¹⁾

Throughout the nineteenth century there had been sporadic and desperate riots amongst the casual poor and working class residuum in most major cities;⁽¹¹⁾ but by the 1830s the situation was to change. As one observer noted

"Since 1883, during each recurring winter in London and other large towns, people have become familiarised with what is known as the 'Unemployed agitation'... No doubt there is much in the present movement to recall former and not remote periods in our history. There exists now, however, two or three glaring differences between our times and the past, which are a source of greatly added danger to the maintenance of order. The workers have the franchise, and through the telegraph and the printing press news is far more rapidly and widely diffused, so that they are able to act in concerted masses."

(B. Burleigh 'The Unemployed'. 1887. p 771.)

The possibilities of organisation amongst the working class had continued to haunt their rulers since the events of the 1830s; as Marx argued in 1854

"The labouring classes have conquered nature, they have now to conquer man. To succeed in this attempt they do not want strength, but the organisation of their common strength, organisation of the labouring classes on a national scale."

('Letter to the Labour Parliament' in Marx and Engels 'Articles on Britain'. 1971. p 215.)

The relative prosperity of the boom years had, as we have seen, witnessed the solid progress of working class organisation - of trades unions, friendly societies, and of the co-operative movement;⁽¹¹¹⁾ but this movement

(1) As The Times (22.6.1977) has recently recognised: "In the international context it is now equally clear that the British condition is but a serious manifestation of a condition that is afflicting the greater part of the industrial world. All the major industrial economies are having to adjust to the prospect of growth rates lower than have been experienced at any time since the start of the rearmament programmes immediately before the second world war. With the failure of the industrial world as a whole to stage a sustained and substantial recovery from the present prolonged recession, it seems likely that the peak of the current international upturn will be little if any higher than the top of the previous cycle. It must now be a serious possibility that the trough of the next cycle will be lower than the previous trough. Given the slow but steady improvement in world productivity, such a trend must lead to still higher unemployment and is likely to have the most serious political and social consequences."

(11) Cf Gareth Stedman Jones 'Outcast London'. 1971.

(111) "The value of these great social experiments cannot be over-rated. By deed, instead of by argument, they have shown that production on a large

was largely confined to the more skilled and more highly paid workers - its emphasis on thrift and financial contribution, and, in the case of trade unionism, its organisation on a craft basis and its exclusivity as a means of restricting entry and competition and maintaining wages and conditions, meant that for the large part the poorest workers were excluded.

Organisation of course requires time and energy, and for a great many workers the struggle to make ends meet, to find employment, and to escape the threat of the workhouse was a full-time strategy of survival. Illiteracy, poverty, and disease are not the ideal conditions from which to launch an alternative form of social organisation, but they could, as growing fears of the residuum indicated, provoke a major if somewhat blunt and ill-directed challenge to existing institutions. As Charles Booth described the politics of East London.

"The tone is not so much Liberal or even Radical as Republican, outside of the lines, authorized or unauthorized, of English party politics, and thus very uncertain at the ballot box. There is also a good deal of vague unorganised socialism."

('Life and Labour..'. I. p 99.)

It was this lack of organisation amongst the poorest and unskilled sections of the working class which had made their repeated outbursts against poverty a problem of disorder rather than rebellion, and it was their same lack of organisation which allowed their use as cheap labour, and in competition against other workers. At the same time the physical separation of the classes made the volatility of the very poor a source of instability and danger. As Sir John Gorst argued

"The destitute classes may swell to such proportions as to render the continuance of our existing social system impossible... They might even, stirred up by 'designing persons' and promises of social salvation, attempt it by revolutionary outbreaks."

(Qu B. Simon 'Education and the Labour Movement'. 1965. p 80.)

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scale, and in accord with the behests of modern science, may be carried on without the existence of a class of masters employing a class of hands; that to bear fruit, the means of labour need not be monopolised as a means of dominion over, and of extortion against, the labouring man himself." (Karl Marx 'Inaugural Address of the Working Men's International Association'. London. 1864. in 'Articles on Britain'. p 344/5.)

As Marx (ib. p 345) and many others have pointed out the possibilities of co-operation and other forms of self-help were limited by their failure directly to confront the power and organisation of capital.

With the arrival of the Great Depression the dangers of such a situation were to become realised. As The Guardian had argued in February 1885, organised socialism "had never been able to touch the miserable poor, and had always been most successful in converting the well-to-do and intelligent artisans"⁽¹⁾ but as unemployment and destitution spread out to affect even the most skilled trades so there emerged, as Gareth Stedman Jones has argued, "the dangerous possibility .. that the respectable working class, under the threat of prolonged unemployment, might throw in its lot with the casual poor"⁽¹¹⁾

The formation in 1882 of the revolutionary Social Democratic Federation, which was to concentrate much of its work on organising the unemployed, and the Trafalgar Square Riots of 1886 both revealed the threat that the more skilled and organised workers, under the threat of unemployment and poverty, were capable of giving direction and leadership to the discontent of the unskilled, disorganised, and unemployed residuum. As Burleigh recalled further events in Trafalgar Square in 1887.

"On Friday the 7th of October last, it somehow occurred to the minds of six or seven half-crazy loons, bitten by the tarantula ycleped social democracy, to go at midnight to Trafalgar Square and preach the new gospel of discontent to the starvelings there. Off they went these men of the crafts of barber, cabinet-maker, painter, cobbler, printer, window-cleaner and labourer .. themselves only a little less needy and out at elbows than the ragged army of want - to preach and proselytise. Next day they unfurled the red flag of revolution in the square, and meetings and processions were openly begun. At first the majority of their listeners were sniftless flotsam and jetsam of the community. Day by day, partly through publicity in the newspaper press, with possibly a dulled hope that the authorities might start relief works, the numbers increased of the more respectable workmen... The mob had now become articulate and capable of suggesting methods of extending the existing system of relief."

('The Unemployed'. 1887. p 773.)

Evidence of growing organisation within the working class, of organisation which threatened to bridge divisions and distinctions within their ranks, was not only to be found amongst the unemployed. Unemployment and poverty affected

(1) Qu Henry Pelling 'The Concept of the Labour Aristocracy'. 1968. p 58.

(11) 'Outcast London' p 284.

the whole of the working class, and with it came a renewal of class conflict and hostility, a refusal to accept existing conditions, and a transformation of defensive institutions and outlook into a more aggressive and uncompromising challenge. Between 1889 and 1890 the membership of trades unions doubled, but this increase represented not only a quantitative but also a qualitative shift in organisation. The 'new unionism' which accounted for its growth was a movement precisely amongst the unskilled and previously unorganised - amongst general labourers, gasmen, match girls, and the casual dock workers.⁽¹⁾ Moreover, while the 'old' established craft unions sought to restrict and protect themselves against mechanisation and the constantly growing threat of competition from unemployed and unskilled labour, the new unionism transgressed trade and craft boundaries and appealed to the workers on the basis of their class. While the old unionism struggled to maintain its solvency under the pressure of unemployment, the new unionism established itself as a fighting organisation, expressly repudiating the pr vision of friendly society benefits as a diversion and cause of hesitancy and caution. As one of their leaders argued the old unionism was:

"defensive and palliative, it refuses to recognise class war, which is inevitable."

(L. Hall 'The Old and New Unionism'. 1893. Qu Lynd 'England in the Eighteen Eighties'. 1943. p 292.)

The growth of working class consciousness and organisation was to make the problem of unemployment a profound threat to the social and political stability of capitalism in Britain. Each winter and each recurrent slump in the cycle was to see riots, protest, demonstrations, and a growth of industrial unrest and political organisation. As John Burns, a former leader of the dock workers and member of the Social Democratic Federation, wrote in 1906, the unemployed had previously been "patient, long-suffering .. mute, inarticulate .." but now.

"the extension of the franchise, education, trade unionism, Socialist propo_ganda, the broad and rising labour movement have altered all this. The unemployed worker of today is of different stuff. He has a grievance, and thinks he has a remedy."

('The Unemployed'. p 4.)

(1) "If these poor downtrodden men, the dregs of the proletariat, these odds and ends of all trades, fighting every morning at the dock gates for an engagement, if they can combine, and terrify by their resolution the mighty Dock Companies, truly then we need not despair of any section of the working class."

(F. Engels 'On the London Dock Strike'. 1889. in 'Articles on Britain'. p 399.)
The increase in trade union membership in just one year was from 860,000 to almost 2,000,000. (Norton and Tate 'The British Labour Movement'. 1956. p 113)

Socialism was a philosophy and a practice which developed from within the working class. It was a remedy which pointed on the one hand to the lack of employment, to poverty and squalor, and on the other to the irony of over-production, to the waste of productive power, the idleness of machines and factories, and the accumulated wealth of one of the richest countries in the world. As a solution it urged merely that the workers take over the means of production, that the wealth which they had created socially should be owned socially, and that they should produce for themselves the things they required.⁽¹⁾ Of course, not all workers were socialist, but then neither was the dissatisfaction of socialists confined to those who considered themselves as such. The experience of unemployment and poverty had, for many, strained any belief that capitalism could, as its more ardent supporters promised, provide them with comfort and security. As even Haldane, a leading member of the Liberal party, was forced to admit:

"We cannot ignore the magnitude and importance of the problem with which Karl Marx and the Socialists have sought to deal in so courageous a fashion. The existing relation of capital and labour, and the consequent distribution of wealth, are in need of far-reaching improvement."

('The Liberal Party and Its Prospects'. 1888. Qu J. Brown 'Ideas Concerning Social Policy..'. 1904. p 16.)

We shall see shortly exactly what sort of 'improvement' was to be made, but if the extent and membership of revolutionary socialist organisations was relatively small, they were the expression of a much wider discontent and disillusionment which threatened to add to their support. The leadership of the socialist movement was drawn in the main from the most skilled and articulate workers:⁽¹¹⁾ as one writer described them

"The most advanced section desires to get rid of the State itself, as barring the free action of the individual, and aims at self-governing social organisation."

(Anon. 'Socialism and Self-Help'. 1889. p 264.)

(1) "The fundamental idea of socialism we take to be that of a fraternal union among men for industrial purposes, a working in common for the common good, in place of the usual arrangement of labourers and capitalists, employers and employed."

(George Holboake 'The New Principle of Industry'. 1873. p 497.)

See also D. Campbell 'The Unemployed Problem The Socialist Solution'. 1892.

(11) As Booth noted of his Classes E and F, the highest grades of labour, "It is here we find the springs of Socialism and Revolution". ('Life and Labour..'. I. p 308.)

Such attitudes, however, were by no means confined to the socialist movement, they were as we have seen an essential, if less articulated, component of the whole range of working class culture and organisation which had grown up throughout the century. Antipathy towards capitalism and in particular its State formed a core of working class self-help and defensiveness. As the Assistant Secretary of the Ancient Order of Foresters, the second largest and one of the most 'respectable' of friendly societies replied to proposals for a scheme of State-subsidised old age pensions as a means of lifting the elderly unemployed off the labour market and relieving the pressure on the friendly societies themselves, this:

"is no doubt considered a very alluring bait to obtain the support of the friendly societies; but concealed under the bait, to use an angler's illustration, is an insidious hook, which would drag us out of the free waters of self-dependence and land us on the enervating bank of State control... It may be depended upon as a solid truth that the State will not grant us special privileges without wanting to have a finger in our pie."

(Qu Joseph Chamberlain 'Old Age Pensions and Friendly Societies'. 1892. p 607.)

It was the sense of working class 'independence', arising in part out of an experience and distrust of the State and its methods of poor relief, which accounted for such opposition and hostility. By the end of the nineteenth century most friendly societies, catering for over half the working class population, were in a state of crisis, burdened by unemployment especially amongst older workers, and by the increasing inability of members to maintain their contributions;⁽¹⁾ yet as the Chief High Ranger of the Foresters continued to warn, State pensions were no more than an attempt to deprive the working class of "the best right of Englishmen -

the right of independence, of self-government - which should not be bartered away for a mess of pottage which does not exist in reality... Care must be taken that the rising generations are not enticed by bribes drawn from the pockets of those who esteem their freedom or forced by legislative compulsion to exchange the stimulating atmosphere of independence and work for an enervating system of mechanical obedience to State management and control - the certain sequel to State subsidy."

('Foresters Miscellany'. September 1891. Qu Treble 'The Attitudes of Friendly Societies Towards .. State Pensions'. 1970. p 274.) (11)

(1) Of the six million friendly society policies held, it was estimated that a quarter of a million lapsed every year through an inability to continue maintaining subscriptions. (David Lloyd George 'The People's Insurance 1911. p 5.)

(11) As Joseph Chamberlain, a leading advocate of State pensions, himself

It is not sufficient to see this opposition as stemming from "essentially mundane motives"⁽¹⁾ or from friendly society "ideals of Victorian individualism".⁽¹¹⁾ Values of independence, thrift, responsibility, self-reliance, and co-operation, and the institutions which embodied them, were not, as we have noted, in themselves revolutionary⁽¹¹¹⁾ - they could not alone overthrow bourgeois society. But by the end of the nineteenth century the implications of such values, as a core of working class culture, were to be forcibly brought home the 'labour aristocracy' - or at least a considerable part of it - on whom hopes of stability and 'improvement' had been pinned, could not be relied upon either to assuage class conflict at home, or to support Britain's imperial policies abroad.^(1v)

One cause of this growing hostility and of class conflict was the fact that as poverty and unemployment increased, and as working class organisation became unable to support the burden, increasing numbers of previously 'respectable' workers were forced to apply to the State for relief. The conditions hitherto applied to applicants for poor relief - the offer of the workhouse, the breaking-up of families, or a paltry dole insufficient to maintain subsistence - were now met with resistance and opposition. As Sidney Webb remarked in 1890

"It becomes increasingly obvious that popular feeling cannot be relied upon to uphold any rigid refusal of outdoor relief, even to the able-bodied."

('The reform of the Poor Law'. p 96.)

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admitted, it was this hostility towards the State which was "the real ground of their resistance to my proposals... There is no doubt that this suspicion .. underlies the whole of the opposition .. and this is the real and the true, and, I might almost say, the only reason which has led the officials, or some of the officials, of the Friendly Societies to offer resistance to these proposals." ('Old Age Pensions and Friendly Societies'. 1892. p 607.)

(1) Treble op cit. p 269.

(11) B. Gilbert 'The Decay of Nineteenth Century Provident Institutions and the Coming of Old Age Pensions'. 1964. p 558.

(111) As Pat Thane has argued in an as yet unpublished paper "the ideal of the leaders of the A.C.F. was a self-helping society of independent producers closer to Jacobinism than to Marxism." ('The working Class and the Origins of the 'welfare state''. n.d. p 20.)

(1v) Thus the opposition of Henry Vivian to tariff reform at the 1903 Co-operative Congress "It meant in the long run, with the broadening of the burden of taxation, the getting of more millions for destruction, and to make England a great military nation and that meant conscription, if co-operators and trade unionists did not defeat the policy, the time would come when every

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In 1886, four weeks after the Trafalgar Square Riots of the unemployed, the Local Government Board in the famous 'Chamberlain Circular' spelt out the dangers involved

"The inquiries which have recently been undertaken by the Local Government Board unfortunately confirm the prevailing impression as to the existence of exceptional distress amongst the working classes...

The returns of pauperism show an increase, but it is not yet considerable...

The Local Government Board .. however .. are convinced that in the ranks of those who do not ordinarily seek Poor Law relief, there is evidence of much and increasing privation, and if the depression in trade continues, it is to be feared that large numbers of persons usually in regular employment will be reduced to the greatest straits.

Such a conditions of things is a subject for deep regret and very serious consideration.

The spirit of independence which leads so many of the working classes to make great personal sacrifices rather than incur the stigma of pauperism, is one which deserves the greatest sympathy and respect, and which it is the duty and interest of the community to maintain by all the means at its disposal...

It is not desirable that the working classes should be familiarised with Poor Law relief, and if once the honourable sentiment which leads them to avoid it is broken down it is probable that recourse will be had to this provision on the slightest occasion."

(Qu in appendix to P. Alden 'The Unemployed A National Question'. 1905.)

With increasing unemployment and destitution amongst the whole of the working class the 'stigma of pauperism' which underlaid the entire principle and system of Poor Law relief was in danger of being swept away.⁽¹⁾ The problem

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man working in the workshops today would be mere appendages to a great military system. In the name of the poor, in the name of international good will, fraternity, and peace .. he was looking hopefully for the founding not of a great military power, but of a great industrial democracy where the earth shall bring forth for the benefit of the masses of the people, and not for the aggrandisement of great trusts and millionaires."

(Qu B. Youngjohns 'Co-operation and the State'. 1954. p 65.)

(1) Thus proposals for a more 'lenient' treatment of the aged deserving poor "We are convinced by the evidence that there is a strong and prevalent feeling in favour of greater discrimination, especially in the case of the aged, between the respectable poor, and those whose poverty is distinctly the result of their own misconduct. Unless this distinction is more clearly recognised than it has hitherto been, we fear that the agitation against the whole policy of the Poor Law may gain in strength, and lead to changes that we should deprecate in the general interests of economy and morality."

(Report of the Royal Commission on the Aged Poor. Qu L.G.B. Ann. Rep 1899, p 26)

was not simply the prospect of increasing numbers of workers willing to accept, and indeed to demand poor relief, although that in itself was serious enough. Working class commitment to wage labour was itself recognised as at best tenuous, and the prospect of increasing numbers being granted relief in poverty threatened to weaken this attachment still further, to erode the necessity to work and the habits and discipline of labour, and to bring about a wholesale 'demoralisation' of the working class.⁽¹⁾ It was for this reason that the stigma of pauperism, the condition of less eligibility, had to be maintained.⁽¹¹⁾ But, as Sidney Webb had pointed out, under conditions of mass unemployment 'popular feeling' made the rigorous enforcement of this principle impossible. the indiscriminate offer of the workhouse to the unemployed could only result in further hostility and resentment. Moreover, under such conditions the ideological justification of deterrence is itself brought into question. Increasingly the ability to maintain a punitive system of relief had depended upon an ability to portray the poor as 'immoral', to argue that their poverty and unemployment was the product of their character, their lack of discipline and effort. As unemployment and destitution increased, however, to afflict not only the residual sections of the working class - the permanent industrial reserve army - but also the more skilled, more organised, and more class-conscious workers, such accusations simply could not be sustained.

The problem was not, however, as many have argued, that the Poor Law proved 'inadequate' to 'deal with poverty' and unemployment - for certain sections of the working class it was to continue to do so for many years. The problem rather, as Beveridge explained, was that

"the offer of the workhouse has almost always been considered as too hard a measure to meet out to the respectable unemployed in periods of exceptional distress."

('Unemployment A Problem of Industry'. p 151.)

(1) According to Charles Loch, the Secretary of the Charity Organisation Society "Existing ties and responsibilities are none too numerous to keep men to their duty. What a man sees done for his neighbour, he thinks he is entitled to himself, and he yields to self-indulgence, well aware that there is charity in the background."

(Introduction to the Annual Charities Register and Digest. 1906. Qu C. Jones 'An Analysis of the Development of Social Work ..'. 1978. p 72.)

(11) "The decision of the workman to work or not depends to some extent upon what happens to those who do not work; the less tolerable the lot of the idler, the greater the incentive to industry." (Beveridge op cit. 1909. p 136.)

This concern to distinguish the 'respectable' from the chronic unemployed and casual poor was to dominate the problem of unemployment and poverty, and its solution,⁽¹⁾ as Charles Booth argued

"The question of those who actually suffer from poverty should be considered separately from that of the true working classes, whose desire for a larger share of the wealth is of a different character. It is the plan of agitators and the way of sensational writers to confound the two in one, to talk of 'starving millions', and to tack on the thousands of the working classes to the tens or hundreds of distress. Against this method I protest. To confound these essentially distinct problems is to make the solution of both impossible, it is not by welding distress and aspirations that any good can be done."

('Life and Labour..'. I. p 155.)

It was precisely this welding of distress and aspirations which constituted the political problem of unemployment: the problem presented by the threat of an increasingly cohesive, organised, and hostile working class, which refused to accept existing conditions as 'natural' or 'inevitable' and which was seen as threatening to overthrow the existing structure and social relations of society as a whole.

The experience of unemployment, and of the State's system of poor relief, although not the sole factor, was a major cause of this increasing consciousness. There were of course many aspects to the problem of unemployment which are an enduring problem for capitalist society - the problem of disillusionment and discontent, of 'demoralisation', and of the inefficiency and waste of productive power and of labour. But there

(1) Not least as presented by the Fabian Society. "The first step towards the humanisation of our present system must be the adoption of a radically different treatment for the deserving and the undeserving. Those who deserve relief must be separated from those who require punitive or restrictive action." (J. Gakeshott 'The humanising of the Poor Law'. 1905. p 9.) Or as Sidney Webb put it "once provide generously and wisely for all in whose cases relief is neither dishonourable nor demoralising, and the residuum may safely be treated with scientific rigour." ('The Reform of the Poor Law'. 1890. p 115.)

Significantly, it was this concern which had produced the curious phenomenon of widespread ruling class support for the Great Dock Strike of 1889. As two of its chroniclers, one of whom will figure largely in our subsequent discussion of social reform, argued "The effect of the organisation of dock labour - as of all classes of labour - will be to squeeze out the residuum. The loafer, the cadger, the failure in the industrial race .. will be no gainers by the change but will rather find another door closed to them, and this in many cases the last door to employment.

The problem of dealing with the dregs of London will thus loom up before us more urgently than in times gone by, but it will be simplified by a change which will make it impossible, or at least unpalatable, to mix up the problem, which is essentially one of social disease, with the radically different question of the claims of labour." (H. Llewellyn-Smith & V. Nash 'The Story of the Dockers Strike'. 1899. Quoted in G. S. Jones. 1971. p 216, 20

were also certain features specific to the end of the nineteenth century that were to make the need to do something about unemployment imperative, and that were to determine the particular forms that social reform was to take.

The Poor Law reform of 1834 had sought to create and mould an industrial working class out of a mass of rural labourers, to establish the necessity of wage labour as the over-arching social relationship, and to reinforce this necessity through the formation of a national, uniform, and deterrent system of poor relief. It had, on the whole, confronted the working class as a simple, homogeneous and undifferentiated mass of labour - a mass that was to be disciplined into an acceptance of industrial capitalism - and it left them with a system of State relief based on the assumption that work was to be had for all those who wished, or could be persuaded, to find it. By the end of the nineteenth century unemployment was to bring similar problems of discipline and control, but with the progress of British industry declining, and with a working class that was rapidly maturing in its strength and organisation, the shortcomings of this singular form of State relief were to become apparent. With the Great Depression and the recurrence of industrial slump and mass unemployment the Poor Law as a means of maintaining and disciplining the reserve army of unemployed labour had, like the system of casual labour, begun to break down.

It was not simply that the Poor Law, as the relief of last resort, was itself seen as incapable of arresting the physical decline and deterioration of the unemployed, nor that it aroused bitterness amongst those who were forced to apply for relief, for such consequences were not new. Rather it was that unemployment and depression had now come to afflict on a major scale all sections of the working class, and while it fell most heavily on the unskilled, it was with the skilled workers - the aristocracy of labour - that the problem and its solution were to be most identified. It was their degeneration that provoked the greatest anxiety at a time when industrial recovery and international competition was to depend upon the exploitation of their skills, and it was they who presented the most serious political challenge - who were the most class-conscious and the most articulate, who had organisation, and who were capable of giving leadership, of adding aspirations and solutions to the mass of poverty and distress.

Social reform, as we shall now see, was to develop as the dimensions of this problem and its urgency was to unfold. Social reform was not of

course solely concerned with unemployment, but the health, housing, and 'education' of the working class were all part of the much wider social problem of which unemployment and poverty were an expression. Social reform was a response to this problem, to a problem which threatened to sap the vitality of capitalism, and to undermine and challenge the institution of private property on which it depended. As Winston Churchill argued

- 1 "The greatest danger to the British people is not to be found among the enormous fleets and armies of the European continent. ... It is here in our midst, close at home, close at hand in the vast growing cities of England and Scotland, and in the dwindling and cramped villages of our denuded countryside. It is there you will find the seeds of imperial ruin and national decay - the unnatural gap between rich and poor, the divorce of the people from the land, the want of proper training and discipline in our youth, the exploitation of boy labour, the physical degeneration which seems to follow so swiftly on civilised poverty, the awful jumbles of an obsolete Poor Law, the horrid havoc of the liquor traffic, the constant insecurity in the means of subsistence and employment which breaks the heart of many a sober, hard-working man, the absence of any established minimum standard of life among the workers... Here are the enemies of Britain. Beware lest they shatter the foundations of her power."

('Liberalism and the Social Problem'. 1909. p 363.)

Chapter FiveSocial Reform

"That is the doctrine of reformers. We seek to cleanse, to repair, to strengthen private property."

(A. Arnold 'Socialism and the Unemployed'. 1888. p 569.)

Social reform was a response to the problems of unemployment and poverty; a response "by the bourgeoisie as a class to the new phase in the conflict between capital and the proletariat".⁽ⁱ⁾ It was a response which identified the need for a re-form of social relations and conditions - 'a corresponding change of tactics' - as an attempted solution to the problems of over-production of waste and inefficiency, and of the growing discontent of the working class and the threat of socialism.

As a class, however, those who own and control the means of production and wealth do not always act in unison. They are themselves divided by competition, they offer differing views and explanations of the problems they face, and they differ in the manner and degree to which they are willing to undertake reform. As one writer argued at the beginning of this century, there were many

"who would resist all attempts at reform in industrial conditions, lest they be deemed concessions in the nature of a surrender, would dam higher a rising stream to prevent it becoming uncontrollable, blindly contriving to the disaster which must ensue."

(F.W. Lewis 'State Insurance A Social and Industrial Need'. 1909. p 39.)

Fears that social reform would be considered as a surrender to labour were indeed widespread, and as we shall see were to be an important factor in determining the timing and content of reform.⁽¹¹⁾ But over-riding this fear

(1) L. Baumann 'Between Class and Elite'. 1972. p 178. Unfortunately this single observation does little to redeem what appears as an otherwise largely uncritical, unimaginative and mechanical account.

We should note that social reform was but one response to the social problem, there were other more direct if less subtle means of dealing with social and industrial unrest. (Of A. V. Sires 'Labour Unrest in England'. 1965.)

(11) "The question of timing was, and is crucial; for what may be a major

was of course the threat of a much greater disaster. While the bourgeoisie were thus to be forced to face the necessity of reform, they had first to be persuaded not only of the types of reform necessary, but also that they had a common interest and identity in pursuing them.

This task was to be undertaken by that group of people who identified themselves as social reformers. Some, like Charles Booth the Liverpool shipping merchant, Joseph Chamberlain the Birmingham manufacturer, or Cadbury and Rowntree, were themselves employers of labour or owners of property from which they were secured an income; others were to be drawn from the rapidly expanding new 'middle class' of intellectuals, professional politicians, and civil servants who, according to Marx

"stand in the middle between the workers on the one side and the capitalists and landed proprietors on the other side, who are for the most part supported directly by revenue, who rest as a burden on the labouring foundation, and who increase the social security and the power of the upper ten thousand."

(Qu M. Nicolaus 'Proletariat and Middle Class in 'Marx'. 1967. p 45.)

Whether members of the bourgeoisie proper, or employed by them and by the State, this reforming section of the ruling class was to see its task as that of preserving capitalism of investigating social conditions, developing solutions to the problems they found which were compatible with the continuation of existing social and class relationships, and of persuading their own class of the necessity and urgency of social reform. Their strength was to lie in their ability to see beyond short-term and immediate interests and conflicts within the ruling class - beyond, for example, the immediate interests of the major employers of casual labour - and to formulate proposals that were in the longer-term interests of the survival of the ruling class, and of capitalism, as a whole.

In doing so they were of course to come at times into conflict with members and sections of their own class. Social reform was no minor undertaking: it threatened, for example, the employers of sweated labour, and, like most attempts to reform and to increase the efficiency and productivity of

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victory for the working class at one point in time and which may well lead to significant changes in the internal balance of political forces in the country, is not necessarily of the same importance when it has been long delayed."

(John Saville 'The Welfare State An Historical Approach'. 1957. p 11.)

capitalism, it was a policy which could best be afforded by and stood most to benefit the owners of large-scale capital. As Beatrice Webb was to argue

"What we have to do is to detach the great employer, whose profits are too large to feel the immediate pressure of regulation and who stands to gain by the increased efficiency of the factors of production, from the ruck of small employers or stupid ones. What seems clear is that we shall get no further instalments of social reform unless we gain the consent of an influential minority of the threatened interest."

(Qu J. Saville 'The welfare State..'. 1957. p 9.)

Social reformers, however, were not a totally homogeneous group. Just as the bourgeoisie were to recognise a common interest in self-preservation so social reformers were to share many ideas on the nature of the problem and on the purposes of social reform, but they were also to differ in their views on the manner in which reform was to be undertaken and achieved. As a result, the progress of social reform was to be characterised by differing levels of response and solution to the social problem, ranging from those who wished merely to strengthen existing methods of disciplining the working class, to those who saw such proposals as themselves inherently dangerous, and who were to argue for more subtle, more comprehensive, and more far-reaching schemes. This progressive development of social reform was itself to be set by the growing escalation of class conflict, and thus by the need to find more radical and long-lasting solutions, especially in the form of an extension and development of the activities and role of the State.⁽¹⁾ Once again this progressive movement was to excite concern,

(1) In the United States, however, similar problems were to be met less by an extension of State activity in the field of welfare than by the development of welfare schemes by individual employers

Similarly what extension of State activity that was undertaken was much more directly under the influence of major capitalists than was the case in Britain, where civil servants and middle class reformers were to play a far more leading role. As J. Weinstein has argued the case for America "The two main theses of this book run counter to prevailing popular opinion and to the opinion of most historians. The first is that the political ideology now dominant in the United States, and the broad programmatic outlines of the liberal state (known by such names as the New Freedom, the New Deal, the New Frontier, and the Great Society) had been worked out and, in part, tried out by the end of the First World War. The second is that the ideal of a liberal corporate social order was formulated and developed under the aegis and supervision of those who then, as now, enjoyed ideological and political hegemony in the United States the more sophisticated leaders of America's largest corporations and financial institutions. This book is not based upon a conspiracy theory of

dissent, and even conflict within the ruling class, for the fear was that any attempt by the state to mitigate the consequences of unemployment and poverty would not only be seen as a surrender, but threatened to destroy the fragile fabric and discipline of wage labour. As Strachey, the editor of the Spectator was to argue "if the State does for [the workman] what he ought to do for himself, his moral fibre is certain to be destroyed".⁽¹⁾

As we shall see, however, it was precisely only in the form of such an extension of State activity and control that the conflict, not only between capital and labour, but also between the various and competing factions within the ruling class itself, was eventually to be seen as capable of being moderated and contained. As Marx and Engels noted

"The executive of the modern State is but a committee for managing the common affairs of the whole of the bourgeoisie"

('Manifesto of the Communist Party' In 'Selected works'. p 37.)

If, as events had proved, the bourgeoisie was incapable of running its system of industry without producing the problems and conflicts we have considered, and if, moreover, they themselves were to prove incapable of providing a solution to these problems, then social reformers - and especially those in a position of executive power - were to do it for them. In thus refashioning the instruments of state and its social policy to meet the problems of unemployment and poverty, they were indeed to meet with opposition and dissent from within their own class, but it was a policy which was to have as its aim the maintenance of the interests and the common affairs of the class as a whole.

(1) 'The Manufacture of Paupers'. 1906. p 9.

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history, but it does posit a conscious and successful effort to guide and control the economic and social policies of federal, state, and municipal governments by various business groupings in their own long-range interest as they perceived it... Businessmen were able to harness to their own ends the desire of intellectuals and middle class reformers to bring together 'thoughtful men of all classes' in 'a vanguard for the building of the good community'. These ends were the stabilisation, rationalisation, and continued expansion of the existing political economy, and, subsumed under that, the circumspection of the Socialist movement with its all-fired, but nevertheless dangerous ideas for an alternative form of social organisation." ('The Corporate Ideal in the Liberal State'. 1969. p ix/x.)

The relative absence of a 'welfare state', and the greater emphasis on corporate welfare, has remained a characteristic of the American system, and has to be understood in terms of the particular characteristics of the American labor movement, the peculiar development of capitalism in America, and, compared with Britain, the relatively short history and lack of centralisation of its State. (Cf Piven and Cloward 'Regulating the Poor: The Functions of Public Welfare'. 1972.)

The Poor Law

One of the first reactions to the problem of poverty and unemployment was a move to strengthen the existing mechanisms of discipline and control. In 1871 responsibility for the national supervision of poor relief had passed from the Poor Law Board, the successors to the Poor Law Commission, to the newly-founded Local Government Board. In its 4th Annual Report the Board reasserted its commitment to the principle of less eligibility and the workhouse as a solution to the distress resulting from unemployment.

"A certainty of obtaining outdoor relief in his own home, whenever he may demand it, extinguishes in the mind of the labourer all motives for husbanding his earnings, and induces him to rely exclusively upon the rates, instead of upon his own savings, for any momentary relief which he may require from the sudden cessation of his usual employment. The unfailing application of the workhouse test, on the other hand, makes him at once aware that the only form in which he can receive relief is as an ordinary inmate of the workhouse, and the strongest inducement to support himself and his family is thus held out to him, an inducement altogether wanting when the Guardians, upon his application, readily grant him outdoor relief."

(Qu S. and B. Webb 'English Poor Law Policy'. (1963 ed). p 155.)

Despite the ideal desire of the Poor Law Commissioners of 1834, the total abolition of outdoor relief to the able-bodied had remained an impossibility; confronted with working class opposition, as well as the impracticality of dealing with industrial depression by confining the unemployed to the workhouse, the Commission and its successor had been forced to allow the majority of applicants to receive outdoor relief.⁽¹⁾ The workhouse had continued to be a place of maintenance, and deterrence, primarily for the old, the sick, and for children.⁽¹¹⁾ With the Local

(1) In 1842 the Commission had in fact issued an Outdoor Labour Test Order, allowing guardians in manufacturing districts to grant relief on condition of work in a labour yard, rather than of confinement in the workhouse. It was a move, however, which was also intended to strengthen the authority of the Commission and of the workhouse test elsewhere; as the L.G.B. argued in 1877 "There is nothing more calculated to weaken the force of the regulations of the Board than to be obliged to abrogate them whenever a period of pressure arises." (Qu S. & B. Webb 'English Local Government'. 1929. p 365.)

(11) "Able-bodied people are now scarcely at all found in them during the greater part of the year... Those who enjoy the advantages of these institutions are almost solely such as may fittingly receive them, viz. the aged and infirm, the destitute sick, and children." (Poor Law Medical Officer. 1867. Qu S & B Webb 'English Poor Law Policy'. p 134.)

The principle of deterrence was however still effective "If the conditions of the inmates of a workhouse were to be so regulated as to invite the aged and infirm of the labouring classes to take refuge in it, it would immediately

Government Board and the beginnings of industrial depression, however, a campaign was begun to abolish outdoor relief to the able-bodied and return to the principles of 1834.⁽¹⁾ As the number of workers applying for and receiving relief was to increase, so the Board was to pressurise Guardians to refuse all relief except on condition of entering the workhouse, at the same time this was accompanied by moves, as Sir Longley the Metropolitan Poor Law Inspector put it "to urge upon the Guardians the establishment in Workhouses of a more distinctly deterrent system of discipline and diet than has otherwise been secured"⁽¹¹⁾.

As part of this campaign a series of special 'Test workhouses' were established specifically for the able-bodied, to which other Unions were invited to send paupers as a 'test' of their destitution. The first was established in the London working class borough of Poplar in 1871, in the eight years of its operation 154 inmates were sentenced to imprisonment and 1,081 placed in solitary confinement on bread and water for refusing to submit to its harsh regime.⁽¹¹¹⁾ The experiment was a 'success' despite continuing unemployment and distress, fear of receiving an 'order for Poplar' deterred many from applying for relief. As the Local Government Board noted with pride

"The result appears to have been satisfactory .. Notwithstanding the considerable number of Unions which have availed themselves of this privilege, the number .. who have accepted relief, or having accepted it have remained in the workhouse, has been so small that, although the workhouse will contain 783 persons, there were in it, as the close of last year, only 166 inmates. Great credit appears to be due to the Guardians of the Poplar Union for the firm and judicious manner in which they have conducted this, the first experiment of its kind."

(L.G.B. 2nd Annual Report. 1872/3. Qu S & B Webb 'English Local Government..'. 1929. p 380.)

Further experiments of this kind were introduced in Birmingham in 1880, in Kensington in 1882, and in Manchester and Sheffield - their eventual

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be useless as a test between indigence and indolence or fraud... [It] would no longer operate as an inducement to the young and healthy to provide support for their latter years, or as a stimulus to them, whilst they have the means, to support their aged parents and relatives."

('Report on the Continuance of the Poor Law Commissioners'. 1840. p 47.)

(1) Cf. J. Smart 'The First Six Years of the L.G.B. The Crusade Against Outdoor Relief'. Report of the Royal Commission on the Poor Laws. 1909. pp xii

(11) Qu S. & B. Webb op cit. 1929. p 378.

(111) 'Report of the Royal Commission on the Poor Laws ..'. 1909. III. p 473

abandonment resulting from a mixture of public hostility (in Poplar even the police refused to sanction prosecutions demanded by the workhouse master), the expense of maintaining a practically empty workhouse, and the practice of other Unions of using the opportunity to unload the burden not only of their able-bodied, but also the sick, the elderly and the infirm.

Such attempts to meet the problem of destitution by trying to force the working class to make their own provision against unemployment in this respect failed those most likely to have to apply for poor relief simply did not have the resources to save. The restriction of outdoor relief merely increased bitterness and hostility, and forced many to find other ways of keeping alive. As Sidney and Beatrice Webb complained

"What an Able-bodied Test Workhouse does is to keep these wastrels and 'cadgers' off the rates - at the cost of leaving them to roam about at large and indulge in their expensive and demoralising parasitism, a danger to property and the public, and a perpetual trouble to the police... The able-bodied men .. were presumably supposed to be faced with the alternatives of either working or starving. As a matter of fact our social organisation is still too loose to narrow their choice to any such extent."

