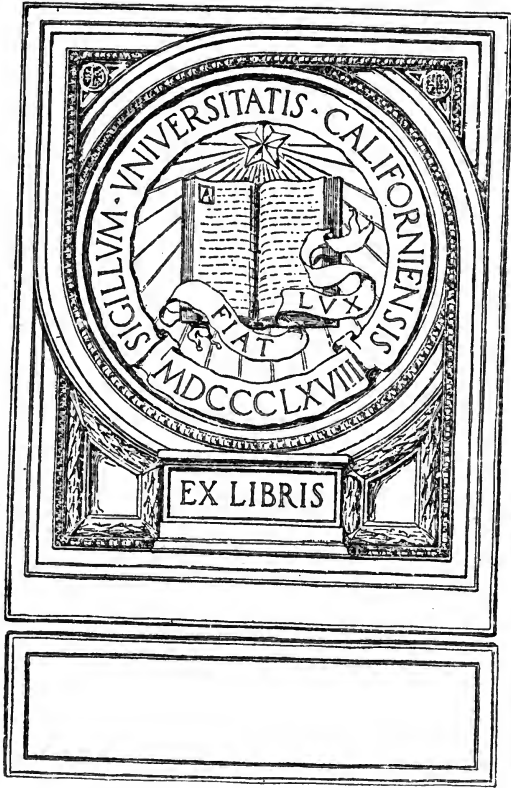


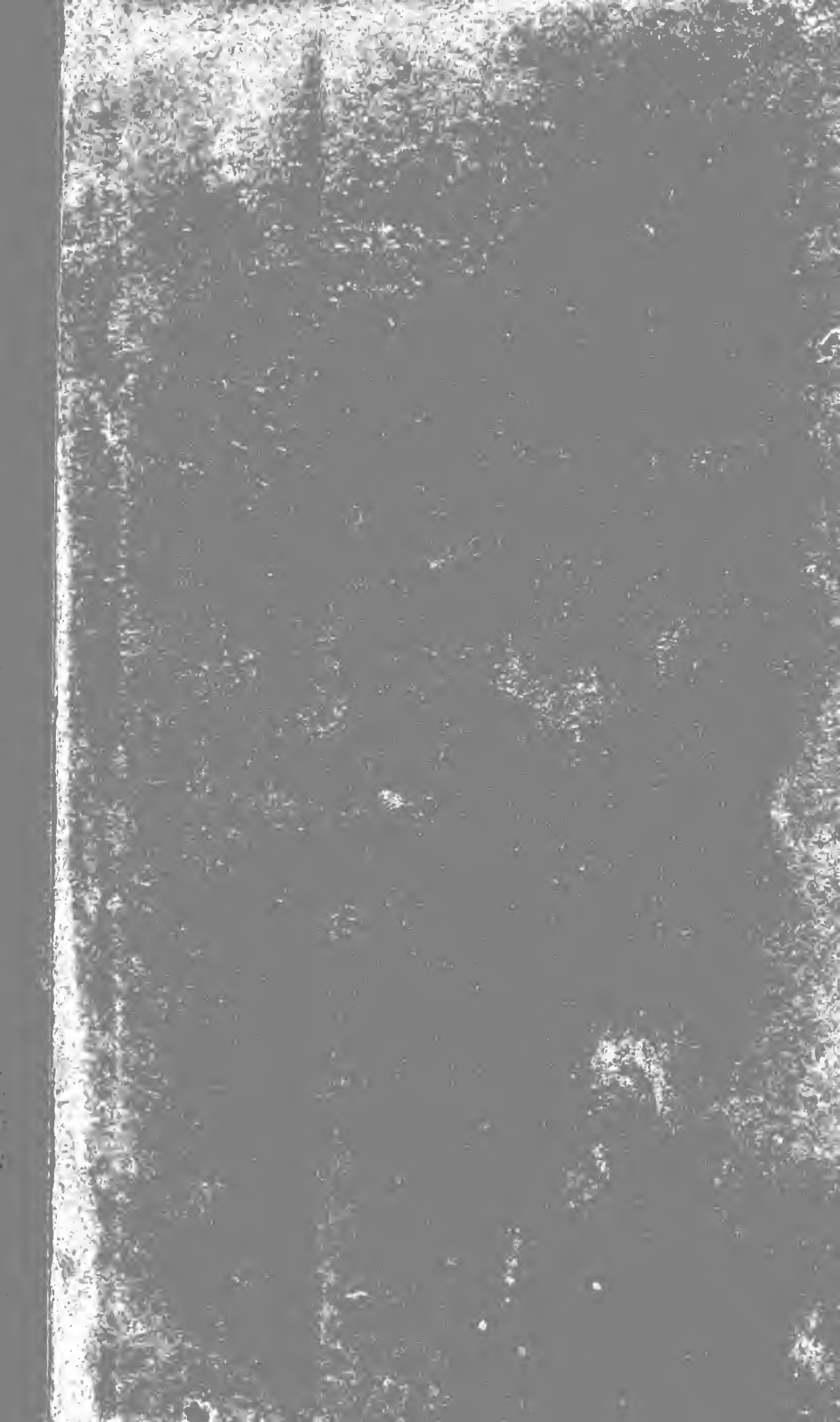
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ECONOMIC LIBERALISM



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ECONOMIC LIBERALISM

BY

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1913

TO
LUJO BRENTANO
IN GRATITUDE AND RESPECT

v

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PREFACE

RECENT Liberal legislation, particularly in its dealing with social questions, is causing a deep and very real revolution in English economic thought. Politicians may, like Lord Rosebery, lament the change in the national character, but no one can deny that a new spirit is there. After a prolonged period of political sterility new men have come to the front with new demands and entirely new ideals of social development. If this new impulse conflicted merely with the principles and economic theories of the last fifty or sixty years, it would not appear to Englishmen so revolutionary as it does. The new Acts of Parliament could, perhaps, in that case be discounted as the natural political and economic advance of one decade on another, and the questions they raise as merely a matter of greater or lesser individual progressiveness. But the changes we have to consider are not of this gradual nature. In the "socialism" of the Liberals and Radicals the economist is face to face with tendencies which run counter to the principles ingrained in English economic thought ever since

the Civil War, and to the basic ideas from which Economic Liberalism had its birth in the seventeenth century. It is therefore to that century that we must go back if we wish to understand the political ferment in England to-day.