('English Local Government..'. 1929. p 394.)

Faced with starvation, and denied employment, the destitute could, as we have seen earlier, turn to theft, or to a variety of means of making out which the existing 'looseness' of social organisation afforded. Of these, one of the most significant, and one that had come to be regarded as a major force weakening attempts to reimpose discipline, was charity.

Charity

At its basic level charity was the most immediate and obvious response of the bourgeoisie as a class to the problems of unemployment and poverty. Whether elicited through sympathy or fear, it was an instinctive response to the threat of working class destitution, and as the blossoming of the Mansion House Fund after the Trafalgar Square Riots had shown, a barometer of working class distress.⁽¹⁾ By 1870 charitable expenditure in London alone

(1) As Engels argued "The English bourgeoisie is charitable out of self-interest; it gives nothing outright but regards its gifts as a business matter, makes a bargain with the poor, saying 'If I spend this much on benevolent institutions I thereby purchase the right not to be troubled any further, and you are bound to stay in your dusky holes and not to irritate my tender nerves by exposing your misery. You shall despair as before, but shall despair unseen, this I require, this I purchase with my subscription of twenty pounds for the infirmary.' It is infamous this charity of a Christian bourgeois!" ('The Condition of the Working Class..'. (1952 ed) p 279

amounted to some £7 million a year, three and a half times as much as was spent in Poor Law relief

This predominance of charitable and philanthropic activity in London has been explained in terms of the particular economic and class relations that distinguished London from most other urban areas - relations that arose out of the absence of any significant large-scale industrial content to the metropolitan economy

"Unlike provincial centres, London produced no group of industrial magnates who dominated the running of the city. In social terms the overwhelming majority of industrial employers in London were closer to the small contractors and shopkeepers who ran the vestries, than to the real possessors of social and political power. The true aristocracy of Victorian London was predominantly composed, not of those whose income derived from industry, but of those whose income derived from rent, banking, and commerce.

The social domination of London by non-industrial forms of capital was of considerable importance in determining the formation of characteristic attitudes towards the problem of poverty... The absence of direct economic links between the rich and the poor .. largely explains the particular importance of charitable activity in London both as a means of interpreting the behaviour of the poor and as a means of attempting to control them."

(Gareth Stedman Jones 'Outcast London'. 1971. p 239/40)

London, with its mass of casual and seasonal labour, and its great division between the classes, presented particular problems in controlling the poor,⁽¹⁾ and much philanthropic activity was devoted to overcoming this division through the use of gifts, patronage, and personal influence and infiltration.⁽¹¹⁾ In this respect philanthropy was often an 'aristocratic' venture it sought

(1) Significantly the other major centres of charitable activity, most notably Liverpool, which was also to produce a number of important social reformers, contained the many similar features of casual labour and a predominance of mercantile and financial capital as did London.

(11) "In the first place the movement was entirely and nervously anti-revolutionary... Philanthropic people were for the most part themselves uninfluenced by subversive opinion, and looked with undisguised affection on the 'beautiful order of different ranks of society'... Some of the efforts made to improve the character and ameliorate the condition of the poor did indeed incur the suspicion of being prompted by radical if not seditious motives .. but reform at that time did not include the idea of throwing power into the hands of the workers. A leading motive in these as in all other benevolent devices of the period was to be found in the desire for patronage .. for the social stability which they imagined would result from the feelings of dependence when that sentiment was mingled with gratitude."
(B. Kirkman Grey 'Philanthropy and the State'. 1908. p 10.)

to recreate the assumed social harmony of a pre-industrial society in which the poor depended on the bounty of the rich and the rich felt an obligation to support and maintain the poor. As Kingsley described it in his introduction to 'Alton Locke'.

"For thirty years past gentlemen and ladies of all shades of opinion have been labouring for and among the working classes as no aristocracy on earth have ever laboured before; and do you suppose that all that labour has been in vain? That it has bred in the working classes no increased reverence for law, no increased content with existing institutions, no increased confidence in the classes socially above them? If so, you must have as poor an opinion of the capabilities of the upper classes as you have of those of the lower."

(Qu Anon 'Socialism and Self Help'. 1889. p 245.)⁽¹⁾

Concern with increasing class divisions and attempts to create social harmony were not confined to aristocratic patrons or associations for distressed needlewomen, they had also more 'progressive' and 'modern' counterparts. Foremost amongst these was the University Settlement Movement, led by Samuel and Henrietta Barnett. As we have seen previously its aim was to 'colonise' working class areas and to introduce settlements in places like the East End in the attempt to control and contain working class discontent and conflict. This aim of the movement, and the wide range of its activities, was well summed-up by David Schloss⁽¹¹⁾

"Oxford House at Bethnal Green, with its workmen's clubs, its national sports, its concerts, its dances, its debating society, Shakespeare reading classes, lectures, library, and other opportunities for rational recreation and instruction, Toynbee Hall in Whitechapel .. which .. at once serves to spread culture and cultivate self-respect among the masses .. these are institutions which, together with our People's Palace, our Polytechnic Institutes, our colleges for working men and women, our mechanic institutes, our university extension

(1) Not that it would appear the lower classes had a high opinion of the upper; as one woman recalled "I had attended mothers' meetings where ladies came and lectured on domestic affairs in the workers' homes that it was impossible to understand." (Qu M. Llewellyn-Davies 'Life as we Have Known It The Story of the Co-operative women's Guild'.)

(11) Schloss was a barrister and social worker, with connections in Liberal politics and high finance. He worked with Booth on his survey of London, and was to be appointed an investigator for the Labour Department of the Board of Trade. He was also author of the 'Report to the Board of Trade on Agencies and Methods of Dealing with the Unemployed in Certain Foreign Countries' (Cd 2304. 1904.) and of 'Insurance against Unemployment' (1909.)

lectures, our Home Reading Union, our recreative classes and our sanitary aid committees, most deservedly receive the commendation of an inquirer, who finds in this England of ours so much that is wanting on the continent, and who, while he can see there no outlook other than revolution, beholds us here well advanced without disorder or violence, to social peace."

('The Road to Social Peace'. 1891. p 253.)

Not all charitable activity, however, was as principled and as self-conscious (if somewhat over-optimistic) in its aims and activities as the Settlement Movement. While the working class was thus subject to a great barrage of 'rational recreation and instruction', a great part of charitable activity and expenditure consisted merely of the indiscriminate handing-out of doles in response to the periodic crises of distress and revolt. According to Helen Bosanquet, a leading figure of the Charity Organisation Society

"Soup kitchens, philanthropic societies, country holiday funds, ragged school funds, funds from all the enterprising newspapers, and funds from all the political clubs in the district, church funds and chapel funds, missions and mothers' meetings, all are engaged in pouring money into a slough of poverty, which swallows it up and leaves no trace of improvement."

('The Rich and the Poor'. 1896. p 37.)⁽¹⁾

The Charity Organisation Society, as its name suggests, was established in 1869 with the express intention of organising charitable activity, and in particular of educating the bourgeoisie and middle class to an awareness of what it saw as the dangers of such 'indiscriminate' alms-giving. As one of its members put it to them:

"If you are going to do nothing else, if you are going to satisfy your conscience on the one hand, and provide a doubtful safety valve against social upheaval on the other, by lavish charity, then I say without the slightest hesitation that it would be better to let the destitute - men, women and children - die of cold and hunger in the street."

(Qu C. Jones op cit. 1978. p 71.)

(1) I am most grateful to Chris Jones for this and subsequent material on the ideology and activities of the C.O.S. - on which see his thesis 'An Analysis of the Development of Social Work and Social Work Education: The Making of Citizens and Super-Citizens'. 1978.

The attitude and activities of the C.C.S. stemmed from a belief that destitution was the product, not of material circumstances, but of a failure or an unwillingness on the part of the destitute sections of the working class to have made provision through thrift and self-denial against the contingencies of unemployment and poverty.⁽¹⁾ Destitution was a state of dependency, a parasitism - whether upon poor relief or private charity - which, according to the C.C.S., was characteristic of those residual sections of the working class who preferred a life of pauperism and crime to a life of honest labour. It was a problem of character.⁽¹¹⁾

The problem with indiscriminate charity, as they saw it, was that it merely pandered to this deficiency to provide money and relief in times of distress was to absolve the working class from having to make its own provision, it was to encourage dependency, and to discourage thrift and self-reliance. The C.C.S. recognised that an 'independent' life of wage labour, especially for the unskilled and casual poor, was a life of struggle - a constant battle to make ends meet - but it was a struggle which, they argued, provided the only basis for improvement. The problem of poverty, of a growing and dependent residuum, was to be solved only by forcing them to be dependent on their labour; the threat of indiscriminate charity was not only that it weakened this discipline, but that it threatened by contagion to undermine the independence and discipline of the working class as a whole. As Helen Bosanquet argued

"The restraining influence will break down much more rapidly for the knowledge that Smith's children are better cared for since he gave up the battle, and so the mischief spreads down the street like an epidemic."

('The Rich and the Poor'. 1896. p 73.)

(1) "There can be no doubt that the poverty of the working classes in England is due, not to their circumstances (which are more favourable than those of any other working population of Europe) but to their own improvident habits and thriftlessness. If they are ever to be more prosperous, it must be through self-denial, temperance and forethought."

('Charity Organisation Review'. 1881. p 50.)

(11) "Speaking broadly and after all due deductions made, one may say that character is the key to circumstances, he therefore that would permanently mend circumstances must aim at character. All that can be done externally to remove obstacles and improve circumstances should be done, but there will be no lasting betterment without the internal change."

(C.C.S. 23rd Annual Report. 1891. p 9.)

The ideology that poverty was the product of character, that the destitute through a lack of discipline, hard work and thrift were responsible for their own situation, was not new - it was, for example, the ideology which underpinned the punitive principle of deterrence under the Poor Law⁽¹⁾ - but it was to find in the C.C.S. its most coherent and consistent champion. Its influence was to be pervasive and widespread, but the importance of the Charity Organisation Society did not lie solely in its stress on character and its condemnation of the evils of indiscriminate charity - a view that was shared by the great majority of social reformers⁽¹¹⁾ According to the C.C.S. poverty and destitution were a moral failing, but as the effects of trade depression and unemployment bit deeper, they also recognised that increasing numbers of those who swelled the ranks of the residuum and the casual poor were workers who had previously been in permanent employment, who might well have attempted to save and to avoid applying for poor relief, but whose independence was now broken by adversity.

It was to this group that the C.C.S. was to direct its attention and activities compared to the 'true residuum' they presented a much more serious problem. The chronic unemployed and the habitual receivers of poor relief and charity were regarded as superfluous; as a class which was purely parasitic, and whose absence of the virtues of thrift and self-reliance placed them beyond hope or possibility of redemption.⁽¹¹¹⁾ To provide them with charity was merely to prolong their existence, and to sustain them as a source of infection and moral contagion to those who fell into their ranks. The only appropriate way of dealing with such a class was through a rigorous

(1) "The great object of the Poor Law Board is to ensure a constant unvarying and efficient discipline during the entire residence of the pauper within the workhouse. He rises to the minute he works to the minute he eats to the minute. He must be clean, respectful, industrious, obedient. In short the habits inculcated in the house are precisely those the possession of which would have prevented him becoming an inmate."

(Chairman of the Sheffield Board of Guardians. 1855. In D. Fraser 'The New Poor Law in the Nineteenth Century'. 1976. p 13.)

(11) Thus according to the Fabian Society, for example "Almsgiving of whatever kind - crude, spasmodic, and ill-directed as it generally is - produces all the evil effects of gambling or lotteries upon a race too little inclined by training and hereditary influences to hard work."

('The Government Organisation of Unemployed Labour'. 1886. p 5.)

(111) "It may be said, true charity recognises no limits, none are so abandoned that it has to give up all hope for their reform. Facts again prove the contrary ... when the will is weakened and the nerve irresolute, the lives of many become hopeless, as they have sown they reap, on the bed they have made they lie" (Charles Loch introduction to the 'Annual Charities Register and Digest' 1906. p xx.)

enforcement of the Poor Law and workhouse test, those, on the other hand, who displayed evidence of previous character, and for whom destitution was the result of a temporary lapse, were to be the proper objects of charitable assistance.

"The principle for which our Society has always stood is to make a man or woman self-supporting. We do not approve of a system of doles or indiscriminate charity. We think that where a distressed person still has some character left in his nature and is neither deprived nor completely broken down by adversity he should be helped in so adequate a manner as to render him independent of all help in the future. But we feel that those who have passed beyond this category can only be dealt with by the State."

(Charity Organisation Society Stoke Newington and Dalston District Committee in the C.O.S. Annual Report 1910/11.
Quoted by C. Jones 'The Foundations of Social Work Education'. 1976. p 7.)

It was this distinction which was the aim and purpose of the C.O.S., and which 'indiscriminate' charity by its very nature failed to make; those whose destitution and unemployment were chronic were 'undeserving', organised charity was "to take care of the deserving poor .. the profligate and the improvident should be left to the sterner rule of the Poor Law and the workhouse test"⁽¹⁾.

In accordance with its aim of organising charity the C.O.S. was to establish itself as a major institution, with local offices in every London borough and in most of the large cities, staffed by voluntary 'visitors' whose job was to control and direct charity, to investigate and sift applicants for assistance, and through supervision and the careful use of resources to restore those deemed deserving of help back to a situation of independence. The attempt to transform charity from its semi-feudal connotations of largesse and ransom into an effective and efficient means of social control based on character and desert was not to be wholly successful, moreover, the Society's procedure of investigation and moral classification of 'cases' was to arouse widespread opposition and hostility within the working class. But as a 'school' for social reformers - through which Beveridge, the leaders of the Settlement Movement, and many other social reformers were to pass - its influence on social policy was to be considerable extending as we shall see

(1) Charity Organisation Review. Vol XI. p 25.

through subsequent legislation to its domination of the majority report of the Poor Law Commission, and in a tradition which has continued with the contemporary practice of social work.

From the 1880s, and in particular with the formation of the Fabian Society in 1883, the Charity Organisation Society was to be joined by a number of other reform groupings and constellations around which civil servants, politicians, and professional social reformers were to meet, study, and plan solutions to the social problem. The Fabian Society and the Charity Organisation Society were to be the two major nuclei of this activity, and although often in conflict, especially over the latter's principled opposition to any scheme of reform which threatened to lift the burden of self-reliance and individual thrift, they were to share a great many more things in common. As one Fabian Society member acknowledged

"There is no doubt that its influence on public opinion has been very important and, to a large extent, excellent. 'The repression of mendicity' appealed forcibly to the well-to-do classes. The hideous inconvenience to the public at large of street begging and the begging letter ensured a welcome for any proposal for putting a stop to such nuisances, especially one which issued from such high benevolence and which claimed to further the well-being of the destitute. The views and methods of the society, though they never became really popular, were listened to with respect, and it has certainly done a great work in training public opinion concerning the duties and responsibilities connected with almsgiving and in initiating orderly and efficient methods of social work. It has checked well-meaning muddlers, has taught how to sift for helpable cases, and how to choose the right modes of help. It may lay claim to initiating in England the reign of the inquiry form and the 'dossier'. Even the country parson and the district visitor are falling into line, while many of the paid investigators for Royal Commissions and the London County Council have owed their efficiency to its training."

(Mrs Townshend 'The Case Against the Charity Organisation Society'. 1911. p 5.)

What points of conflict there were to be were to be less over ends than methods; the restriction of "this growth of unorganised philanthropy by which Poor Law institutions are systematically undersold and blacklegged";⁽¹⁾ the promotion of thrift, independence, and self-reliance, and, above all, the need to secure a distinction between the 'deserving' and the 'undeserving' poor and unemployed were aims which social reformers held in common, and that were increasingly to dominate attitudes and action over the social problem.

(1) R.H. Tawney 'The Theory of Pauperism'. 1909. p 370.

Discrimination

The Fabians and the C.O.S. were for a time to be at the forefront of attempts to educate ruling class opinion, to warn of what they saw as the dangers and consequences of certain forms of relief, and to propose and develop new forms more appropriate to the prevailing economic and social climate to the existing state of class relations. Their ability to formulate coherent, although sometimes conflicting proposals, to establish a 'vision' of the way capitalism could best operate and overcome its problems within this changing context, was to make them, along with the 'New Liberalism' that was later to take the lead, important influences on the development of social reform.

Of course the Poor Law itself had always proved to some degree adaptable to the changing requirements of a ruling class and their definition of the problem. The deserving poor of the end of the nineteenth century were no longer the 'impotent poor' to whom the Poor Law of the middle ages had sought to give preferential treatment, but a particular section of the able-bodied. This shift in definition itself reflected the new problem of unemployment, and the growing recognition that something had to be done both for economic and political reasons to save certain categories of labour from its more debilitating and 'demoralising' consequences.

Not all labour, as the C.O.S. had argued, was to be deemed worthy or even capable of reclamation. The growth of unemployment and the investigations of social reformers had served to highlight the existence of a residuum of virtually unemployable labour, whose chronic pauperism and moral characteristics were seen as a taint on more 'deserving' cases. The problem of dealing with this residuum was, however, compounded by the presence of the latter, and by the growth of an indiscriminate charity which failed to make any distinction. In 1869 the Poor Law Board gave recognition to the attempts of the C.O.S. to restrict what by 1905 the Head of the Poor Law Division of the Local Government Board was to see as "the tide of philanthropic impulse that was sweeping away the old embankment of deterrent tests to the receipt of relief"⁽¹⁾ in a Minute in which it expressed its concern that "some understanding should be reached between those who administer the Poor Law and those who administer charitable funds", it went on to specify the respective roles of each

(1) James Davy or Christopher Hill 'Puritans and the Poor'. 1952. p 48.

"It would seem to follow that charitable organisations, whose alms could not be claimed as a right, would find their most appropriate sphere in assisting those who have some but insufficient means, and who, though on the verge of pauperism, are not actual paubers, leaving to the operation of the general law provision for the totally destitute."

('The Goschen Minute'. Qu T. Mackay 'A History of the English Poor Law'. 1899. p 501.)⁽¹⁾

Despite some 'success',⁽¹¹⁾ the attempt to co-ordinate charity and poor relief was to be limited, the unwillingness of the working class to accept charity, especially in the form and under the conditions of the C.O.S., and the growing level of unemployment and distress was to establish the need to find new ways of discriminating in the relief of the unemployed. What was to be significant in this, and what was to make the period from the 1880s a turning-point in the history of social security, was the recognition that this discrimination, even with the aid of organised charity, could not be effected within the Poor Law itself, but required new forms of relief in order "to segregate the unemployable and enable more to be done to keep the decent workman from deterioration"⁽¹¹¹⁾.

The riots of the unemployed in Trafalgar Square in 1886 signalled the beginnings of this change. Four weeks later the Chamberlain Circular

(1) This relationship between statutory poor relief and organised charity has of course persisted, although under the changing conditions of the twentieth century the respective clientele of each has been reversed (see C. Jones op cit. 1973.) As the National Assistance Board reported in 1949 "There are, however, among the recipients of assistance a few 'problem' families of the kind which occupy the bulk of the time of workers, official and voluntary, in the field of social maladjustment. The Board's officers have neither the time to provide the almost continuous supervision needed in these cases nor the special skill which has to be employed in effecting the education or re-education of the parties if they are to live acceptable lives... The Board do not think that the provision of a general service of moral rehabilitation is within their powers or duties. Their officers are, however, glad to co-operate with agencies capable of dealing with these problems both by bringing to their notice the families receiving assistance who are in need of moral rehabilitation and by giving serious consideration to any advice they may offer about the assistance to be paid and the manner of paying it." (Annual Report. 1949. p 18.)

(11) "The campaign won its most important victories in the East End, where a close degree of co-operation between the Poor Law and the Charity Organisation Society had been established. In the early 1870s out-door relief was virtually discontinued in Stepney, Whitechapel, and St George's in the East." (G.S. Jones 'Outcast London'. p 275.)

(111) C. Jackson and J.C. Pringle 'The Effects of Employment or Assistance..' 1909. p 135.

issued by the Local Government Board to all Boards of Guardians and local authorities spelt out its implications and the strategy to be followed

"When the workhouse is full, or when the circumstances are so exceptional that it is desirable to give outdoor relief to the able-bodied on the ground of want of work, the guardians in the unions which are the great centres of population are authorised to provide a labour test, on the performance of which grants in money and kind may be made, according to the discretion of the guardians...

But these provisions do not in all cases meet the emergency. The labour test is usually stone-breaking or oakum-picking. This work, which is selected as offering the least competition with other labour, presses hardly upon the skilled artisans, and, in some cases, their proficiency in their special trades may be prejudiced...

What is required in the endeavour to relieve artisans and others who have hitherto avoided Poor Law assistance, and who are temporarily deprived of employment is -

1. Work which will not involve the stigma of pauperism,
2. Work which all can perform, whatever may have been their previous avocations;
3. Work which does not compete with that of other labourers at present in employment,

And, lastly, work which is not likely to interfere with the resumption of regular employment in their own trades by those who seek it.

In districts in which exceptional distress prevails, the Board recommend that the guardians should confer with the local authorities and endeavour to arrange with the latter for the execution of works on which unskilled labour may be immediately employed."

(Quoted in appendix to P. Alden 'The Unemployed A National Question', 1905.)

These municipal relief works, outside of the strict auspices of the Poor Law,⁽¹⁾ were to be provided for those 'skilled artisans and others' 'whom, owing to previous condition and circumstances, it is undesirable to send to the workhouse, or to treat as subjects for pauper relief'. It was not a strategy designed to supersede the Poor Law altogether, but to provide against the 'exceptional' distress of cyclical depression and its consequences for the deserving unemployed who were now seen as threatening to identify their lot with that of the casual and residual poor. As Chamberlain revealed

(1) Although not, as the Circular pointed out, outside of the principle of less eligibility 'The wages paid should be something less than the wages ordinarily paid for similar work, in order to prevent imposture, and to leave the strongest temptation to those who avail themselves of this opportunity to return as soon as possible to their previous occupations.'

privately to Beatrice Webb

"It will remove one great danger, viz. that public sentiment should go wholly over to the unemployed, and render impossible that state sternness to which you and I equally attach much importance... By offering reasonable work at low wages we may secure the power of being very strict with the loafer and the confirmed pauper."

(Qu J. Harris 'Unemployment and Politics'. 1972. p 76.)

Large-scale unemployment and destitution present particular problems for capitalism, not least, as we have already noted, in undermining the ideology that poverty and unemployment are peripheral problems attributable largely to the poor and the unemployed themselves, especially when those newly affected are those who are the most organised, the most articulate, and possess the greatest industrial muscle and political power. If the punitive treatment and discipline of the permanent reserve army of casual and residual labour was to be maintained, the isolation and the provision of more lenient treatment for those whose unemployment was seen as only temporary was a matter of political necessity.⁽¹⁾

This attempt by the Local Government Board to deal with the mounting opposition and conflict over unemployment was not, however, to be considered as wholly successful. As the majority report of the Royal Commission on the

(1) Similarly with the politically sensitive issue of the treatment of those workers who were too old to work, and the great bulk of whom were forced to apply to the Poor Law and the workhouse. As the Local Government Board argued in 1900 "With regard to the treatment of the aged deserving poor, it has been felt that persons who have habitually led decent and deserving lives should, if they require relief in their old age, receive different treatment from those whose previous habits and character have been unsatisfactory, and who have failed to exercise thrift in the bringing up of their families or otherwise. The Board consider that aged deserving persons should not be urged to enter the workhouse at all .. but that they should be relieved by having adequate outdoor relief granted to them."

(Qu Charity Organisation Review. VIII. 1900. p 254.)

As the C.C.S. commented characteristically "It is to be regretted that the circular should appear to admit to any class of persons that they have a right to outdoor relief... It can only tend to strengthen the prevalent idea that all that can be expected of any man is that he should maintain himself and his family while at work, but that he has a perfect right to spend his money as he earns it and make no provision for the future."

(Ibid.)

Poor Laws noted

"In considering the provision by the municipalities of relief works for the better class of the unemployed, the first difficulty which arises is that the Municipal Authorities have no staff or machinery for ensuring that the men relieved by them are really of that class... It seems clear that no effective measures were taken by the municipalities, as a whole, to ensure that they should confine their relief of the unemployed to the particular class of workmen suggested by the Local Government Board."

(Op cit. Vol I. p 484.)

Many, although not all, of the relief works established under the Circular made little attempt to deal with the problem systematically, or to exclude the chronic unemployed and casual labourers.⁽¹⁾ Dependent upon local rates for their finance, those working class areas with the greatest unemployment and distress inevitably had the least resources to carry them out. The amount of money considered necessary for supervision and training also made them extremely expensive - of over £11,000 spent by the London borough of Islington in using the unemployed for street paving, less than £2,500 was paid in actual relief; and the mass of workers who applied for work meant that in many places it was spread so thinly as to have little effect.⁽¹¹⁾ As a result

"municipal relief works have not assisted but rather prejudiced the better class of workmen they were intended to help. On the other hand they have encouraged the casual labourers by giving them a further supply of that casual work which is so dear to their hearts and so demoralising to their character."

(Ibid. p 489.)

As we have seen, one of the problems of periodic unemployment amongst skilled and previously regularly employed workers was the fear not only that their skills but also the habit and discipline of labour would be lost that they would sink into the ranks of the unemployable. The casual nature of much relief work not only encouraged casual labourers, but also failed to arrest the progress of degeneration and inefficiency. Again as the

(1) Many authorities also refused to take up the suggestion of the Circular. As a number of London Boards of Guardians argued, the provision of relief work was 'foreign to their duties as administrators of the Poor Law .. and would have the effect of impressing the working classes with the idea that the State had set itself the task of guaranteeing employment, whenever the labour market was slack, for all men who might be cut of work from whatever cause.' (Quoted in Geoffrey Drage 'The Unemployed'. 1894. p 86.)

(11) In Bermondsey, for example, over the winter of 1904/5, the amount of relief work provided averaged only three days per applicant in five months. (C.C.S. 'Report of the Special Committee on Unskilled Labour'. 1905. p 55.)

Majority Report of the Royal Commission saw it

"If the men are taken on in relief work because they are destitute and not because they are workmen, it follows that their capacity as workmen has no bearing on the question of their employment or discharge .. Among the unemployed there are always a number, and sometimes a majority, of inefficient, who have become so from want of food, of training, or of brains. These inefficient set the pace at relief works, just as the least efficient vessels in a fleet set the pace of the fleet. The pace and standard of the inefficient on relief works spread by contagion and example to the few efficient men employed."

(Ibid. p 487.)

By failing to exclude the casual unemployed, and, as Beveridge put it, by "setting a standard of output by the ability of the weakest or idlest member",⁽¹⁾ the programme of relief work was to be regarded as a failure. At a time when concern over efficiency was to reach almost hysterical proportion, it was seen as doing little to arrest its decline, and as a form of relief it was viewed not as having solved the problem of unrest and demoralisation, but as having itself contributed to the devaluation and undermining of labour discipline.⁽¹¹⁾ As the Charity Organisation Society argued

"The work was even more demoralising than the ordinary casual employment to be obtained under industrial conditions, for it ceased to be necessary for the workman to render an equivalent in service for the wage paid."

Or as the Poor Law Commissioners had pointed out some seventy years earlier

"Relief and wages are confounded. The wages partake of relief, and the relief partakes of wages. The labourer is employed, not because he is a good workman, but because he is a parishioner. He receives a certain sum, not because it is the fair value of his labour, but because it is what the vestry has ordered to be paid."

('Report of His Majesty's Commission..'. 1834.

(1) 'Unemployment A Problem of Industry'. 1909. p 156.

(11) Relief works were not new (cf I. Flynn 'The Poor Employment Act, 1817' 1961) But as the 1834 Poor Law Report argued "In the first place to afford relief gratuitously is less troublesome to the parochial authorities than to require work in return for it. wherever work is to be paid for there must be superintendence; but whole paupers are the work-people much more than the average degree of superintendence is required... In the second place, collecting the paupers in gangs for the performance of parish work is found to be more immediately injurious to their conduct than even allowance or relief without work.. It was amongst these gangs, who had scarcely any other employment or amusement than to collect in groups and talk over their grievances that the riots of 1830 appear to have originated." ('Report..'. p 107/8.)

In similar vein the National Union of Teachers has more recently argued that "unemployed young people risk being damaged by contact with embittered teachers working with them on crisis relief schemes." (Qu The Times. 7.4.1977.)

National Efficiency

The experiment in relief works provided under the Chamberlain Circular highlighted one of the problems involved in devising a scheme of relief against unemployment. As Beveridge and Haynard argued

"The unemployed include many different grades of labour, with different standards of ordinary work, wages, and comfort. Hence a uniform system of relief works, offered on the same terms to all, presents to different classes different relations of sacrifice and remuneration. Conditions which produce the requisite balance of sacrifice and remuneration for the higher classes are too attractive to the lower those suited to the lower are too harsh for the higher."

('The Unemployed. Lessons of the Mansion House Fund'. 1904. p 652.)

Over the turn of the century this concern to discriminate between the different grades of labour was to reach its height. The revelation produced by the Boer war and by social investigators of widespread malnutrition amongst the working class, and the threat of a growing decline in the quality of the labour force, striking as it did fears for Britain's international and industrial decline, was to produce a campaign within the ruling class for national efficiency. Its essence was to increase the efficiency of British capitalism, to mitigate the debilitating and demoralising consequences of unemployment the gradual decline to the workhouse, and the threatened loss of the skills, habits, and discipline of labour, its aim, according to Sidney Webb, was to create

"a new industrial character, imperatively required, not merely or even mainly for the comfort of the workers, but absolutely for the success of our industry in competition with the world."

('Twentieth Century Politics A Policy of National Efficiency'. 1906. p 8.)

The problems inherent within such a policy had already been outlined capitalism creates and depends upon different grades of labour, with different skills, different wages, and different conditions of work, any attempt to establish a uniform 'national minimum',⁽¹⁾ whether in work or relief, inevitably comes into conflict with this differentiation a scheme sufficient to maintain the efficiency and morale of the skilled undermines

(1) "The statesman who is really inspired by the idea of National Efficiency will stump the country in favour of a 'national minimum' standard of life .. prescribing for every manual worker employed a minimum of education, sanitation, leisure and wages as the inviolable starting-point of industrial competition."

(Sidney Webb and B. Gilbert 'The Evolution of National Insurance..'. 1966. p 77.)

the discipline and incentive to labour of the unskilled. The desire of social reformers to raise the standard of maintenance of the unemployed has always been limited by the creation by capital of inequalities within the working class itself, by the over-riding need to maintain these inequalities - the relative poverty not only of the class as a whole but also of the different grades within it - as the essential precondition of wage labour; and by the problem of creating within the working class an acceptance of this differential treatment, of differing conditions of eligibility and relief.

It was this obscuring of differentials which was one of the problems of unemployment, and the major criticism both of indiscriminate charity and of 'indiscriminate' relief works. The panic response of the bourgeoisie as a class to the problem and threat of unemployment was thus met with reprobation and concern on the part of social reformers, and the argument for a more 'scientific' approach to the problem. As Helen Bosanquet argued

"Perhaps the greatest obstacle to getting a sound opinion on matters of social policy lies in the general ignoring of the fact that scientific principles are as much involved in them as chemistry or architecture, or any other of the arts of life."

('The Strength of the People'. 1902. Qu Jones 'The Foundations of Social Work Education'. 1976. p 18.)

Or as the leaders of the Fabian Society put it

"Our governing classes .. do not yet seem to have realised that social reconstruction requires as much specialised training and sustained study as the building of bridges and railways, the interpretation of the law, or the technical improvements in machinery and mechanical progress."

(S. & B. Webb 'The Prevention of Destitution'. 1911. Qu ibid p 18.)

As a matter of the social reconstruction of capitalism, social reform, it was argued, could not be left to novices, to well-intentioned 'muddlers' or 'do-gooders', or even on the whole to politicians. It was a problem according to both the Fabians and the C.C.S. which required 'expertise', minute investigation, and a through understanding of the operation of capitalism and the nature of labour and human nature.

Expertise and science are not however, at last in this context, neutral terms. Not least the problems of unemployment, as identified by social reformers, and the kinds of solution they advocated, conflicted with the experience of many workers and the growing socialist movement, and the kinds of solution which they saw as necessary. Arguments that poverty and unemployment were problems of character, or that the granting of relief

led only to further demoralisation and increased dependency, revealed of course an implicit class bias.⁽ⁱ⁾ But the promotion of expertise and of 'scientific' solutions to the social problem was not merely concerned with overcoming conflicting ideologies and alternative perceptions of or solutions to the problem of unemployment. Since 1896 a growing concern to incorporate workers themselves in the administration of the Poor Law had, with the extension of the franchise and the lifting of the property qualification for membership of the Boards of Guardians, led in a number of places to the election of working class representatives to the control of poor relief.⁽ⁱⁱ⁾ Most notably in the London borough of Poplar this had resulted in the adoption of a policy which offered relief to the unemployed without stigma and the threat of the workhouse and at a level adequate to maintain existence.⁽ⁱⁱⁱ⁾ The events were met with outcry from the ruling class, with investigations and inquiries, with attempts to discredit the Poplar Guardians, and to force them to conform to the principle and practice of less eligibility.^(iv) It also provided fuel for those who argued that relief and its administration should be a matter for 'experts', as the C.O.S.-dominated majority report of the Royal Commission on the Poor Laws argued:

"Under the present method of direct election for small and self-contained areas there is no security that the Guardians elected will be those who are most suited to the position. The work is tending more and more to fall into the hands of persons, who, caring more for their own interests than for those of the community, direct their administration more towards the attainment of popularity than towards the solution of the real problems of pauperism. We shall recommend that, in future, the members of the Local Authority shall be largely nominated from amongst men and women of experience, wisdom, and unselfish devotion to the public good."

(Op cit. I. p 145.)

(i) As George Lansbury argued "I have no desire to see men and women struggle on and refuse to come to their fellows for help, for I have never yet seen any disposition on the part of the middle or upper classes to do so. Cabinet Ministers who have been in receipt of 25,000 per year take their pension of 21,300 per year without any dread of its pauperising effect." ('The Principles of the English Poor Law'. 1902. p 8.)

(ii) According to Alfred Marshall, a leading contemporary economist "I have gradually become convinced that the main evil of our present system of aid to the poor is its failure to enlist the co-operation of the working classes themselves. It is because I believe that the working classes alone can rightly guide and discipline the weak and erring of their own number that I have broken silence now." (Qu C.S. Jones 'Outcast London'. p 3-3.)

(iii) As Lansbury, the leader of the Labour Guardians in Poplar, put it "I see

The protection of the 'public good' from public control, and the removal of Poor Law and social security administration from democratic control, was however to wait until the 1930s, when, as we shall see, the spread of 'Poplarism' was to make it a major challenge to attempts to tighten relief and control the threat of unemployment.

The claim of social reformers to expertise and to providing a scientific solution to the social problem continued to be used both against the working class and against members of their own class, and was increasingly argued to be the basis for a policy of national efficiency. In this both the Fabians and the C.O.S. shared a common aim, which, according to Sidney Webb was.

"that creation of individual character, which is the real goal of all collective effort."

('The Reform of the Poor Law'. 1890. p 97.)

The difference between the two societies was a matter of the means by which this goal was to be achieved. For the Charity Organisation Society, the character of the working class could only be improved by individual effort, by the internalisation of the values of thrift, independence and self-reliance, assisted by trained and expert charity workers, and by the removal of those 'discouragements' to thrift such as indiscriminate charity and a lenient Poor Law.⁽¹⁾ In contrast, for the Fabians, authors of the Minority Report of the Royal Commission, social reconstruction and the re-creating of the working class required a much more wholesale reconstruction of capitalism, with the creation of a powerful body of State officials and experts, who could control industry and its consequences, abolish the inefficiencies of competition, and create a network of State institutions for the maintenance, education, and disciplining of labour.⁽¹¹⁾ The deliberate and conscious social engineering of this 'Fabian Socialism' of course conflicted fundamentally with the emphasis of the C.O.S. on self-improvement,

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the first moment I determined to fight for one policy only, and that was decent treatment for the poor outside the workhouse, and hang the rates! This sort of saying brings censure on me and on the movement it cannot be helped. My view of life places money, property, and privilege on a much lower scale than human life."

('My Life'. by M.E. Rose 'The English Poor Law'. 1971. p 250.)

(iv) See for example 'Report to the President of the L.G.B. on the Poplar Union'. 1906. and B.K. Lucas 'Poplarism'. 1962.

(1) See 'Report of the Royal Commission on the Poor Laws...'. 1909. Vol. I.

(11) See 'Report of the Royal Commission on the Poor Laws...'. 1909. Vol. I. III.

but the aims of the two schemes of reform were essentially similar - the replacement of existing indiscriminate forms of relief, and their replacement by a variety of schemes devised and executed by experts, with the aim of creating a new 'industrial character' amongst the working class - a sense of commitment and discipline, a regeneration of ideas and behaviour in place of conflict, strife and inefficiency.⁽¹⁾ As one Fabian member described their project

"The aims of modern socialism may be described as an endeavour to readjust the machinery of industry in such a way that it can at once depend upon and issue in a higher kind of character and social type than is encouraged by the conditions of ordinary competitive enterprise...

The absence of any permanent organisation of industry, by setting a premium on partial and discontinuous employment, is itself a contributory cause of shiftless character, and where the character is hopeless, the best way of dealing with it is such an organisation as would really sift out and eliminate the industrial residuum."

(Sidney Ball 'The Moral Aspects of Socialism'. 1900. p 3 & 12.)

(11)

The Residuum presented a problem to all social reformers, in all societies there are those who, for whatever reason, are unable to work, but in a society where, for the majority, the means of existence depend on the ability to sell one's labour, those who are unable to work and who have no other means of support, inevitably sink to the bottom. Together with the mass of semi-dependent casual labourers, this residuum constituted a particular problem for the advocates of national efficiency - sinking below the average level of the rest of the working class, and forced to compete for casual work, poor relief, and charity, they were to be seen as a constant unproductive sore, draining the country's resources, and infecting the more 'deserving' unemployed with their lack of character and discipline. As the Inter-Departmental Committee on Physical Deterioration of 1902 urged

"Surely the time is ripe for dealing drastically with a class that, whether by wilfulness or necessity, is powerless to extricate itself from conditions that constitute a grave menace to the community, by virtue of the permanent taint that is communicated to those that suffer under them, and of the depressing effect that the competition of these people exercises on the class immediately above."