Such a study cannot, however, be limited to the consideration of economic ideas alone. This essay attempts in the first place to show the relation of early theories of industrial freedom to contemporary economic development, and in the second place to trace the reaction of these theories on the economic and social legislation of the seventeenth century. Such an attempt would be hardly possible had not the recent labours of Mr. Unwin, Mr. Price, Mr. Lewis, and especially Mr. Scott, shed a flood of light on the economic conditions of that period—certainly the most interesting in English economic history, though for a long time, unfortunately, neglected by political economy. So long as economic investigation was concerned almost solely with the origin of capitalism, the growth of the large factory and of the large farm, and the rise of the modern labour question, the starting-point of enquiry was naturally the industrial and agricultural revolution of the eighteenth and early nineteenth centuries. But great as were the material changes of that time in England, the foundations of the modern industrial state were laid over a hundred years earlier.

With regard to the influence of seventeenth-

century constitutional and ecclesiastical questions on economic theory and practice I found it necessary to attempt myself to extend the information available. My chief sources have been the hundreds of pamphlets in the British Museum, not only those of more strictly economic purport, but also the very large number which deal with constitutional, ecclesiastical, and general political movements only indirectly connected with contemporary industrial problems. For the great movements of the seventeenth century—and this explains why the economic history of the time has been hitherto neglected—were outside industry and only affected it indirectly. Industry came to its own in the eighteenth century, and became the chief point of interest in national life for the historian of civilisation. But it was in the seventeenth century that the English people evolved and assimilated the great theoretical principles on which its subsequent industrial predominance was founded.

H. LEVY.

HEIDELBERG, *October* 1912.



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CHAPTER I

INTRODUCTION

Failure of the Manchester School—The wider meaning of Economic Liberalism—Importance of this distinction at the present time.

THE Manchester School of economic *laissez faire* has of recent years been brought face to face with two very momentous phenomena—Socialism and Neo-Mercantilism. These two very different tendencies have a common element in their opposition to the individualist doctrines of political economy. Socialism is concerned with the division of the product according to certain principles of “justice,” rather than with the development of potential production. Mercantilism is the most complete expression of an all-embracing regulation of industrial conditions by political wisdom and administrative practice. But both agree that industry should be organised by the State.

Manchester Liberalism has been undermined bit by bit by the union of these two forces. Its doctrine of no combination among workmen was overthrown by changes in the social basis of industry at a very early date. Social reformers pressed forward factory laws contrary to its tenets and at first in face of its active opposition. As John Stuart Mill had

to admit¹ when the first signs appeared in the case of railway companies, concentration of capital put an end to free competition. On all sides private monopolies have sprung up, leading either to State monopolies or at least to the conviction that it is the duty of the State to keep an eye on the prices, output, and financial proceedings of large undertakings. State land schemes are but another manifestation of the same tendency. All these facts have one common feature. They all require an enormous official machine, and have led to a growing belief in the necessity of State interference and governmental support and control in industrial matters. England, which for two hundred years had been proud of its freedom from officialdom, began at the end of the nineteenth century to lament its want of suitable officials and its lack of bureaucratic training, and finds itself forced to-day to resort to all manner of devices to make good the deficiency.

The Manchester School were no doubt mistaken in thinking that, once the legal fetters of feudalism and of the gild system were struck off, expansion of production would secure the absolutely "free" development of the individual and therefore of all individuals; but their downfall in the sphere of commercial policy on which above all they pinned their faith was perhaps even more complete. The Free Trade movement of the nineteenth century was only a transitory shadow. We live at a time when mercantilism in its latest form flourishes on all sides. All its principles, all its long-forgotten methods, its export duties and export bounties, have

¹ J. S. Mill, *Principles of Political Economy*, 2nd ed. vol. i. pp. 176, 301; vol. vi. p. 499.

once more come to life. It may be true that the arguments of Free Traders are not thereby disproved, but at any rate they have been wrong in their historical prophecies. Adam Smith's scepticism has been justified.

If, therefore, Economic Liberalism consisted merely in the demand for free competition and unlimited *laissez faire* in production and exchange, it could rightly be said that its period of influence had been extremely short. And just because it is usual so to define it, the name "economic liberalism" has acquired a somewhat Utopian ring. We think of it as a passing fancy of the nineteenth century, that tried to conquer the world with a cry of free competition and free trade but was very soon overcome by the general opposition.

In truth, however, economic liberalism is no fleeting conception popular for a few decades only. It typifies an era. *Laissez faire*, in the sense given it by the descendants of Adam Smith, was the practical demand of a "school." But it sprang from the ideas and principles of a system of thought whose ramifications were very extensive, and it would be a mistake to reckon its want of success against that system in itself; still more so to involve the whole system in its defeat. On the contrary, just because the practical demands of *laissez faire* remain to-day unrealised, we must guard ourselves from the common mistake of thinking economic liberalism as such extinguished.

As the example of England shows, its essence is still a living faith. There are wide circles in which, for instance, it is clearly grasped that a really logical reform of industrial policy, on social

lines, is fundamentally abhorrent to the views of the older English liberalism. Since the great Budget years of 1909 and 1910, many prominent old Liberals have joined the Conservative party. In spite of Protection they consider the old Liberal principles more nearly maintained by Conservatism than by the Socialism of the left wing of the Radical party.¹ They find themselves able to subscribe to the general economic tendency of the Conservative programme, omitting the debatable point of Tariff Reform; while to support the social measures of the Liberal-Radical Government would compel them to act against principles which for over 250 years have exercised a profound influence on English economic life. Hence the considerable effect of Mr. Balfour's election cry, "Socialism or Tariff Reform."

At the present time, therefore, it is particularly important to distinguish between the conception, fundamental principles, and results of the special liberalism derived by the Manchester School from the theories of the eighteenth-century physiocrats, and the larger and historically more important aspect of the general Liberal doctrine. It was the latter which in the seventeenth century marked the parting of the ways between the old and the new, and it is the latter which now finds itself so frequently

¹ The most interesting instance in this respect is the secession of Lord Rosebery. Cf. his pamphlet, *The Budget*, London, 1909, p. 30: "This Budget is introduced as a Liberal measure. If so, all I can say is, it is a new Liberalism, and not the one that I have known and practised under more illustrious auspices than these, under one who was not merely the greatest Liberal but the greatest financier that this country has ever known—I mean Mr. Gladstone." *Ibid.* p. 38: "If, as the Prime Minister says, this Budget is the only alternative to Tariff Reform, many, though reluctantly, will cease to defend the doctrines of Free Trade." Again, p. 41, of the new social principles of the Budget: "What, perhaps, in my heart of hearts I think most grievous of all, it is an attack on Liberty."

opposed to the latest social ideas and the latest economic policy. It alone makes the phrase "economic liberalism" signify more than that a country is inclined for a few years to Free Trade or Protection, or to greater or lesser freedom of industry, or that some formula or other, some particular party plank, is being run to a greater or lesser extent. As a matter of history certain parts of the great change in economic thought produced in the seventeenth century have not disappeared, and will not disappear even to-day with the rise of a new "social" state. There remains a solid body of liberal feeling which, since the passing of the mediaeval and feudal conception of a despotic Crown and Church, has become ingrained in the conscience of the older civilised peoples. And it is this that constitutes the enduring ecumenical value of economic liberalism.

To understand this secular liberalism we must start with its historical origins and foundations. In the first place because much that was a victory, or an advance, or at least a change in a non-liberal epoch appears to us to-day as a matter of course, and can only be once more placed in its true light as specifically "liberal" when seen in its historical perspective. To realise the liberalism which we have unconsciously inherited from our fathers, we must mentally reconquer it. And, secondly, we need to explore origins for the very reason that the downfall of Manchester has cast a shadow on the real, fundamental, and historically important achievements of economic liberalism. There is some danger of both being involved in a common oblivion.

CHAPTER II

THE ECONOMIC SIGNIFICANCE OF THE STRUGGLE FOR CIVIL AND RELIGIOUS LIBERTY

The reaction of religious struggles on industry—Economic disabilities of Dissenters—Courts of Special Instance—Star Chamber and High Commission—Their effect on trading classes—Industrial value of Dissenters—Indirect effects of intolerance—Example of Holland—Economic motives in the Civil War.

THE country in which economic liberalism first exercised any considerable influence on the foundations of modern industry was undoubtedly England. I do not forget the case of Holland.¹ But from the point of view of modern industrial history the early English Liberal movements for the abolition of the restrictions imposed by the mediaeval State and Church are more important than the Dutch, inasmuch as for more than 200 years after 1688 England was to occupy the first place in trade and industry among civilised states. To the end of the eighteenth century mediaeval restrictions greatly hindered the progress of the industrial revolution and its consequences in France and Germany, and even then required all the rapidly increasing power of industry to break them down. The English had by that time already for over a hundred years had

¹ Compare Laspeyre's *Geschichte der volkswirtschaftlichen Anschauungen der Niederländer*, Leipzig, 1863, pp. 62 ff., 120-40. Also Dr. Campbell, *The Puritan*, London, 1893, vol. ii. p. 357.

a mass of institutions, principles, and personal qualities exactly fitted to the new development. What is the explanation?

The great days of England, the days of her spiritual and political emancipation, were in the seventeenth century. No economic problems occupied the stage. Industry was still in its infancy. Many important industries were just being introduced by immigrants from France, Italy, Holland, and Flanders. In 1609 the export of manufactures was far beneath the export of raw material. The chief industries only began to produce and export the finer kinds of goods after 1650. The praises so constantly lavished on foreign workmen for their excellence, their skill, and their diligence show how inferior Englishmen then were to the highest contemporary craftsmen.¹

While industry was in this entirely primitive condition the old principles of State, Church, and Society were undergoing a profound and radical modification. This revolution is the centre point round which the whole history of England during this period circles. The remarkable display of civic feeling which was the outstanding result of the emancipation of the individual from the authority of Crown and Church bears no kind of comparison to the very limited economic power of the time. The uneconomic forces, however, also incidentally revolutionised economic life, and guided the rising industries of England at their very commencement into the channels in which their subsequent development was destined to run.

All these uneconomic forces converged in the

¹ For details cf. *infra*, pp. 46 and 53-5.

struggle for religious liberty. As Jellinek says,¹ the seventeenth century was the time of religious battle, and he shows how ecclesiastical independence affected politics, and how the triumphant individualism of religious emancipation directly involved constitutional emancipation. The economic tendencies of the time were not quite so closely related in idea to the religious as were the constitutional. There is no such clear parallelism as that between congregationalism and the sovereignty of the people. The elementary condition of economic thought in comparison to the highly developed political philosophy of the day would alone account for the absence of such affinity of ideas. At the same time, after 1650, religious questions were very much in evidence in discussions of economic problems. All the most important writers insist on the economic effects of toleration. Sir William Petty expressly holds up the freedom of conscience among the Dutch for the imitation of his countrymen as their "first policy." Sir William Temple in his description of the Low Countries reckons the growth of Dutch commerce among the "visible" blessings of religious liberty. Again and again the example of Holland is quoted. After the decisive step towards liberty of religious opinion had been taken by the Toleration Act of 1689, Tucker in the next century writes that the freedom of conscience prevailing in England is an inestimable blessing even if regarded "solely from the standpoint of commerce."

Before the Civil War, and at each subsequent

¹ Georg Jellinek, *Die Erklärung der Menschen und Bürgerrechte*, Leipzig, 1904, 2nd edition, p. 49.

reactionary impulse of the later Stuarts, the English people suffered positive damage from the interference of the national Church in economic matters. Where there were Nonconformists to suppress, the Episcopalians boggled neither at the use of economic weapons to enforce conformity, nor at actual injury to trade.