(Qu G.S. Jones 'Outcast London'. p 331)

(1) For a revealing discussion of the similarities between the two Societies as outlined in the reports of the Royal Commission, and written by one of the authors of the majority report, see E. Bosanquet 'The Historical Basis of English Poor Law Policy'. 1910.

(11) As the C.O.S. similarly argued "In need to be secured in some measure

The problem was that to provide relief at a level sufficient to prevent their sinking further was seen as only encouraging their existence and growth, while the existence of a system of relief designed to discourage the residuum was seen as too harsh for the other unemployed, and unable to prevent their deterioration and decline. As the C.O.S. noted

"Poor relief is necessarily restricted, so far as the able-bodied are concerned, to providing simple necessities. It may keep a man alive, but it cannot do much to render life worth living. Once down, it will not leave him to starve, although it will do nothing to help him up again."

('Charity Organisation Review'. XI. p 261.)

'Science', moreover, painted a more alarming picture the developing theories of evolution, of social darwinism and eugenics, portrayed a world in which the progress of nations was a process of selection - the survival of the fittest. The existence of a large, and growing, class of unfit labour threatened not only the immediate prospects of stability and efficiency, but also the future of Britain's labour force and her competition in the increasingly international world of capital.⁽¹⁾ For the Fabians in particular this threat to efficiency was a threat to the whole future of the British race; its extirpation demanded the much more deliberate control and manipulation of social conditions.

"The policy of 'laissez-faire', is, necessarily, to a eugenicist the worst of all policies, because it implies the definite abandonment of intelligently purposeful selection... The question, who is to survive, is determined by the conditions of the struggle, the rules of the ring. Where the rules of the ring favour a low type, the low type will survive, and vice versa... It is accordingly our business, as eugenicists, deliberately to manipulate the environment so that the survivors may be of the type which we regard as the highest."

(Sidney Webb 'Eugenics and the Poor Law'. 1910/11. p 234/7.)

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from constantly changing environment if they are ever to grow healthy and strong. No permanence of character, no sufficient social habits can be developed among those whose economic security is unseen from day to day... On all sides there is a clamour for the removal of the evils of poverty. Not chronic poverty, but irregularity and uncertainty are the real evils that demand a remedy, for if these latter were brought under control the former would exist only as a result of vice, and could then be dealt with in such a way that is now rendered impossible by the very difficulty of deciding upon the true cause." (Report of the Special Committee on Unskilled Labour. 1908. p 57 This 'advanced' position on the part of the C.O.S. was not universally shared as the report noted, within the committee - which included Beveridge, Mackay, and Loch - "wide differences of opinion became apparent." (ib p 78.)

(1) Cf B. Serret 'Imperialism and Social Reform English Social-Imperial Thought. 1895-1914.'. 1960.

"The existing Poor Law", however, "operates almost exclusively as an anti-eugenic influence' (ibid), or as Sidney Ball saw it

"The socialist policy, so far from favouring the weak, favours the strong... It is a process of conscious social selection by which the industrial residuum is naturally sifted and made manageable for some kind of restorative, disciplinary, or, it may be, 'surgical' treatment... In this way it not only favours the growth of the fittest within the group, but also the fittest group in the world competition of societies."

(Cp cit. on Liz Wilson 'Women and the Welfare State'. 1977. p 102.)

The Residuum was clearly a grade of labour that was not required, or rather, a form of labour reserve whose characteristics of casual employment, a dependency on poor relief and charity, and a constant struggle for existence, made them a drag on efficiency, a depressing weight on the labour market, and an obstacle to improvement. The characteristic hand-to-mouth existence of casual labour, the desperate struggle for work, the high degree of pauperism and destitution, and the contagious influence that their lack of thrift and discipline was seen as exercising on those thrown out of work through trade depression, demanded that something be done. The 'humanitarianism' that is supposed, or so we are told, to have guided the development of social policy did not, however, extend this far, efficiency demanded otherwise

"If the men are inefficient, i.e. capable of working only occasionally and not enough for a living, they cannot safely be left at large to bring up in semi-starvation fresh generations of inefficient."

(Beveridge. 1909. p 204.)

As Charles Booth argued.

"The difficulties, which are great, do not lie in the cost. As it is, these unfortunate people cost the community one way or another considerably more than they contribute... If they were ruled out we should be better off than we are now; and if this class were under state tutelage - say at once under State slavery - the balance-sheet would be more favourable to the community... The difficulty lies .. in the question of individual liberty... The only form compulsion could assume would be that of making life otherwise impossible, an enforcement of the standard of life which would oblige every one of us to accept the relief of the State in the manner prescribed by the State, unless we were able and willing to conform to this standard."

('Life and Labour..'. I. p 165/6.)

Or as Beveridge again saw it

"The line between independence and dependence, between the efficient and the unemployable, has to be made clearer and

broader... [The latter] must become the acknowledged dependents of the State, removed from industry and maintained adequately in public institutions, but with complete and permanent loss of all citizen rights - including, not only the franchise, but civil freedom and fatherhood."

('The Problem of the Unemployed'. 1906. p 327.)⁽¹⁾

While "the forcing-up and holding of the standard of individual efficiency and production must be the corner-stone of social policy"⁽¹¹⁾ the problem of what to do with the residuum, and how to restore and maintain the efficiency of the unemployed, remained in practical terms difficult. For a time the outburst of anxiety over the economic consequences and inefficiency of unemployment was to find its solution in the proposal of labour colonies

"The maintenance of efficiency and the arrest of degeneration amongst unemployed workers can only be effected by the application of different methods to different classes...

The material falls at once into three classes the unemployable, who have no place in the industrial army, and the two grades of genuine workmen - the casual labourers, of whom the docker is the type, and the men in regular work...

Those who in their present condition are unemployable must first be isolated... For these long periods of regular work and discipline are essential... For the genuine casual labourer and the regular worker two grades of free colonies .. should be established...

Those for the former class should have a lower standard of life, a lower scale of relief, and a rougher kind of work."

(Beveridge and Maynard 'The Unemployed..'. 1904. p 633/4.)

As a serious proposal, the establishment of free labour colonies for the maintenance and retraining of unemployed urban labour, and of penal labour colonies for the unemployable, was to gain considerable currency during the opening years of the century. The deterioration of unemployed labour in the squalid conditions of city slum life, the constant influx of rural labour into the towns in search of work, and the depressed and under-populated condition of the countryside, made the idea of returning the unemployed to the land, where they could work to maintain themselves, and at the same time preserve the efficiency and habits of labour, an apparently simple

(1) Freedan ('English Liberal Thought Problems of Social Reform' 1972 p 250) notes "The utter callousness of this plan, coming from the pen of a liberal social reformer .. is inexplicable... Efficiency in such extreme form completely ruled out the liberal concepts of welfare."

There is no reason why we should assume such a basic philosophy of capitalism as liberalism to be in any fundamental sense humane.

(11) Beveridge. 1909. p 217.

solution, and one moreover which resonated strongly with a current within the working class which urged a rejection of industrial capitalism and a 'return to the land'.⁽¹⁾ A number of colonies were in fact established, the first by the Salvation Army at Radleigh in Essex, and in 1904 by the labour-controlled Poplar Board of Guardians, and by the London Central Unemployed Committee, while under the modified Workhouse Test the Local Government Board allowed for relief to be given outside the workhouse to the family of any man willing to attend such a colony.⁽¹¹⁾

In practical terms, however, the proposal of labour colonies as a solution to the problem of unemployment was not to get very far. Charles Booth's scheme for "the entire removal" of his Class B "out of the daily struggle for existence" would, it has been estimated, have meant the evacuation of some 345,000 people from London alone⁽¹¹¹⁾ while, at another level, Beveridge recognised that for the 'deserving' unemployed "condemnation to a labour colony will mean a distinct step downwards, will be an undeserved and impolitic branding of him as already fallen and unemployable".^(1v) What was more significant, however, was the by now growing recognition by social reformers that the unemployed were not in fact 'surplus' at all, that they had a definite economic function to serve, and that, as the C.C.S. put it:

"There is involved in the policy of 'back to the land' a fallacy similar to that implied in a reliance upon emigration. It is overlooked that the periodical removal of the unemployed and the unemployable only creates a vacuum which, in the absence of any check placed upon their existence, will be rapidly refilled."

('Report of the Special Committee.' 1908. p 60.)

Or as Beveridge argued in 1908.

"The casual labourer of today is a part of industry, not outside industry. He cannot be regarded as unemployable so long as he is occasionally employed. He cannot be regarded as individually surplus since his services are occasionally in demand..."

The removal of the under-employed, whether to Canada, or to rural England or to permanent national workshops, may benefit the men removed, but leave their half-places to attract and be filled by fresh comers."

('Unemployment and Its Cure The First Step'. 1908. p 387/9.)

(1) Cf Henry George 'Progress and Poverty'. 1879.

(11) Such colonies were to figure much more greatly during the 1930s, as Ministry of Labour camps, to which unemployed workers were sent as a condition of receiving relief. See Wal Hannington 'Ten Lean Years'.

(111) Booth op cit. p 154. Cf J. Brown 'Charles Booth and the Labour Colonies' 1968.

We shall return shortly to consider the implications for policy of this recognition of the permanence of the unemployed as a reserve army of labour, with a definite place in industry and a definite function to fulfil. More immediately, however, the fate of labour colonies as a viable solution to the problem of unemployment was to be sealed by the renewed outburst of unemployment and protest that began in 1902 with a further wave of depression and the ending of the Boer War.

With the return of ex-servicemen to swell an already depressed labour market the unemployed were once more to take to the streets, organised by the Social Democratic Federation and by the National Unemployed Committee established by the Independent Labour Party to co-ordinate pressure from the trade unions and other labour organisations, demonstrations of workers against unemployment were to take place in most major cities. Throughout the summer of 1904 unemployment never fell below 5.7%, by November, with winter approaching, it had reached 7%. As Walter Long, then President of the Local Government Board recalled

"It is all forgotten now, but during the eighteen months that the pressure of the unemployed was growing, the methods adopted by the unemployed towards all the authorities were violent in the extreme. There were crowds besieging the offices of the relieving officers - boards of guardians could hardly sit in some places without safeguarding their doors."

(Qu K.D. Brown 'Labour and Unemployment'. 1971. p 44.)

By the autumn of 1904 the situation had become so serious that forty five Poor Law Unions, twelve county councils, and forty urban councils were to ally with the Social Democratic Federation in demanding a special sitting of Parliament to deal with the crisis. Yet it was not until January of 1905 that the Tory cabinet met to discuss the situation, then it considered a scheme proposed by the Local Government Board for the provision of special emergency relief works, financed by a levy on local rates, with a sharing of rate support amongst the boroughs in London. Faced with opposition from within its own ranks, from the wealthier London boroughs who stood to contribute to the scheme, and from organisations such as the C.O.S., the government prevaricated and delayed. By the summer of 1905 it seemed to be on the point of dropping the scheme altogether, when, on the 1st of August, serious rioting broke out in Manchester; six days later a modified version of the proposal had become law as the Unemployed Workman Act.

The Unemployed Workman Act

The Unemployed Workman Act was to be the last major attempt to deal with the problem on an ad hoc basis. As a scheme it drew its model entirely from past experience, seeking to avoid the hostility of the wealthy London boroughs, and the criticisms of the C.O.S., the scheme was to be financed, not out of the rates, but entirely from public subscription.⁽¹⁾ This was to be used to establish Distress Committees - compulsory in London and optional elsewhere - composed of local councillors, Poor Law guardians, and "persons experienced in the relief of distress". The function of these Distress Committees was to interview and investigate each applicant for assistance, and

"if satisfied that any such applicant is a person honestly desirous of obtaining work but is temporarily unable to do so from exceptional causes over which he has no control and that his case is capable of more suitable treatment under this Act than under the Poor Law ... they may provide him with work in such a manner as they think best calculated to put him in a position to obtain regular work or other means of supporting himself."

(Qu Beveridge 1909. p 163.)

As with the Chamberlain Circular, the Act sought to provide employment only for the 'deserving' unemployed temporarily out of work; as the Tory Prime Minister Balfour later told the Royal Commission on the Poor Laws

"We distinctly proposed to deal with the elite of the unemployed ... The unemployed for whom the Bill was intended were respectable workmen settled in a locality, hitherto accustomed to regular work, but temporarily out of employment through circumstances beyond their control, capable workmen, with hope of return to regular work after tiding over a period of temporary distress."

('Report of the Royal Commission..'. I. p 493.)

In the attempt to avoid what was seen as the failure of previous relief works to discriminate between forms of unemployment, and to exclude casual labourers, the Distress Committees were given strict measures of inquiry and procedure to follow in order to test the character of the applicant before work would be given; according to Beveridge.

"The original 'Record Paper' drawn up by the Local Government Board contained eighteen paragraphs including at least fifty different questions to be asked of and answered by every applicant for assistance, together with six or more paragraphs for information to be entered after subsequent inquiry... The answers to the most important questions were directed to be verified by reference to independent sources of information."

(Beveridge 1909. p 24.)

(1) For the first year of its operation the Act depended entirely on /Contd...

The Act was a mass of inquiry and investigation into character and desert "every line had C.O.S. stamped across its face".⁽¹⁾ In fact the C.O.S., although initially opposed to the Bill, had decided, once the government's intention to legislate had become clear, to throw its weight behind the scheme in order to secure its administration along their own strictly-worked out lines. The workers had secured a victory in forcing through legislation to provide work for the unemployed, and especially in their insistence not on relief but on payment at full trade union rates,⁽¹¹⁾ but the terms on which it was to be granted, and the effective predominance of C.O.S. members on many Boards of Guardians, as Poor Law officials, and as 'persons experienced in the relief of distress, meant that in its administration the principles of inquiry and classification were to be carried out to the full.

As a result, the scheme was not only cumbersome and expensive,⁽¹¹¹⁾ but

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charitable finance; in two subsequent years Exchequer grants of £200,000 and £300,000 were made respectively.

(1) Keir Hardie, qu J. Harris 'Unemployment and Politics'. 1972. p 171.

(11) This was achieved only after pressure from the unemployed themselves and from the trade union movement, who recognised in relief work a form of cheap labour that would undercut existing jobs and wages. Forced to concede this demand, however, the authorities stipulated that in order to maintain the principle of less eligibility the number of hours of relief work given should be less than in private employment.

(111) In London the cost of the scheme amounted to 7/4d per case registered, 9/6d per case investigated, and £3/8/6d per case provided with work. Between 1905/6 the giving of £35,000 in relief involved the additional expenditure of £25,000 in administration, supervision and equipment.

(Beveridge 1909. p 171.)

The amount of assistance offered to the unemployed varied greatly throughout the country, in Manchester, for example, the site of the rioting which immediately preceded the introduction of the act, no applicants for relief work were rejected; in neighbouring Bradford, 86% of applicants were turned down. (ibid.)

In general, however, applications for assistance were consistently below prevailing levels of unemployment in the first winter of its operation, with 4.6% of the population out of work, only 2.4% applied for relief. In 1906/7 with unemployment at 4.3% only 1.9% applied, and in 1907/8 the figures were 5.9% and 2.1% respectively.

(Beveridge 1909. p 168.)

it alienated further the very workers which it had intended to reach; as one contemporary observed "many of the best of the unemployed, especially skilled trade unionists, shun the Distress Committees".⁽¹⁾

Once again the expedient of relief works had failed to solve the problem rather than preserving the efficiency and winning the support of the skilled and organised working class, the great bulk of applicants were those from "an industrial stratum intermediate between the skilled trade unionists .. and the paupers and vagrants known to Boards of Guardians"⁽¹¹⁾ As Beveridge wrote in 1907.

"The underemployment resulting from casual employment in an overstocked labour market gives rise to distress which is neither temporary nor exceptional. Yet it is almost wholly with such distress that the authorities constituted by the Unemployed Workman Act are in London at least being compelled to deal."

('Labour Exchanges and the Unemployed'. p 69.)

The distress resulting from chronic underemployment was something with which the Act had not sought to deal; certainly irregularity of work and a dependence on casual labour accounted for the greatest amount of distress and deprivation amongst the working class, but to provide work for those for whom such was the normal state of affairs was seen as threatening to destroy the tenuous discipline of wage labour, to invite and encourage dependency, and to "blur the line which above all things should be kept distinct - the line between industry and relief".⁽¹¹¹⁾ The object had been to provide temporary relief only for those skilled and regular workers whose deterioration and hostility provoked the greatest anxiety, and whom, it was assumed, could be safely relied upon to return, with a little judicious encouragement, to labour once the slump had passed. The problem, however, was that the process of inquiry and investigation necessary to establish this distinction itself alienated those whom the Act sought to assist. If such discrimination within the working class in the relief of unemployment was to be achieved, some other method had to be found. As Sir Hubert Llewellyn-Smith, the senior civil servant at the Board of Trade who was to be responsible for the drafting of the 1911 Unemployment Insurance

(1) P. Alden 'The Unemployable and the Unemployed'. 1908. p 18.

(11) Beveridge 1909. p 24.

(111) Ibid p 232.

Act, argued

"The crucial question from a practical point of view is therefore whether it is possible to devise a scheme .. which while nominally covering unemployment due to all causes other than those which can be definitely excluded, shall automatically discriminate between classes of employment ... which itself will automatically exclude the loafer."

(Qu Beveridge 'Unemployment A Problem of Industry'. (1930 ed) p 265.)

In many ways the Unemployed Workman Act was to mark a decisive phase in the development of social reform the last fling of an outgoing Conservative administration; its immediate, if reluctant, response to the threat of unemployment through the creation of emergency relief works, the Act's reliance on charitable finance, and on voluntary and local staff for its administration, and the particular concern with London as opposed to other urban areas, all mark it off in contrast against the planned and national system of labour exchanges and of health and unemployment insurance that was to be the response of the incoming Liberal Party and government to the problem of unemployment between 1908 and 1911.

At the same time, the Unemployed Workman Act was recognised as marking a new departure. For the workers it was a victory, for the establishment of statutory relief works, at full wages, on an independent basis completely outside of the administration of the Poor Law, was seen as the eventual recognition of the State's responsibility for unemployment. As Neil Hardie argued:

"The Unemployed Act was a small thing to have achieved, but it was the first blood which the Socialist party had drawn, for it established the principle that a man out of work had a claim upon the State to find employment for him."

(Qu P. Gates 'Unemployment' - a paper read to the Conference of the C.O.S. February 1910. p 5.)

Such claims were of course strenuously denied, and the terms and administration of the Act itself could hardly be seen as constituting 'the right to work', but the creation of relief works on a statutory basis, particularly when carried only under pressure from the unemployed, was nevertheless seen by many as a surrender of principle. As W.A. Bailward, a leading member of the Charity Organisation Society explained

"Last year the Society vigorously but ineffectually opposed the Unemployed Workman Act, which it believes to be the surrender of a vital principle in the reformed poor law, and a recognition by the State that it is its duty to find work for the unemployed. It has been repeatedly denied that this

is the intention of the Act, and the Act has been defended upon the ground that it is 'only a little one': but it must be remembered that in poor-law administration a door which is partly opened is soon forced open to its widest extent, and that the Act has opened a door which has been closed for more than 70 years."

('The Charity Organisation Society'. 1907. p 72.)

Fears that the Act would open the flood-gates to workers' demands formed an important part of the opposition from within the ruling class, but this opposition did not stem solely from an unwillingness to be seen as surrendering to pressure, more fundamentally it arose out of an opposition to the very principle of State relief other than in the form of a deterrent Poor Law.

The C.O.S. and its followers, as we have seen, based their philosophy and their practice on the view that destitution and unemployment were essentially problems of moral character. Although they had come to recognise 'economic forces' as a contributory cause of unemployment, destitution and distress were seen as consequences which were not inevitable, but which could be provided against through the development of habits of thrift and self-reliance. For them the aim of social reform was to strengthen these personal characteristics, and for this task

"Charity was wiser, more effectual, more adaptable, more personal. It was in the best sense economical... A large association of well trained workers was worth any number of relief works. It would create no expectations, for it would refuse as justly as it gave charitably, and would promote that foresight and self dependence which after all were the best preventatives of the evils of want of employment."

('Charity Organisation Review'. XI. 1895. p 69.)

State provision of relief, on the other hand, did raise expectations; it was not given as a gift, which could be used in turn to demand changes in behaviour and attitudes, once established it would be claimed as a 'right', and the opportunity for reforming character would be lost. As one C.O.S member put it 'State regulation will not make people sober, law abiding, unselfish, provident, energetic, or careful of children.'⁽¹⁾

This opposition to State relief for the unemployed did not, of course, extend to all forms of State regulation. Those who opposed any special form of provision recognised the indispensability of the Poor Law. the

(1) C.F. Rogers qua C. Jones 1978. p 107.

social fabric of capitalism was too frail to risk abolishing all forms of relief whatsoever, and the attractions of wage labour too slight to dispense with the workhouse. Wage labour as a social relationship had to be reinforced and maintained through a system of poor relief based on less eligibility, but this system could not provide against the immediate consequences of unemployment, the loss of capital's most vital resource, and, above all, the growing disenchantment and challenge of labour. For this a new morality was required one in which the workers would accept the inequities of capitalism, and make their own provision against its consequences. One in which State intervention was not only dangerous, but anathema, "the promotion of morality by force", wrote Bernard Bosanquet, the husband of Helen Bosanquet and in his own right a famous social philosopher and moulder of bourgeois 'public' opinion, "is an absolute contradiction"⁽¹⁾.

The U.S. was not alone in its views, but it was the most vociferous, and remained very influential.⁽¹¹⁾ In certain respects it was of course correct. capitalism would function more efficiently and more profitably, and its political stability would be more secure if the working class made its own provision out of existing wages against the consequences of poverty, if they accepted capitalism and its consequences as inevitable and strived only to secure and improve their position within it through thrift and self-discipline. The problem was that they could and would not. It was the recognition of this fact that was to lead a growing body of ruling class opinion to advocate more positive State intervention and reform.

This shift arose out of necessity. it was a step that was to be taken with reluctance, but it was one which was seen as the only practicable means of dealing with the problem. In part it was a problem of scale the sheer size of the problem of poverty and unemployment, and its threat to efficiency and stability was unequalled by the vagaries of charity and by what it could achieve. "The State minimum", wrote one writer, "is greater than the philanthropic maximum"⁽¹¹¹⁾; moreover, the hostility of

(1) 'The Philosophy of the State'. W. A. J. Milne 'The Social Philosophy of English Idealism'. 1902. p 269.

(11) As Bailward noted "Public men of all parties and professions have, especially of late years, treated it with marked coolness. And yet it has been, and is constantly consulted by various public departments, and still remains in many respects 'the eye of the legislature'." (Quoted in 1907. p 74)

(111) B. Kirkman Grey 'Philanthropy and the State'. 1908. p 134.

the working class towards 'charity', especially in its organised and discriminatory forms, and the failure of such and previous attempts to solve the problem, was to point to the need for a new departure. But above all, it arose as we shall see out of the belief that it was only through the further intervention of the State, through the promotion of the State as a benevolent institution actively concerned with the welfare of the working class, that the growth of class conflict and the increasing threat of socialism could be forestalled.

Those who argued this reform of State policy did not disagree fundamentally with other social reformers, it was a matter of means rather than of ends. Groups like the C.O.S. had "taught the country the importance of doing a work which private funds cannot despatch".⁽¹⁾ It was now to fall to the State to carry out this work in a more systematic and effective manner. There were of course to be conflicts, and differences of opinion and degree, while the movement owed something to the Fabian Society, with its proposals at times of extreme forms of State regulation and control, it was not eventually to be willing to go as far in its proposals to restructure the social and economic order. In the main the driving force behind it was to be the Liberal Party that succeeded to government in 1906, or rather, the 'new liberalism' that arose out of its ranks. It was a movement which brought together 'progressive' elements within the ruling class behind the Liberal Party, and it was a movement which urged the intervention of the State not in contradiction to the established aims and principles of social reform, but as the only safe and practicable means of achieving these ends. As Winston Churchill, one of its leading figures, argued.

"I do not agree with those who say that every man must look after himself, and that the intervention by the State in such matters .. will be fatal to his self-reliance, his foresight, and his thrift... It is a mistake to suppose that thrift is caused only by fear, it springs from hope as well as fear. Where there is no hope, be sure that there will be no thrift."

(*'Liberalism and the Social Problem'*. 1909. p 209.)

(1) B. Kirkman Grey op cit. p 293.

"The unemployed question is largely an economic question for which charity, however generous, is no solution. It is the first duty of the State, as also its highest and truest interest, to set on foot such constructive reforms as will check the wholesale demoralisation of large sections of the working classes, and restore to the people the assurance so long denied that honest work will carry with it a just and certain reward." (Allen *'The unemployed'*. 1905. p 17)

Liberalism and Social Reform

Liberalism is a philosophy of the bourgeoisie, but like all such philosophies it too had to change with the changing fortunes of capitalism and with the dynamic of class conflict. It was in the name of 'liberalism', the 'freedom' of the individual and of the market, that the Poor Law reform of 1834 had been achieved; the New Liberalism that was forged over the turn of the twentieth century was to retain the centrality of this 'freedom', but was to add to it a new dimension. Whereas the old liberalism had posited a natural identity between the classes, had embodied a view of society in which the only role of the State was to remove artificial 'obstructions' to the laws of the market in order that harmony and prosperity might flow unaided, the new liberalism, facing depression, stagnation and conflict, was to argue for a new organic view of capitalism of a society in which individuals and classes were mutually interdependent, with certain rights and certain obligations - a reciprocity and stability which, moreover, could not be expected to arise solely out of the market, but which was to be encouraged by and embodied in the State.

The State was to become the new cement of social unity, the arbiter of conflict, and the focus of aspirations. As Churchill argued "we had to busy ourselves tirelessly with the social condition of the masses of the people"⁽¹⁾ but this reforming zeal was to be recast in a new light. In addition to the discipline of fear, although not replacing it, was to be added the incentive of hope - the fostering of an identification with and a belief in the reforming possibilities of capitalism through the State's intervention in social reform and a partial lightening of the burden of unemployment.⁽¹¹⁾

In part, the new liberals saw their mission in organising and educating their own class, who, it was argued, had failed to organise their affairs with the foresight which was necessary if the future of capitalism was to be secured. In the pursuit of immediate profit, the owners of wealth

(1) Qu The Times, 19.10.1909.

(11) As Sidney Webb, like Churchill, had argued "It must never be forgotten that the object of the pension system is not so much the comfort of the individual pensioner as the stoppage of the degradation and demoralisation of the existing pauper class. The main object is to encourage the salutary discipline of individual thrift by removing the present hopelessness. We must put some water into the pump in order to make it draw."
('The Reform of the Poor Law'. 1890. p 107.)

had neglected the economic, 'moral', and political consequences of their actions. The result had been overproduction and unemployment, inefficiency, labour unrest and dissatisfaction, and the growth of a socialist movement within the working class which threatened to overturn the entire structure. A principal purpose of social reform was, therefore, to force the ruling class to recognise the dangers and their own long-term interests and responsibility. As Matthew Arnold argued, at some length but with perfect clarity.

"The master-thought by which my politics are governed is this - the thought of the bad civilisation of the English middle class. ... St Helens is eminently what Cobbett meant by a hell-hole, but it is only a type, however eminent, of a whole series of places so designated by him, such as Blackburn, Bolton, Wigan, and the like, places developing abundantly their manufacturing industries, but in which man's instinct for beauty and his instinct for fit and pleasing forms of social life and manners, - in which these interests at any rate, to say nothing for the present of others, find little or no satisfaction... And not only have the inhabitants of what Cobbett called a Hell-hole, and what Lord Derby and Mr Bright would call a centre of manufacturing industry, no satisfaction of man's instinct for beauty to make them happy, but even their manufacturing industries they develop in such a manner, that from the exercise of this their instinct for expansion they do not produce the result which they expected, but they find uneasiness and stoppage... At a given time, when there is a demand, or a chance of a demand, for their manufacture, the capitalists in the Hell-holes as Cobbett would say, the leaders of industrial enterprise as Lord Derby and Mr Bright would call them, set themselves to produce as much as ever they can, without asking themselves how long the demand may last, so that it lasts long enough to make their fortunes by it, or thinking, in any way beyond this, about what they are doing, or concerning themselves any further with the future. And clusters and fresh clusters of men and women they collect at places like St Helens and Blackburn to manufacture for them, and they call them into being there just as much as if they had begotten them. Then the demand ceases or slackens, because more has been produced than was wanted... Perhaps these capitalists have had time to make their fortunes; but meanwhile they have not made the fortunes of the clusters of men and women whom they have called into being to produce for them... So arise periods of depression in trade, complaints of over-production, uneasiness and distress at our centres of manufacturing industry. People then .. begin to discover, like those unionist workmen whose words Mr John Morley quotes, that 'free political institutions do not guarantee the well-being of the toiling class'...

This great Philistine community it is, with its liberty, and its publicity, and its trade, and its love of all three, but with its narrow range of intellect and knowledge, its stunted sense of dignity and beauty, its low standard of social life and manners, and its ignorance of its own deficiencies in respect of all these, to this Philistine middle class it is that a Liberal government has especially to make appeal, and on which it relies for support...

But the need of man for intellect and knowledge has not in the great body of our community been much attended to, nor have Liberal statesmen made much appeal to it; for giving the mere rudiments of knowledge to the lowest class they have, indeed, sought to make provision, but for the advancement of intellect and knowledge among the middle class they have made little or none...

The danger is that the Liberal statesmen should again do only what it is easy and natural for them to do, because they have done it so often and so much already - appeal vigorously to the love of political liberty and to the love of trade, and lean mainly upon the opinion of the middle class, as this class now is, and do nothing to make it sounder and better by appealing to the sense, in the body of the community, for intellect and knowledge, and striving to call it forth, and by appealing to the sense for beauty and to the sense for manners; and appealing, moreover, to the sense for expansion more wisely and fruitfully than they do now. But if they do nothing of this kind, and simply return to their old courses, then there will inevitably be, after a while, pressure and stoppage and reproaches and dissatisfaction...

Perhaps Liberal statesmen are beginning to see what they have lost by following too submissively middle-class opinion hitherto, our middle class being such as it is now... Perhaps Lord Derby .. being so able and acute as he is, would never, if he were not in a false position and compelled by it to use unreal language, he would never talk so much to his hearers in the towns of the north about their being 'an intelligent, keen-witted, critical and well-to-do population', but he would reproach them, though kindly, and mildly, for having made St Helens and places like it, and he would exhort them to civilise themselves."

('The Future of Liberalism'. 1880. passim.)

This civilisation of the middle class was to be one of the tasks of the new Liberalism. But the future of Liberalism, as of capitalism, did not lie solely in reforming the attitudes and behaviour of the bourgeoisie. the far greater threat to the future came from the working class itself, and in the attempt to avert this challenge a far more radical stance was to be adopted. If the workers were to be inured against recognising the potential which socialism offered, and if their antagonism was to be reconciled within the new organic vision of capitalism, then they had to be persuaded to see State intervention in social reform as in their own interest, as itself an expression of their frustration and discontent. Liberalism was not only to reproach the bourgeoisie and urge them to civilise themselves, but through identifying itself with the working class it was also at times to threaten and challenge them, or at least certain sections of them, in the name of the workers.⁽¹⁾ This manipulation of the threat of class conflict was of

(1) As Churchill attempted to argue 'The fortunes and the interests of Liberalism and Labour are inseparably interwoven. they rise by the same forces, and in spite of similar obstacles, they face the same enemies.'
('Liberalism and the Social Problem'. 1909. p 71.)

course double-edged on the one hand it was a weapon to be used against the ruling class as a whole in order to persuade them of the necessity for reform, on the other it was a strategy with the potential to undermine and divert working class discontent. As Sidney Webb had argued

"It is now the task of the statesmen to discern the real aspirations of the 'dim inarticulate' multitude, and to guide and interpret these into safely effective political action."

(Op cit. 1890. p 120.)

The radical oratory of the New Liberals was not of course intended to abolish capitalism, but to defend and strengthen it.⁽¹⁾ They were to demand and bring about the intervention of the State, at times in the name of the workers, against the excesses and short-sightedness of the bourgeoisie, but always only in order to secure the continuation of the existing structure of society. As W.S. Adams has described one of their most famous leaders

"Lloyd George simply stood for a policy of reform and concession by the employing class to meet the demands of labour to the extent necessary to avoid social upheaval and to preserve national power. ... In this task revolutionary class oratory, frightening to employers, consoling and diversionary to their workers, played a decisive role."

('Lloyd George and the Labour Movement'. 1953. p 61.)

Or, as Lenin described him.

"A first class bourgeois businessman and master of political cunning, a popular orator, able to make any kind of speech, even revolutionary speeches before Labour audiences, capable of securing fairly consistent sops for the obedient workers in the shape of social reforms .. Lloyd George serves the bourgeoisie splendidly. He serves it precisely among the workers, he transmits his influence to the proletariat, where it is most necessary and most difficult morally to subjugate the masses."

('On Britain'. Qu ibid. p 64.)(11)

In 1906 following the defeat in a general election of the previous Tory government, the Liberal Party under Campbell-Bannerman assumed office. One of its first acts was to appoint John Burns, formerly a member of the

(1) As Churchill argued: "I do not want to see impaired the vigour of competition, but we can do much to mitigate the consequences of failure... We do not want to pull down the structures .. out to spread a net over the abyss... we want to draw a line below which we will not allow persons to live and labour, yet above which they may compete with all the strength of their manhood." ('Liberalism and the Social Problem'. p 82.)

(11) Or as Lloyd George said when asked what future historians would make of him. "I am inclined to think that, if they are interested in me at all, they
/Contd. p 199...

revolutionary Social Democratic Federation, and leader of the dockworkers' Union, to the Presidency of the Local Government Board, with full responsibility for the Poor Law and for the relief of unemployment and distress.

Such action did not come as a surprise to all, as his former colleagues of the Battersea Branch put it - it was "the crowning act and the reward of a whole series of betrayals of the class to which he belonged".⁽¹⁾ Burns had indeed already shown his predisposition for the post

"I am getting tired of working class boots, working class trains, working class houses, and working class margarine. I believe that the time has arrived in the history of the Labour and social movement when we should not be prisoners to class prejudice /sic/, but should consider parties and policies apart from all class legislation."

(Labour Representation Committee. 1900. Qu Horton and Tate 'The British Labour Movement'. p 215.)

The Liberal Party had already demonstrated its willingness to ally itself to the workers' movement, since the 1870s it had entered into a pact with some of the larger and more conservative trade unions, through which it secured them political representation, and which in turn they sought to use to influence and moderate the temper of labour. As one Liberal leader explained in a letter to The Times opposing the running of a separate Liberal candidate against the miners' candidate, Mr Smillie, in an election at N.E. Lanark:

"If the struggle between capital and labour, which seems looming in the distance, is to be averted, the Liberal Party might do worse than drop their red tape officialdom, and in constituencies where the workers are preponderatingly overwhelming, such as in N.E. Lanark, encourage the candidature of men like Mr Smillie. Otherwise, radical electors will be more than ever driven into the most extreme camp... The candidature of Mr Harmondsworth / the Conservative candidate / renders clear and distinct the cleavage and demarcation between capital and labour; and if the policy be generally persisted in without due consideration to local circumstances, the old restraining force of moderate Liberalism will disappear. We shall be grouped into two great camps - capital and labour - a prospect to which no true Liberal can look forward with equanimity."

(A. Murray, later Lord Elibank. Qu Th. Rothstein 'From Chartism to Labourism'. 1926. p 289.)

/Contd from p 198...

will be interested because, in the first country to be highly industrialised, I did something to mollify class conflict."

(Qu B. Semmel 'Imperialism and Social Reform'. 1960. p 227.)

(1) Qu K.D. Brown 'Labour and Unemployment'. 1971. p 70.

Liberal attempts to contain working class politics were, however, fast losing ground repeated offensives by employers since the 1890s against wages and trade union organisation, culminating in the Taff Vale decision of 1901, and the continuing problems of poverty and unemployment, had served to bring the socialist movements, trade union organisations, and the trade councils together in opposition to dependence on Liberal politics and in recognition of the need for independent working class political organisation.⁽¹⁾ The election of 1906 saw the return, from an electorate that was still confined to less than 20% of the adult population, of twenty nine members of Parliament, not as previously under the wing of the Liberals, but as a distinct and separate Labour Party.

The arrival of a political party claiming to represent the interests of the working class was sufficient to fill the ruling class, including many 'moderate' Liberals, with alarm.⁽¹¹⁾ It raised the prospect that the enfranchised working class would simply gain control of the machinery of State, and use it to attack property and privilege and destroy the basis of capitalism. Not all sections of the ruling class, however, viewed the advent of the Labour Party with such hysteria. As the Independent Review, the magazine of the small but growing 'radical wing' of the Liberal Party put it:

"we heartily welcome the new Labour Party which is now to make its first bow to the House of Commons... It will be a gain to the cause of social reform, since no pressure from within the Liberal Party could prove so strong as the appearance of the Labour Party... we cannot suppress a smile when noticing the alarm caused in a section of our press by the victory of the workers. The latter are asserting that the rich are now confronted with grave peril... we hold a different opinion. Probably no less than twenty three of the twenty nine new L.P.s will call themselves socialists. But their socialism is rather an ideal, a point of view, than a programme of action. We are well aware that, in practice, these people will meet with opposition on the part of some Liberals .. but as far as we can foresee at present, we are convinced that we shall never have occasion to differ."

(Qu Rothstein op cit. p 289.)

The direction of the working class into Parliamentary politics had throughout the nineteenth century been a carefully orchestrated process.⁽¹¹¹⁾

(1) Cf Morton and Tate 'The British Labour Movement'. esp. Ch VII.

(11) As Keir Hardie recognised "when landlords are fighting for their class, when brewers are fighting for their class, when colliery owners are fighting for their class - and we see these things in the House of Commons every session that is all right and proper but when a Labour Party goes there to fight for the rights of the poor, they become rebels"
(Qu E. Hughes 'Keir Hardie'. 1950.)