Their policy was carried out by the instrumentality of the civil and religious Courts of the Special Instance. The chief civil Courts of this kind, the Star Chamber and the Privy Council, had since the reign of Charles I. acquired an authority which, in direct contravention of the Common Law, the Statute Law, and Resolutions of Parliament, encroached upon the life of individuals and even of whole trades.¹

Archbishop Laud had taken early steps to obtain a dominant influence in these Courts.² Ever since the coronation he had been a most energetic champion of King Charles's right to use his prerogative in every kind of legal and administrative matter.³ It was therefore quite natural that the king should make him a powerful member of Courts which could only be justified, if at all, by that principle. In the position thus acquired Laud

¹ Cf., for general questions, H. Taylor, *The Origin and Growth of the English Constitution*, part ii., London, 1898, book v., *passim*; for the Star Chamber, Holdsworth, *A History of English Laws*, 1903, vol. i. p. 271; for the High Commission, *ibid.* pp. 373 ff.; also *Select Statutes, etc.*, pp. 40 ff., 98 ff.

² Cf. Henry Bell, *Archbishop Laud and Priestly Government*, London, 1905.

³ *Works of W. Laud*, Oxford, 1847, especially the speeches of 6th February 1625 and 17th March 1628 (opening of the Third Parliament). Bell (p. 47) quotes a passage from Laud's speech at the coronation of Charles I., expressly proclaiming the king's divine right. Compare *ibid.* p. 56: "During the two years he was Bishop of Bath and Wells he was so entirely occupied with political matters and court intrigues that he had no time even to visit his dioceses."

converted the civil Courts of Special Instance into machines for persecuting Dissenters on the charge of treason to the State. It was mainly in consequence of the notorious trials and pilloryings of Burton, Bastwick and Prynne (which, however, by no means stood alone) that these Courts were abolished immediately after the Civil War began.¹

Laud's actions in the "Court of High Commission," which had been set up as the chief ecclesiastical court in the time of Elizabeth, were even more arbitrary. The officials of this Court were empowered to make investigations as they thought fit. On mere suspicion they could summon a man and examine him under oath. Like the Star Chamber the High Commission became, in the 1620's and '30's, chiefly a criminal Court for dealing with Protestant Dissenters. Laud's double position in the civil and ecclesiastical courts enabled him to carry out a system which he himself described as "thorough." What the ecclesiastical court decided—for instance, to license only publications sanctioned by the Bishops—was carried out and put into force by Laud and his colleagues in the Star Chamber, armed with all the powers of the civil Government.²

One way in which this ecclesiastical justice injured industry was by the heaviness of the fines imposed. The money sacrifices which the Puritans and other Dissenters had to make for their religious convictions got bigger and bigger. "No one

¹ Cf. A. T. Carter, *A History of English Legal Institutions*, London, 1906, p. 154. The first meeting of the High Commission was in 1559. Its power greatly increased under James I. and Charles I.; it appointed courts for various districts of England. "Its powers were wide and undefinable."

² *Constitutional Documents*, pp. 20 ff.

was safe," writes one of Laud's recent historians.¹ Denunciation by a clergyman or churchwarden was enough for excommunication. After forty days there followed the Court's warrant of arrest, and only the rich could buy themselves off a humiliating recantation. Lord Morley relates² that in the twelve months previous to the summoning of the Long Parliament, no less than two thousand persons had to appear before the Archdeacon of London's Court, and were condemned for various religious offences to heavy fines. The Episcopalians upheld the divine right and the prerogative of the Crown as religious dogmas, and any opposition to the arbitrary action of the Crown could therefore be counted as an offence against religion and worthy of persecution. Laud instructs the Bishops to preach from the pulpit the duty of obeying the king's command. This was called "the tuning of the pulpits."³ We hear of ministers being called to account for speaking against the Stuart system of taxation or even indirectly opposing it.⁴

The treatment of foreign immigrants was another way in which the Church especially opposed the interests of trade. Here again religion came into conflict with economics, for Laud's worst threats were directed against the most industrious and useful "foreigners." About 1630 he tried to induce the English inhabitants of the foreign colonies at Canterbury, Sandwich and Maidstone to set up

¹ Bell, p. 138.

² John Morley, *Oliver Cromwell*, p. 57.

³ H. Alton, "Laud and the Puritans," *Jubilee Lectures*, London, 1882, p. 117.

⁴ A vicar is charged before the High Commission among other things with having preached against ship-money and the tyranny of princes who laid cruel and unrighteous taxes on their subjects. *State Papers, Domestic*, vol. cclxxxiii., 1637-38, No. 46.

separate churches from the immigrants, and attempted to compel the latter to adopt and use the English liturgy in the English tongue.¹

It must be remembered that in this case, as in that of all the English Dissenters, religious life occupied a place above all other activities. Men were ready to undergo pillory, commercial boycott, heavy fines, even to emigrate for its sake. To some extent this persecution ceased with the Civil War, but it continually reappeared in the reactionary days of the later Stuarts. Davenant, writing at the end of the seventeenth century, says: "The gaols were crowded with the most substantial tradesmen and inhabitants, the clothiers were forced from their houses, and thousands of workmen and women, whom they employed, set to starving."² Not till the Act of Toleration in 1689 was this kind of persecution at an end.

Again and again contemporary writers repeat that intolerance attacked just the classes which were industrially most valuable. It was precisely among the industrial middle class and the growing class of merchants that the schismatists were to be found. "Those who differ from the Established Church are generally of the lowest rank, mechanics, artificers, and manufacturers," says a writer in 1719.³ "The squire," says Leslie Stephen, "was interested in the land and in the Church: the merchant thought more of commerce, and was apt to be a Dissenter."⁴

¹ D. Agnew, *Protestant Exiles from France*, 1886, vol. i. pp. 20-21.

² Davenant, *Toryism and Trade*, p. 13. He also mentions a case under the later Stuarts. A Wiltshire clothier was forced on account of religious persecution to close his factory which employed 1000 men. The king heard of this economic result and had him acquitted.

³ W. Wood, *A Survey of Trade*, 1713, p. 312.

⁴ *English Utilitarians*, London, 1911, vol. i. p. 20.