(111) Cf H.F. Moorhouse 'The Political Incorporation of the British Working

It was not simply a matter, as had been the case in the Reform Acts of 1867 and 1884, of carefully extending the vote to the minority of the skilled labour 'elite', for it also involved the promotion of a belief that Parliamentary action was the only legitimate form of politics, and that reforms could be achieved and problems solved through such action, while the fundamental structure of inequality and power, the existing relations of wealth and property, remained untouched. Fulfilling what the Co-operative movement had prophesied in the 1840s as "the next great popular fallacy that will be started, and hunted down by the combined energies of the middle and working classes"⁽¹⁾ the extension of the franchise had certainly been undertaken reluctantly and with caution but this "delicate experiment", as Bagehot described it,⁽¹¹⁾ had not been undertaken blindly. The threat in giving the property-less the vote was certainly less than the threat of revolution, and it introduced them into a system in which the rules of the game had already long been laid down and established.⁽¹¹¹⁾

The Labour Party which announced its formation in 1906 was not representative of the working class as a whole, the majority of whom had anyway no say in elections. Formed through an alliance of socialist groups and trade unions, it was split by those trade unionists who saw the greater benefit in continuing their pact with the Liberals, by groups such as the Co-operative and Friendly Societies who continued to distrust the lure of Parliamentary reform, and by organisations such as the S.D.F. which was to break from the Labour Party and argue for a much more direct attack of labour on capital. Above all, it was, like many of the older and more established trade unions, dominated by a leadership which sought to disassociate itself from the bulk of the unskilled and unorganised, which rejected the view of the interests of capital and labour as irreconcilable and in conflict, and which saw itself as representing a 'national interest'.^(1v)

(i) Qu B. Young, Johns 'Co-operation and the State'. p 33.

(11) Introduction to 'The English Constitution'. Du Moorhouse op cit. p 353.

(111) For a sense in which the traditions and formalities of Parliamentary routine militate against working class expression see Aneurin Bevan 'In Place of Fear'. 1952. Ch 1.

(1v) As Ramsay MacDonald put it, the Labour Party would "never willingly touch a slum population, or one that has shown no signs of intelligent initiative, like trade unionism and co-operation."

(Qu C. Jones 'The Reserve Army of Labour'. 1975. p 34.)

According to Ramsay MacDonald.

"The future of the Labour Party is to be determined by its success in making its principles clear to itself and the country. If it narrows itself to a class movement, or a trade movement, or a manual workers movement .. it will weaken and finally disappear... These conclusions are reached, not by a process of economic reasoning or of working class experience. They rest upon conceptions of right and wrong common to all classes."

(Qu Rothstein op cit. p 290.)

That unemployment, poverty and destitution could be fought, not on the basis of 'economic reasoning', nor even on 'working class experience', but on 'conceptions of right and wrong' - conceptions which above all were held to be common to all classes - was a view which fundamentally mistook and ignored its reality, and which has ever since made the Labour Party a force not of opposition to capitalism, but of its reform and reconstruction. It was a stance which, as MacDonald's defection to a National Government over the issue of unemployment in 1931 was to reveal, was to provoke much dissent and conflict within, and apathy towards, the Labour Party itself, and which more immediately was to surface over the leadership's apparent inactivity over the problem of unemployment.

The belief that the new Liberal government, backed by the Labour Party, would rapidly concern itself with finding a solution to the crisis of unemployment was soon shaken when in its first year of office it did nothing other than extend the provision of the Unemployed Workman Act. Mounting extra-Parliamentary pressure was however building up on the Labour Party to force more decisive action, and in 1907 it agreed to submit a 'Right to Work' Bill to the Commons, embodying the principle that all unemployed workers should be provided with work immediately, or with full and adequate maintenance.

The right to work

It remains a revealing irony of social security provision in this and all other capitalist countries that while both in the conditions imposed in the granting of relief, and in the views of those responsible for their formulation, the working class is seen as essentially 'work-shy', and that therefore penalties have to be built in to legislation to avoid 'malingering', the one sustained, and as yet unachieved, demand of the working class has been precisely the right to be provided with the opportunity to work. This apparent contradiction tells us a great deal about the nature

of social security and its relationship to unemployment.

As we have seen, unemployment is both an essential product and the precondition for the production of wealth on a capitalist basis, or as Charles Booth had argued 'Our modern system of industry will not work without some unemployed margin, some reserve of labour'. This reserve allows for the continual expansion and contraction of production and for the fluctuating demand for labour, while it enables wages to be held relatively stable; unemployment also acts as a disciplinary force - as an 'incentive to industry' - exerted by the threat of unemployment on those in work, and on the unemployed through its resulting poverty and destitution. It is this disciplinary nature of unemployment which made it "absolutely necessary in the public interest to leave attached in all its forces to the individual workman".⁽¹⁾ Or as Beveridge argued

"To give the individual a State guarantee against unemployment is .. undoubtedly to condone inferiority and to weaken the incentive to industry."

(Beveridge 1909. p 195.)

The demand for the 'right to work', or full and non-stigmatised maintenance, is a direct challenge to this process. The experience of the post-war years has demonstrated that the attempt to maintain even only relatively full employment has resulted in crises of profitability, of competitiveness, and inflation. The claim that all should be allowed to work is one that is incompatible with a capitalist organisation of production, with competition, and with the private ownership of wealth and property. It is a claim which was rejected by the Liberal government, and has been by subsequent governments. As Churchill argued

"Nothing in what I wrote was intended to suggest I was in favour of the 'Right to Work' Bill. On the contrary, I have always voted and spoken against it... Between advocating a continuous effort by the State to mitigate and average the extraordinary fluctuations in employment which are the result of world wide trade, on the one hand, and affirming the right of every person to be provided with State employment in the last resort there is a great gulf fixed, which I have never had the slightest intention of bridging."

(Qu in R S. Churchill 'Winston S. Churchill'. 1969. p 1045.)

The rejection of the Right to Work Bill by Parliament was only further to incense working class protest. Moreover, the Labour Party, having attempted to introduce the Bill, now fell back into inactivity, uneager to oppose the Liberal Party and risk a further general election. But already the

(1) H. Llewellyn-Smith 'Economic Security and Unemployment Insurance'. 1911. p 518.

parliamentary Labour Party was beginning to be outflanked by more radical movements within the working class not only were repeated demonstrations and processions in favour of the bill widespread, but in two bye-elections in 1907 Independent Labour Party members in Jarrow secured the return of their own candidate against the agreement and protests of the Liberals, while in Colne in Lancashire an independent socialist, Victor Crayson, was returned in opposition not only to the Liberals but also to the established Labour Party itself.

Evidence of this increasingly radical shift within the working class was to provoke acute anxiety within the government. Following the two bye-elections, Sidney Buxton went to see John Burns at the Local Government Board to discuss the state of unemployment, but as he reported he was able to "extract nothing, except that 'all is going well', which it is not".⁽¹⁾ What was more, the government's inactivity was already beginning to lead to dissension within its own ranks. On a further reading of the Bill 116 Liberal M.P.s gave it their support.

The need to do something about unemployment was growing, even urgent, but as yet no substantial scheme of reform had been worked out.

Imperialism

Unemployment, as we have seen, is in part a problem of economic efficiency - a threat to industrial competitiveness and to the defence and expansion of Britain's Empire - but economics and politics are never clearly distinct. The threat to British imperialism, to the cornering of a share in the shrinking arena of world markets against foreign competition, did not come only from an impoverished and demoralised industrial and military army; as Jermel has argued:

"The main body of English socialism was not Marxist, but it was internationalist... The suspicion that the growing socialist working class would prove untrustworthy in an international conflict was widespread among the middle class."

('Imperialism and Social Reform'. p 22.)

An awareness of impending conflict, especially with Germany, had since the beginning of the century seen the proposals of social reform not only as a solution to the problems of industrial and military inefficiency, but also as a means of securing working class support for imperial expansion and of overcoming an unwillingness to fight other workers in defence of

(1) Qu A.D. Brown 'The Labour Party and the Unemployment Question'. 1971. p 603.

British capitalism.⁽¹⁾ One problem for the British bourgeoisie, in contrast to their more unified and aggressive competitors, was that they were themselves divided over the issue of imperialism.

Divisions within the ruling class - whether between the interests of landowners or manufacturers, small and large-scale capital, or financiers and industrialists - are a constant source of tension, conflict, and development. The Great Depression had revealed one such split out of it the power of the City of London, of British finance capital, was to emerge relatively unscathed to maintain its dominance as the world's leading banker and financier. British industry, on the other hand, and especially those newer forms of industry in which Germany, Japan, and the United States were to excel, found itself in a much weaker position surrounded by tariff barriers barring the way of exports to the industrialised world, and unable to maintain the investment and profitability of its competitors.⁽¹¹⁾

It was in response to this situation that a group of industrialists, led by Joseph Chamberlain the Birmingham screw manufacturer who was to shift from the Liberal to the Tory Party, formed a movement for Tariff Reform.⁽¹²⁾ They demanded that Britain too should erect import controls against foreign goods, and establish a system of imperial preference for British exports within the colonial empire. The City of London, on the other hand, thought otherwise; together with those industries such as cotton which depended on the import of its raw materials, they wished to maintain a system of free trade, to invest throughout the world, and to reap the profits of exported capital. Throughout the opening years of the century these two factions were to wage major campaigns in order to secure the support of the working class to their differing forms of imperialism.⁽¹³⁾

(1) Cf Semmel op cit. and J Brauntal 'History of the International' 1967. As a manifesto of the Independent Labour Party issued at the outbreak of the first world war proclaimed "Out of the darkness and the depth we hail our working-class comrades of every land. Across the roar of guns, we send sympathy and greetings to the German socialists... They are no enemies of ours, but faithful friends." (Ibid p 29.)

(11) See p 131/3 above.

(12) The movement comprised representatives in the main from the iron, steel, building materials, and glass industries. Between 1909 and 1910 over 53 million leaflets, pamphlets and posters were distributed in their behalf. (Semmel p 113.)

(13) "The bourgeoisie finds itself involved in a constant battle. At first with the aristocracy, later on with those portions of the bourgeoisie itself whose interests have become antagonistic to the progress of industry; at all times, with the bourgeoisie of foreign countries. In all these battles it sees itself compelled to appeal to the proletariat, to ask for its help, and thus, to drag it into the political arena."

(Marx & Engels 'Manifesto of the Communist Party'. In 'Selected Works'. p 43.)

Like the Common market, the advocates of Tariff Reform promised a secure outlet for the products of British industry, while Free Trade offered cheaper food. Both promised greater employment as the owner of one not unknown national newspaper recalled

"Joseph Chamberlain said to me one day 'If you can only make working men understand that tariffs will give them more work, you will have done the trick'. I then invented the famous slogan 'Tariff Reform means work for all'. We flaunted it day after day, week and week, on the front page of the Daily Express."

(Qu Semmel op cit. p 112.)

The Tory Party was the party of Free Trade, finance capital, on the other hand, had other allies, as Lloyd George spoke of Lord Rothschild to an audience in the Queen's Hall in 1910:

"You dare not mention this great potentate on a Liberal platform except in the language of idolatory."

('The Problem of Unemployment'. p 9.)

The Liberal Party was the party of Free Trade, according to Lloyd George again.

"We are a country that depends more upon its international trade than any other country in the world... We carry for the whole world, and if we destroy our carrying trade we destroy our whole business. We cannot compare this country with Germany (i.e. protectionism). We are the carriers of the world, the bankers of the world. We are the merchants of the world."

(Ibid p 8.)

Faced with the need to appeal to a working class electorate, however, it was not sufficient merely to recall Britain's financial prowess. As the Liberal newspaper the Daily News warned:

"The only conceivable and lasting destroyer of the policy of Mr Chamberlain is an alert and determined policy of social reform."

(Qu J. Harris 'Unemployment and Politics'. p 212.)

Liberal Free Trade already had a basis of support within the working class, in part as a result of its belief in internationalism, but also for its promise of cheaper food. As Churchill argued with that radical oratory that typified the new Liberalism, Tariff Reformers

"have declared that they will immediately proceed to put a tax on bread, a tax on meat, a tax on timber, and an innumerable schedule of taxes on all manufactured articles imported into the United Kingdom, that is to say, that they will rake by all these taxes a large sum from the pockets of the wage-earners .. and that a great part of this large sum of money will be divided

between the landlords and the manufacturers in the shape of increased profits."

('Liberalism and the Social Problem'. p 230.)

Or as Lloyd George put it

"If unemployment comes here it comes at any rate where food is cheaper, if it comes to protectionist countries, it comes where food is dearest and most inaccessible to the workingman."

('The Problem of Unemployment'. 1910. p 7.)

Not only was "protectionism .. bringing black bread to Germany",⁽¹⁾ but the advocates of Free Trade could point to similarly high levels of unemployment in both Germany and the United States as evidence that tariff barriers were no solution to the problem of unemployment. Free Trade on the other hand, or so it was argued, was essential to British jobs

"We have heard a good deal about capital being exported abroad, you have heard of capital being exported abroad, but you have not seen capital exported abroad yet but that it comes back in orders for British goods... If we do anything to impair our foreign trade we lose business, and how is that going to cure the problem of unemployment?"

(Ibid p 4 & 9.)⁽¹¹⁾

The promise of social reform and an end to unemployment were the means by which these two competing factions of capital appealed for working class support in their policies of imperialism.⁽¹¹¹⁾ While Tariff Reformers

(1) D. Lloyd George op cit. 1910. p 16.

(11) "The present and the future prosperity of our British industries, the employment of our workers, the consumption of the nation, are firmly founded on this broad basis of international investment and commerce, and any attempt by artificial interference of law to limit or fetter this freedom of investment would sap the very foundation of our national industry."

(J.A. Hobson 'Do Foreign Investments Benefit the Working Classes?' 1909. p 29. But cf.. "Aggressive imperialism which costs the taxpayer so dear, which is of so little value to the manufacturer and trader is a source of great gain to the investor." (Hobson qu Lenin 'Imperialism..'. p 120.)

(111) It is perhaps interesting in this light to reflect on the shifting nature of policy within the Labour Party. It was precisely over the protection of 'native' industry and opposition to finance capital that Roseley, previously on the left wing of the Labour Party, was to leave to form the British Union of Fascists (cf Semmel Ch XIII and the similarities with German 'National Socialism'). Since then, although with the increased concentration and monopolisation of capital the distinction between finance and industrial capital has become less marked, it has become an increasing part of Labour Party policy to threaten finance capital, with proposed nationalisation of the banks and insurance companies, while it encourages domestic industry on the grounds of protecting and securing working class jobs.

and the Tory Party however could point to tax revenues from tariffs as a means of financing reform, the Liberals were in a less clear position. As Asquith warned

"If it could not be proved that social reform (not socialism) can be financed on Free Trade lines a return to protectionism is a moral certainty."

(Qu Harris 'Unemployment and Politics'. p 270.)

The finance of social reform was in itself a problem it was recognised that the working class could not afford to bear alone the cost of old age pensions or of provision against unemployment. If the Liberal Party was to live up to the promise, and the necessity, of reform, some form of finance had to be found, for this they proposed to tax the bourgeoisie themselves. As Haldane told Asquith

"We should boldly take our stand on the facts and proclaim the policy of taking, mainly by direct taxation, such toll from the increase and growth of wealth as will enable us to provide for .. the increasing cost of social reform."

(Ibid.)

The taxation of wealth was indeed a bold proposition for a ruling party to make, but then the new breed of Liberals were not noted for their temerity. It was a proposition that was certainly to provoke conflict within the ruling class; in particular, the proposed taxation of land in Lloyd George's budget, and its rejection by the House of Lords, was to create a constitutional crisis in a rare display of ruling class infighting. But 'the landed interest' - the backbone of British capitalism until the beginning of the nineteenth century - was no longer the force it once was, and the Liberals were able to drive a wedge between it and the rest of the ruling class.⁽¹⁾ Moreover, the proposal to tax wealth, while a radical proposition, was itself a necessary response to a radical situation and challenge; as Haldane argued.

"The more boldly such a proposition is put the more attractive I think it will prove. It will commend itself to many timid people as a bulwark against the rationalisation of wealth."

(Ibid.)

(1) As Churchill argued "The unearned increment derived from land arises from a wholly sterile process, from the mere withholding of a commodity which is needed by the community... The investor in a block of shares does not withhold from the community what the community needs. The one operation is an restraint of trade and in conflict with the general interest, and the other is part of a natural and healthy process by which the economic plant of the world is nourished and from year to year successfully and notably increased." ('Liberalism and the Social Problem'. p 279.)

It was the threat of socialism, the threat not merely to efficiency but to the entire existence of capitalism, the private ownership of public property, and to the State, which above all else was to make social reform - the organisation and change of tactics of the ruling class, even against their immediate interests and protest - a matter of political necessity. The minority of the population who then, as now, owned the wealth of the country could afford it; as Churchill pointed out, in the previous ten years the income tax assessments of the rich had increased by £109 million, the wages of the entire working class by only £10 million

"You have therefore to choose between taking the millions which are needed for the defence of the realm and the social advance of the people from this great fund of capital, which has increased among its possessors to the extent of, on the average, £100 per head per year, on the one hand, or by going to the £1 per head which in the same period is all that has been secured by the wage earners."

('The People's Budget'. 1909. p 74.)

Moreover, it was they who stood to benefit most from its expenditure on social reform.

"The chief burden of the increase of taxation is placed upon the main body of the wealthy classes... That class has more to gain than any other class of his Majesty's subjects from dwelling amidst a healthy and contented people."

(Churchill 'Liberalism and the Social Problem'. p 291.)

Socialism and Social Reform

Contentment was not a word that could be used to describe the feelings and condition of the majority of the population in Britain at the end of the first decade of the twentieth century. With thirty years' experience of depression, of alternate boom and slump, of falling wages, of periodic, and for some a lifetime of unemployment and destitution, and faced with an apparent inability or unwillingness of one of the richest nations on earth to do anything about it, the working class not unnaturally viewed the promise of social reform with a certain incredulity. Socialism, on the other hand, offered an alternative solution, and as disillusionment, hostility, and desperation had grown, so the conditions of poverty and unemployment had come to be seen as in themselves a breeding-ground for such a challenge.

It was in response to this situation that 'progressive' and radical reformers had come to see the necessity of social reform - of a reform which not only denied fears of the demoralising consequences of State intervention, but which had as its prime focus and purpose the intervention and promotion of the State as the only practicable means of securing harmony and overcoming working class hostility and conflict. As Sidney Webb saw it

"It seems desirable to promote in every way the feeling that 'the Government' is no entity outside of ourselves, but merely ourselves organised for collective purposes. Regarding the State as a vast benefit society, of which the whole body of citizens are necessarily members."

('The Reform of the Poor Law'. 1890. p 104.)⁽¹⁾

Or as Winston Churchill argued, there had to be "- at a low level - a sort of Germanized network of State intervention and regulation"⁽¹¹⁾

Germany was of course a prime case in point. Britain's most threatening industrial and military competitor had also its own 'social problem' the home of Marx and Engels, and of Rosa Luxemburg, had also the most organised and revolutionary working class movement in Europe, and also the most sophisticated forms of defence. As the German Emperor argued in a speech to the Reichstag in 1881, referring back to the Anti-Socialist Law of 1878

"A remedy cannot alone be sought in the repression of Socialistic excesses; there must be simultaneously the positive advancement of the welfare of the working classes. And here the care of those workpeople who are incapable of earning their livelihood is of the first importance."

(Qu W H. Dawson 'Bismarck and State Socialism'. 1891. p 110.)

By 1889 Germany was to have established schemes for sickness, accident, and old age insurance, and was to become the mecca of British social reformers, who returned to report on and marvel at its greater industrial and military

(1) Webb was not the first, nor the last, to see the problem and its solution in this way. As the nineteenth century political economist J.S. Mill had argued. "A State ought to be considered a great benefit society or mutual insurance company for helping that large proportion of its members that cannot help themselves."

('Dissertations'. Qu Kirkman-Crey 'Philanthropy and the State'. p 321.) Or as the Conservative Party was later to see it "The social services are no longer even in theory a form of poor relief. They are a co-operative system of mutual aid and self help provided by the whole nation and designed to give all a basic minimum."

('The Right Road for Britain'. 1949. Qu Lisa Briggs 'The Welfare State in Historical Perspective'. 1961. p 227.)

(11) Qu B. Gilbert 'Winston Churchill versus the Webbs'. 1966. p 852.

efficiency, and the political acumen of its actions.⁽¹⁾ As one observer put it

"It is not enough for the social thinker in this country to meet the socialist with a negative. The English progressive will be wise if, in this at any rate, he takes a leaf from the book of Bismarck, who dealt the heaviest blow against German socialism not by his laws of oppression .. but by that great system of State insurance which now safeguards the German worker at almost every point in his industrial career."

(Harold Spender. Qu B. Gilbert 'The Evolution of National Insurance..'. 1966. p 257.)

Progressive reformers recognised that while the threat of socialism could perhaps be defeated through its repression, it could also with care perhaps be outflanked, and that this was indeed the wiser course, for as one admitted "those who are reformers cannot fail to recognise that the Socialists are touching a real grievance"⁽¹¹⁾ There were of course those who still maintained that the State's involvement in social reform would "weaken the stand which the community should take against socialism"⁽¹¹¹⁾ but as another pointed out.

"The equalising institutions of Socialism stand quite apart from the very restricted use of State management and the remedial or invigorating legislation that a sound social policy prescribes."

(J. Rae 'State Socialism and Social Reform'. 1890. p 447.)

Recognising that there was "a wide interval between rational social reform through legislation and socialism"^(1v) 'rational' social reformers were to urge the extension of legislative reform as a means of undermining the socialist movement. Of course, as now, the more conservative members of the ruling class were to denounce this activity as itself 'socialistic', but

(1) For an account of these frequent visits of inspection to Germany, in the memoirs of a leading contemporary civil servant, see H.J. Braithwaite 'Lloyd George's Ambulance Wagon'. 1957. Churchill was even to persuade a T.U.C. delegation to go and study the German insurance scheme the leader of this party, then Chairman of the T.U.C., David Shackleton, was later to become the first permanent secretary to the Ministry of Labour.

This process of 'learning from abroad' was of course new, nor confined to Britain. The Tsar of Russia had made frequent attempts to persuade Robert Owen, whose attempts to 'regenerate' the working class had caught his attention, to settle in Russia. (Markham-Grey 1900. p 7.)

(11) A. Arnold 'Socialism and the Unemployed' 1888. p 566.

(111) F.W. Lewis 'State Insurance a Social and Industrial Need'. 1909. p 39.

(1v) Ibid.

the label of 'socialist' was one which progressive reformers were willing, if not eager, to accept. As Haldane put it

"If by socialism be meant the recognition that the time for reconstruction has come, and that the State must actively interfere in the process, then it is true that we are all Socialists."

(Qu Freedan 'English Liberal Thought..'. 1972. p 7.)₍₁₎

Ruling class 'socialism' was thus to be used in the battle against the socialism of the working class. There was a difference, as Marx and Engels explained.

"This socialism sought to deprecate every revolutionary movement in the eyes of the working class, by showing that no mere political reform, but only a change in the material condition of existence, in economical relations, could be of any advantage to them. By changes in the material conditions of existence, this form of socialism, however, by no means understands abolition of the bourgeois relations of production .. but administrative reforms, based on the continued existence of these relations, reforms, therefore, that in no respect affect the relations between capital and labour, but, at the best, lessen the cost, and simplify the administrative work, of bourgeois government."

('Manifesto of the Communist Party'. In 'Selected works'. p 50.)

Or as one reformer confirmed.

"If we are all socialists now, as is so often said, it is not because we have undergone any change of principles of social legislation, but only a public awakening to our social miseries ... We are all socialists now, only in feeling as much interest in these grievances as the Socialists are in the habit of doing, but we have not departed from our old lines of social policy, for they are broad enough to satisfy every claim of sound Social Reform "

(J. Rae 'State Socialism and Social Reform'. 1890. p 439.)₍₁₁₎

State Socialism does not of course seek to abolish existing social relations, to get at the root cause of poverty and unemployment, but rather to stave off the challenge to those relations and to strengthen

(1) "We are all socialists in the sense that our aim is the improvement of society. But there are socialists and socialists... The socialists with a big 'S' .. have proved immensely serviceable to the more rational body of reformers by forcing inquiry upon sluggish minds."
(Arnold 'Socialism and the Unemployed'. p 560.)

(11) "The landlords, the capitalists, the philanthropists are 'all socialists' just as long as socialists are content to tinker up the worst holes in the social edifice, they will organise against socialism the moment their possessions are in danger."
(Justice 18.1.1890.)

and consolidate the existing structure of society as Charles Booth saw it

"Our individualism fails because our socialism is incomplete. In taking charge of the lives of the incapable, State socialism finds its proper work... The individualist system breaks down as things are, and is invaded on every side by Socialistic innovations, but its hardy doctrines would have a far better chance in a society purged of those who cannot stand alone. Thorough interference on the part of the State with the lives of a small fraction of the population would tend to make it possible, ultimately, to dispense with any socialistic interference in the lives of the rest."

('Life and Labour..'. 1904. I. p 167.)

The promotion of social reform as 'socialism' has long been a major diversionary theme in the politics of social policy, and remains an important point of ideological dispute between the present major political parties. Social reform is not, of course, socialism,⁽¹⁾ but its promotion as such reflects the need, as The Speaker put it in 1893, to 'assimilate Socialism. if 'liberalism' is not to become a mere shibboleth .. we must take from Socialism what is good and reject what is bad or doubtful".⁽¹¹⁾ Or as Marx and Engels put it.

"The Socialistic bourgeois want all the advantages of modern social conditions without the struggles and dangers necessarily resulting therefrom. They desire the existing state of society minus its revolutionary and disintegrating elements."

('Manifesto of the Communist Party'. In 'Selected works'. p 59.)

Liberalism's attempt to assimilate working class socialism to the cause of social reform had its major allies in the Labour Party and in the State Socialism of the Fabian Society,⁽¹¹¹⁾ but its desire to harness and

(1) Or as Balfour put it: "Social legislation, as I conceive it, is not merely to be distinguished from socialist legislation but it is its most direct opposite and its most effective antidote. Socialism will never get possession of the great body of public opinion .. among the working class or any other class if those who wield the collective forces of the community show themselves desirous to ameliorate every legitimate grievance and to put society upon a proper and more solid basis.'
(1895. Qu E. Halevy 'Philosophic radicals'. 1951. p 231.)

(11) Qu Freedan op cit. p 46.

(111) As the Fabian H.G. Wells argued in an open letter to Churchill "You may not have been a socialist, but you will have come to realise how much is just in the socialist cause, how much is fine and possible in its proposals. You desire the development of a constructive State which shall exist for all men and be served by all men, the establishment of a wider security and

contain working class dissent had also to confront the ingrained and deep-rooted mistrust and hostility towards capitalism and its State that had developed out of working class experience. For as George Holyoake the Co-operative movement leader reminded them "State Socialism means the promise of a dinner, and a bullet when you clamour for it"⁽¹⁾

If social reform was to hope to reconcile class conflict, then it had also to win over a substantial working class support for social reform.

Social Reform and the Working Class

Social reform is the product of class struggle; but this does not necessarily mean that social reform reflects immediate working class demands and pressure.⁽¹¹⁾ Certainly, reform has rarely been granted without such pressure - it is not on the whole something which the ruling class has undertaken willingly and without being forced to - but in the major periods of development, social reform has been not so much a concession to specific demands as a response to a situation which threatened far more radical developments. It is a response on the part of the bourgeoisie which seeks to ameliorate existing conditions in order to prevent their

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comfort and of a definite minimum of welfare below which no one shall be allowed to fall... We fully realise that the organised State of the future must be made out of such elements of order and progress as exist today. We aim at no sudden revolution, no dramatic replacement of class by class. We work steadily to increase the proportion of Labour representation in Parliament and diminish the power of narrow, anti-social and demoralising propertied interests, but we recognise and welcome the co-operation of all men of good intent. The political system of tomorrow must develop, we are fully persuaded, out of the traditions of the governing class of today." (Qu R.S. Churchill. 1909. p 778/9.)

(1) 'The New Principle of Industry'. p 510.

(11) As, for example, John Saville has argued, "It is not the abstract calculations of enlightened self-interest on the part of the great employer, or the vigorous consciences of middle class humanitarians, that can account for the central direction and movement of social change, this is explainable only in terms of the continuous exertions of the working people to better their position in society. Social reform is the product of class struggle... In the last resort the determining factor in the evolution of the welfare State will be the degree of organisation, and the determination to insist upon change, on the part of the working people themselves." ('The welfare State..'. 1957. p 9.)

overthrow, or as one Liberal reformer saw it

"The present movement for social reform springs from above rather than below. The cry for an eight hours bill, for further factory legislation, for improvement of sanitation, for the increase of allotments and small-holdings, for the re-adjustment of the incidence of taxation, for old age pensions, is less the spontaneous demand of the working classes than the tactical inducement of the political strategist."

(L.A. Atherley-Jones 'Liberalism and Social Reform: A Warning'. 1893. p 629.)

The success of social reform as an alternative to more fundamental revolutionary changes in society depends upon its ability to reflect, guide, and contain at least a section of working class aspirations and opinion. At the beginning of this century there was, as we shall see, a current of opinion within the working class that was amenable to such an inducement, that was prepared to fight along with social reformers for social amelioration; but on the whole, and even then, many workers were critical of social reform.⁽¹⁾ Firstly, there were those who saw through its piecemeal alterations

"First, the normal working day of eight hours. We, as Socialists, of course condemn long hours, but the essential thing we condemn is the capitalist making a profit out of our labour at all. As long as this is done the hours of labour will really be regulated in the interest of the capitalist, not in that of the community. It is the whole wages system that we contend against. Again, if the children are entitled to one free meal, they are entitled to all their meals free. We hold that they should be fed, clothed, sheltered and educated free by the community... Lastly, as to cumulative taxes on large incomes. Under a proper system of society we should have no large incomes. It is possible that the governing classes will make a show of legislating in the direction of these palliatives; their doing so would certainly put off the revolution which we aim at. True Socialists, therefore, should not take up such catch cries."

(Joseph Lane 'The Commonwealth'. 1885. Qu D. Thompson 'The Welfare State'. 1957. p 126.)

Even the ruling class recognised that social reforms, as the Liberal prime minister described the Workmen's Compensation Bill and the Trades

(1) According to Henry Pelling "The extension of the power of the State at the beginning of this century which is generally regarded as having laid the basis of the welfare state, was by no means welcomed by members of the working class, was indeed undertaken over the critical hostility of many of them, perhaps of most of them."
('The Working Class and the Origins of the Welfare State'. 1968 p 2.)

Disputes act, were "sops for labour"⁽¹⁾ but they were sops which even then were difficult to refuse. Debilitating poverty was as much a problem for the building of a socialist movement as it was for national efficiency, and the principle of opposition to reform as a mere palliative which diverted energy and organisation away from the socialist movement was to be a continuing source of conflict and debate within revolutionary groups.

Principled opposition to State-sponsored reform of capitalism was not, however, confined to organisations such as the S.D.F.. It arose also, as we have seen, out of the ideology and practice of working class self-help. Although not revolutionary in its methods, the Co-operative movement and a number of friendly societies were radical in their critique of capitalism and in their opposition to the State. As Thomas Hughes argued in his inaugural address as president of the Co-operative movement in 1872

"We cannot repudiate the name 'socialist' in so far as it implies a belief that all human society is intended to be organised and will not be in its true condition until it is organised from top to bottom, but we have never looked to the state to do this for us."

(Qu Youngjohns op cit. p 49.)

Of course the continuing subversion of socialism by its use to describe social reform itself weakens the socialist movement proper and serves to create confusion and divide working class opposition, in the same way that socialists castigated the self-help movement, perhaps correctly for its limitations, but also for what it saw as their adoption of 'bourgeois values', so many workers reject socialism for what they see as its identification with State control and regulation, although fundamentally they may share a common purpose. Thus as George Holyoake saw it

"Co-operation and socialism have the common aim of improving the fortunes of labour, but there the similarity ends; they proceed not only by different methods, but upon different principles. Their methods differ in this - co-operation proceeds by self-help, and socialism by the method of State help. They differ more deeply than that, for co-operation seeks to supersede competition, and socialism merely seeks to equalise its weapons, so that the war can be carried on with greater advantage."

(1890 Co-operative Congress. Qu Youngjohns op cit. p 56/7.)

(1) Campbell-Bannerman. 1906. Qu B. Gilbert op cit. 1964. p 562.

Finally there was that movement within the working class - 'socialist' or not - which argued that social reform should be accepted, who believed that real and substantial gains could be made, and who criticised opposition as divisive and impractical. It was to this section in particular that social reformers were to direct their patronage and encouragement. As the National Committee of Organised Labour for the Promotion of Old Age Pensions - founded by Booth, and funded largely by the Cadbury and Rowntree families - argued:

"A united demand for old age pensions on the part of organised labour would bring legislation at once... This is our own fault. We have cared more for political sects than for political principles. These things have ever been a disintegrating force in English social life and the classes who govern us have laughed at the men who with great principles to fight for and good machinery at their command have yet by reasons of sluggishness or lack of common purpose, contentedly endured the government of those who have neither knowledge of or sympathy with their ideas. The true aim for the labour movement at this juncture is to concentrate its energies on certain leading ideas rather than dissipate them in pursuit of far-reaching theories which may indeed be realised in the coming centuries but which do not belong to the work that lies nearest to hand."

(4th Annual Report. by Pat Thane 'The Working Class and the Origins of the 'Welfare State''. n.d.)

Not all those who agreed to fight for and accept reform rejected 'far-reaching theories', or saw them as irrelevant to the immediate situation. As the Liverpool Trades Council argued;

"Most of the council didn't like it at all... But when we saw the starvation and misery existing in our midst through lack of employment we considered it our duty to help and find some method of easing the suffering of our contemporaries."

(Annual Report. 1894. *qu* *ibid*.)

This was the great dilemma facing those who opposed social reform in principle, and who sought a much more fundamental transformation of society. For in practice social reform appeared to offer immediate and tangible benefits, while the creation of a socialist society required in part an act of faith, and a willingness to reject immediate reform and to struggle. It is this immediacy of partial reform that has remained the stumbling-block of working class opposition.⁽¹⁾ As George Lansbury explained

(1) As it was with the post-war reconstruction of the Beveridge Report in 1944. Thus according to Barbara Wootton "Somebody on the Left is sure to be saying that the Beveridge Report is only tinkering with the broiler, and that we should not be distracted by trivial piecemeal reform, but should

"The men and women and children who were suffering belonged to the toiling millions of the land, it was the children of the workers, the fathers and mothers of the workers who suffered. Trade Unionists and Socialists might tell them of the better time that was to be, but he wanted the Conference to say that these victims of society should have a better time now and not wait for the millenium."

(Independent Labour Party conference Report 'The Abolition of Destitution and Unemployment'. 1910. p 9.)

It was this problem, and the inability of working class self-help to deal with it alone, that was eventually to bring support from within the labour movement for social reform,⁽¹⁾ but not until it had created a major rift not only within organisations such as the S.D.F. in 1903, but also within all the other major socialist organisations in Europe. Many who came to accept its inevitability recognised, as bourgeois social reformers had hoped, that it would undermine pressure for a more radical transformation, but there were also those who saw social reform as an end in itself, who believed and argued that socialism could be created through a gradual process of amelioration, that the problems of poverty and unemployment could be solved through legislation and State action. As events proved, and others had warned, they were wrong. Poverty and unemployment are the inevitable consequences of the capitalist organisation of society, they cannot be abolished merely by attempting to extend the power and regulations of the State, but only as we shall see through challenging the very basis of wage labour and the private ownership of the means of production on which both capitalism and the State depend.

This embracing of 'reformism' by an influential section of the working class that has continued to find its main expression in the Labour Party was, however, to give social reformers their lead. As Atherley-

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concentrate all our energies on 'getting socialism first'.

To that critic there are several things to be said. First let him weigh up carefully just what he is proposing. In the name of socialism he is refusing every mother of two or more children the right to draw 8s. a week for the maintenance of all but the eldest he is condoning the payment to a man with a wife and two young children of sick benefit at 18s. a week instead of 56s. straight away. He is content to let the insurance companies take from working people 7s.6d. of every pound they scrape together in premiums. It is a big responsibility. The Beveridge plan is there, ready to go on the statute book as it stands. I suggest that no one has a right to turn his back on it, in order to get socialism first, unless he has a plan for socialism which is equally ready to go into law at once - equally concrete, precise and detailed." ('Social Security and the Beveridge Plan'. 1944. p 12.)

(1) As one Friendly Society member saw it "Force of circumstance, if nothing

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Jones argued:

"Possibly Mr John Burns may be regarded as a fairly representative type of the English Socialist //, but between his Socialism and that of Karl Marx or Lassalle there is absolutely nothing in common. Their Socialism is a system of social polity involving a complete reorganisation of existing economical conditions: the Socialism of his school leaves these economical conditions substantially unchanged, but by state intervention would regulate and modify their incidence and effects. In other words, English Socialism, or - as it may be more properly termed - Social Reform, is merely an expansion of the application of a principle fully established and by statesmen of both political parties recognised and accepted."

(*'Liberalism and Social Reform..'*. 1890. p 631.)

The limits of reformism, on the other hand, are set by its ability to produce the goods, to demonstrate that capitalism is capable of reform sufficient to allay discontent and opposition. Initial working class acceptance of reform, and their willingness to seek it through Parliamentary procedure, was, however, very rapidly to end in disillusionment. By 1908, the second year of the new Liberal government's administration, no new initiative had as yet been taken, and unemployment was once more beginning to rise. By June it had reached 7.9%.

"Violence broke out in several cities. windows were smashed in Lanchester in protest against the government's inactivity, while in Glasgow workers from over forty trades took part in a massive anti-government demonstration... But working class discontent was not directed solely against the government, for many voices were raised against the apparent quiescence of the Labour Party."

(K.D. Brown *'Labour and Unemployment'*. 1971. p 96.)

It was this last point that was potentially the most threatening; after having fought to establish a Labour Party precisely to press for immediate working class demands there was, as one historian has noted, "evidence that large numbers of workers were losing faith in the political method of making gains for labor"⁽¹⁾ Disenchantment with the parliamentary process was confirmation of the claims of those socialists who had argued that substantial reform was beyond the intent or the capabilities of the capitalist State. This disenchantment was now to spill onto the streets and into the factories in an unprecedented wave of political and industrial

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else, brings agreement with the views enunciated on behalf of the government in the direction of practically universal pensions."

(Qu Treble op cit. 1970. p 295.)

(1) R.V. Sires *'Labour Unrest In England 1910-1914'*. 1955. p 247.

unrest and conflict. By November the Chief Metropolitan Poor Law Inspector was to report that there was

"every indication that pauperism and unemployment will give serious trouble .. There appears to be throughout London a general organisation which, for political ends, is exerting pressure on Boards of Guardians to give undue relief."

(Qu J. Harris op cit. 1972. p 273.)

On October 10th there were twenty separate hunger marches through London, and two days later Parliament was forced to reassemble, ringed by a cordon of two and a half thousand police. Moreover, 1908 saw the beginning, in a strike and subsequent lock-out in the textile industry, of direct industrial action that was to spread to most major and key industries, that was to develop into the pre-war movement of revolutionary syndicalism, with its rejection of parliamentary politics and its advocacy of direct and immediate workers' control, and that was to bring the working class in a number of areas into direct confrontation with State troops.⁽¹⁾

As Churchill then noted

"There is a tremendous policy in Social Organisation. The need is urgent and the moment ripe. Germany with its harder climate and far less accumulated wealth has managed to establish tolerable basic conditions for her people. She is organised not only for war, but also for peace. We are organised for nothing except party politics. The minister who will apply to this country the successful experience of Germany in social organisation may or may not be supported at the polls... But .. once the nation begins to feel the momentum of these large designs, it will range itself at first with breathless interest and afterwards in solid support behind the shoulder of the government."

(Churchill to Asquith December 1908. In R S. Churchill. 1969. p 865.)

Administrative Re-form

The State is an organisation; in Britain at a central level it comprises on the one hand an elected parliament, whose function is to decide on matters of State policy, and on the other of a body of paid officials, of civil servants, whose purpose is to implement and administer policy. In reality the two of course are not distinct, in particular the power of the latter - the "permanent politicians" as one high-ranking civil servant has described them⁽¹¹⁾ - extends far beyond the mere administration of pre-determined

(1) Cf. Horton and Tate. Cf VIII

(11) Sir Thomas Padmore qu The Times 1.4.1977.

policy. As we have seen in the case of the major nineteenth-century civil servants, and as we shall see further, their continuity through the changing fortunes of political parties, and their practical monopoly of the supply of information to governments, has placed them in a position where they have not only been able to influence but have played an active and central role in the formation of policy.

Changes in administration themselves often reflect a change in the perception of problems, as well as the manner in which they are to be dealt with who is to deal with what and in what way are not merely matters of convenience, but themselves presuppose political judgements and definitions. We have already considered the reasons for the establishment under the Chamberlain Circular and the Unemployed Workman Act of different forms of relief for the 'genuine' unemployed outside of the Poor Law; similarly, when the Board of Trade in 1886 had begun to collect its own statistics on unemployment it signified a move that was to be of major importance. In part the decision arose from the fact that the statistics collected by the Local Government Board were, according to the President of the Royal Statistical Society, "universally regarded as useless",⁽¹⁾ but they also were seen as designed "to alienate sympathy from the unemployed and avert executive action".⁽¹¹⁾ The decision of the Board of Trade to gather its own information was itself recognition of the seriousness of the problem, and of the need for serious study and consideration. In 1893 this was confirmed by the creation of a Labour Department within the Board of Trade, and the appointment as the senior civil servant to head the department of Sir Hubert Llewellyn-Smith.⁽¹¹¹⁾ Thereafter, according to

(1) R. Giffen qu R. Davidson 'Sir Hubert Llewellyn-Smith and Labour Policy'. 1971. p 125.

(11) Ibid.

(111) Llewellyn-Smith finished a degree in mathematics at Oxford in 1887, the year in which he also wrote a prize-winning essay on 'Economic Aspects of State Socialism'. Between 1887 and 1893, in addition to writing an account of the dockworkers' struggle to form a trade union, he was, according to his biographer "immersed in the kaleidoscopic world of late Victorian progressivism, he had built up an array of social, political, and academic contacts. Integrated early on into the aristocratic radical milieu .. he had progressed to that 'mecca of social reformers' and of future Labour Department personnel, the East End of London, where at Toynbee Hall and later at Beaumont Square, he had participated in the University Settlement Movement. Meanwhile on the Booth survey, at the British Association, the Royal Statistical and Economic Societies, at the Denison Club, and in his travels as an extension lecturer, he had made contact with the elite of social scientists and the leading statisticians of the day, both academic and

Davidson:

"The Labour Department submitted regular reports upon the state of employment to the Cabinet, their objectivity standing in marked contrast to those of the Local Government Board which often consisted of reactionary diatribes against the unemployed."

(R. Davidson 'Sir Hubert Llewellyn-Smith'. 1971. p 129.)

The supercession of the Local Government Board by the Labour Department of the Board of Trade as the department of state to deal with the problem of unemployment was not to be long in coming. As one leading Liberal spokesman noted of the Local Government Board "it would be idle to pretend that the office is in the least degree in sympathy with modern Liberal and progressive ideas".⁽¹⁾ Similarly as Haldane was to argue of its President

"Burns, who had great oratorical gifts but not much knowledge, was beginning to be out of date with labour. What was needed was a new and enlightened attitude to social problems."

(R.B. Haldane 'An Autobiography'. In J. Caldwell 'The Genesis of the Ministry of Labour'. 1959. p 377.)

The need for a new and 'enlightened' approach to certain social problems was not, however, to lead to the abolition of the Local Government Board, or even its reformation. The system of poor relief based on deterrence and stigma was seen by some as inhumane and distasteful, as too harsh for the 'deserving' unemployed, and as politically unstable, but not as altogether irrelevant: it still had a necessary function to perform in dealing with chronic poverty and unemployment and in disciplining and regulating the residuum. In many respects the statutory system of poor relief has remained the pariah of the State's welfare services: the relief of last resort, with its stigma and its harshness, it is an institution from which other, more 'enlightened' departments of State have sought to distance themselves and to avoid.⁽¹¹⁾ But it is an institution on which nevertheless

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governmental. Additionally, his espousal of the cause of the New Unionism and his participation in London labour politics had made him the confidant of its leaders. Straddling the greater part of all these pursuits had lain also his critical relationship with the Webbs and their entourage. Above all, his political and educational activities had soldered him to the radical wing of the Liberal party."

(Davidson 'Sir Hubert Llewellyn-Smith and Labour Policy'. p 17.)

(1) L. Masterman. In Caldwell 'The Genesis of the Ministry of Labour'. 1959. p 374.

(11) This was particularly the case, for example, with the creation of the

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they have continued to depend, which deals with those cases that they cannot or will not deal with and on whose performance as such a social and disciplinary service, as the experiments in relief works had shown, they depend for their own viability.⁽¹⁾ Moreover, if, as one contemporary observed, John Burns as President of the Local Government Board was "as pliable as putty" in the hands of its paid officials,⁽¹¹⁾ then it is to the character of these officials, and above all to the type of work that they are called upon to perform, that we must look to explain the way in which they were 'out of date' with modern, progressive, Liberal thought.⁽¹¹¹⁾

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National Health Service during the second world war, when considerable conflict was generated between the Ministry of Health and the Assistance Board over proposals to use Assistance Board officers as sick visitors in the investigation of claims. As the Minister of Health then argued in a memorandum "The new health service is something more than the medical side of a cash insurance scheme. It will be designed - and presented publicly - as a new system, through which the State will concern itself with everybody's health, whether they qualify for cash benefits or not and which people will be asked to look upon as their natural stand-by on all health questions, irrespective of 'insurability'. It will be fatal to this conception of the health service if it becomes too much associated with the giving or withholding of cash benefits."

(Public Record Office. File PL 8/4. 17.9.1943.)

For perhaps obvious reasons of efficiency etc., the health services of course tend to operate with less of a policy of stigma and deterrence than those concerned directly with poverty or unemployment. As the Fabian Mercurity Report of the 1909 Royal Commission put it "The deterrent aspects which the medical branch of the Poor Law acquires through its association with the Destitution authority causes, merely by preventing prompt and early application by the sick poor for medical treatment, an untold amount of aggravation of disease, personal suffering, and reduction in the wealth-producing power of the manual working class." (Op cit. Vol III. p 231.)

(1) As one Assistance Board officer concerned with the residential provision of statutory poor relief hit back "It may be said that this equipment of ours has been regarded by 'users' as a hidden reserve, something that may be conveniently disowned on inconvenient occasions... There is a growing tendency for officials of other State departments to remit the sanctions they could apply to their own delinquents on condition they enter an institution... It is, I think, the 'shelter' provision of the Poor-Laws which has been the guardian of the English social services in times of national economic distress and political strain. Without this shelter a mass of criticism might have been directed at the new services. The institutions have acted as a 'buffer' between the public and the new departments. It is in its functions as a 'buffer' that informed unbiased persons would make a true assessment of the service... I deplore the popular tendency to decry the officers responsible for the service." (R.J. Layland 'New Legislation and the Residual'. 1947.)

(11) Qu Caldwell op cit. p 377.

(111) For a revealing account of the attitudes and activities of such officials by one ex-officer see R.J. Hill 'The Exercise of Discretion in the National Assistance Board'. 1969.

'Progressive' opinion recognised the need for new departures in State relief policy for new forms of relief for the 'deserving' unemployed the skilled workers, trade unionists, and those whose unemployment and consequent destitution could be seen as temporary and the result of 'exceptional' circumstances of trade, but not for all forms of unemployment or destitution. The shifts in administration, developing alongside the unfolding investigations of social reformers, signalled the way in which 'the problem' was to be dealt with this type of unemployment and its consequences was to be separated and dealt with separately from the problem of poverty, from chronic unemployment and pauperism. It was to be redefined as a problem of trade, a problem requiring its own intelligence, new forms of administration and relief, and especially a new and 'enlightened' approach to its solution.

The reshuffle of the Liberal cabinet in 1908 following the resignation of Campbell-Bannerman as Prime Minister and his replacement by Asquith was to complete these preliminaries. By then it was clear that the problem of unemployment was not going to go away, and that it could not be solved within the framework of existing policy. With industrial and political conflict accelerating something had to be done, and the new Liberalism was to take full advantage of the ripeness of the moment. Previously restricted to persuasion from outside the offices of power, the 'radical' Liberals were now to be given their head: the cabinet reshuffle saw Lloyd George appointed as Chancellor of the Exchequer, with a brief on health and national efficiency, Winston Churchill, having been offered but having refused the Local Government Board, was appointed to the Board of Trade, where he was to work with Llewellyn-Smith and William Beveridge on a policy for unemployment.⁽¹⁾

Social Democracy and National Insurance

"The peculiar character of the Social-Democracy", wrote Marx, "is epitomised in the fact that democratic-republic institutions are demanded as a means, not of doing away with two extremes, capital and wage labour, but of weakening their antagonism and transforming it into harmony".⁽¹¹⁾ Social democracy - the welfare State, social equality, citizenship - is

(1) Churchill's acceptance of the Board of Trade was of course "only on the understanding that the unemployment question should now be tackled from this department" (A.D. Brown 'The Labour Party and the Unemployment Question', 1967)

(11) The 18th Brumaire. Qu P.R.D. Corrigan 1977. p 419.

a form of politics that has dominated political life in this, and in the majority of West European countries, for the major part of this century. In Britain, as elsewhere, it is a form of politics which is most closely identified with the Labour Party, which is seen as the political expression of the working class, and the realisation of the desire of the majority of the population for equality and freedom. In reality social democracy is a form of politics which both in ideological and institutional terms was laid down and established by the Liberal Party in office immediately before the advent of the first world war.

Social democracy is a political philosophy and practice which proclaims the equality of citizens equality of opportunity, political equality, and equality of social life. It is a politics which deliberately uses the organised power of the State, through its policies of taxation, regulation, and social welfare, as the expression and means of achieving this equality. It thus seeks to promote the State as an institution above class conflict as an organisation which exists to express and promote the 'national interest', and a body of which all people, as 'citizens' are necessarily members. The promotion of social reform becomes in this context, as Bismarck described it.

"a duty of State-preserving policy, whose aim should be to cultivate the conception . that the State is not merely a necessary but a beneficent institution."

(Qu W.H. Dawson 'Bismarck and State Socialism'. 1891. In P.R.D. Corrigan 'State Formation..'. 1977. p 386.)

The promotion of the State as a beneficent institution, through its commitment to social reform, is an important feature of social-democratic politics. It is a concern which arose out of a situation of class conflict, a reaction to the threat of socialism and to the perception by the working class of the State as a hostile institution which served the interests of capital and of their employers. as a strategy against socialism, the foundation of social democracy, however, did not merely involve the promotion of the State as benevolent the success of social democracy as a form of political organisation which seeks to guarantee the survival of capitalist relations depends upon its principal object of incorporating the working class in the operation and administration of its institutions. It was this process of incorporation which according to Winston Churchill was

"The great mission of Liberalism... To bring the people into government, to open all careers freely to the talent of every class, to associate ever larger numbers with offices of authority."

(Qu in R.S. Churchill. 1967. p 308.)

This concern to involve the working class in the structure of existing social and political organisation was part of the philosophy of Liberalism of the view of society as an organic whole, in which all members were mutually interdependent, and in which an extension of the rights and equalities of citizenship were to be the reward for commitment.⁽¹⁾ Social democracy, however, while it demands democratic-republic institutions, is neither democratic nor equal. The extension of democratic forms to social life, even if it were to be fully achieved, leaves intact the fundamental inequality - of wealth, property, and power - on which a capitalist society is founded. Social democracy developed, under threat, not to abolish the basic antagonism of capital and labour, but to re-form social and political institutions, and to incorporate the threat within them, as a means of preserving the essential nature and relationships of capitalist production.

This was nowhere more evident than in the response of Liberalism to the problem of unemployment. As we have seen, unemployment is an essential feature of capitalism, the product of the accumulation of capital in the form of private property, it is periodically recreated through periods of overproduction. Social reform, however, was to do nothing about the creation of unemployment, according to Beveridge "there cannot as a permanent state of affairs be overproduction of all the good things in life while any single want remains unsatisfied... The total demand for these products must be regarded as infinite... Overproduction of all the good things of life is, strictly speaking an impossibility"⁽¹¹⁾

People's desire for all the good things in life is, of course, infinite, but this does not mean that their desires can, under certain conditions, always be satisfied. In a capitalist society the ability to satisfy desires, even basic desires for food, clothing or shelter, depends upon the possession of money, on wealth, the unequal distribution of wealth under capitalism means that for the majority of the population these desires cannot be translated into an effective demand. People who are poor or out of work have as much

(1) As Freedan has argued "In their conception of society as an ethical entity, the appreciation of which entailed laying down new codes of conduct for individual and communal behaviour, advanced liberals fastened upon a theme which drew together a wide spectrum of progressives. The material and economic reforms requisite to mitigate social distress were deemed inseparable from the infusion of a new spirit into social life - a sense of community and mutuality which encompassed all members of society irrespective of their concrete situation... The 'condition of the people' question became basically one of extending the concept of community to the periphery, of the full incorporation of newly articulate and conscious sections into society." ('English Liberal Thought..'. 1972. p 78.)

(11) 'Unemployment..'. p 60 & 5.

if not greater need for the goods which society's labour produces, but they are unable to purchase them, their wants remain unsatisfied, while unsold goods are stockpiled, turned into mountains of surplus, and even destroyed, and while productive capacity remains under-utilised and labour unemployed. It was the stark contrast and irony of this disparity which fuelled working class attacks on the institution of private property, which called for the social ownership of the means of production, and a more equal distribution of wealth. It was a situation whose obviousness was to involve someone like Beveridge in an argument of tortuous circularity in order to defend it.⁽¹⁾ But the private ownership of socially produced wealth in the hands of a minority of the population is the essence of capitalist production, and social reform was not prepared to go as far as to challenge that.⁽¹¹⁾ As Beveridge argued.

"If incomes were so equalised that all saving meant sacrifice of a keenly desired present good for a future one, it is extremely likely that no sufficient provision for new capital would be made at all. There is indeed no possibility of determining a priori how the national dividend can best be allocated between immediate consumption and investment in the means of future production. In other words, there is no criterion for saying beforehand what is over-saving, and what is not. The right adjustment, however, comes about naturally through economic forces. Whatever .. the explanation to be finally adopted, there seems now some reason in theory for regarding fluctuations as inevitable, or at least as preventable only at the cost of greater harm."

('Unemployment..'. p 63.)

With the distribution of wealth and income left to the 'natural' rule of economic forces, and the economic causes of unemployment seen as inevitable, attention was to focus on the forms which unemployment took. Of these, the most widespread and one of the most problematic was the reserve of casual

(1) "It is essentially an attack on saving, based on the ground that under-consumption is the root cause of trade fluctuation. In one sense this statement is undeniable. If the whole of the national dividend each year were devoted to immediate consumption .. there would be no possibility of industrial growth and therefore no possibility of the dislocations incidental to that growth." ('Unemployment..'. p 62.)

(11) This did not even then preclude proposals that the State should attempt to mitigate the effects of this unequal distribution and to smooth over fluctuations in trade by planning its expenditure in order to coincide with periods of slump, and thus to inject purchasing power into the economy. Although this was not to become a major feature of policy until the second world war, when the state was urged not only to re-allocate existing expenditure but actually to increase it in order to avert depression, it was a policy which had for a long time been urged on local authorities, and which was enshrined in the establishment of a Development Commission in Lloyd George's 1909 budget. (Cf J. Harris. 1972.)

labour.

"These two elements [cyclical depression and seasonal fluctuation] in the unemployed problem have long been familiar. A third, apparently far more important than either the occasional transformation of industrial structure or the periodic fluctuations of industrial activity, has at last been brought into prominence by the administration of the Unemployed workman Act... The great bulk of applicants are not men for whom distress is exceptional or regular employment the rule. They are men constantly in or on the verge of distress. They are normally in irregular or casual employment."

(Beveridge 'Unemployment and Its Cure The First Step'. 1908. p 387.)

Casual labour was the most widespread form of unemployment: it provided employers with a ready reserve of labour in order to meet fluctuations in demand and to resist claims for increased wages, and it was a sink into which other unemployed workers eventually fell as they sought to avoid the workhouse and to take whatever employment they could find. It was, as we have seen, a way of life which reformers had dismissed as the product of the character of the unemployed - a result of their laziness and lack of application and discipline. But such structures, while important in their enshrinement in policy, could offer no real solution to the problem of deterioration and distress that characterised casual labour. As Beveridge pointed out, unemployment was "not to be explained away as the idleness of the unemployable .. it is too widespread and too enduring for that"⁽¹⁾ Or as Churchill argued.

"The casual unskilled labourer .. whose whole life and the lives of his wife and children are embarked in a sort of blind, desperate, fatalistic gamble with circumstances beyond his comprehension or control .. is not as a class the result of accident or chance, is not casual because he wishes to be casual... The casual labourer is here because he is wanted here. He is here in answer to a perfectly well-defined demand."

('Liberalism and the Social Problem'. p 202.)

This far more 'radical' appreciation of the causes and dynamic of casual labour was of course a necessary precondition of any effective solution to the problem. While the dismissal of personal characteristics as a cause of unemployment, against the arguments of such groups as the G.O.S., was to be a feature of liberal analysis, it was an argument that was not to be applied to all the unemployed,⁽¹¹⁾ but one that could and was to be

(1) 'Unemployment and Its Cure'. 1908. p 386.

(11) As Beveridge argued "Their poverty is to be explained, not by their character alone, but by that and their environment together. In these lowest

used to distinguish the 'undeserving' unemployed from those whose unemployment was considered to be no fault of their own. If the bulk of casual labour existed in response to a perfectly well-defined demand, the problem was that it was a form of maintaining a reserve army of labour which itself created distress and destitution, and was a threat to efficiency and stability. Once again, social reform was not concerned to do away with such a reserve of labour. Capital depends absolutely on its existence, the problem was solely one of dealing with its consequences. As Beveridge argued

"It is in essentials a problem of business organisation - that of providing a reserve of labour power to meet fluctuations in such a way as to not involve distress."

('Unemployment..'. p 110.)

The problem of casual labour was that it was a form of maintaining a reserve which each individual employer - most notably the Dock Companies but also elsewhere - had taken upon himself to create and maintain. The result was the existence of a whole series of reserves, which collectively far exceeded the aggregate requirements of employers, which intensified the competition for work, and which reduced the amount of work and wages that each unemployed worker could expect to get below the level of subsistence. Attempts to persuade employers to reduce their reserves of casual labour and to decasualise industry had so far met with little success, if the extreme consequences of the problem were to be averted, then this labour market had to be organised on a national basis, directed and controlled by the State:

"In regard to all ordinary commodities, the rule holds that there are more or less definite places to which the would-be purchaser goes .. and at which the seller is to be found... In regard to labour the position remains fundamentally different."

(Beveridge. 1909. p 197.)

"Modern industry has become national. Fresh means of transport knit the country into one, as it was never knit before. Labour alone in its search for markets has not profited, the antiquated wasteful and demoralising method of personal application, the hawking of labour, persists."

(Churchill 'Liberalism..'. p 257.)

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types, no doubt, personal inefficiency appears to be the dominant cause of distress; the men would be unfit for anything else; the demand for casual labour simply gives their weakness an opportunity."

(Beveridge. 1909. p 144.)

The national organisation of the Labour market through the creation of a system of Labour Exchanges, to which employers and labour would be directed, was to replace the system of a casual and unorganised labour reserve. Such Exchanges, it was hoped, would

"become the headquarters of a compact mobile reserve of labour, replacing and by its mobility covering the same ground as the large reserve which drifts more slowly and blindly about the streets today."

(Beveridge. 1909. p 203.)

As Beveridge again argued

"A more mobile labour reserve is, of course, a more efficient reserve. The organisation of the labour market may be treated as first and foremost a means of increasing industrial efficiency."

(Ibid. p 217.)

The application, moreover, of such an organisation "to every industry conducted mainly by casual labour and to the fringe of irregular employment to be found in practically every industry is the only remedy consistent with the continuance of private enterprise for the most urgent and perplexing part of the unemployed problem".⁽¹⁾

The creation of a national system of Labour Exchanges under the Board of Trade in 1908 was one step towards a solution to the problem of unemployment. State organisation of the labour market, the provision of a more mobile, more compact, and accessible reserve army of labour, was to do little, however, to solve the problem of its maintenance. Those workers held in reserve as unemployed have somehow to be maintained. maintained, as we have seen, in a position sufficiently severe to encourage a return to wage labour and to retain the disciplinary effects of unemployment, but also, and especially for skilled workers and those usually in regular employment but suffering under the effects of cyclical depression, maintained at a level sufficient to prevent their physical deterioration and 'moral' disenchantment. For this, existing forms of relief were inadequate; as many reformers had come to recognise

"The workhouse, so long as it remains a sink of the destitute of all types, deserving and undeserving, can never become a wholesome reservoir of efficient labour."

(Beveridge 'Unemployment in London'. 1904. p 43.)

(1) Beveridge 'Labour Exchanges and the Unemployed'. 1907. p 73/4.

The need to prevent the deterioration of 'genuine' workers, to bolster military and national efficiency, to secure the attachment and loyalty, if not of all, then certainly of the most organised and class-conscious sections of an embittered and hostile working class, and to find a scheme of relief that would itself automatically discriminate between them without recourse to lengthy, expensive and unpopular investigations of character, was a problem which taxed the minds of the reforming vanguard of the British ruling class. The answer was to be.

"Insurance. That is the future - insurance against dangers from abroad, insurance against dangers scarcely less grave and much more near and constant which threaten us here at home in our own island."

(Churchill 'Liberalism and Social Reform'. p 309.)

National Insurance was the epitome of Liberal social democracy. It was to extend the concept and the 'rights' of citizenship, and to use the power of the State through the creation of institutions in the attempt to reconcile class conflict and to incorporate working class dissent and opposition within the existing structure of society.⁽¹⁾

The practice of insurance was not of course new. It was something which through Friendly Societies and Trade Unions the working class had itself developed throughout the nineteenth century. What was new was the proposal that the State itself should organise the scheme, that it should compel both workers and employers to contribute, and that it should itself contribute a part of the cost. It was a proposal which, as might be expected, was met with considerable opposition from within the ruling class; as the Charity Organisation Society repeatedly warned.

"Every step to relieve the Trade Unions of their chief responsibilities by the substitution of independent municipal or State funds for the provision of superannuation benefits and unemployment benefit will inevitably tend to convert the Unions from their mainly economic to predominantly political activity."

('Report of the Special Committee..'. 1908. p 73.)

Ruling class support for friendly society and trade union benefits had long been premised on the belief that such activity was an important restraining and 'moderating' influence. Working class self-help, however,

(1) As German experience showed "Its aim is not only to improve the condition of workmen, but also to lessen and equalise as much as possible, in the course of time, the unhealthy contrasts between employers as a class and the working population, and more still it wishes to revive the feeling of fellowship between the two elements of production - capital and labour."
(L. Lass 'German workmen's Insurance'. u F.'. Lewis 'State Insurance' 1909 p 33)

as we have seen, was itself increasingly incapable of meeting the problem, but this inability was not the only reason which justified provision in the form of State insurance. As a politics of incorporation, social democracy seeks to promote the State as neutral and benevolent, but it also depends vitally upon the creation and maintenance of institutional forms of control and containment, of mechanisms through which the working class is tied to the existing structures and institutions of society. Despite the real threats and challenge involved, it was precisely the recognition of this necessity which had led 'advanced' reformers to support the creation of a Parliamentary Labour Party, and to aid the development of the new trades unionism.⁽¹⁾ As the Liberal newspaper argued in support of the engineering workers' union during the 1897 lock-out by their employers

"Trades unionism is a force which on the whole makes for rational conservatism. It gives responsibility to those men who are ranked out as the natural leaders of democracy. It is a school of government. It is certainly a barrier against the more formless and ill-considered kinds of socialist theory."

(Qu Rothstein 'From Chartism to Labourism'. p 272.)

It is this potential to contain, control and regulate the aspirations and discontent of their membership which makes the maintenance of the institution of trades unionism an essential part of social-democratic politics, as more recently evidenced in the Social Contract of the present Labour government. Without this institutional form of leadership and expression the more 'formless' threat of socialism amongst the rank and file becomes much more difficult to contain. As Winston Churchill argued

"The fortunes of the trade unions are interwoven with the industries they serve. The more highly organised trade unions are, the more clearly they recognise their responsibilities. They are not mere visionaries or dreamers."

('Liberalism and the Social Problem'. p 72.)

This support for working class organisation is, however, partial and

(1) As David Schloss argued "The development of the New Trade Unionism will make powerfully for social peace... Socialism will, doubtless, extend its hold upon trade unionism. But trade unionism, thus captured, will, in turn, 'capture its savage conqueror'. Socialism, allied with trade unionism, will become, if not conservative, at any rate opportunist. For the trade union combinations constitute the most powerful bulwark of conservative and opportunist progress in the country... This spirit of conservative and opportunist progress it is with which, since they have joined forces with our great trade organisations, our English Socialists are gradually becoming inoculated. There is no more typical English socialist than Joan Burn." ('The Road to Social Peace'. 1891. p 256/7.)

limited, as the Taff Vale dispute and subsequent attacks by both employers and the state on trade union organisation have shown. The organisation of workers is always a threat its containment depends upon support being given only to certain forms of organisation, to particular kinds of trade union activity and leadership, but not to others. As Viscount Milner argued with reference to the growing industrial syndicalism and conflict that surrounded the introduction of national insurance:

"Some of the latest developments of Trade Unionism, especially in the sphere of politics pure and simple, are little calculated to allay animosity or to convince any man, who is not well disposed to begin with that Trade Unions possess the steadiness and impartiality which would justify us in trusting them, in any measure, as agents of the State."

(Preface to C. Jackson 'Unemployment and Trade Unions'. 1910. p vii.)

The problem for Liberalism and social democracy, however, was that it was precisely only through promoting and co-opting the working class and its leaders as 'agents of the State' that any hope could be held out of averting a revolutionary transformation of society.⁽¹⁾ If the aims of social democracy were to be realised - the incorporation of the working class into the existing structure of society, the achievement of 'one nation' and social peace, and the promotion of the State as benevolent and as the only legitimate avenue of reform - this could not be achieved by ideology alone. Ideology itself requires institutional expression and maintenance; just as working class self-organisation had fostered and maintained its own ideology and beliefs, so the achievement of bourgeois hegemony - the attempt to establish one particular way of looking at the world, of defining its problems and their solution - required a process of institutional closure. the abolition of alternative working class forms of organisation, and their ideology, or their incorporation into the existing apparatus of State.⁽¹¹⁾

(1) According to Churchill, the purpose of having trade union representatives on the advisory committees of Labour Exchanges was to "so far demonstrate the complexity of the problem as to dispose finally of all rough and ready revolutionary solutions." (Qu J. Harris. 1972. p 365.)

(11) "We are interested in looking at patterns of class domination which represent ONE class as the totality of society; this includes crucially a number of structurally located forms of domination; a number of exclusions of alternative structures... Such a domination is not simply on an ideological level; it operates mainly in terms of the destruction of alternative structures and ways of life which had emerged from working class material experience." (Paul Corrigan 'Working Class Politics The hidden Materialism'. p 12.) This process was evident in the development of State 'education', seen as an alternative to existing working class forms of educational provision. as

As Milner continued

"After all the original object of Unionism, the ideal, which, under all its mistakes and perversions, it has nevertheless steadily and on the whole successfully pursued, is a genuinely national object. Not higher wages as such as a stable existence, the protection of the individual workman against being submerged by the accidents of industrial life - this has been the dominating aim of the great combinations of wage-earners and it is just the recognition of such stability from the national point of view which justifies state intervention in the matter of unemployment."

(Ibid. p viii.)

The involvement both of the Trade Unions and the Friendly Societies in its administration and operation was thus to be an important new feature in the National Insurance scheme. The scheme itself came in two parts the first, pioneered by Lloyd George, provided a system of benefits covering the majority of full-time workers against interruptions in earnings as a result of sickness, unemployment insurance, on the other hand, drafted by Llewellyn-Smith at the Board of Trade, was much more limited, providing benefit on more rigorous conditions to insured workers in industries such as shipbuilding, engineering, and building and construction work.⁽¹⁾

Compared with unemployment insurance, national health insurance was far less experimental and controversial; it was, as Lloyd George put it, "the foundation of national efficiency"⁽¹¹⁾

"Money which is spent on maintaining the health, the vigour, the efficiency of mind and body in our workers is the best investment in the market."

(Lloyd George 'The Insurance of the People'. 1911. p 781.)

Both schemes were to be financed on a system of tri-partite contributions, from employers, from workers, and from the State through general taxation. The appeal to employers, while not wholly welcome, was, as we have seen, direct,

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Charles Booth was to argue: "Popular education has been far from wasted even in the case of those who may seem to have learnt but very little. Obedience to discipline and rules of proper behaviour have been inculcated, habits of order and cleanliness have been acquired, and from these habits self-respect arises... With regard to the parents, the fathers and mothers who have experienced school life are no longer unfriendly to education... The old attitude of suspicion, often amounting to hostility, has almost passed away." ('Life and Labour'. Final Vol. p 202.)

The process of institutional closure through the replacement by State institutions of alternative working class forms of provision occurred over a whole range of social and political life, e.g. public libraries cf. P R D. Corrigan 'Appeals to Society'

(1) Unemployment insurance covered only 2½ million male workers out of a

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as Lloyd George put it

"German experience shows that organised provision for the health of the working class produces increased efficiency. I have no doubt that a similar result will be experienced when the demoralising anxieties of unemployment are mitigated. If, as I hope, these influences more than counterbalance the burden which we are asking employers to bear, the cost of production will be diminished rather than increased."
(The Times 12.5.1911.)

In forcing employers to contribute to the scheme, the State was fulfilling its function as an 'organising committee' for the ruling class. What they had previously been unable or unwilling to undertake was now to be undertaken on their behalf, even if this involved compulsion. Their financial contribution to a scheme that was ultimately in their interest was, moreover, not such a 'burden'. As Llewellyn-Smith recognised such contributions would not detract from profits, but would be passed on in the form of higher prices to consumers. It was "perfectly reasonable that each product be made to bear in part at least the cost of the unemployment incidental to its production"⁽¹⁾. Or as Asquith put it rather more bluntly "the blood of the workman is part of the cost of the product"⁽¹¹⁾.

The principle of the workers' contribution was, however, not solely concerned with the problem of finance. This funding of National Insurance is, as we shall see, largely a fictitious notion. The cost of insurance benefits are not borne by an accumulated fund of past contributions, but from current revenue; those who receive benefits while out of work are supported by those who during the same period are paying contributions while in work. It is a form of taxation which transfers resources from the employed to the unemployed. It would therefore have been feasible to fund the scheme through an extension of general taxation by the Exchequer, but as Lloyd George

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total male labour force of over 10 million. "By design they included almost no women, were skilled and well-organised providing stability of personnel .. and, it was hoped, were subject only to reasonable and predictable seasonal economic fluctuations." (Bentley Gilbert 'British Social Policy 1914-39'. 1970. p 53.)

(11) 'The People's Insurance'. 1911. p 1.

(1) Qu R. Davidson 'Sir Hubert Llewellyn-Smith and Labour Policy 1886-1911' 1971. p 276.

(11) Qu G. Searle 'The Quest for National Efficiency'. p 63.

argued

"The greatest evil which has to be guarded against in all benefit schemes of this character comes from the danger of malingering.. The most effective check - in fact the only really effective check - upon malingering is to be found in engaging the self-interest of the workmen themselves in opposition to it. That is why a purely State scheme, where the Exchequer could be drawn upon to an unlimited extent, would inevitably lead to unlimited shaming and deception. This scheme is so worked that the burden of mismanagement and maladministration would fall on the workmen themselves. If, through any cause, there is any deficiency, the workmen must make it up either in diminished benefits or increased levies. Once they realise that, then malingering will become an unpopular vice amongst them, and they will take the surest and shortest way to discourage it."

(Memo on the National Insurance Bill. 30.3.1911 Public Record Office File P111 3. No. 3.)

The principle of a workers' contribution - a direct deduction from wages in the form of an insurance stamp - was thus designed to make the workers themselves directly experience the cost of unemployment, to turn the employed against any generous treatment of the unemployed, and to reinforce the stigma of dependency. The problem of 'malingering' - the view that unemployment was still self-induced and preferable to wage labour - was however not only to be dealt with by engaging the 'self interest' of the working class. As Churchill argued, national insurance was not intended to remove the pressure of unemployment - the forces of 'nature' - nor to absolve personal responsibility

"We seek to substitute for the pressure of the forces of nature operating by chance on individuals, the pressure of the laws of insurance, operating through averages... In neither case are pressures removed. In neither case can personal efforts be dispensed with."

(Churchill to Llewellyn-Smith 'Notes on Malingering'. In Gilbert, 1966 p 856)

Labour Exchanges of course already existed as a test to ensure that "you will not have a man who is not genuinely unemployed getting unemployment pay",⁽¹⁾ but in addition

"The scheme should avoid encouraging unemployment, and for this purpose it is essential that the rate of unemployment benefit should be relatively low."

(Llewellyn-Smith 'Economic Security and Unemployment Insurance' 1910. p 527.)

The need to "imply a sensible and even severe difference between being in

(1) Lloyd George 'The People's Insurance' p 30. Cf. "A system of public Labour Exchanges stands at the gateway to industrial stability. It opens the door to all immediate practical reforms... The establishment of Labour Exchanges is necessary for the efficient working of the insurance scheme, for all foreign experiments have shown that a fund for insurance needs to be protected against

work or out of work"⁽¹⁾ - the need to retain the principle of less eligibility and the pressure of unemployment - was thus expressed in a rate of benefit that has ever since been little, if at all above the provisions of statutory poor relief. The difference of course is that, unlike poor relief, insurance benefits are given without a test of means - without having to 'sell off the furniture' - and, subject to certain defined exclusions, provided not at the discretion of officials, but as a 'right' to those who qualify by way of contribution.⁽¹¹⁾

It is this principle of contribution which ensures that the scheme "will automatically exclude the loafer"⁽¹¹¹⁾ Only those who have been in regular employment, and who have thus been able to build up a record of contributions, are entitled to benefit, the chronic unemployed, casual labourers, the residuum of the working class were automatically excluded. Their destitution was to continue to be dealt with under the Poor Law, where they were to receive "a stern lesson of the necessity of industry, self-exertion, self-reliance, and self-respect"^(1v)

Symbolic of this lesson and of the greater stigma of pauperism was the process of disenfranchisement: unlike those unemployed who applied for insurance benefits, the recipients of poor relief were to continue to be denied the right to vote. As Beveridge explained.

"Many of the 'undeserving' unemployed, undeserving that is of anything better than a rigorous Poor Law, are voters, to whom it would be ruinous policy to allow electoral control over any public relief agency by which they hoped to benefit. .

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unnecessary or fraudulent claims... The administration of the twin measures must become increasingly interwoven... Together they organise in due proportions the mobility and stability of labour."

(Churchill Memorandum from the Board of Trade. Dec. 1908. In K.S. Churchill 1969. p 851/3.)

(1) Churchill qu J. Harris. 1972. p 365.

(11) Entitlement to insurance benefits is, as we shall see, subject to a number of conditions and exclusions, including the refusal of benefit for up to six weeks to any insured workers who leaves his or her previous job 'without just cause'. In the first two years of the operation of unemployment insurance 50,000 claims were disallowed under this clause, for conduct leading to dismissal which included insolence, bad time-keeping, smoking, and drunkenness. (Cf Harris 1972. p 314.)

(111) Llewellyn-Smith op cit. 1910. p 527.

(1v) Balfour qu B. Rodgers 'The Battle Against Poverty'. Vol I. p 39

we have only to remember that disenfranchisement is based upon two grounds. In the first place men who cannot in ordinary circumstances support themselves in independence are not citizens in fact and should not be so in right, disenfranchisement in this view is part of the 'stigma' of pauperism. In the second place it is dangerous to allow recipients of public relief to elect its dispensers. The first reason does not apply in the case of genuine workers unemployed through industrial depression beyond the powers of reasonable providence. The second applies to them in full force."