About 1680 certain industrious weavers who had been excommunicated and at times made to pay fines of £20 a month, emigrated from the west of England to Holland. Five or six years later a writer of a pamphlet on liberty of conscience complains of the unwisdom of these measures, "none being more diligent in their calling and careful to husband their time and parts for publick benefit and improvement."¹ "In every country," writes Petty about the same time, "the most active traders are heterodox."² Thus a movement originally intended to assert, on purely religious grounds, the liberty of Dissenters from the national Church, developed into a general agitation for the separation of Church and State. Both sides regarded the champions of the ecclesiastical theory as the representatives of an entire political and economic system. There is a vigorous argument in Colonel Hutchinson's *Memoirs*³ that a Puritan means not merely a man of dissenting religious views, but also one who speaks against the power of the Crown, the prerogative, the privileges of the Court, the king's taxes, and so on. Conversely, the struggle against the High Church became a contest for freedom from ecclesiastical jurisdiction of every kind and for absolute severance of religious and civil affairs. Attempts were made to discredit a soap monopoly that Charles I. had granted and protected through the Courts of Special Instance by warnings against "popish soap," a clear hit at

¹ Cf. "A Letter from Holland touching Liberty of Conscience" (Amsterdam, 1688), by C. D. W., British Museum, *Theological Tracts*, 632 (13), p. 2.

² Sir W. Petty, *Political Arithmetic*, p. 26.

³ *Memoirs of the Life of Colonel Hutchinson*, new ed., London, 1904, p. 92.

ecclesiastical influence in matters of commerce.¹ W. Huntley's *Breviate of the Prelate's Usurpations*, written in 1637, is typical in this respect of the early pamphlets. He deals exhaustively with the interference of the Church in trade, wishes to limit its penalties to religious excommunication without a money fine, is a zealous adversary of its prohibition of usury, and demands the unconditional separation of temporal and spiritual jurisdiction which have no natural connection with one another.² Thus the popular conception of personal liberty which, at the beginning of the seventeenth century, had been chiefly concerned with the non-interference of the State in a man's religious beliefs,³ became gradually wide enough to include political and economic ideals as well. The fact that religious liberalism was over and over again the starting-point of liberalism in matters temporal does not, of course, prove that the latter sprang from the former, but it gives legitimate reason to argue that a considerable portion of the forces and ideas gathered in the fight for religious liberty were utilised in the solution of economic problems. Nowhere is this more clearly shown than in the prose works of Milton. He defines "spiritual and civil liberty" as the two parts of "the whole freedom of man."⁴ All kings are opposed to the practice of "Presbyterian and

¹ H. Hyde Price, *The English Patents of Monopoly*, Boston, 1908, p. 127.

² W. Huntley, *A Breviate of the Prelate's Intolerable Usurpations*, 3rd ed., 1637, pp. 183, 192. He is particularly opposed to the High Commission (pp. 192-3) and the identification of temporal and spiritual courts (p. 308). Cf. also fragments of a speech in Parliament in *State Papers, Domestic*, 1640-1641, p. 333.

³ John Clifford, *The Place of the Baptists in the Evolution of British Christianity*, London, 1908, pp. 568 ff.

⁴ *Prose Works of Milton*, London, 1906. "The ready and easy way to establish a Commonwealth," p. 424; cf. also p. 428 for the economic prosperity of free states.

Independent religions." "For they hear the gospel speaking much of Liberty, a word which Monarchy and the Bishops both fear and hate, but a free Commonwealth both favours and promotes." Liberty lies in "civil rights and advancement of every person according to his merit."

In view of the extraordinary importance of religious emancipation to the general life of each individual in the seventeenth century, one can hardly avoid the impression that, in addition to the direct influence of religion on economics, their indirect interaction, though difficult to prove, must have been considerable. For the majority of the labouring and middle class the achievement of religious freedom was the necessary preliminary to all other occupations, especially to industrial activity, which was for the believer, particularly for the Puritan, only conceivable on a religious foundation. Until this foundation was secure from external attack religious impulses were continually diverting men from industry, either by obvious and material means such as emigration, money fines, or commercial ruin, or because religious problems distracted and absorbed men's inner powers and prevented them from putting forth their full working capacity. Throughout the period religious persecution and religious dissension overcloud economic views of life. Sir William Temple, one of the cleverest of the political arithmeticians, felt this so much that when he published his book on the Low Countries he added a long discussion of toleration. In Holland he says there were no religious hot-heads. In consequence of absolute religious liberty men disputed ecclesiastical questions without partiality or anger,

“but for entertainment and variety.” Religion was a matter of the heart, outwardly expressed in peaceful converse only. Inclination to a particular church and particular sect came to external “appearance” only as any other social preference might do. As a result, religion in Holland produces, if not the greatest good, at any rate the least harm.¹

Though this *homo oeconomicus* can find only an economic “blessing” in the exclusion of the religious problem from the field of contention, it must not be forgotten that the very ideals of general liberty which he upholds were closely connected with the conception of religious liberty, and that the victory of the one in England meant the victory of the other. It was the religious disputes which awoke the great mass of the people to thoughts of freedom, particularly in the field of politics. Quite early Petty² thinks he notices that in religion the poorer classes claim special “wit and understanding” from which they derived their differences of religious opinion. The mobilisation of these forces, so nearly connected with the economic and political tendencies of the time, against the Catholic leanings of Laud’s policy, was therefore an event of importance.

In the constitutional struggles for suppressing the Crown’s prerogative, for the free practice of religion,

¹ Sir W. Temple, *Observations upon the United Provinces of the Netherlands*, 6th ed., London, 1693, pp. 206, 207, particularly the passage: “But in this Commonwealth, no Man having any reason to complain of oppression of conscience, and no Man having hopes, by advancing his religion, to form a Party, or break in upon the State, the differences in Opinion make none in Affections, and little in Conversation, where it serves but for entertainment and variety.”

² Petty, *Political Arithmetic*, p. 25.

for the liberty of the press,¹ and in particular for tribunals free from arbitrary influences, all the diverse Liberal tendencies converge. Each party in the field had a varied band of supporters: on the one side, the champion of the rights and privileges of Parliament, the Common Law jurist, the Low Churchman, and the Puritan; on the other, the upholders of the absolute power of the Crown, of the High Church, and the Courts of Special Instance.² The abolition in 1641 of the Star Chamber, the High Commission, and all other Special Courts was one of the first and most important achievements of the Civil War. There is considerable documentary evidence still extant that purely economic motives were of hardly less weight in the campaign against these Courts than those of the kind mentioned above.³

¹ Cf. Macaulay, *Critical and Historical Essays*, London, 1852, p. 26: "That from which the public character of Milton derives its great and peculiar splendour, still remains to be mentioned. If he exerted himself to overthrow a forsworn king and a persecuting hierarchy, he exerted himself in connection with others. . . . Thousands and tens of thousands raised their voices against ship-money and the Star Chamber; but there were few indeed who discerned the more fearful evils of moral and intellectual slavery, and the benefits which would result from the liberty of the press." Compare Milton's speech, "A Speech for the Liberty of Unlicensed Printing." For the prohibition of free printing, see *State Papers, Domestic*, 1640-41, p. 333.

² Holdsworth, *History of English Laws*, vol. i. p. 290; also G. Holden Price, *Oliver Cromwell*, London, 1899, p. 9.

³ The Bill for abolishing the Star Chamber, which became law on 5th July 1641, expressly declares in Section 2 that the decisions of the Court had lately interfered in the "Estates and Liberties" of the subjects. Cf. *Constitutional Documents*, p. 176. For the confusion of religion with economics compare also "Petition of 15,000 Citizens of London 11th December 1640," *Parliamentary History*, vol. ii. pp. 673 ff. For another very important Special Court which interfered in trade, etc., cf. *Select Statutes*, p. 111, the "Council of the North."

CHAPTER III

THE FREEDOM OF EARLY CAPITALIST INDUSTRY

Early capitalism—Mining, handicrafts and new industries—The Stuart monopolies—The Anti-Monopoly Act of 1624—Its effects—The Patents—The basis and results of monopolies—Attacks on monopolies—High prices and popular disfavour—Parliamentary agitation—Anti-monopolist pamphlets and writers—Fall of monopoly and mining prerogative—Freedom of industry in the eighteenth century—Social reconstruction after Civil War.

WHERE the economic struggles of the period were not connected with religious, ecclesiastical, or constitutional problems, they originated in the movement against the monopolies set up by the Crown. By no means the least important object of the Stuarts in organising a Church ready to preach the prerogative of the Crown from the pulpit, in winning over men like Bacon¹ able to present prerogative under constitutional guise to the Commons, and in creating Courts of Special Instance to oppose the Common Law, was to secure financial independence of Parliament. Only an authority thus fortified could dare to hope for permanent supplies of money from two arbitrary measures—taxation without the consent of Parliament and the grant of private monopolies.

While the special taxes, of which the most

¹ Debates, 20th November 1601; *Select Statutes*, p. 111.

famous and most hated was the ship-money,¹ left no particular mark on the existing organisation of industry, the trade monopolies made a very deep impression on the whole system of economic life. Here again the reign of Charles I. is of special interest. The notorious monopolies of Elizabeth were chiefly commercial. The monopolies of Charles affected industry itself, and particularly those branches of industry which were in transition to capitalism.

Capitalism first appears in English industry at the beginning of the seventeenth century.² It is to be found simultaneously in three separate branches of industry. In the first place in mining. Technical advances, and especially the demand for deeper shafts, led to greater capital requirements. In consequence the mines fell into the hands of capitalists, or, if the independent miners continued to exist, their want of financial resources made them dependent on middlemen and money-lenders. Secondly, in the handicrafts. Here also a transition to the commission³ system was in progress. The corporations became divided into poorer masters and capitalist masters, the latter of whom tried to deprive the former of their independence. Special organisation of the "small" masters did not check the capitalist tendency, which by the end of the seventeenth century had been in many cases completely successful. Where capitalism had not carried the day in this manner, overseas merchants and commercial middlemen had stepped in as a new class

¹ *Constitutional Documents*, p. 22.

² The following account is based on the facts set out in my book, *Monopoly and Competition* (Macmillan & Co., Ltd.), 1911, pp. 4-15.

³ For this phrase see Unwin, *Industrial Organisation*, p. 3.

between the small producer who had no money and the market, and had reduced the craftsman to dependence. The reasons for this development are to be found in the changes of market conditions, in the growth of exports, and also in the increase in consumption. Domestic trade felt the need for the comprehensive organisation of wholesale production and distribution, and particularly for supplying merchants with a greater bulk of commodities. Greater concentration and greater division of labour produced larger undertakings, with which it soon became apparent that the small craftsman could not compete. The increased scale of production made it necessary to provide raw materials both in larger amounts and longer in advance, and this required capital or credit. Finally, the craftsman, if not himself also a capitalist and merchant, lost connection with the markets which he could no longer know or find for himself. The capitalist merchant became indispensable. He was the financier of the small master. In the textile trades, more particularly in cloth-making, felt-making, and hat-making, this process can be very clearly followed.

The third category of capitalist trades consists of all the various new industries introduced under the Stuarts. As a rule they were not permanent successes. At the same time for some decades they occupied an important place in the economic life of the day. At the beginning of the seventeenth century numerous attempts were made to acclimatise foreign industries in England, or to float newly appeared "Discoveries" or "Inventions." Examples may be seen in the glass industry, in sea-salt works,

in alum mining, in new soap-making processes, and in the wire industry. All these and other "new" industries bear from the beginning the impress of capitalism. Well-to-do foreigners, rich courtiers, and native merchants direct or at least finance them. The undertaking is carried on in a place much like a factory, and we hear talk of "works" and daily workmen and of considerable amounts of capital.

The grant of monopolies provided a connecting link between the monied interests concerned in the various capitalist enterprises and the Crown, ever equally desirous of opening up new sources of supply. The achievement of a private monopoly in an industry or trade was naturally extremely attractive to those who were sufficiently ardent speculators to put their money into the new "Projects." They were ready to pay the king large sums for privileges. The king, on the other hand, felt an entirely natural sympathy for monopolists and speculators. He was himself involved in similar commercial activities. We hear that at the end of his reign Charles I. dreamed of a monopolist combination between the pin makers and the brass wire makers which so far resembled a modern Trust that it aimed at securing a firm and profitable market for raw material, wire, by cornering the finishing trade. Charles also tried to make a corner in Indian pepper—an episode the references to which have only been recently discovered¹—by buying up from the East India Company all their cargoes. His courtiers were very closely connected with monopoly grants and monopoly speculations. Highly-placed lords and