('The Question of Disenfranchisement'. 1905. p 102.)

Disenfranchisement was part of the stigma of pauperism it proclaimed that, in contrast to 'genuine' workers, the 'undeserving' poor and unemployed who were unable to support themselves were not to be considered citizens, were not to be part of the new Social Democracy, and were to be excluded from its rights.⁽¹⁾

Citizenship, however, was more than a concept to be used to discriminate the undeserving and justify their harsher treatment. It is the essence of social democracy in its attempt to incorporate the vanguard and the bulk of the organised working class within the existing structure of society and to secure their attachment to the State⁽¹¹⁾ As Llewellyn-Smith shrewdly recognised "military discipline is right for the 'submerged' but democracy is the only hope for labour in general"⁽¹¹¹⁾

National Insurance was the expression of this 'democracy' and of

(1) According to one influential writer on social policy "the stigma which clung /! / to poor relief expressed the deep feelings of a people /! / who understood that those who accepted poor relief must cross the road that separated the community of citizens from the outcast company of the desultate." (T.H. Marshall 'Citizenship and Social Class'. 1963. p 83.)

The stigma of pauperism does not of course 'cling' to anything; it was and is a stigma that is imposed, through its practice and ideology, in order to remind 'the people' of the necessity of self-reliance and labour.

(11) As Sidney Webb addressed the Co-operative Movement Congress of 1890. "Socialists /! / wished to extend this 'State within a State' so that it would be commensurate with the whole State... He would not give up the self-help of co-operation, but would add to it the self-help of citizenship." (Qu B. Youngjohns. 1954. p 58.)

(111) Qu R. Davidson op cit. p 227.

Liberalism's solution to the problem of unemployment. It offered the 'rights' of citizenship and social reform not in order to do away with the certain 'failures and inequalities of capitalism, but in order to strengthen and stabilize it.⁽¹⁾ It offered an extension of 'democratic rights' in social life, while it left the major economic inequalities and relationships of capitalism - private property, the institution of wage labour, the cause of poverty and unemployment - untouched. It attempted to overcome the threat of class conflict and socialism by creating an institution and an ideology "that strips away the potentially divisive language of class, and replaces it with the homogenous category of citizen".⁽¹¹⁾ It was not concerned to abolish poverty or unemployment. the poorest sections of the working class, and the most chronic forms of unemployment were specifically excluded. It was rather a political response to those who presented the greatest political challenge. As Winston Churchill summed-up its intention

"The idea is to increase the stability of our institutions by giving the mass of industrial workers a direct interest in maintaining them. with a 'stake in the country' in the form of insurance against evil days these workers will pay no attention to the vague promises of revolutionary socialism. ... It will make him a better citizen, a more efficient worker, and a happier man."

(Qu J. Harris 'Unemployment and Politics'. 1972. p 365.)

(1) As Beatrice Webb argued "The whole theory of the mutual obligation between the individual and the State which I find myself working out in my poor law scheme, is taken straight out of the nobler aspects of the mediaeval manor .. There are some who wish to attain the socialist state by the assertion of economic equality - they desire to force the property owners to yield to the non-property owners. I prefer to have the forward movement based on the obligation of each individual to serve." ('Our Partnership'. Qu V. Cornwell 'The Welfare State the Formative Years' 1968. p 84.)

(11) Chris Jones 'An Analysis of the Development of Social Work...'. 1978.p 17.

Part ThreeThe Welfare State

"As the higher activities of a people develop so their lower needs may be socialised... Given a universal, perpetual never-satisfied desire for something better than anything that is ever realised, always striving for a better standard of life - more comforts, more leisure, more interests, given this moral atmosphere, then it may be safe to go farther and farther on the same path of social reform. I can imagine a time when such things as heating, lighting, the feeding of children, and minimum housing may be as free as elementary education is now."

(R. Rea 'Social Reform Versus Socialism'. 1912. p 16.)

Chapter SixThe Beveridge Revolution

"The scheme proposed here is in some ways a revolution, but in more important ways it is a natural development from the past. It is a British revolution."

('Social Insurance and Allied Services' - the 'Beveridge Report'. 1942. para 31.)

The Beveridge Report, published in 1942, remains the symbol of the arrival of the welfare State in Britain. It was not a revolution; unless, that is, we include Marx's observation on the succession of bourgeois 'revolutions' in nineteenth century France, where "In its struggle against the revolution, the parliamentary republic found itself compelled to strengthen along with the repressive measures, the resources and centralisation of governmental power. All revolutions perfected this machine instead of smashing it".⁽¹⁾

The Beveridge Report and the subsequent post-war legislation did not seek to destroy pre-existing structures and relationships; it was a development from the past. a development which continued the process of centralisation of government, and which sought to strengthen and perfect the existing machinery of State. It was, moreover, a development which built upon the past, and which established the Welfare State firmly in the continuity of the principles and practice of social security that have characterised this society ever since the origins of capitalism. It was a re-form, but not a revolution.

This continuity in social security - a continuing concern with the same problems, and the continuing use of similar strategies to deal with them - is not simply the result of a legacy of tradition. It is a continuity up to the present day that is set by the parameters which capitalism as a mode of production and of social organisation imposes both in creating the

(1) 'The 18th Brumaire of Louis Bonaparte'. In 'Selected Works'. p 169.

problems of unemployment and poverty, and in circumscribing the kinds of action that can be taken to deal with them. Before we go on, by way of conclusion, to consider the ways in which these limitations continue to frame and dominate social security provision in Britain today, however, we must first take into account the more significant developments that have occurred since the initial introduction of National Insurance in 1911.

Although by no means revolutionary, and although the legislation which followed it was even less so, the Beveridge Report did mark a significant development in social policy, even if the ideas which lay behind it were not new.⁽¹⁾ It was a development, however, which was on the whole quantitative rather than qualitative - it saw the expansion and extension of an existing range of institutions and practices rather than the introduction of new forms and new ways of dealing with what should be by now familiar problems. Certainly there were innovations - the introduction of family allowances and maternity benefits, for example, or the more far-reaching proposals which, although strictly outside of the terms of the Report, were closely associated with it, for the creation of a National Health Service and a government commitment to full employment - but the essential principles, structure, and administration of social security that emerged from the post-war legislation were fundamentally unchanged.

This is not of course to deny that the Beveridge Report was seen - or was at least presented as - marking a revolutionary change in social policy. The vast amount of governmental and non-governmental publicity and propaganda which greeted its publication - a propaganda campaign that was itself seen as essential in maintaining the war effort - heralded the Report as marking the beginning of a new future, as the expression of the new democracy which working people had been told they had been fighting for.⁽¹¹⁾ In this future, 'post-capitalist' society, poverty and unemployment were to be finally and irrevocably abolished, and the State was to assume full responsibility for the welfare of its citizens 'from the cradle to the grave'.

(1) "The basic ideas of the Beveridge Report could hardly have surprised anyone versed in current thinking about social security in the early 1920s." (Sir John Valley, former Deputy Secretary in the Ministry of Pensions and National Insurance, 'Social Security - Another British Failure?'. 1972. p 40.)

(11) See for example P. Addison 'The Road to 1945'. 1975. and W. Harrington and P. Young 'The 1945 Revolution'. 1978.

This ideology of State responsibility, citizenship, and welfare was not, as we have seen, altogether new but it was an ideology whose concrete expression was given a greater urgency in the light both of the war itself and of the depression and the conflicts of the 1920s and '30s that had preceded it.⁽¹⁾ According to Barbara Wootton

"First, the Report is an immense simplification of an outrageously complicated and expensive tangle of anomalies and inconsistencies. This is not a trivial matter. It quite deserves to come first. For it is through the social insurances that millions of citizens come into personal contact with the machinery of the democratic State. If what they find there is incomprehensible and unjust, they do not think well of that State. Our present social insurances cannot fail to give this impression."

('Social Security and the Beveridge Plan'. 1944. p 2.)

The inter-war years, with the most intense economic and political crisis that capitalism had as yet undergone, had indeed provided many examples of the continuing class nature of the 'democratic' State. The return of massive unemployment and poverty, the imposition of the Means Test and cuts in social security benefits, and the steady erosion of working class living standards had not only served to subvert the hopes of the New Liberalism for the potential of capitalist reform to overcome class conflict and hostility, but had once again brought working people into direct and open confrontation with the State. The 1930s were to become a battleground of class conflict, with offensive and counter-offensives, mass demonstrations, protests, and Hunger Marches, the emergence of the first effective and widespread National Unemployed Workers Movement, and the renewed threat of revolt and revolution.⁽¹¹⁾

By 1920 the scope of the 1911 Unemployment Insurance Act had been extended to cover all industrial manual workers and non-manual workers with an income of less than £250 a year; unemployment in the insured trades had then stood at 3.7%. By January 1921, however, it had risen to 8.2%; by March to 11.3%, and in June it reached 18.5; thereafter, for almost twenty years, unemployment never fell below a million, and by 1932 almost a quarter

(1) According to one government White Paper of 1944 "The argument was not simply that administrative problems would be simplified if structures were 'comprehensive' or 'universal' but that through universal schemes 'concrete expression' would be given to the solidarity and unity of the nation, which in war has been its bulwark against aggression and in peace will be its guarantee of success in the fight against individual want and mischance." (Cd 6550. Qu A. Briggs 'The Welfare State in Historical Perspective'. 1961. 5226

(11) It is not possible here to cover any but the major developments of the inter-war years, but some excellent accounts already exist, see especially Wal Hannington 'Unemployed Struggles'. 1936. and 'Ten Lean Years'. 1940.

of the insured population was officially out of work.⁽¹⁾ This in itself was sufficient to shatter many illusions, but worse was yet to come, as both the crisis and unemployment increased, and especially after the capitulation of the trade union leadership over the General Strike of 1926, the unemployed were to be subject to a whole series of attacks on the level and administration of relief - attacks which despite the acquiescence of the 'official' labour movement were to provoke a groundswell of opposition and resistance from both employed and unemployed alike.

One of the first objects of this offensive against the unemployed was the unreformed Poor Law. With the ending of the first world war and the return of ex-servicemen to unemployment the government had sought to avert the inevitable consequences by creating a series of schemes for the payment of 'uncovenanted', 'extended' and 'transitional' benefits to those previously insured workers who had exhausted their statutory entitlement to full insurance relief. These payments, however, were by no means unconditional;⁽¹¹⁾ and as increasing proportions of the unemployed found themselves excluded or disqualified from insurance or transitional benefits so a growing number were forced to apply to the Guardians for relief. Compared with less than half a million in 1918 the number of families claiming Poor Law relief had risen to over one and a half million by 1921, and was to reach almost two and a half million by the time of the General Strike.

Since 1834 the administration of poor relief had remained in the hands of the locally-elected Boards of Guardians. With the extension of the franchise and the removal of property qualifications for Guardians ordinary working people had themselves in a number of areas come to form the majority on these Boards, or else to be able to affect the amount and the manner in which relief was to be given. During the first half of the 1920s local poor relief, paid for out of the rates, had thus become an important means of providing against the consequences of unemployment, and of ensuring a subsistence for the

(1) Alan Deacon 'In Search of the Scrounger'. 1976. p 13/5. These figures of course relate only to registered unemployment; workers not entitled to insurance benefits were not required to register as unemployed. Again like the Depression itself, regional variations in unemployment were considerable, for the Depression was also a time of reconstruction of industry which saw the decline of certain areas while it saw the growth of others throughout the 1920s nine counties, with less than half the insured population, accounted for 70 of unemployment. (Deacon op cit. p 15.)

(11) Perhaps the most notorious, although not the only pretext for disqualifying workers from benefit was the stipulation that they had to prove themselves as 'genuinely seeking work'. This clause, under which workers even in the areas of the highest unemployment had to demonstrate that they had spent their time

unemployed without the imposition of a workhouse test. For a time, fearing the consequences of restricting payments to the unemployed and in particular to demobilised ex-servicemen, this granting of adequate outdoor relief both in the absence of and as a supplement to insurance benefits had been widely sanctioned by the Ministries of Labour and of Health⁽¹⁾ With the defeat of the General Strike, however, a whole series of attempts were to be made to restrain the activities of the Boards of Guardians and to assert the control of central government in restricting relief and restoring the workhouse test and the conditions of less eligibility.

The problem was that in a number of Unions, especially in mining areas and in the East End of London, democratically elected Boards were seen as granting relief in defiance of the restrictions and penalties of the insurance scheme, were undermining the discipline of unemployment and labour, and were threatening financial collapse. In response the Tory government in 1926 passed a Board of Guardians (Default) Act, empowering the Ministry of Health to suspend any elected Board which exceeded its directives, and to replace it with a Board of its own nominees. The threat was a real one, and a number of Boards, including West Ham, Chester-le-Street in Co. Durham, and Bedwelty in South Wales, were removed from office. As the Report of the Blanesburgh Unemployment Insurance Committee argued in 1927:

"In so far as it deals with the able-bodied unemployed, poor relief should retain the deterrent effect which now attaches to it, or may be applied thereto... It would be unfortunate if a state of things were created under which anyone whom the authorities of the insurance scheme declined to pay, were paid at once by the board of guardians, since if anyone to whom the authorities of the insurance scheme properly refused benefit could be at once relieved by the guardians the refusal would be a matter of indifference to the claimant."

(Qu Wal Hannington 'Unemployed Struggles'. (1972 ed) p 171/2.)

Despite increasing powers given to the Ministry of Health Inspectorate over local relief, this conflict between the central government and the autonomy of local Boards was to continue. In 1929, therefore, the 635 Boards of Guardians were abolished altogether as the administrative basis of poor relief. Under government legislation their functions were to be transferred

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tramping round from factory to factory or mine to mine in search of non-existent work, was to provoke much discontent and opposition. See Hannington 'Unemployed Struggles' Ch XI. and Deacon op cit.

(1) As the Assistant Secretary to the Ministry of Health described the situation in 1926 "The Ministry have disclaimed responsibility for supervising the conditions of relief, and have even suggested that their view is that the

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to 146 Public Assistance Committees of the Local Authorities, based on a much wider electorate, and with the power to co-opt 'experts' and officials, the new Public Assistance Committees were to distance the control which people were able to exercise over the administration of relief, and were to bring the centralisation of poor relief and its removal from 'democratic' control one step nearer, although they were not, as we shall see, to solve the problem immediately.

In the meantime, despite growing numbers of disqualification from benefit under such regulations as the 'genuinely seeking work' clause, the actuarial basis of the insurance scheme was in increasing financial crisis, unable to support from revenue not only the insured unemployed, but also those on transitional payments.⁽¹⁾ As the depression deepened and industry and financial markets collapsed, successive official reports called for drastic 'economies' in government expenditure. 1929 saw the return of a Labour government to office, but it was a government that was unwilling to confront the problems of poverty and unemployment directly, that was unwilling to oppose the demands of financiers and industrialists or to use its popular support to challenge the capitalist organisation of society and its consequences, and that was unwilling to put the interests of the majority of the population for work, security, and subsistence before the 'national interest' of restoring capitalism to its feet. Unable to secure this restoration and to carry out the cuts against the opposition of its own supporters, the Labour leadership resigned, to form a coalition 'National Government' in 1931. One of the first actions of this new National Government was to impose a 10% reduction in unemployment benefit and to transfer the payment of transitional benefits from the insurance scheme to the new Public Assistance Committees, who were to relieve all non-insured workers on the basis of a family Means Test.

The Means Test was to be the bitter symbol of the 1930s, and together with the cuts in benefit, was to be the subject of sustained and often violent agitation which eventually led to the restoration of the 10% cut in 1934.

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Guardians would be well-advised not to impose tests .. It has been made clear .. that the Guardians may grant relief in whatever form is convenient to them, and will not be checked by the central department."

(Qu P. Ryan 'The Poor Law in Poplar 1894-1930'. 1976. p 39.)

(1) According to the Ministry of Labour, between March 1927 and March 1928 441,387 applicants for insurance benefit were disqualified, and over the next four months a further 204,511. (Mannington 'Unemployed Struggles'. p 176.)

The administration of the Means Test, however, like that of poor relief, was by no means uniform.⁽¹⁾ The Public Assistance Committees were still in part elected bodies, and although more removed from direct popular control than the Boards of Guardians had been, there were still a number of Committees which refused to follow the directives of central government in their treatment of the unemployed. As Henry Betterton, the National Government's Minister of Labour saw it

"With the help of the Inspectors of the Ministry of Health suitable advice and admonition has been given to the erring Authorities, some of them have mended their ways but a few are still persisting in a disregard of the law so complete that it would be impossible to condone it any longer."

(Qu E. Briggs and A. Deacon 'The Creation of the Unemployment Assistance Board'. 1973. p 56.)

It was not to be condoned in 1934 the government announced the creation of an Unemployment Assistance Board which was to assume from the Public Assistance Committees and the Poor Law full responsibility for the relief of all able-bodied unemployed workers not in receipt of strict insurance benefits. A scale of relief below that of insurance benefits was laid down, which the Board's officials were to apply, subject to a means test, and at their own discretion. The Board was to be an agency of the central State, with its own national administration, officers, and finance, and although formally under the wing of the Ministry of Labour, it was not to be answerable to Parliament for its administration, nor were the unemployed to have the right of independent appeal against its decisions. As Beveridge had argued before the 1932 Royal Commission on Unemployment Insurance in support of such a scheme

"The relief of these men should be a matter, not of contractual right, enforced by quasi-legal process before an Umpire, but of need, judged by the administering authority, and would be subject to conditions imposed by the authority; the necessity of side-tracking detailed Parliamentary scrutiny of the actions taken in individual cases makes it desirable that this authority should be a commission with statutory power, and not a Minister directly responsible to Parliament."

(Qu J.D. Millett 'The Unemployment Assistance Board'. 1940. p 30.)

(1) The disregard of savings, for example, applied under the Means Test by various Public Assistance Committees varied from £5 to £500, while the amount of a family's income disregarded in assessing an individual's claim varied from nil to 75%. The amount of relief given similarly depended upon the political complexion and sympathy of the local authority while nationally 50.8% of those eligible received the full rate of benefit, in Berden only 11.2% and in Lancashire 15.7% received the full rate, while in Derbyshire the figure was 98.8% and in Rotherham 98.7%. (Briggs and Deacon op cit p 55.)

The Unemployment Assistance Board of 1934 thus achieved what a hundred years earlier the Poor Law Commissioners had considered but rejected - a centralised and national system of poor relief for the unemployed. The 1834 Commission, as we have seen, had opted for a local system of poor relief by elected ratepayers, under central supervision, as the only practicable means of securing a firm policy of less eligibility and deterrence, when the ratepayers themselves began to subvert this policy and provide a more generous treatment of the unemployed, they were dismissed, and the administration of non-insurance relief passed to a new central State agency. This agency was to retain the essential features of Poor Law administration: relief was to be a matter not of right, but of discretion, based on an assessment of 'need' - 'of need, judged by the administering authority, and would be subject to conditions imposed by the authority' - judgements and conditions that were themselves to be imposed by officials without the 'side-tracking' of Parliamentary scrutiny.

Although working class outrage against this new administration and its scales of relief was to delay the introduction of the Unemployment Assistance Board for some three years, and was to force an up-rating of its allowances, this form of poor relief has ever since been the basis of social security provision in this country. In 1941, with unemployment virtually abolished as the result of war mobilisation, the Unemployment Assistance Board was to become the Assistance Board. In 1948 the National Assistance Board; and in 1966 the Supplementary Benefits Commission. Like its predecessors, the Supplementary Benefits Commission is an independent body constituted outside of Parliament, and although represented in Parliament through a Minister who can lay before it recommendations from the Commission for approval or rejection, and who transmits to the Commission the statutory regulations and scales of relief which Parliament grants it, the interpretation of these regulations and 'the exercise of discretion in their administration rest with the Supplementary Benefits Commission and its officials.'⁽¹⁾

(1) As one senior civil servant, Mr G. T. Reid, Secretary to the Assistance Board, argued "In matters of day to day administration there was much to be said for preferring the Board system to direct control by a Minister. It was necessary to develop a specialised technique and the detailed instructions on which the Board's officers worked were better framed by a Board than by a Minister answerable to Parliament for all their details... and in which the Minister might well be subjected to Parliamentary pressure." ('Reasons for Administration by Means of a Board'. Public Record Office file PIN 8/12.)

We shall be returning to these points later, but may note that significantly the Supplementary Benefits Commission retains the discretionary power to reduce or withhold benefit only to the able-bodied unemployed.

The forms of administration, although not the principles of social security facing Beveridge in 1942 were thus substantially different than they had been in 1911, and were to remain substantially the same in the legislation which followed his Report. Under this legislation the scope of the insurance scheme was to become universal, was to cover all employed workers regardless of trade or income. Whereas, however, the Report suggested that the benefits of the insurance scheme should be made both adequate for subsistence without supplement and indefinite in duration for as long as unemployment or sickness lasted, the principle of limiting insurance benefits to a specified period and their payment at a level below subsistence was to be retained. The National Assistance Board, which on Beveridge's proposals would have been a subsidiary and declining form of relief as the whole population became fully insured, was thus to continue and has ever since grown as a major relief agency.

In addition to the relief of the non-insured unemployed the National Assistance Board was also to assume responsibility from the Poor Law for the outdoor relief of the sick, the disabled, and the elderly who similarly fell outside of existing insurance provision. The remaining domiciliary and institutional provisions of the Poor Law were transferred to the local authority social services departments, and, in a fanfare of self-righteousness, the Poor Law was in 1948 abolished. It had of course already by this time ceased to be a major instrument of social policy; according to a P.F.P. report of 1942

"The present war has strengthened the tendency to place all major insecurity burdens on the State, whose outdoor relief agency, renamed the Assistance Board, has been entrusted with the administration of new State-financed schemes... The Board is growing into a national 'omnibus' agency for outdoor relief in cash; and the gap between State and local relief was widened in 1941 by the substitution of a much less stringent family means test for the former Unemployment Assistance Board test. Shorn of many cash relief functions, with an increasing transfer of its institutions and constructive services to other authorities, the Poor Law today is a residual service, supplementing the new public services and filling in the gaps left by them."

(Political and Economic Planning 'Planning for Social Security'. p 4.)

The war had itself effected many changes; problems of mobilisation, of evacuation and resettlement, the control and direction of industrial production, rationing, and the relief of war-time distress had involved the State and its national agencies in the increasing control and regulation of economic and social life. It had also revealed the fallacy of unemployment as an inevitable and unavoidable occurrence; for as was widely recognised

if the State could so organise and direct the economy as to provide full employment in time of war, then it could also do so in time of peace. As the P.E.P. report argued.

"Britain is living dangerously today, but for the last twenty-five years more than half the population has lived on the knife-edge between poverty and destitution... If democracy is to survive after the war unemployment must be permanently ended."

(Ibid. p 1.)

Politicians, civil servants and reformers all appreciated that the war effort had mobilised a working class that simply would not tolerate a return to the conditions, the mass unemployment, the poverty and the Means Test of the 1930s, and that it had, moreover, the will and the effective ability and organisation to resist. If the existing structure and institutions of society were to remain unchallenged after the war, then more fundamental reform had at least to be promised, or as Quintin Hogg saw it "If you do not give the people reform, they are going to give you social revolution".⁽¹⁾

Accordingly the Beveridge Report was to urge on the government the need to secure as close an approximation to full employment after the war as was possible. In addition, for that unemployment which was seen as unavoidable, the State, it argued, should guarantee benefits, as of right, and both adequate for subsistence and indefinite in duration, for all employed workers in a universal insurance scheme. This was, as Beveridge was fully aware, a problematic development; for one thing it would bring the social security system into an inevitable conflict with wages:

"Social insurance should be part of a policy of a national minimum. But a national minimum for families of every size cannot in practice be secured by a wage system, which must be based on the product of a man's labour and not on the size of his family."

('Social Insurance and Allied Services'. para 411.)

To propose to raise benefits, to make them adequate for the subsistence not only of the individual worker, but also of the future workers of his or her family, meant that for those at least with a large number of children the benefits would exceed what would otherwise be paid in wages. Yet this would be to undermine the sacred principle of less eligibility.

"The gap between income during earning and during interruption of earning should be as large as possible for every man. It cannot be kept large for men with large families, except either by making their benefit in unemployment and disability inadequate, or by giving allowances for children in time of earning and non-earning alike."

(Ibid para 412.)

(1) Qu N. Harris 'The Decline of Welfare'. 1961. p 5.

The introduction of family allowances - the subsidisation by the State of the families of both employed and unemployed workers - was thus to be the means of preserving the principle of less eligibility, of raising the level of relief without confronting the wages system, and was to be the first 'assumption' on which Beveridge made the success of his proposals conditional. The second was to be the creation of a universal National Health Service.⁽¹⁾ But it was on the third assumption - the maintenance of full employment - that the viability of a universal insurance scheme was seen to rest.

The post-war problem of unemployment, the Report argued, could not be met merely by extending existing insurance and assistance benefits. The mass unemployment of the inter-war years had demonstrated the strain which this system would come under if such conditions were to resume, and the feared political consequences of a return to depression and the familiar cycle of boom and slump made the avoidance of mass unemployment not only an economic but also a political priority:

"The State's obligations to its citizens are not exhausted by its determination to establish a national Plimsoll line of goods and services. In the post-war world the insistent demand for social and economic security will not be satisfied - and perhaps democracy will not survive - unless the State, in peace as in war, assumes the wider duty of planning the use of our economic resources and man-power for full employment and maximum welfare. Some kind of control of public resources and of man-power will have to continue."

(P.E.P. 'Planning for Social Security'. p 9.)

The establishment of 'full employment' meant principally finding a solution to the cycle of boom and slump, to the recurring tendency of the economy under the private control and ownership of industry to generate productive power in excess of the effective ability of the majority of the population to purchase its products. It was a problem, however, that was seen as capable of solution without challenging the fundamental relationships and structure on which production was based, as John Maynard Keynes, the influential economist with whose proposals subsequent post-war policy has been most clearly identified

(1) "It is a logical corollary to the receipt of such benefits in disability that determined efforts should be made by the State to reduce the number of cases for which benefit is needed... Disease and accidents must be paid for in any case, in lessened power of production and idleness, if not directly by insurance benefits."

('Social Insurance..'. para 426.)

argued.

"It is certain that the world will not much longer tolerate the unemployment which, apart from brief intervals of excitement, is associated - and, in my opinion, inevitably associated - with present-day capitalistic individualism. But it may be possible by a right analysis of the problem to cure the disease whilst preserving efficiency and freedom."

('The General Theory'. (1936). 1973 ed. p 381.)

The preservation of 'freedom', the retention of capitalism as the form of economic and social organisation, meant the necessity of finding a solution to the problem of overproduction. The cure to the problem of unemployment in the post-war years was to lie in measures designed to stimulate demand, to raise purchasing-power in periods of glut so as to avoid slump and stagnation, and thus to maintain a stable growth in sales, in production, and in employment. It was, moreover, a policy which in promising to smooth out economic fluctuation held its own appeal to the owners of capital; as Keynes argued there was a common belief that

"the growth of capital depends upon the strength of the motive towards individual saving and that for a large proportion of this growth we are dependent on the savings of the rich out of their superfluity... The growth of capital depends not at all on a low propensity to consume, but is, on the contrary, held back by it. ... Measures for the redistribution of incomes in a way likely to raise the propensity to consume may prove positively favourable to the growth of capital."

(Ibid. p 372/3.)

It was to be a consumer boom - a constant growth in the effective demand for goods - rather than saving per se which was seen as providing the conditions for the uninterrupted growth of production and wealth and the maintenance of full employment. But as the government White Paper on Employment Policy published in 1944 pointed out, this maintenance of consumer demand could not be expected to sustain itself unaided:

"The recuperative powers of modern productive techniques are very strong. Under favourable external conditions, it may not be very long before production becomes adequate to meet the various calls upon it. When that happens, the first aim of employment policy - the maintenance of an adequate level of expenditure on goods and services - will no longer be realised automatically, as a by-product of the war effort or of reconstruction, but will call for the application of a policy deliberately directed to that end."

('Employment Policy'. 1944. p 10.)

The growth of capital, it was recognised, would soon outstrip effective demand; once post-war reconstruction had been achieved, production would

again be in excess of working class wages. This, however, did not lead to proposals for a fundamental shift in the balance of wealth and income to those who produced it; but rather, arguing that "it is expenditure on private investment which is the most usual and most potent cause of instability in total expenditure, and consequently in employment",⁽¹⁾ the White Paper was to call for the deliberate use of State monetary policy and regulation to maintain stable levels of expenditure and investment and so secure relatively full employment. According to Keynes, rehearsing some of the more recent arguments from the left wing of the Labour Party, this could be achieved through "a somewhat comprehensive socialisation of investment".⁽¹¹⁾ Exploiting continuing factional divisions and conflicts within the capitalist class he argued

"The justification for a moderately high rate of interest has been found hitherto in the necessity of providing a sufficient inducement to save. But we have shown that the extent of effective saving is necessarily determined by the scale of investment and that the scale of investment is promoted by a low rate of interest. ... Thus it is to our best advantage to reduce the rate of interest to the point relatively to the schedule of the marginal efficiency of capital at which there is full employment... This state of affairs .. would mean the euthanasia of the rentier, and, consequently, the euthanasia of the cumulative oppressive power of the capitalist to exploit the scarcity value of capital. Interest today rewards no genuine sacrifice, any more than does the rent of land. The owner of capital can obtain interest because capital is scarce, just as the owner of land can obtain rent because land is scarce. But whilst there may be intrinsic reasons for the scarcity of land, there are no intrinsic reasons for the scarcity of capital... I see therefore the rentier aspect of capitalism as a transitional phase which will disappear when it has done its work."

('The General Theory'. p 375/6.)

(111)

Such proposals were not intended to undermine the fabric of capitalism,^(1v)

(1) 'Employment Policy' p 17.

(11) 'The General Theory'. p 378.

(111) Or as Lord Beaverbrook had it in the Sunday Times in 1932. "The power of the bankers must be wiped out." (In The Guardian 1.9.1976.) The declining fortunes of finance capital had been a major feature of the inter-war years as well as of the second world war itself. (See 'Employment Policy' p 4.)

(1v) As Keynes argued "The State will have to exercise a guiding influence on the propensity to consume partly through its scheme of taxation, partly by fixing the rate of interest, and partly, perhaps, in other ways... But beyond this no obvious case is made out for a system of State Socialism which would embrace most of the economic life of the community. It is not the ownership of the instruments of production which it is important for the State to assure. If the state is able to determine the aggregate amount of resources devoted to

but government policy was to be even less radical. It was not to confront the existing relations of property, nor to challenge the power of private finance capital or of industry. Rather it was to use its control of taxation, of monetary policy, and State expenditure, including that on social security, to bolster private industry and production and maintain a relatively stable aggregate level of demand and of employment.⁽¹⁾ The increased involvement of the State in the economy was to be a means not of superseding capitalism, but of ensuring its progressive growth and stability.

The maintenance by the State until recently of relatively full employment and a high level of demand since the second world war has involved it in a growing process of planning and control, in the attempt to regulate, although not to overcome, private finance and industry, and in the direction of man-power and expenditure.⁽¹¹⁾ It is a policy of containing unemployment which has not been without its own problems - problems of inflation and of a continuing instability and undercurrent crisis - and it is a policy which now appears to be exhausted.⁽¹¹¹⁾ It is

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augmenting the instruments and the basic reward to those who own them, it will have accomplished all that is necessary... Private self-interest will determine what in particular is produced, in what proportions the factors of production will be combined to produce it, and how the value of the final product will be distributed between them...

While the enlargement of the functions of government .. would seem to a nineteenth century publicist or to a contemporary American financier to be a terrible encroachment on individualism, I defend it, on the contrary, both as the only practicable way of avoiding the destruction of existing economic forces in their entirety and as the condition of the successful functioning of individual initiative."

('The General Theory'. p 378/80.)

(1) "Payment of unemployment benefit on the most generous scale compatible with the preservation of the mobility of labour and of the incentive to seek work and reject idleness will maintain the purchasing power of workpeople, if depression begins, and will thus mitigate the severity of the depression. ... By making surpluses in good times and spending them and even running into debt on its unemployment account in bad times, the Fund may be so operated as to have a further effect in stabilising the general demand for labour." ('Social Insurance..'. para 442. Cf 'Employment Policy' p 22/3.)

(11) Cf B. Warren 'Capitalist Planning and the State'. 1972.

(111) As The Times (22.6.1977.) has argued "Several generations of economists have been dominated by the Keynesian and neo-Keynesian notions that the level of demand and employment can be regulated by fiscal and monetary measures taken by each national economy, almost in isolation. The situation that now faces us seems to indicate that the system as a whole has exhausted the necessary strong factors of growth, required to keep international trade and the various national economic processes on an expanding path. Energy costs are

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a policy, moreover, which as the experience of the last thirty years and the current return of large-scale unemployment might seem to suggest, is incompatible with the continuing organisation of society and production on a capitalist basis. As The Times rightly pointed out in 1943:

"Unemployment is not a mere accidental blemish in a private enterprise economy. On the contrary, it is part of the essential mechanism of the system, and has a definite function to fill. The first function of unemployment (which has always existed in open or disguised forms) is that it maintains the authority of master over man. The master has normally been in a position to say 'If you don't want the job, there are plenty of others who do.' When the man can say 'If you don't want to employ me, there are plenty of others who will', the situation is radically altered. One effect of such a change might be to remove a number of abuses to which the workers have been compelled to submit in the past, and this is a development which many employers would welcome. But the absence of fear of unemployment might go further and have a disruptive effect on factory discipline. Some troubles of this nature are being encountered today, but in war-time the over-riding appeal of patriotism keeps them within bounds. In peace time, with full employment, the worker would have no counterweight against feeling that he is employed merely to make profits for the firm, and that he is under no moral obligation to refrain from using his new-found freedom from fear to snatch every advantage he can."

(Sir Beveridge 'Full Employment in a Free Society'. 1945, p 195.)

This was of course the exact kernel of the problem, for if State policy was to preserve capitalism by preventing a return to the mass unemployment of the '30s, it had also to reckon with the consequences of removing the fear and the threat of unemployment and its restraining influence on wages to the benefit of capital. It is again precisely this problem that has involved the State ever since the second world war in a whole series of stop-go measures, voluntary and statutory incomes restraints and policies, and the attempt to regulate wage levels through the growing sector of public employment. It has seen repeated appeals to the duties and 'responsibilities' of citizenship, the attempt to create a new patriotic identity in the 'national interest', and it is in this context that the controls and disciplines of the social security system have remained as an important means in determining what is to happen to the unemployed and what is to be retained of the fear of unemployment.

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rising for the first time since the industrial revolution. The industrial revolution and the railway age provided the technological impetus in the nineteenth century. The internal combustion engine and the higher technological revolution, combined with military expenditure and more lately the exploration of space, provided such an impetus during this century. It is not clear what is to take their place."

As Beveridge was of course quick to point out, 'full employment' did not mean full employment; it has never meant that all who are willing and able should be allowed the right to work

"Undoubtedly a change from chronic to full employment will affect the problem of industrial management. But .. full employment does not mean that men will have no motive to retain their present jobs, full employment does not mean that everyone has security in his present job even if he behaves well in it, still less does it mean that he has security if he behaves badly."

('Full Employment in a Free Society'. p 197.)

There has always been unemployment, even before the present depression in certain areas or certain declining industries, in the troughs of a modified trade cycle, and in a more or less permanent reserve of chronic and long-term unemployed. The system of social security set up after the war, although considerably enlarged, was, in fundamentals, no different from that which had existed before the war. It retained the insurance principle and the system of tri-partite contributions from employers, from the State, and from workers. To employers the appeal was once again in terms of stability and efficiency; as the Leveridge report argued, the employers' contribution

"can and should be regarded as a proper part of the cost of production, maintaining the labour force that is necessary both when it is actually working and when it is standing by. In proportion to the total cost of production any reasonable employer's contribution to social security is bound to be small and may well be worth making for the sake of the advantages it brings. It is to the interest of employers as such that the employees should have security, should be properly maintained during the inevitable intervals of unemployment or sickness, should have the content which helps make them efficient producers."

('Social Insurance and Allied Services'. para 276.)⁽¹⁾

As for workers' contributions, the importance of the scheme, rather than a scheme financed directly from taxation, was as Lloyd George had argued that it engaged the 'self-interest' of the workmen against 'malingering' and in support of 'economic administration'.

"It is desirable to keep the Social Insurance Fund self-contained with defined responsibilities and defined sources of income. The citizens as insured persons should realise that they cannot get more than certain benefits for certain contributions, should have a motive to support measures for economic administration, should not be taught to regard the State as the dispenser of gifts for which no one needs to pay."

(Ibid. para 274.)

(1) As Samuel Couteau agreed, such a system was "about the most profitable long-term investment the country could make. It will ultimately lead to higher efficiency and a lowering of production costs." (1943. Quoted in N. Harris 1961.)

Such a scheme of finance, moreover, was not intended to redistribute wealth, except that is amongst the working class itself, with the employed required to support the unemployed, and the healthy to support the sick. As the Report argued:

"Abolition of want cannot be brought about merely by increasing production, without seeing to correct distribution of the product, but correct distribution of the product does not mean what is has often been taken to mean in the past - distribution between the different agents in production, between land, capital, management, and labour. Better distribution of purchasing power is required among wage-earners themselves, as between times of earning and not earning, and between times of heavy family responsibilities and of light or no family responsibilities."

(Ibid. para 449.)

Social insurance was thus to force the working class to make their own provision out of their wages against unemployment, in terms of direct contributions, through general taxation, and in the form of higher prices which embodied the employers' contribution.⁽¹⁾

The post-war scheme similarly retained the division of social security and of the unemployed between those entitled to insurance benefits and those dependent on discretionary poor relief. Both of course retained the principle of less eligibility, but as Beveridge argued it was necessary "to make insurance appear to be, as it is in fact, something different from assistance and better"⁽¹¹⁾ - national assistance to the unemployed was and has continued as a discretionary payment, subject to a means test and at a lower scale of relief, and conditional upon certain 'tests' and regulations imposed by the administering authority.