¹ W. Forster, "Charles I. and the East India Company," *English Historical Review*, vol. xix. pp. 456-63.

retired generals and admirals used their connection with the Crown to obtain exclusive rights and concessions, and when not themselves financiers and monopolists, almost invariably acted as intermediaries between the Government and the promoters. Charles himself was once amazed to find "that Robin Mansell, being a seaman, whereby he had won much honour, should fall from water to tamper with fire, which are two contrary elements." (Mansell was an admiral and had become a glass-maker.) Sir Walter Raleigh was for a time the owner of the tin monopoly. Sir Thomas Bartlett had gained great wealth in the service of the queen with which he financed the pin monopoly. The Earl of Stirling was closely connected with the beaver hat monopoly.¹

But the "founding" and organisation of a monopoly was no simple matter. On the contrary in each case there was a struggle between the Crown and Parliament backed by the Common Law. In the later years of Queen Elizabeth, and particularly in the famous debates of 1597 and 1601, Parliament protested energetically against monopolies. It is true that the oratorical skill of Bacon and Cecil succeeded in warding off a definite law against them, and in pacifying the Commons with the celebrated "golden speech" of the queen. But when monopolies were again granted under James I. the immediate result was the Anti-Monopoly Act of 1624.² This Act was certainly of considerable importance, but its scope has been much exaggerated by those whose industrial history is based on the study of enactments only.³ Certain monopolies,

¹ Cf. *Monopoly and Competition*, pp. 58 ff.

² 2 Jac. I. cap. 3.

³ E.g. McCulloch, *Dictionary of Commerce*, 1882 edition, pp. 192 ff.

including the coal monopoly of Newcastle, the beginning of which I have described in detail elsewhere,¹ were actually sanctioned by the new Act. Apart from that, the Act could be evaded. Naturally enough it was directed chiefly against the monopolies enjoyed by particular capitalists and Court favourites, and it contained a proviso that it should not apply to the legitimate rights of corporations and companies. Now the special object of the capitalist entrepreneur or master of a trade was to obtain the exclusive possession of the trade in question by a patent of monopoly, and to hinder by such a monopoly the growth of new undertakings or sale to other traders. As in the case of the later German monopolies at Solingen and Calw, his aim was to make the producers whom he financed more and more dependent upon him by preventing all opportunities of their selling to any other buyer. The victims did not usually in the beginning grasp the result of the monopoly. On the contrary most corporations or companies were solidly on the side of the applicants for patents, who promised them higher prices and more certain markets. The above-mentioned proviso did not, it is true, directly authorise the organisation of a corporation on a capitalist basis by means of a monopoly, or the erection of a monopoly by the commission system of finance. Though it sanctioned the continuance of corporations, these were only local monopolies. But the enterprising spirits who wished to conceal under such a corporation a national monopoly soon found a way out. They obtained a grant by royal ordinance of the right of superintendence over the whole national production, and finally a right

¹ *Monopoly and Competition*, pp. 24-7, 106 ff.

to suppress all outsiders. The traditional right of the free burgess, especially the free burgess of London, to enter any company for the practice of his trade was similarly suppressed. In this way the London Starchmakers' Company, an undertaking managed by a few capitalists, had already become a closed national monopoly even before the Anti-Monopoly Act.¹ The Act made this method of founding a monopoly very popular, and after 1624 numerous corporations arose with the express object of forming national monopolies.²

The provision of the Act (section vi.) which allowed a fourteen years' patent for new discoveries opened up a further possibility or point of departure for the grant of monopoly. Starting from this vantage ground the possessor of a patent could acquire all kinds of privileges. He could be given a patent for his particular process and at the same time the right, "for the protection of his patent," to keep watch on all other producers, a measure which in practice led to the exercise of monopoly rights.³ A later writer even complains bitterly that this clause had been stretched to cover imported goods, unknown to English manufacturers, so that any one who promised to produce such commodities in England could obtain protection against both foreign and internal competition.⁴ The use of the clause as to patents for purposes of monopoly was so general that the word "patentee" meant in the period from 1630 to 1650 "monopolist."

¹ Price, *Patents of Monopoly*, pp. 37-8.

² Unwin, *The Gilds and Companies of London*, London 1908, pp. 294-5, 317-18.

³ Price, p. 119 and *passim*.

⁴ *Britannia Languens or a Discourse of Trade*, London, 1680, p. 85.

The Monopolist and the Patentee
 Did joyne hand in hand as here you see,

is the legend under the frontispiece on an anti-monopolist pamphlet of 1642.¹ With justice did a member of Parliament declare, in a debate in 1640:² "Better laws could not have been made than the Statute of Monopolies against Projectors; and yet, as if the law had been the author of them, there have been during these few years more monopolies and infringements of liberties than there have any year since the Conquest."³

In view of the Elizabethan monopolies the last statement seems somewhat exaggerated, but the substance of the complaint is certainly true. The remarks of speakers from all parties during the debate prove the existence of a profusion of monopolists. The sarcastic speech of Sir John Colepepper in 1640 was famous. In one passage he declares that "these, like the frogs of Egypt, have gotten possession of our dwellings, and we have scarcely a room free from them. They sip in our cup; they dip in our dish; they sit by our fire. We find them in the dye vat, the washing bowl, and the powdering tub. They share with the butler in his bar. They have marked and sealed us from head to foot. They will not bate us a pin."⁴

It must especially be remembered, in considering the effect of the Monopoly Act, that the legal

¹ *The Projectors' Downfall*, London, 1842, title-page.

² *Parliamentary History*, vol. ii. p. 650.

³ Mr. F. C. Montagu in his *History of England* (London, 1907, vol. vii. p. 181) thinks that the Act of 1624 was evaded on the pretext that it only relates to monopolies given to individuals. For this opinion he gives no evidence. It is clear that the Act forbade all monopolies, whether for individuals or bodies corporate or politic whatsoever. Also monopolies were granted to individuals after 1624, just as before, e.g. one for glass in 1634.