It was the retention of these conditions and regulations that above all marked the continuing use of social security as a means of discipline and control, and that were seen as essential if a policy of relatively full employment was to be pursued. As the P.E.P. report argued.

"The building of post-war social security will depend upon acceptance by the citizens of stronger obligations and new compulsions. If public

(1) "It has been decided that from 1969 onwards, for this analysis, the employers' contribution .. will be treated as an indirect tax included in the prices of goods and services produced in the United Kingdom." (Central Statistical Office 'The Incidence of Taxes and Social Service Benefits' Qu J. Kincaid 'Poverty and Equality in Britain'. 1973. p 89.)

(11) As one civil servant interpreted it "this probably implies that the assistance service should be deterrent in its nature, discouraging people from seeking assistance both by the small amounts afforded and by the conditions to be fulfilled before even these amounts are to be granted." (T. Hutson 'Social Security and Assistance'. 1943. Public Record Office file PIN 8/12.)

policy does ensure that every citizen can enjoy the opportunities and responsibilities which can enhance his freedom by making a reality of his rights (or claims) we believe that it will be possible to bring home to the great majority of citizens appreciation of the price which must be paid - their obligation to accept expert advice and skilled services to find work, to keep fit, or to be speedily restored to health and independence."

('Planning for Social Security'. p 10.)

Or as the Beveridge Report saw it.

"The danger of providing benefits, which are both adequate in amount and indefinite in duration, is that men, as creatures who adapt themselves to circumstances, may settle down to them. In the proposals of the present Report, not only are insurance benefits being made for the first time adequate for subsistence without other means, but the possibility of drawing them is being extended to new classes hitherto not accustomed to industrial discipline. The corrolative of the State's undertaking to ensure adequate benefits for unavoidable interruption of earnings, however long, is enforcement of the citizen's obligation to seek and accept all reasonable opportunities of work, to co-operate in all measures to save him from habituation to idleness."

('Social Insurance and Allied Services'. para 130.)

Chapter SevenSocial Security

"In the majority of cases applicants for Assistance require it through no fault of their own, which would be the only ground for a harsh or deterrent treatment. It is true that there will be other applicants for Assistance whose need is wholly or partly due to their own action - e.g. men who have left their last job voluntarily or have refused an offer of suitable employment since they became unemployed... It would be wrong to base the whole administration of assistance on the proper treatment of such cases. It will rather be for the Assistance Authority to evolve suitable techniques for handling such delinquents."

(T. Hutson 'Social Security and Assistance'. Public Record Office file PIN 8/12.)

The Supplementary Benefits Commission, which is currently responsible for the relief of over three million individuals, and a great many more dependents, is an institution which is almost unique within the apparatus of the welfare State. Its members are not elected, but appointed, and while its general regulations and scales of relief are laid down by Parliament, the interpretation of these regulations, and, in the case of the unemployed, the decision whether or not relief is to be granted, remains with the Commission and the officials of the Department of Health and Social Security through which it operates.

As we have seen in the case of its predecessors this autonomy of the Supplementary Benefits Commission has resulted from the desire to remove the relief of poverty and unemployment from the arena of public discussion and control. As the Secretary to the Assistance Board explained:

"Though for obvious reasons no public pronouncement on the matter has been made in clear terms, it can, I think, be said that a further aim in setting up the Board was to remove from direct political pressure the administration of a service involving the free distribution of public money... It is easy to plead for an increase of 6d per week in the Board's rates and to forget that such an increase means an expenditure of £1½m a year. It would be wrong to infer that it was ever been the aim to keep assistance on an unduly low level. It is, however, important that the administration of a service of this character should be insulated in some degree

from gusts of generous but thoughtless sentiment, so that a humane but steady and rational policy can be pursued."

(G.T. Reid 'The Assistance Board'. Public Records Office PL 8/17.)

It is as a 'service of this character' that the Supplementary Benefits Commission enjoys its relative autonomy from public control and invests its officials with the power to exercise discretionary judgement over the unemployed without sanction from what remote influences of democratic process remain within our political system.⁽¹⁾ It is a service whose character, as we have seen throughout this study, is closely defined by the way in which capitalism as the continuing basis of our form of social and economic organisation creates problems of poverty and unemployment and limits the manner and extent to which they can be alleviated.

Capitalism is a form of organisation which depends on wage labour; its growth and survival depends upon the fact that the majority of us have no real control over whether we are to work, what we are to produce, or what is to happen to the things we produce. These decisions are dominated by the prospect of profitability: ultimately by the question whether the ten per cent of the population who, according to the current Royal Commission on the Distribution of Wealth and Income, own the bulk of the 'private' wealth of the nation - figures that are repeated on a world scale - can make a sufficient return on their investments. For the majority of us work is available, and with it the sufficient although by no means extravagant means of getting by. For a significant minority it has always meant unemployment and destitution, and the need to apply to the State for relief.

Over the last six hundred years we have seen many and important changes in the way this relief has been given. The poor and the unemployed are no longer whipped and branded - although according to one magistrate we should still have our ears cut off - and we have almost got rid of the workhouses, although they too continue in many places to be used as long-term geriatric hospitals and institutions. These changes have not been brought about without a great deal of struggle, and of suffering; they are not changes that have been granted readily, but only under the pressure of men and women who have

(1) This power of officials, moreover, goes even further: as Reid again argued "It can be put to the credit of the Board that they have never attempted to ignore the facts of political life and the essentially democratic character of government... Any administrative body like the Assistance Board must recognise this and must distinguish between criticisms and demands that are little more than a political posture that can be ignored and those deep-seated convictions which will brook no denials at the hands either of the Board or of Ministers... It is right and inevitable, therefore, that there should be close, albeit infernal, consultation between the Board and Minister. The Board can

fought against the workhouse and the Means Test, and who have demanded a better treatment of the poor and the unemployed. At the same time, however, as we have seen, these concessions have only been granted in order to retain the essential character of the system.

Poverty and unemployment are not merely the consequences of capitalism; they are a condition of the way it operates. Our factories and industries depend upon people being at least relatively poor in order to persuade them to work at jobs which for many have little intrinsic satisfaction, and at which they are employed merely 'to make profits for the firm' poverty remains the ultimate incentive to labour. At the same time they depend upon unemployment, both as an incentive to industry and as a reserve for expansion. The relief of poverty has of course been a matter of political necessity without it the existing and unequal distribution of wealth and income would long ago have been challenged and overthrown; but while this relief has over time expanded, while it has become in many respects more 'liberal' and less punitive and harsh, it retains its essential character of discipline and of subservience to the demands of the labour market. In a society where poverty remains the principal incentive, the relief of poverty cannot abolish poverty: social security maintains people at a level of subsistence, and, moreover, it itself has to reinforce the discipline which its provision against the consequences of poverty and unemployment relieves.

It is this reinforcement of the threat of unemployment that remains, for example, a fundamental characteristic of the Supplementary Benefits Commission. according to Paragraph 4(1)(b) of Schedule 2 to the Supplementary Benefit Act of 1971

"Where there are exceptional circumstances a supplementary allowance may be reduced below the amount so calculated or may be withheld as may be appropriate to take account of those circumstances."

(Qu Supplementary Benefits Commission. Annual Report. 1975. p 65.)

'Exceptional circumstances', under which the Commission may reduce or refuse relief, is a rather imprecise term; it is a term, moreover, whose interpretation is left to the discretion of the Commission and its officers. While they may not reduce or withhold supplementary pensions to those of retirement age, they may do so in respect of the remaining supplementary allowances, and while

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deploy facts and arguments which have the effect of convincing Ministers or strengthening their courage."

('The Assistance Board'. Public Record Office file PH 8/12.) My emphasis.

'exceptional circumstances' covers a wide range of discretion, it is a practice which has been most consistently applied with respect to those whom the Commission considers are 'voluntarily unemployed'

"A person is judged to be voluntarily unemployed if he has been dismissed because of industrial misconduct, left work of his own accord without good cause, or refused suitable work without good cause."

(Department of Health and Social Security. Annual Report. 1971. p 122)

'Voluntary' unemployment is a term used both by the Supplementary Benefits Commission and the National Insurance scheme. In the case of the latter a person judged to be 'voluntarily unemployed' can have his or her insurance benefit refused for up to six weeks; if during that time the person applies for supplementary benefit the Commission is required to reduce the allowance by 40%.⁽¹⁾ The interpretation of the various definitions of 'voluntary unemployment' in both schemes is thus of some importance. To take the first, as Kincaid has argued

"'Industrial misconduct' is a very strange sort of crime. It is only a worker who can be accused of it, never an employer. Furthermore a worker accused of industrial misconduct is placed in a difficult position, for the National Insurance Commissioner has ruled that 'proof is not restricted to such evidence as would be admissible in a court of law... Hearsay evidence which would not be admissible in a court of law may be accepted in proceedings before the Commissioner'."

(J. Kincaid 'Poverty and Equality in Britain'. 1973. p 222.)⁽¹¹⁾

Like industrial misconduct the power to refuse benefit has also been exercised in a wide variety of cases where a person has been judged to have left work without 'good cause'; for this term applies also to certain conditions under which an employee has been sacked. According to the National Insurance

(1) "When an individual delinquent loses benefit and goes to assistance it will be important to see that the treatment accorded to him, while sufficiently generous to avoid unnecessary hardship, is not so lenient as to make it a matter of indifference to him that he has been disqualified from benefit." (T. Hutson 'Social Security and Assistance'. P.R.O. PI" 8/12.)

Until 1971 this deduction was made under the provision of 'exceptional circumstances', since then it has been mandatory.

Since 1955 the number of insured workers disqualified from benefit and also subject to this 'voluntary unemployed deduction' has risen from 2,300 to 26,200; the average deduction from 50p to £3.60. (Supplementary Benefits Commission. Annual Report. 1975. p 69.)

(11) The precedent of industrial misconduct as a cause for disallowing benefit was laid down by the Insurance Commissioner in 1950 "A labourer employed by British railways was dismissed after being fined £5 for stealing a piece of sacking from them of the value of 1s 4d." - he was disqualified from benefit for two weeks. (Qu Kincaid op cit. p 222.)

Commissioner.

"There are various ways in which an employee may invite dismissal; and if it appears that he has in accordance with his own desires brought about the termination of his employment he may properly be held to have left voluntarily."

(Qu ibid. p 223.)

A person refusing to break trade union demarcation rules has been ruled as voluntarily leaving work without good cause; a person refusing to join a trade union has not.⁽¹⁾ The rule operates also with greater discrimination against the unskilled, as Adrian Sinfield has found

"Leaving a job because it has no prospects is an accepted - and the commonest - reason for leaving among administrators and professional men, but it is not so acceptable among unskilled labourers."

('The Long-term Unemployed'. 1968. p 41.)

It is however on the condition that an unemployed person should not refuse the offer of 'suitable work' that the power of the Supplementary Benefits Commission not only to reduce but to refuse benefit is most seriously used against the 'voluntarily unemployed'. While under the National Insurance scheme the definition of 'suitable employment' stipulates that it should not be a different kind of work or at a lower rate of wages, such conditions do not apply to claimants of supplementary benefits.

In 1968 the Commission recommended its own set of controls for dealing with such claimants, known as the 'four week rule':

"Towards the end of 1967 considerable publicity in the press and on television was given to several examples of young men apparently living on supplementary benefit and making no attempt to find work.

At the request of the Minister of Social Security, the Rt. Hon. Mrs Judith Hart, a special inquiry .. was made in January 1968 in three London offices. About 1,900 claims were examined and analysed in such a way as to compare the length of time people of different ages and in different occupations had been drawing allowances... These analyses did not show any substantial group of claimants, for example in particular occupations, who had been unemployed very much longer than others, but the inquiry indicated some weaknesses in the control system... Over the country as a whole, reports were available on about 11,000 men, all unemployed for at least three months, who had been selected for interview. In the normal course some would have been on the point of finding work in that time. In fact six out of ten ceased to draw allowances before or soon after the interview was due to

(1) Cf Kincaid op cit. p 224.

take place.⁽¹⁾ Most found work for themselves, some were placed in work by the employment exchange, and, in a few cases of special difficulty, some were found work by the unemployment review officers. These figures gave some reason to think that in a wide range of occupations some people might be too ready to rely upon the Supplementary Benefits scheme.

In the light of these inquiries the Supplementary Benefits Commission recommended a new system of controls. These were announced by the Minister on 25th July 1968 and came into operation forthwith.

The new controls were in two parts. First, most single men who were fit and under the age of 45 would be told, when work was available in the locality, that they should be able to find work within four weeks and that a supplementary allowance would not be paid after that period. A craftsman was to be given longer in which to find the sort of work for which his skill most suited him.

Second, all other claims from unemployed persons under the age of 45 were to be individually reviewed after 3 months. This review was to include an interview to find what was causing the prolonged unemployment, and a full and frank discussion of any difficulties. Particular attention was to be given to anyone who appeared to be holding out too long for the type of job done in the past where such work was no longer available and who was, in effect, setting his sights too high or taking too narrow a view as regards the jobs he was prepared to do. In appropriate cases, where suitable work was available and there were no dependents who might suffer, further supplementary allowances were to be restricted to a maximum of four weeks."

(Department of Health and Social Security. Annual report. 1968. p 251/2.)

We should note that the apparent refusal of 'suitable work' which may result in the refusal of relief does not depend upon the claimant actually refusing work, merely that the Commission considers that there is work available in the 'locality'.⁽¹¹⁾ Indeed, as the Commission has replied to suggestions that refusal of relief should not occur until it has been established that work is available and has been refused:

"It was not possible to accept a recommendation about how the availability of suitable work should be tested since it would have largely obstructed the operation of the rule."

(D.H.S.S. Annual Report. 1973. p 70.)

Given that the definition of suitable work employed by the Commission does not preclude work that pays at a lower rate of wages than claimants earned previously it is through the operation of such discretionary rules as this

(1) These periodic mass interviews of the unemployed themselves serve as a deterrent device. According to the Chairman of the Supplementary Benefits Commission although over half of 160,000 people "unemployed without good reason" interviewed in 1974 ceased to draw benefit, "what happened to them thereafter is a question about which we know much less."

(D. Donnison 'Supplementary Benefits Dilemmas and Priorities'. 1976. p 346.)

(11) This rule, for example, was applied in Lammersmith between 1963 and 1971,

that the social security system, far from confronting the existence of poverty, reinforces and maintains those low-paid employments which have traditionally relied upon the competition and pressure of the unemployed, and forces the unemployed into work at wages below its own minimum level of subsistence.⁽¹⁾ As the Commission argued in evidence to the Committee on Abuse of Social Security Benefits⁽¹¹⁾

"There has to be a certain amount of pressure on claimants to find work and stay in it and it is a matter of hard fact that this involves letting it be known that state money is not there for the asking for anyone who is able to work but unwilling to do so while hotels, restaurants, cafes, shops and amusement centres are recruiting staff.

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when the ratio of vacancies to unemployment was never higher than 1.35 for heavy labourers and 1.55 for light labourers (.. Full 'Policies for the Unemployed Help or Coercion'. 1974 p 6.)

The concept of 'locality' seems also to be rather elastic, as the Minister of State at the D.H.S.S. revealed "for a young, fit, single man without family responsibilities, supplementary benefits are curtailed not merely if there is suitable employment in his locality, but if such employment is available at any distance up to, say, 100 miles." (Hansard 27.1.1969. On Poverty. 15. p 9)

(1) As we shall see the four-week rule is not the only 'control' to be used by the Commission. In 1974, however, it was decided to alter its operation so that rather than have an allowance limited from the outset to four weeks "single, unskilled men between 18 and 45 who are registered in areas of good job opportunities are to have their claims reviewed after 4 weeks... If the interviewing officer is satisfied that the claimant has not made any serious attempt to find work, benefit may then be withdrawn subject to the usual right of appeal." (D.H.S.S. Annual Report. 1974. p 32.)

As the annual report of the Supplementary Benefits Commission for 1975 recognised however "It had been planned to start the new procedure by February 1975 .. but the worsening unemployment situation made this impracticable. It will be introduced when circumstances permit." In the meantime "social arrangements" have been made to limit allowances in 19 areas where "plenty of seasonal work is available." (p 72.)

(11) This Committee was appointed in March 1971 by the then Secretary of State for Social Services, Sir Keith Joseph, who announced that it would "be after the layabouts and work-shirkers" ('Report' .. p 93.)

The Committee reported that they "could not hope to undertake an inquiry in depth" and that it "had not been possible to undertake any independent research". They had accordingly "to rely heavily on the Departments to provide us with the statistical and other information which is necessary to enable a judgement to be formed about the extent of the problem, and the success or otherwise of the measures taken to contain abuse."

Alternative evidence was submitted from a number of other organisations, amongst these "there are a number .. which are deeply concerned with what they conceive to be defects in the Social Security system and in the way in which claimants are treated by the Departments, and which are ready to produce well argued evidence in support of their view". The Committee, however, 'have not thought

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The same thing applies in towns near farming areas where farmers need labourers for the harvest, wherever there are big building and public work enterprises, where there are factories recruiting unskilled staff for labouring, or packing or other simple work; or where local authorities need staff for public utilities."

('Report of the Committee on Abuse of Social Security Benefits'. 1973. p 109.)

While 'a certain amount of pressure' has been used by the Supplementary Benefits Commission to provide labour for seasonal, factory and other low-paid work by refusing unemployment relief, such sanctions cannot be so readily applied to those claimants who have families and dependents to support. As the National Assistance Board noted in 1960.

"The most serious and intractable problem in the field of voluntary unemployment is that of the father of a large family who prefers a life of idleness. Not only does the size of the family mean that provision for its maintenance is a heavy burden on the community, the fact that a large number of children are growing up to regard idleness as a normal state of affairs cannot but cause concern. As the man's income while on assistance may often be not much less than what it would be if he were to work in the occupation (usually unskilled labouring) of which he is capable, he may have little financial incentive to find and keep a job... If he is of an idle disposition, the extra few shillings which employment offers may not outweigh the disadvantages, as he sees it, of giving up a life of comparative freedom for the discipline of regular employment.

The Board are very conscious of the social problem presented by the indolent father of a large family and are giving close attention to it. Although drastic reduction, if not withdrawal, of the allowance might appear to be the obvious course, this is not acceptable if there are dependents who would suffer much hardship as a result. In the last resort, the only measure available to deal with the deliberate idleness of a man with dependents is the provision in section 51 of the National Assistance Act which makes it an offence for a person persistently to refuse or neglect 'to maintain himself or any person whom he is liable to maintain' if assistance has to be granted in consequence."

(Annual Report. 1960. p 28.)

Prosecutions of the unemployed under section 51 - or section 30 of the Supplementary Benefits Act - are not great in number; in 1975 23 people were

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it right to investigate individual cases to see whether the allegations are justified." Furthermore, as "there is no such body of organised opinion ready to marshal arguments in favour of a stricter control of abuse .. we have had to apply a critical judgement to the evidence which we have received and to counteract to the extent that we consider proper the bias or imbalance which we find in it." ('Report..' p 1/4.)

taken to court for the criminal offence of neglecting to maintain themselves. But such prosecutions, although small in number, are seen as having a wider impact as an example and deterrent.

"Conviction does not, of course, always lead to the reform of the offender, but in the Board's experience it does quite often bring home to him the seriousness of his offence and gives him the jolt which is required to make him face his responsibilities... Successful prosecutions, which are usually reported in local newspapers, also serve as a deterrent to others who might be tempted to follow the same course of idleness at the public expense."

(National Assistance Board. Annual Report. 1961. p 36.)⁽¹⁾

In addition the Supplementary Benefits Commission is able under Section 34 of the Act to make the payment of any allowance to the able-bodied unemployed conditional upon their attendance at a government Re-establishment Centre. This section - "on the face of it an admirable instrument for dealing with the shirker as well as the weedy type of man"⁽¹¹⁾ - was applied in 1975 to 28 long-term unemployed men, who according to the Commission "have become unacceptable to potential employers and appear unsuitable for the more sophisticated forms of rehabilitation and vocational training provided by the Employment Service Agency and the Training Services Agency"⁽¹¹¹⁾ as Michael Hill has argued there is an increasing tendency to divergence between the employment services provided by the Department of the Employment and those utilised by such bodies as the Supplementary Benefits Commission; for while the former provide an increasingly streamlined service for those temporarily unemployed who are moving between jobs, the chronic and long-term unemployed are subject to the punitive and deterrent services of the D.M.S.C.^(1v) Like the Ministry of Labour Camps set up in the 1930s these Re-establishment Centres are not intended to place people in work, nor do they attempt to provide any form of vocational training, they are, as the Commission has argued,

(1) As The Times reported the case on the 12th January, 1977 of one such man who was sentenced to three months suspended imprisonment, he was receiving £31 a week to support himself and his family, and was prosecuted after refusing jobs offering £33 a week.

(11) National Assistance Board. Annual Report. 1953. p 12.

(111) Supplementary Benefits Commission. Annual Report. 1975. p 73.

(1v) "The success of [the Re-establishment Centre] in relation to the out-and-out work-shy is not to be measured by the number of 'conscripts' who go to the Centre and profit from its regimen so much as by the number who refuse to attend with the result that they cease to be a charge on public funds."

(National Assistance Board. Annual Report. 1952. p 17.)

Cf. M. Hill 'Policies for the Unemployed: Help or Coercion?'. 1974.

concerned solely with the inculcation of labour discipline

"The sort of training they give is designed to revive the will to work, to restore the habit of getting up and going to work and to give men confidence in their ability to hold down a job under normal conditions."

(Supplementary Benefits Commission. Annual Report. 1975. p 74.)

It may seem ironic that in a period of high unemployment, with one and a half million people out of work, such measures should be taken against the single and long-term unemployed, that with unemployment continuing at record levels, more investigators and more special 'unemployment review officers' should be employed to increase pressure on unemployed claimants and prevent the 'abuse' of 'voluntary unemployment'.⁽¹⁾ As the Report of The Committee on Abuse of Social Security Benefits argued

"To what extent is it to the advantage of the community to spend public money in an endeavour to persuade or compel people to work who do not wish to work, at a time when there are many thousands who wish to work but cannot find work? This is particularly relevant to the work of unemployment review officers... Even in times of full employment, the proportion of men unemployed in Wales and the North East are high. What should be the role (if any) of an unemployment review officer in a period of high unemployment such as the present, or at any time in areas of high unemployment such as Wales and the North East? The unemployment review officer may be cost effective in the narrow sense of saving the cost of unemployment payments to an individual, but has he reduced the cost of unemployment payments to society as a whole? If there are not enough jobs to go round, has he lowered the national level of production by pushing a reluctant, physically or mentally handicapped, socially inadequate, or simply inexperienced man into a job which might otherwise have gone to a man with the prospect of contributing more to production? Is this service doing economic damage at considerable cost to the DSS? If this view is accepted, there should therefore be no pressure by unemployment review officers or others in areas of serious unemployment.

(i) According to David Donnison, Chairman of the Supplementary Benefits Commission, the job of unemployment review officer is "an ambiguous task, part welfare, part social control .. to control benefit claims from long-term or frequently unemployed people .. to see that anyone who is capable of working and for whom suitable work is available does not settle down on benefit instead of finding a job." ('Supplementary Benefits. ', 1976. p 350) The number of unemployment review officers of executive grade working in regional offices increased from 10 in 1961 to 110 by 1975, and this not including the part-time and full-time unemployment review officers employed in local offices.

Similarly the number of investigators employed in detecting 'abuse' and fraud has increased rapidly. Eight months after Sir Stanley Crne, the minister for Social Security, publicly announced that "what I am not prepared to do is to have a witch-hunt on the welfare state and the DSS which will only affect millions of people genuinely entitled to benefit" (The Times 23.4.1977.)

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The problem has only to be stated in those terms to indicate how much is left out by this statement of it: the psychological damage to the individual of allowing him to recline on benefit and abandon the search of work; the general effect on public attitudes to work and self help, and on the extent to which the whole notion of a social security system paid for out of taxes and/or contributions is called into question. We have had the advantage of discussions with officials of the DI and DSS on this question, and they have told us of the views held by the regional controllers and those working under them, some in regions where unemployment is especially high. They believe that society does benefit from a continuance of the work of unemployment review officers and others in relation to the long-term unemployed even in times and in areas of high unemployment. We are content to accept this view."

('Report of the Committee on Abuse...'. 1973. p 95/6.)

Anyone who has had the opportunity to 'recline' on supplementary benefits knows that it is not easy; unemployment is hard enough for many it means a loss of identity and self-confidence, a feeling of helplessness and a real sense of alienation.⁽¹⁾ It also means poverty despite more hysterical claims: the standard rate of supplementary benefit, including rent, for a single person remains at one-third of net average industrial earnings, while even for a family with four children it reaches only two-thirds.⁽¹¹⁾ Yet even such allowances are threatened in order to prevent the 'psychological damage' of relief, and to preserve 'public attitudes to work and self help'.

Undeniably there is abuse and fraud of the social security system; there is organised crime, and there are people who consciously or unwittingly receive more than the determined amount, or claim benefit without seeking work. In 1975 out of total social security payments of £10,000 million £2½ million were accounted for as the result of fraud; this compares with £20 million in lost tax revenue written off as irrecoverable, and an estimated £500 million lost annually in inaccurate tax returns.⁽¹¹¹⁾ It of course remains open to question whether in a society where "it is undeniable that, for some unskilled men, particularly those with families, the financial incentive

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he revealed that "365 more specialists had been recruited in the past 18 months and 300 additional man-years expended." (The Times. 8.12.1977.)

(1) See, for example, D. Larsden and E. Duff 'Workless. Some Unemployed Men and their Families'. 1975.

(11) Frank Field 'The New Corporate Interest'. 1976. p 5.

(111) Poverty. Vol 35. 1976. In contrast to the publicity surrounding such investigations as the Report of the Committee on Abuse, the Treasury has established a sub-committee on tax evasion which operates privately within the Inland Revenue, and reports to the Chancellor 'in confidence from time to time.' (Social Work Today. 7.10.1976.)

to work rather than to rely on benefits is slight"⁽¹⁾ it is 'voluntary unemployment' which constitutes the greater 'abuse', or the level of 'ages for which some people are expected and compelled to work.'⁽¹¹⁾

Against these figures of social security fraud and abuse, however, can also be placed another set of figures the number of people who do not claim the benefits to which they are supposedly entitled. It has been estimated that 350,000 old age pensioners and 500,000 families are eligible for but do not claim supplementary benefits, and that in the five principal benefit areas alone some £600 million a year are unclaimed as a result of the continuing stigma of pauperism.⁽¹¹¹⁾

This stigma, as we have seen, is no accident, nor can it be explained simply as an expression of 'pride' or an unwillingness of people to accept help. It is something which, from its beginnings, has been built into the social security system, which is part of its principles of deterrence and less eligibility, and which continues to be maintained and reinforced by the way in which the social security system is presented and administered.

In part this must be attributed to the attitudes and actions of those officials who are employed by the social security system, and in particular of those who carry out the work of the Supplementary Benefits Commission.^(1v) Suspicion of claimants, and the view that many are out simply to abuse the system and have no intention of working, is not confined to social security officers, but they are attitudes that are themselves reinforced by the fact that for the majority, and especially those who deal directly with claimants, what they often pay out in benefits exceeds what they themselves take home in wages. This is not a reflection of any particularly high level of benefit, but of the fact that as the Low Pay Unit has disclosed:

"Three out of four employees are below the poverty line .. for part, and often the major part of their working life."

(The Financial Times. 10.5.1977.)

(1) 'Report of the Committee on Abuse..'. p 93.

(11) It has thus been estimated that there are some two million people currently living below supplementary benefit level, the majority of whom are in full-time work.

(111) The Sunday Times. 21.11.1976.

(1v) For a revealing account by an ex-employee of such attitudes, and of the way in which they are formed and reinforced by the way in which social security administration operates see H.J. Hill 'The Exercise of Discretion in the National Assistance Board'. 1969.

This again is not new - civil servants in the nineteenth century Local Government Board were similarly paid at a level lower than that of their counterparts in other State departments⁽¹⁾ but when it occurs in a situation where the officer holds the discretionary power to reduce or refuse benefit, or to inform people of their full entitlement or not, it can produce a feeling of frustration and discontent which is exercised at the expense of the claimant. As an official of the Clerical Staff Association has pointed out.

"There is considerable discontent amongst local staff. The fault is not with the public or with the Ministry of Social Security administrators. It lies with the treasury and the government. The treasury must take the blame for allowing a situation to arise where some clerical officers earned less for high quality work than the government was prepared to pay by way of Supplementary Benefit to low income families. The majority of clerical officers in Social Security accepted that the fault lies with the Treasury. The minority begrudged making payments to a family of four when the salary they earned, to keep their own wife and two children, was less."

(Qu Kincaid 'Poverty and Equality in Britain'. p 37.)

It is not of course only the attitudes and behaviour of certain officials which deters people from applying for relief and reinforces the stigma of social security. This stigma is an inevitable consequence of the 'controls' and disciplines which the social security system exercises over its claimants, and of the continuing use, not only by the Supplementary Benefits Commission, but also by many other 'welfare' services, of the means test. As one civil servant argued in 1943:

"The application of a means test will retain an important influence both because many applicants will know that its application, even in its present modified form, would leave them little or no prospect of getting appreciable assistance payments, and others, even when sure that a substantial case would survive the application of the test, will be inclined at any rate to defer their application and try to make ends meet for the time being."

(T. Hutson 'Contributory Benefits and Assistance'. Public Record Office file PL. 8/12.)

Thus according to the National Consumer Council

"Britain has more means tested benefits and a higher proportion of the population dependent on them than almost any other Common Market country. Inevitably, means testing accentuates the divisions between claimants and the rest of society. Too often the claimant feels humiliated and alienated by them and they aggravate the antagonisms

(1) J. Caldwell 'The Genesis of the Ministry of Labour'. 1959. p 373.

that already exist among non-claimants... Take-up is much lower than it should be. The money lost in fraudulent or incorrect claims, both of which are contributed to by the complexity of means tests, are but a molehill as compared with the mountain of unclaimed cash accruing from people not taking up their entitlement. Far from Britain being a nation of scroungers, as some are fond of saying, people are not claiming hundreds of millions of pounds to which they are entitled in law. Ignorance, stigma, fear of adverse reactions from employers and landlords who are asked to verify information, dislike of having private affairs enquired into have together a sharp and deterrent effect."

('Means Tested Benefits'. 1976. p 79/80.)

The stigma of pauperism applies to the entire range of social security benefits, as it does to unemployment as a whole. At the same time it is a stigma which is applied and experienced with greater force in respect of those dependent upon the means-tested and discretionary relief of the Supplementary Benefits Commission. The social security system in this as in most countries has been developed to provide the greatest cushion against unemployment and poverty for those usually in regular work, whose unemployment is short-term, and whose income, through national insurance benefits, earnings-related supplements, and tax rebates, is maintained at a relatively higher level so long as unemployment remains temporary. In contrast, for those for whom poverty is endemic, or unemployment a chronic and recurring experience, relief is both less adequate in amount and more conditional in its application.

Unlike the national insurance scheme, supplementary benefits for the unemployed do not entail any 'right' to assistance, nor are the guidelines by which discretion is exercised made public, or do its decisions carry any weight of precedence for future claims.⁽¹⁾ As Aincard has pointed out

"A person's right to national insurance benefits are stated in detail in the leaflets and reports published by the ministry these rights are guaranteed by the legal system; there is a public tribunal, the National Insurance Commissioner, to which appeals can be made, and the published record of decisions made by this tribunal can be consulted by anyone who believes he has been unfairly treated. None of this applies in the supplementary sector."

('Poverty and Equality..'. p 199.)

(1) The guidance given by the Supplementary Benefits Commission to its officers in calculating benefits is contained in a series of written codes, governed by the Official Secrets Act. According to the Commission "The mass of procedural and other detail which is necessary in staff instructions such as the 'A Code' .. is largely unintelligible to the lay reader and therefore .. unsuitable for publication." (Qu Laurie Elks 'The Age Step'. 1974. p 10.) But as David Dennison has also revealed "because all these instructions list

Supplementary benefits are discretionary, and although they account for only 13% of the total payments made under the social security system, they employ 50% of its staff in maintaining and enforcing this discretion. This is an indication not only of the fact that 'growing reliance on discretionary additions makes it increasingly difficult for officials to discriminate between one equally needy case and another without resorting to moral judgements,'⁽¹⁾ - that the distinction between the 'deserving' and the 'undeserving' poor is an ongoing feature of relief. Such discretion is itself the necessary accompaniment of a system designed and geared to reinforce labour discipline and retain the pressure and threat of unemployment by its ability to withhold relief.

While the social security system as a whole thus operates as an adjunct to the economy, providing employers with a 'ready' reserve of labour, and exercising through the unemployed its restraint and control over labour as a whole, the distinction in its treatment of the unemployed is also, both in its origins and consequences, a political one. Capitalism is as much a political as an economic relationship. It depends upon a division of wealth and property which places the labour of the majority at the disposal of a minority. It also depends upon the willingness of the majority to endure this relationship, and to accept, if not willingly then at least with resignation, its inequalities and consequences.

Capitalism is not, as we have seen, a natural relationship; it is constantly open to question, and has at times been subject to widespread and fundamental opposition and challenge from those who suffer its consequences. Unemployment, as one such consequence, is a problem with the potential to create such opposition and conflict. Insofar as it is a problem which, both directly and indirectly, affects the working class as a whole, its security and its standard of living, it is a problem which threatens to reveal the common interests and identity of the class. It is a problem which, as we have again seen, threatens to break down the distinctions and divisions within the working class, between its regular and reserve armies, the more secure and the more insecure, the poorer and the better-off, and to create a unified and cohesive response and challenge. It is again this threat of

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all the conceivable grounds for exceptional treatment, they have become an advocate's guide which would enable every claimant to arrange his affairs so as to catch the maximum we could offer him... hence the codes are supposed to be secret.' ('Supplementary Benefits' 1976. p 352.)

(1) David Donnison op cit. p 348.

unemployment to the political stability and future of capitalism which has been the most decisive in the development of our present form of social security.

As a response to the problem of unemployment, social security, with its differential treatment of the unemployed, reinforces those distinctions which exist within the working class in terms of skill, wages, security, and organisation. The National Insurance system, with its earnings-related supplements and its provision of benefits more or less as of right and without stigma, caters for those more skilled, more highly paid, more secure and more organised. Those with the greater means and ability to challenge the system and to confront the consequences of unemployment and poverty receive preferential treatment, while the poorest, the least skilled, the more chronically unemployed, and the least organised sections of the class depend upon the discretionary relief of the Supplementary Benefits Commission.

This distinction cannot be justified on financial terms.⁽¹⁾ The working class do not pay for insurance benefits in any more real sense than they pay for supplementary benefits the insurance scheme depends for its funding on the contributions of those in work just as much as the supplementary scheme depends upon the taxation of their income and expenditure.⁽¹¹⁾ Both are levies made upon wages in order to support those who cannot work, but they are presented and administered very differently, and the failure of some workers to 'contribute' used to justify more arbitrary and discretionary treatment. In 1932 the Trades Union Congress spoke out against this divisiveness; as they argued:

"Unemployment is a national and international problem, resulting from the industrial system under which we live. The workers are not the authors of the system but the victims of it, and unless the community so organises its resources as to provide work for every willing worker, the unemployed, as the reserves of industry, are entitled to maintenance. There is no real difference in principle between unemployed workers who are equally available for and capable of work."

(On Wal Hannington 'Ten Lean Years'. 1940. p 90.)

(1) The cost, for example, of making insurance benefits to the unemployed indefinite in duration, rather than ceasing after one year and leading as at present to a reliance on supplementary benefits, would be some £80 million - a sum to be compared with a current surplus in the insurance fund of £935 million. (The Times 24.6.1977. & 5.7.1977.)

(11) See Kincaid *op cit.* Ch 11. As he points out, in 1968 only 40% of current old age pensions could have been paid for out of accumulated contributions. (p 200.)

Unemployment is a problem which threatens all workers, while it may create the conditions for an awareness of this common identity, under present conditions it also and probably much more acts as a divisive force. The continuing fear of unemployment and its consequences turns one worker against another, employed against unemployed, black against white, and it enables wages and living standards to be reduced.⁽¹⁾ So long as this is allowed to happen, and the consequences of unemployment remain reinforced by the social security system, unemployment will remain a divisive and destructive force. The working class are not the authors of capitalism; it is not a system run by them or for their benefit: they should not be expected to bear its consequences. If the problems of poverty and unemployment are to be abolished, it can only be done by overcoming these divisions, and by challenging the institutions of private property and wage labour which create them. As Tom Mann asked in 1936 "Are we to tolerate such a system forever?"⁽¹¹⁾

(1) As The Times so correctly noted with reference to the notorious struggle for trade union recognition and better wages for the largely Asian work-force at the Grunwick film processing laboratory "The success of Grunwick has been the result of offering a very prompt service at a very competitive price; that has been based on employing immigrants without restrictive practices and at highly competitive, that is low, wages. At a time when unemployment is high - and it is particularly high among the immigrant community in London - it is very natural that coloured workers should be willing to take jobs on these terms. The alternative is unemployment." (30.6.1977.)

(11) Introduction to Hal Mannington 'Unemployed Struggles', 1973 ed, p xii.

Chapter EightThe Welfare State

- some political conclusions.

"The modern state, no matter what its form, is essentially a capitalist machine, the state of the capitalists, the ideal personification of the total national capital. The more it proceeds to the taking over of the productive forces, the more does it actually become the national capitalist, the more citizens does it exploit. The workers remain wage workers - proletarians. The capitalist relation is not done away with. It is rather brought to a head."

(Frederick Engels 'Socialism: Utopian and Scientific'. In Marx and Engels 'Selected Works'. p 422.)

The Welfare State is no solution to the problem of capitalism.

It is itself part of the problem, and insofar as the Welfare State seeks to maintain capitalism, it remains an obstacle to the solution of the problems which capitalism creates.

Over the course of the present century the role of the State has expanded enormously. It now employs over a quarter of the total workforce, and its expenditure has risen from 13% of the gross national product in 1913 to its present level of almost 60%, of which over half is accounted for by welfare services. Not all of this expenditure is, of course, at the expense of private industry: while a considerable proportion is channeled direct to industry in the form of grants and subsidies, a major part of State 'expenditure' - such as that on social security - involves merely the transfer of resources between and within groups, while the remainder continues to provide the necessary economic and social infrastructure on which private capital depends.⁽¹⁾

Despite this growth in State activity, and a proportionately greater rise in State welfare provisions and transfers, the problems of poverty

(1) Cf. I. Gough 'State Expenditure in Advanced Capitalism'. 1975. and M. Barratt-Brown 'The Welfare State in Britain'. 1971.

remain. They remain, firstly, in a quantifiable sense: in the millions of people who live at or below the poverty line - who depend, for example, on supplementary benefits, or who, although eligible, fail or refuse to claim it. This line is, as we have seen, an arbitrary one. It has risen over time, and is now higher in material terms than it was in the 1950s or the 1830s, but it is a standard of life which in relative terms has changed very little. Poverty must always be relative. As the level of wealth has risen, so the poverty line has risen in relation to it, but it continues to depict a section of the population who fall below the standards and material comforts of the remainder. What is more, if ever we are to measure the amount of poverty which exists within capitalism, we cannot do it within one country alone. Capitalism is and is increasingly a world-wide system of production, and while the wealth and living standards of the 'advanced' nations of the west have risen enormously, they both create and depend upon the far greater deprivation of workers in the rest of the world.

Poverty, however, is more than merely an insufficient level of income. It is a condition of life - a threat, and at times a sense of helplessness and defeat. As Kincaid has written:

"In the last analysis to be poor is not just to be located at the tail end of some distribution of income, but to be placed in a particular relationship of inferiority to the wider society. Poverty involves a particular sort of powerlessness, and inability to control the circumstances of one's life in the face of more powerful groups in society... It is to be dependent for needed assistance on social agencies which have the power to investigate your personal life, can involve you in bureaucratic complications, and can stigmatise you as immoral or inadequate according to their standards. Sometimes you may be helpfully and courteously treated by the officer from the Ministry or the social worker, or the hospital receptionist. But in any case, how you are treated is very largely out of your control. The arbitrariness of circumstance is a dominant theme in the experience of poverty."

('Poverty and Equality in Britain'. 1973. p 171/2.)

Powerlessness of this sort is not confined to the very poor, nor is it the experience solely of those who are dependent upon State relief for their existence. But the experience of poverty is even wider than this. Poverty is also a sense of dissatisfaction, it is to have needs that remain unmet; it is to live below what the productive potential of society can offer.

This sort of poverty is endemic to capitalism. It is an experience on which capitalism depends for its growth, and a condition which affects

the vast majority of the population. Capitalism thrives on expansion; the accumulation of wealth depends on the constant increase of production, and on the maintenance of a growing demand for goods and services. It thus requires that people should always want more, and - most importantly - that their wants should never be satisfied. As J.A. Hobson wrote at the end of the nineteenth century:

"This difference between felt wants and the power to satisfy them is genuine destitution, and the real danger of poverty in any state is measured by its amount... This is the peculiar danger of our recent civilisation. The modern means of popular education, our school system, the spread of cheap reading, our railways, the growth of facile communication of every kind, and, most potent of all, the experience of new sensations and the stimulation of new ideas provided by city life, have constantly and rapidly enlarged the scope of desires of the poorer classes .. more rapidly than the increase in the means of satisfaction."

('Is Poverty Diminishing ?'. 1896. p 498.)

It is this dissatisfaction - "a universal, perpetual never-satisfied desire for something better than anything that is ever realised"⁽¹⁾ - which is a fundamental motive force of capitalist production. It is a dissatisfaction which is itself generated by inequality, by the observable existence of something better. But it is also a dissatisfaction which in an increasingly 'affluent' society is itself manufactured through advertising and the deliberate stimulation of demand in order to increase production. It is a yearning which in this context must never be satisfied planned obsolescence not only maintains the demand for goods, for it is also the failure to satisfy needs and desires which keeps people at work. As deMandeville argued. "those that get their living by their daily labour .. have nothing to stir them up to be serviceable but their wants which it is prudence to relieve but folly to cure"⁽¹¹⁾

It is in this sense that poverty must be understood most fundamentally as the condition of wage labour. To be poor is to be without the means of production and subsistence; it is to be forced into a position of dependence on capital, and those who own it, for work. This kind of poverty also has its own qualities. As Marx argued, wage labour is not a natural state of affairs; it is indeed the denial of the purpose and potential of human

(1) R. Rea qu p 240 above.

(ii) Qu p 8 above.

labour. As he wrote:

"The exercise of labour power, labour, is the worker's own life-activity, the manifestation of his own life. And this life-activity he sells to another person in order to secure the necessary means of subsistence. Thus his life-activity is for him only a means to enable him to exist. He works in order to live. He does not reckon labour as part of his life, it is rather a sacrifice of his life. It is a commodity which he has made over to another. Hence, also, the product of his activity is not the object of his activity. What he produces for himself is not the silk that he weaves, nor the gold that he draws from the mine, nor the palace that he builds. What he produces for himself is wages, and silk, gold, palace resolve themselves for him into a definite quantity of the means of subsistence, perhaps into a cotton jacket, some copper coins and a lodging in a cellar. And the worker who for twelve hours weaves, spins, drills, turns, builds, shovels, breaks stones, carries loads, etc. - does he consider this twelve hours weaving, spinning, drilling, turning, building, shovelling, stone breaking as a manifestation of his life? as life? On the contrary, life begins for him where this activity ceases, at table, in the public house, in bed."

('Wage Labour and Capital'. In 'Selected Works'. p 74.)

This sort of poverty cannot be measured.⁽¹⁾ To be forced to spend one's life working for someone else is a condition - a condition of life for the majority of people under capitalism. It is a condition which is the product of an historical development which has placed the productive wealth of society in the hands of a minority of the population, and which has divorced the majority from those means of production. It is thus a social relationship - a relationship between social classes - and it is on the continuation of this relationship that capitalism as a mode of production depends.

It is this poverty which remains the ultimate incentive to labour, and it is this need to depend upon wage labour for the means of subsistence which accounts for the consequences of unemployment and destitution. But because wage labour is a social relationship, it is also a relationship that is subject to tension, conflict, and challenge. The mediaeval peasantry did not willingly give up their land, nor did the propertyless working class that was created accept the necessity of wage labour or the inevitability of poverty and unemployment. As a social relationship wage labour has always had to be maintained, and while the working class has had to be kept in

(1) It has, however, been well documented and described. See, e.g., Huw Beynon 'Working for Ford'. 1973. and Huw Beynon and Theo Nicholls 'Living With Capitalism'. 1977.

poverty in order to secure their labour, the consequences of poverty have also (although within strict limitations and conditions) had to be relieved in order to secure the political stability and viability of wage labour.

It is this necessity which has seen the development of poor relief and social security provision.⁽¹⁾ It is through their operation that we have seen the creation of the necessity of wage labour. the formation of a class of 'free' labourers, the abolition of alternative sources for their subsistence, and their coercion into the private employment of capital. At the same time we have also seen the development of that 'mitigated kind of necessity' which has been essential for the political stability and survival of capitalism. This means not only, of course, that the consequences of poverty have had to be relieved: that people unable or denied the opportunity to work cannot be left to starve. It is also that the manner in and the conditions on which relief is given are themselves important in maintaining the incentive to labour. Capitalism could not have survived as long as it has on coercion alone. people have had to be 'bred' into an acceptance of its conditions and its operation. They have in part had to be made to accept its incentives and its consequences. to see the poverty of others as a moral failing, and to view unemployment not as the product of capitalism itself but as the wilful idleness of the work-shy. All this has required the creation of an ideology - the propagation of a belief that present social arrangements are both natural and inevitable. It is an ongoing struggle. It is an ideology which is itself supported by the very existence of capitalism, by the mundane task of earning a living, by the very necessity of having to go out to work, and by the apparent lack of any alternative way of social organisation. It is also an ideology which is supported by the consequences of not working. by the experience or threat of poverty, and by the manner in which poverty is relieved.

The Welfare State has not changed this. Wage labour remains the condition and the experience of the majority of the population. It remains as the fundamental cause of poverty and unemployment. And the social security system remains as a principal means by which this relationship is maintained and reproduced.

(1) "It is an admitted maxim of social policy that the first charge upon the land must be the maintenance of the people reared upon it. This is the first principle of the English Poor Law. Society exists for the preservation of property, but subject to the condition that the abundance of the few shall only be enjoyed by first making provision for the necessities of the many."
(Sir George Nicholls 'A History of the English Poor Law'. Vol I. p 2.)

There are, however, those who argue otherwise, who see the Welfare State, while perhaps not as having superseded capitalism, as at least having restricted its operation and modified its consequences. On the 'left' the welfare services have been seen as based on principles of equality and citizenship which contradict and stand in opposition to 'the market'.⁽¹⁾ On the right, similarly although with less approval, they have been seen as an obstruction to individual enterprise and as having undermined individual incentive.⁽¹¹⁾ This argument is not new. Ever since the seventeenth century poor relief has been castigated as destroying the incentive to work and undermining the necessity of wage labour. In certain respects this argument is perhaps correct. perhaps capitalism would be even more profitable if the working class accepted poverty and endured its consequences without complaint and without demanding relief. But such an argument has always been a non-starter. Problems of 'national efficiency' aside, the naked threat of hunger has always been too blunt an instrument to use with universal abandon.

This is not of course to deny that employers might prefer particular forms of relief rather than others. Current moves towards 'community care' of the sick and the elderly are but one indication of a persistent attempt to reduce the costs of poor relief by making the working class bear the burden of maintenance themselves. As Marx argued:

"Pauperism is the hospital of the active labour army and the dead weight of the industrial reserve-army. Its production is included in that of the relative surplus population, its necessity is theirs; along with the surplus population, pauperism forms a condition of capitalist production, and of the capitalist development of wealth. It enters into the faux frais of capitalist production; but capital knows how to throw these for the most part from its own shoulders on to those of the working class and the lower middle class."

('Capital'. I. p 603.)

As a form which relief might take, 'self-help' may, from the point of view

(i) "A 'welfare state' is a state in which organised power is deliberately used .. in an effort to modify the play of market forces in at least three directions - first, by guaranteeing individuals and families a minimum income irrespective of the market value of their work or their property; second, by narrowing the extent of insecurity by enabling individuals and families to meet certain 'social contingencies' .. and third, by ensuring that all citizens without distinction of status or class are offered the best standards available in relation to a certain agreed range of social services."

(Asa Briggs 'The Welfare State..'. 1961. p 228.)

Or as Antony Crossland argued with a great deal less respect for the facts, although not without influence "with its arrival, the most characteristic

of capital, be the most preferable; although it is not as we have seen a form which is without its own social and political consequences and dangers. But it is also a form which as events have proved is impracticable. Those who would argue that the Welfare State should be dismantled and that the working class should make its own provision against poverty, unemployment, and sickness would ignore their own history - that battle has already been lost. It was lost by the beginning of this century, if not before, and it was lost because it was impracticable both in material and in political terms. The development of social reform 'from above' and the decision to involve the State in the provision of an increasing arena of welfare services was not taken in order to undermine capitalism and its incentives. As 'enlightened' employers and politicians recognised, it was the only means of securing its future.

Wage labour has to be maintained; it has to be maintained both for those in work and those without work. That the State has taken on a growing role in maintaining and reproducing labour - in ensuring the health and 'education' of the population, in providing housing, and in maintaining through social security the reserve army of labour, as well as supplementing the income of its regular industrial army - that the State has increasingly done this rather than leave it to 'the market' does not at all represent any fundamental challenge to capitalism. To view capitalism merely as a market is to impose upon it a degree of abstraction which leads us nowhere.⁽¹⁾ Capitalism is a market, it depends upon the buying

/Contd from p 281...

features of capitalism have all disappeared the absolute rule of private property, the subjection of the whole of economic life to market influences, the domination of the profit motive, the neutrality of government, the typical laissez-faire division of income, the ideology of individual rights. This is no minor modification; it is a major historical change."

(Qu J. Saville. 1957. p 20.)

(ii) Thus according to Anthony Steen, Conservative M.P. for Liverpool Wavertree. "As state provision has intervened into more areas of our daily lives, it has robbed people of any logical reason as to why they should fend for themselves. Independence and initiative have been sapped, weakening the character. Many have now lost any sense of obligation either to themselves or to others. As a result of shifting the load of responsibility from family to state shoulders, people have become more inclined to opt out. By diverting a sense of obligation towards one's neighbours, the state has undermined the foundations of our society." (The Times. 12.1.1977.)

(i) Thus for example Dorothy Wedderburn has written that "at all points the actual effect of welfare legislation, the values embodied in welfare legislation .. represent a compromise between the market and laissez-faire on the one hand, and planned egalitarianism on the other." ('Facts and Theories of the Welfare State'. 1965. p 144.)

and selling of human labour-power. But this market has never existed in isolation. It did not come into being, nor has it been able to continue without the active presence and intervention of the 'collective' power of the State. Like those nineteenth-century political economists who argued against the 'vulgar' exponents of laissez-faire, we must recognise that capitalism is a construction, that human labour is a commodity that has to be moulded before it can be marketed, and that this promotion of the 'morality' of labour is a process that has constantly occupied the 'welfare' services of the State.

If we are to understand the Welfare State, then, it must not be in terms of what the welfare services 'could' or 'should' be, of what abstract values they embody, or of what potential they might have if only we had more of them.⁽¹⁾ We must begin with what the welfare State is, with the way in which its institutions have developed and are used not to oppose capitalism, but to strengthen and maintain it. The Welfare State has not abolished the capitalist relations of production. It has not abolished wage labour. If anything, it brings this relation to a head: the State itself becomes the major employer, the major provider of a reserve of labour, and, as we shall see, the major force by which this relationship is maintained.

Throughout its history the State, and in particular the 'welfare' State, has been the subject of a continual expansion. This expansion, as we have seen, has been the necessary product of attempts to protect the existing structure of society against challenge and conflict. According to Engels:

"The state .. is a product of society at a certain stage of development, it is the admission that this society has become entangled in an insoluble contradiction with itself, that it has split into irreconcilable antagonisms which it is powerless to dispel. But in order that these antagonisms and classes with conflicting economic interests might not consume themselves and society in fruitless struggle, it became necessary to have a power seemingly standing above society that would alleviate the conflict, and keep it within the bounds of 'order'; and this power, arisen out of society but placing itself above it, and alienating itself more and more from it, is the state."

('The Origin of the Family, Private Property, and the State'. In 'Selected Works'. p 576.)

(1) That they are, for example, "based on conceptions of social responsibility and human dignity which do not belong to the economic system of greed and self-seeking which still dominates our society."

(Dorothy Thompson 'The Welfare State'. 1957. p 129.)

The modern State developed, as we have seen, out of the royal household of the feudal monarchy, and grew, at both a national and a local level, in the attempt to preserve the structure of feudalism against the inroads and contradictory forces of capitalism. With the failure of this attempt and the Civil War of the seventeenth century the political power of the State passed into new hands. From the dictate of a single individual to the expression of a dying ruling class, the State - with its growing powers of administration and control, its army, and its monopoly of taxation and 'legitimate' force - had become the instrument of a new class and was to continue to expand in the attempt to establish and consolidate the development of capitalism.

There was and remains in this growth of the State one sort of conflict - conflict between differing factions of a ruling class - between barons and monarch, feudal landowners and capitalists, manufacturers and landlords, financiers and industrialists. There is at all times tension within the ruling class, between those who own and depend upon different forms of wealth. At times the state has been used openly by one or more factions to further its interests over another. At the same time the State has also grown as an institution which attempts to reconcile these differences, to achieve a degree of unity in national administration and policy, and to pursue and to educate the ruling class in the common interests of the class as a whole.

The growth of the State is, however, primarily the product of a much more fundamental conflict. Capitalism - as any society which is divided into those who labour and those who live off their labour - is a society split by an irreconcilable antagonism. It is this fundamental contradiction - the conflict between one class whose wealth depends upon the poverty of the other - which is the motive force of political development. It has been in the attempt to discipline and control labour and to contain the threat of class conflict that the State has grown, that workhouses were developed, poor relief centralised, and the institutions and apparatus of the 'welfare' State expanded.

Social reform and the growth of the welfare State is in this sense the product of class struggle. But this does not mean, as we have seen, that social reform has been the product of working class demands. It has been at those periods when the working class has threatened to go beyond the existing arrangement of society, when the structure and future of capitalism itself has been threatened, that the most significant developments in social welfare, and thus in the scope and activity of the State, have

taken place. These developments have again at times, such as in the Factory Acts or in social security itself, seen the power of the State used against the immediate interests of the possessing class, and have given rise to the appearance of the State as an institution 'seemingly standing above society' and above particular class interests. But it is a power which has been used, and used sparingly, only in order to preserve the existing structure of society against the threat of its fundamental antagonism. As with the extension of the franchise, the origins of national insurance and social democracy, and the post-war development of the Welfare State, the attempt to assuage and contain class conflict has seen the promotion of the State as a national institution serving the 'national' interest.

In a society where the interests of capital and labour are irreconcilable, the pursuit of a 'national' interest must remain illusory. It is nevertheless the promotion of the State as such an institution which has given rise to attempts to understand what is known as the 'relative autonomy' of the State within capitalism.⁽¹⁾ Clearly the State is no longer the simple and direct instrument of those who possess the country's wealth; since the end of the nineteenth century at least the exercise of political power and the legislative and executive functions of the State have ceased to be the monopoly of landowners, merchants, or industrialists. With universal suffrage, democracy, the growth of a civil service and a bureaucracy, and the extension of the State's activity and employment, political power is no longer held to be the preserve of a class, but the expression of a universal and popular will. How then, if at all, is the continuing class character of the State and its policies to be explained?

At one level it can be done through empirical observation. Despite the claims to equality and democracy those politicians and senior civil servants who are in the position to define and develop State policy are on the whole drawn from the same middle and upper classes, they tend to have had the same public school and educational background, and they retain close interests in and connections with private industry and finance.⁽¹¹⁾ Clearly this is important; the 'success' of politicians and the selection

(1) This is a concern most closely connected with Nicos Poulantzas, especially his book 'Political Power and Social Classes'. 1973. and his debate with Ralph Miliband 'The State in Capitalist Society'. 1969. although it has generated a growing literature. Cf. D. Gold et al. 'Recent Developments in Marxist Theories of the State'. 1975.

(11) Cf Miliband op cit.

procedures and promotion within the civil service continue to depend upon as well as to create conformity with existing practices and ideologies. So long as those in positions of State power continue to be a part of or to identify with the values and interests of the ruling class, State policy will continue to reflect their interests.

But we can take this argument a little further. The State has never, or at least has not for a long time, been an institution simply wielded by those who own the means of production. The 'relative autonomy' of the State from direct control and manipulation by the capitalist class, while an increasing feature of historical development, is itself a necessary feature of the State. Even when Parliament was nothing more than a group of landowners, they exercised their judgement and control not only in their own interests, but in that of their class as a whole. What is more to the point, however, is that this control has itself increasingly passed out of the hands of those - capitalists or not - who sit in Parliament and into the hands of those who administer and implement State policy. The role of civil servants in the formation and growth of the State has, as we have seen, been central. It was they who during the nineteenth century established the framework and the institutions of contemporary social policy, and it is they who through the control of information, inquiries, and commissions, have continued to determine policy. It is in this growth of the State as a relatively autonomous institution, manned by those whose function is to administer the existing framework of society, that the continuing class character of the State and the limits of its autonomy can again be understood.

It is of course a commonplace that governments come and go, and that when in office they not only depend upon civil servants for the supply of information and the drafting of legislation, but that they also face in the State an institution which has its own structure and momentum. As The Times (24.5.1977) has pointed out.

"The temptation for politicians taking office in peacetime to tinker with the government machine and to think, thereby, that they have effected a wider political transformation is very great and can be very damaging. It explains, for example, many of the illusions that accompanied .. Sir Harold Wilson's first ministry in 1964."

The State is not, of course, simply the government or the political party in office. It is a whole range of institutions, including the judiciary and the armed forces, of which governments are only a part, and over which as many examples show, governments are not always in control. While military

coups are one example of the potential ineffectiveness and powerlessness of governments, the power of the State as an institution with its own policies is evident also in its administration. Nominally this administration is under the control and direction of elected representatives, but this too, as we have seen, is a feature which has shrunk as rapidly as 'democracy' has been extended. The suspension of the Boards of Guardians and the removal of poor relief from Public Assistance Committees was a response to a situation in which democratic control threatened to undermine the direction of local and central State policy in accordance with the requirements of capitalist enterprise. Even disregarding the limitations which are placed upon the exercise of democratic control by the continuing inequalities of wealth, power, and education, this removal of certain central State institutions from the realm of Parliamentary control, such as in the Supplementary Benefits Commission, is a continuing feature of the character of the modern State. More recently it is a concern which has been illuminated by proposals, initiated by Ralph Dahrendorf for an 'independent' policy research unit similar to the American Brookings Institute. As an article in The Sunday Times has recently pointed out these proposals have been circulated to.

"over 100 civil servants, merchant bankers, chairmen of nationalised industries, politicians and academics... In these Dahrendorf expresses the concern common to the vast majority who have received the paper. This was summed up when he wrote: 'The predicament is aggravated by the short-term orientation of democratic politics at a time of medium-term needs'. In other words: how can we reconcile the short-term, essentially electoral preoccupations of democratically elected governments with the need for at least medium-term planning? ... Others want to go beyond anything a Brookings could provide. For example, there are those who simply want to take certain areas of planning and decision-making out of government itself and into government agencies which would be largely independent of parliamentary control - a process that has already gone some way in America. Over here, the creation of the Manpower Services Commission to organise and control the labour market is a small step in that direction."

This removal of State institutions from 'democratic' control is just one instance of the 'Power and Influence' (to quote the title of Beveridge's own autobiography) of those civil servants, academics, and social reformers who have played a central role in the development of the State and State policy. It is again through their activities that the 'relative autonomy' of the State must be understood. While at times such officials have themselves been people of property, the subservience of the State to the interests of capital and its possessors has also been the product of the

belief of such officials that they know best, and can best secure, those policies which are in the interests of the stability and permanence of capitalism. Indeed, it is precisely this ability of the State, of its officials and its policies, to rise above the immediate and at times conflicting interests of the bourgeoisie which enables it to plan and to pursue - as a committee on their behalf - the long-term and common interests of the bourgeois class as a whole.

In the last analysis, however, the continuation of the capitalist State without the direct control of individual capitalists is to be understood not in terms of the backgrounds, attitudes, or interests of politicians or civil servants, but in the functions of the State and its structural position within a capitalist society.⁽¹⁾ The State is not autonomous, but a reflection of the society in which it exists.⁽¹¹⁾ As the form of political organisation it is a reflection of and helps maintain the way in which that society is organised and operates. The function of the State is to maintain stability, to provide solutions to the economic, social, and political problems of society; but it can only do so within the terms and parameters laid down by the way in which the existing structure and operation of society is organised. In our society this organisation is capitalism. It is a form of organisation which is based on private property, the separation of the majority of the population from the means of production, and on wage labour. And it is within these terms that the State must operate.

It is not simply that a government such as the present Labour government finds itself "on parole .. to the International Monetary Fund"⁽¹¹¹⁾. Certainly, governments and States are at the mercy of private capital, are threatened by fluctuations in international exchange rates, by a loss of 'confidence' by investors in stock markets, or by the decisions of large-scale multi-national capital and industry to invest in, or to withdraw their investments from a particular country. Such decisions have brought down

(1) Cf Poulantzas op cit. As a useful correction to the tendency to an over-deterministic view of the State in his work, however, see Amy Bridges 'Nicos Poulantzas and the Marxist Theory of the State'. 1974.

(11) As Marx criticised the programme of German social democracy in its belief that the State could be used to transform society. "Instead of treating existing society (and this holds good for any future one) as the basis of the existing state (or of the future state in the case of future society), it treats the state rather as an independent entity.." ('Critique of the Gotha Programme'. In 'Selected works'. p 327.)

(111) The Times. 23.3.1977.

governments in the past, and the power and ability of private capital and wealth to undermine and even to overthrow hostile alternatives is a power which, as the experience of Chile has shown, governments ignore at their peril.

But it is the existence and operation of capitalism itself which sets, as The Times has put it, "the constraints from which there is no escaping".⁽¹⁾ Capitalism is as we have seen a relationship; it is a relationship between those who own the means of production and those who work for them. It is ultimately a relationship between capital, between the wealth of society and those who produce it. Human labour is the source of all new wealth; it works upon the materials provided by nature in order to produce those goods which are necessary for social survival. But ever since those who produce this wealth have been separated from its ownership and control, it has confronted them not as a force to be used to satisfy social requirements, but as an alien force with its own logic and development. Capitalism is one stage of this process; it is a form in which the production of wealth has expanded at an accelerating rate, but it is a form of organisation in which the control of this wealth remains elusive. The accumulation of capital, and the uses to which it is put, are determined not by the requirements of those who produce it, but by the logic of profitability. This logic, as we have seen, has its own consequences; it is a logic which depends on wage labour, and which issues in poverty and unemployment. It is, moreover, a logic which continues whether capital is 'owned' by private individuals, or by the State. So long as profitability and the accumulation of capital continue to dominate the way in which social production is organised, the consequences of capitalism will remain.

It would, however, be naive to suppose that these questions can be separated from those of class, power, or social conflict. Although the State has increased its ownership of national wealth threefold in the last decade, the 'public sector' still only controls 26% of the country's capital.⁽¹⁾ The bulk of capital is still owned by private individuals, and the bulk of this by a very small minority. It is they who pull the strings, who control the 'commanding heights' of the economy, and who profit from its

(1) 23.3.1977.

(ii) The Times 8.2.1978.

performance, and it is they, as Winston Churchill wrote in 1909:

"who would certainly lose by anything like a general overturn, and they are everywhere the strongest and best organised millions. ... Any movement which was inspired by mere class prejudice .. would encounter from the selfish power of the 'haves' an effective resistance which would bring it to sterility and destruction."

('Liberalism and the Social Problem'. 1909. p 77/8.)

At the same time, however, it would also be naive to suppose that those who own this wealth are themselves capable of controlling it. Their ownership enables them to wield a power over society; the power to decide the fate of individuals and of communities by their decision to close down a factory, to invest here or there, or not to invest at all; and the power to dictate to governments what policies and actions are to be followed. But at the same time even capitalists do not really control capital: crises of profitability, slumps and depression are the product of the logic of accumulation, and while they can be of benefit, especially to larger enterprises in ruining competition and restraining wages, they also bring a waste and destruction of productive power which even on capital's terms is grossly inefficient and uncontrollable.

It has been the attempt to control and regulate this anarchy of capitalist production which has been a further factor in the growth of the State. As at all times, the dimensions of this growth are both political and economic. The increased intervention of the State - its nationalisation of the decaying infrastructure of industry, its attempts to control and manage the economy, to regulate wages and, less successfully, prices, and to maintain a high level of demand and of employment - has been set by the need not only to maintain the economic stability of capitalism and to even out its fluctuations and crises, but also to forestall the political crisis which such events threaten. As the present collapse of the protracted post-war boom has now demonstrated, however, such an attempt at control and regulation has resulted in failure, and brings with it its own problems and contradictions. Moreover, insofar as the State attempts to solve the problems of capitalism within the terms and conditions posited by capital - within the conditions of wage labour and capital accumulation - its solutions can never be successful. It is the social relationships of capitalist production which set the constraints on the 'relative autonomy' of the State and its actions.

These constraints are clearly evident in the field of welfare and in the creation and 'solution' of social and economic problems. As Gouldner

has argued:

"the Welfare State .. is a treadmill operation; it must continually strive to keep abreast of continuing increases in mechanisation and automation, with their inherent tendency to generate at least temporary unemployment of men and continual obsolescence of skills."

(A. Gouldner 'The Coming Crisis of Western Sociology'. 1971. p 77.)

It is also a constraint which is apparent in the way in which the Welfare State deals with these consequences. So long as wage labour remains the basis of economic and social organisation problems of poverty and unemployment can never be wholly relieved. Political and economic necessity, as we have seen, has forced the extension of welfare benefits, of redundancy payments and social security; this continues to excite the opposition of less 'enlightened' employers and politicians; but as the C.B.I. has recently pointed out. "Financial aids make fear of dismissal less than it once was, but it exists"⁽¹⁾

While the Welfare State has thus not fundamentally changed the nature of capitalism and its consequences, the contradictions of capitalism have led the State to an increasing process of growth and regulation.⁽¹¹⁾ Underlying this growth has been the attempt to contain class conflict. Ever since the beginning of this century official politics in Britain has been dominated by the ideology of 'social democracy'. It is a peculiar kind of politics. While it asserts the equality of citizens it leaves the material foundations of inequality unchanged, and while the institutions and practices of social democracy and the Welfare State continue to divide and fragment the working class it seeks to involve the working class in its administration and operation.

The containment of class conflict and inequality is, as we have seen, something which cannot be done by force alone. Increasingly the political stability of capitalism has come to depend less upon the repressive power of the State and more upon the promotion of an ideological conformity to and acceptance of existing institutions and their use alone as the means of 'solving' problems. Again as we have seen, this ideology of acceptance

(1) The Times. 14.6.1977.

(11) "If, however, it has been necessary to increase steadily the share of the state in the economy in order to ensure a managed capitalism, it would rather suggest some increasingly destabilizing or polarizing forces were indeed at work underneath. Had there been no such forces at work, a once for all level of intervention by the state should have been enough to correct the forces at work."

(M. Barratt-Brown 'The Welfare State in Britain'. 1971. p 201.)

of capitalism and of a belief in its potential for reform itself requires institutional expression and maintenance. It has involved the destruction and replacement of alternative working class institutions and ideologies by State institutions, and it has seen the incorporation of working class organisations and the involvement of individuals and leaders in the machinery and operation of the State.

This is, of course, a process which has been most evident in the direction of the working class into Parliamentary politics, and in the promotion and support of the Labour Party. As a political party which purports to represent the working class, and which demands their allegiance, the Labour Party has often been recognised as the most capable in controlling and containing working class demands and unrest, especially in periods of crisis. As The Times has put it, the present Labour government

"is pursuing policies in the economic sphere which sit more comfortably with the attitudes of its Tory opponents than with those of the Labour Party... A socialist government applying Tory measures sometimes has a better chance of making them stick."

(23.3.1977.)

Similarly the T.U.C. - "the most conservative of British institutions"⁽¹⁾ - has found itself involved, particularly under Labour governments, in the making of State policy, and, subsequently, in using its power to enforce acceptance of such policies on its membership. As one article in The Guardian (22.1.1976.) pointed out:

"As a result it finds itself bearing partial responsibility for policy decisions which become subsequently far harder to oppose. There is also a process of gradual enlightenment about the real constraints of government."

It is not, however, only in making the working class - or at least its institutional leadership - aware of the real restraints of governing capitalism that the politics of social democracy have been important in maintaining capitalism. Like the Fabians and the Liberal Party before them, the Labour Party has long been the foremost advocate of an 'efficient' and managed capitalism, and has, moreover, often been able to secure the necessary reorganisation and restructuring of capitalist industry, with its consequent unemployment and depression of living standards, where other parties would have met with opposition and failure.⁽¹¹⁾ Attempts to

(1) Sir John Walley 'Social Security..'. 1972. p 79.

(11) Cf. Wal Hannington 'Ten Lean Years'. Ch. 1.

reform capitalism from within must, of course, be seen as in part the expression of a genuine working class demand and belief in its possibilities; but at the same time, it is precisely this ability of institutions such as the Labour Party and the T.U.C. to contain and control these demands, and temporarily to solve the problems of capitalism at the expense of the working class, which has seen their acceptance into the processes of State planning and control.⁽¹⁾ Moreover, it is through such incorporation that social democracy has come to portray the State as 'neutral' and benevolent; as one leading social democrat has argued:

"The apparatus of the state must be so modified as to create the conditions in which the people might identify with it, rather than feel remote. They must feel it as part of their life. They must feel it to be an expression of their freedom rather than a limitation of their freedom."

(Judith Hart M.P. in The Times. 6.7.1977.)

And it is through such politics that the State and parliamentary politics are presented as the only legitimate form of politics and the only legitimate avenue of reform and change.

This process, however, contains its own limitations and contradictions. It is only so long as the Labour Party pursues 'Tory' policies that it "still has a useful purpose to serve"⁽¹¹⁾ and it is only so long as the trade union leadership embraces 'moderation' and the 'national interest' that its involvement is welcomed. Similarly while social democracy presents the State as the only legitimate institution for reform, and while the Welfare State attempts to contain class conflict by extending its provisions and creating a dependency upon the State, it at the same time seeks to discharge this responsibility and maintain 'independence' and 'self-reliance' as the incentive to labour.

One result of this is that the State becomes not only the focus of demands, but also the source of grievances. According to Enoch Powell:

"The translation of a want or a need into a right is one of the most widespread and dangerous of modern /!// heresies ..

(1) As Bill Warren has argued "An essential precondition of this operation was that the working class should be led into it by its 'own' parties and trade unions, otherwise it would be bound to fail. Thus, whereas before the war and immediately after it social-democratic parties in the large capitalist countries had only been rather reluctantly allowed to take power by doubtful ruling circles, in fact because they had no choice, the period of the 1960s saw them positively welcomed to government by various traditionally conservative groups. In the west German, Italian and British and Belgian

It provides unlimited fuel for dissatisfaction; it provides unlimited scope for the fostering of animosities between one section of potential recipients and another... The result is that ever wider and deeper State intervention is demanded while the State itself becomes the source, as well as the focus, of social grievances."

('Still to Decide'. 1972. Qu V. George and P. Wilding 'Ideology and Social Welfare'. 1976. p 12 & 27.)

The fostering of animosities between potential recipients is, as we have seen, one of the consequences of the way in which the welfare services are administered, and one of the means by which demands are contained⁽¹⁾ It is, however, the experience of this administration, and the experience of the State not only as a relief agency but as an employer, as law-maker and enforcer, and increasingly as the framer of economic and social policy and problems, which belies the claims and aspirations of social democracy. The Welfare State has not succeeded in abolishing the problems of capitalism, or in achieving class harmony. For many people it has not fundamentally altered their situation; it remains peripheral to the solution of their problems, and itself a source of frustration and hostility.⁽¹¹⁾ As Richard

/Contd from p 293...

cases, major sections of the dominant business groups actively promoted the entry of social-democrats to power, in order precisely to introduce more modern economic policies for capitalism, including of course, and mainly, wages policy and planning." ('Capitalist Planning and the State'. p 25.)

(ii) The Times. 25.3.1977.

(1) Thus according to David Wnalls, present Secretary of State for Social Services, those who argue for reform in social security "should say which groups should be discriminated against to make way for their own priorities" (The Times. 6.7.1977.)

(11) Thus even in 1957, in the midst of the 'you've never had it so good' euphoria of certain politicians over the arrival of the Welfare State, 49% of mothers interviewed replied that "they had never heard the phrase or could not say what it meant." (P.E.P. Report 'Family Needs and the Social Services'. 1961. p 34.)

The sense in which the Welfare State had not fundamentally altered people's situation was, perhaps not surprisingly, most evident with respect to social security. While 92% of people who had had contact with the health service thought that it had been a 'real help', only 43% felt the same of national insurance, and 7% of national assistance. (Ibid.)

As the report concluded. "Evidence from the present inquiry shows that, for the sample as a whole, the impact of social security benefits has not been very great either in fact or in its effect on opinion." (Ib p 156.)

A more recent inquiry has confirmed a similar experience, with 64% of those experiencing the national Health Service, but only 12% of those who had claimed social security, considering that they had been most helpful. (New Society. 12.10.1967.)

Hoggart argued in 1960:

"I would say that the idea of the Welfare State has not had much effect on working people; that they are not much aware of living in a welfare State. There are some clear advantages they know about; and if they have special problems they may know about more. But .. the assumption so often made, that somehow a blanket of State care has descended on people since the war is far from what people feel."

('The Welfare State. Appearance and Reality'. p 14.)

There are, undoubtedly, advantages for many working people in the development of the Welfare State. Workers cannot be so readily starved back to work as they once were; they cannot so readily be made redundant with impunity; nor do they have to bear totally unaided the cost of unemployment, sickness, disease and poverty. It has taken a long time to push capitalism this far. But it is still not far enough. Poverty and unemployment remain, as do gross inequalities in health, housing, living standards and education. What is more, while these problems are experienced by certain sections of the working class more than by others, the Welfare State itself continues to reinforce these distinctions and divisions.

The Welfare State cannot be ignored. The State has assumed a growing control over people's lives, over their wages, their living conditions, and their employment and unemployment. At the same time its policies serve to isolate the most vulnerable amongst the working class, and to fragment and weaken the class as a whole in its ability to demand change. Any solution to the problems of poverty - to the problem of unemployment and of inequality - must thus begin with the immediate problem and with present policies. It must demand that those who suffer the consequences of capitalism should not be expected to bear its costs, nor that they should be used to depress the wages and conditions of the working class as a whole. It must demand not only the right to work, but also, and fundamentally, the right of everyone whom capitalism will not employ - or who, for whatever reason are unable to work - to be provided with an adequate and secure existence without conditions and stigma.

At the same time, however, any solution which seeks to abolish unemployment and poverty must recognise that these are problems which are the product of the way society is at present organised, that they are the problems of capitalism, and that their abolition requires a new form of economic and social organisation. Throughout the history of capitalism the productive power of society has expanded enormously, production itself has

become an increasingly social enterprise, with the increasing co-operation and interdependence of workers, yet the benefits remain the preserve of the few. It is the containment of this productive potential within the social relations of capitalist production - within the institution of private ownership and wage labour - which continues as the major contradiction and as the cause of poverty and its consequences. If poverty and its consequences are to be abolished, this power of production has to be taken back by those who produce it and used to satisfy their needs and requirements rather than to dominate them. The 'welfare State' is no solution to this problem; it is itself part of the problem. As Engels argued:

"The capitalist relation is not done away with. It is rather brought to a head. But, brought to a head, it topples over. State ownership of the productive forces is not the solution of the conflict, but concealed within it are the technical conditions that form the elements of that solution."

(Op cit. p 422.)

Capitalism and its welfare State will not, however, 'topple over' of their own accord.

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