⁴ *Parliamentary History*, vol. ii. pp. 654-5.

conditions in mining up till the end of the seventeenth century offered in many ways great advantages for the creation of monopolies. The right of the Crown to claim ownership of all mines in which silver and gold were found became a means of monopolising copper, lead, and zinc mines. Since the time of Elizabeth the Crown had exercised this contingent right, not without provoking many lawsuits,¹ and it led to the formation of the great monopolies of that time.²

The main foundation of all these early national monopolies was the grant of privileges by law to particular persons or corporations, and the legal suppression of the unwelcome competition of other producers. But where these means were not sufficient, private agreements could, of course, also be made. The Coal Guild of Newcastle created a system of division of production to restrict competition within the privileged corporation itself. In some guilds, as with the Beaver Hat Makers, economic advantage enabled the capitalist masters to gain for themselves a monopoly over the heads of their poorer brethren. In the pin trade, on the contrary, the guild monopoly was carried on by an agreement between the corporation and a courtier till it fell into the hands of a single capitalist. Another kind of association attempted to give the copper wire monopoly the entire manufacture of pins from wire. Private agreements, therefore, played a not inconsiderable part in the formation of monopolies, though secondary to the foundation on privilege. Lastly, foreign trade policy served to

¹ Cf. detailed list of cases in Abbott, *Essay on the Mines of England*, London, 1853, pp. 218-19 ff.; Lewis, *Stannaries*, p. 76.

² Price, *Patents of Monopoly*, p. 50.

increase monopolies. Wherever foreign competition appeared, restriction of imports for the protection of the monopolists commenced. The importation of such goods as competed with the products of monopolies was hindered by customs duties and prohibitions, and special attempts were made to restrict the importation of raw material, so as to make competition by any outsiders, who might in spite of the prohibitions of the law have arisen, as difficult as possible; witness the prohibition of the import of potash in the case of the soap trade.

Monopoly arose, therefore, in the early days of English industrial capitalism on the support of three chief buttresses, privileges from the Crown, suppression of internal competition by law, and a protective trade policy; it developed further by the aid of private agreements between persons seeking to profit by those privileges, and it was distinguished from the monopolies of the craft guild by the national sphere of its activities.

The monopolies of the seventeenth century have been generally condemned by almost all the economic writers who, from the time of David Hume to the present day, have dealt with them.¹ Mr. Unwin has recently added to the number of such verdicts, though Mr. Hyde Price endeavours to find some favourable results at least in the indirect effects of monopolies.² Possibly it is the general condemnation which these monopolies have met with that has made certain writers find something

¹ Cf. especially Hume, *History of England*, vol. v. p. 458; also Ch. Fisk Beach, *Monopolies and Industrial Trusts*, St. Louis, 1898; Hirst, *Monopolies and Trusts*; Palgrave's *Dictionary*, vol. ii. p. 802; F. C. Montagu, *History of England*, London, 1907, vol. vii.

² Unwin, *Industrial Organisation*, passim; Price, pp. 129 and ff.

to praise in the system itself, and to consider only its application and its accidental concomitants disastrous. For instance, the author who describes them in *Social England* says:¹ "The system of monopolies cannot be regarded simply as a means of raising money without parliamentary sanction, nor merely as a means of enriching favourites, nor as wholly based upon mistaken ideas upon the subject of what we now call Political Economy. It was all these and something more—a provision against real as well as fancied dangers, and in some cases a praiseworthy encouragement of business enterprise and invention. But the British public did not make the needful distinctions."

Professor Cunningham also, though by no means, as Mr. Price seems to believe, a defender of the monopolies, adds to his description of them some remarks on the good intentions and economic ideals of the Stuarts, in which he represents the monopolist system of industry to some extent as a well-meant but unsuccessful experiment.² This point of view seems to us, however, a dangerous one. It is extremely difficult, if not impossible, to decide what the motives of the Crown in fact were in granting patents. It is inconceivable that hidden motives, like the enrichment of the king and his favourites, were not as weighty as the openly proclaimed aims of engrafting new industries, cheapening production, and improving quality. Which of these motives was the most present in the grant of monopolies ;

¹ *Social England*, vol. iv., London, 1903, p. 192.

² Cunningham, *Growth of English Industry*, pp. 285-6. Later, especially on pp. 287-8 and 307-9, there are a number of remarks in condemnation of the monopolies, so that the author can hardly be said, as Price thinks, to sympathise with them, although he has tried to say something (p. 248) in favour of the Crown's motives in granting monopolies.

how far the personal wishes of the king, where they conflicted with economic reasons, gained the victory; and which of the alleged objects were from the beginning only pretexts, it is quite impossible to say. Secondly, even if it could be established that the grant of monopolies was "well meant" on the part of the ruler, and represented an attempt at a national organisation on broad lines, that fact would not help us to an objective verdict on its practical working. And the elucidation of these practical results is the more necessary, because they almost always turned out differently to what the grantors of the monopolies expected, or professed to expect.

It was this discrepancy between actual and expected results which was the constant excuse of the Crown when the wave of popular anti-monopoly movements rose high. Just as to-day many persons regard Cartels and Trusts as a system of organising industry just as economically advantageous if moderately managed as it is harmful when fully exploited, so in 1601 Queen Elizabeth expressly maintained that she had never given privileges which had in her judgment been "*malum in se.*"¹ In her "golden speech" on the 30th November 1601 she represented herself as the victim of deception, and thanked the Commons for showing her the truth about the monopolies which without their intervention she would never have heard. About forty years later Charles I. used exactly similar words when compelled to promise restriction of the monopolies. He explained in 1639 that the privileges which had been given "on pretences that the same would serve the common good and profits of his subjects"

¹ *Parliamentary History*, p. 933.

had proved themselves "to be prejudicial and inconvenient to the people,"¹ the main cause of which had been that the privileges were "notoriously abused."

The result found most intolerable was the increase in prices, especially when inferior quality went together with higher cost. Nearly all the monopolists promised to supply a better quality more cheaply. In no single case was this promise fulfilled. Coal, soap, salt, copper wire, glass, and similar articles rose considerably in price under the sway of monopoly. The charter of the Coal Guild of Newcastle set forth the "better disposing of sea coals" as one of the objects of incorporation, but the essence of the later complaints in Cromwell's time, put forward in the form of a Bill, was that the Coal Guild, with the help of the town authorities, had greatly obstructed "the free and quick trade of these staple commodities, had made the River [the Tyne] dangerous, and often in many places almost unnavigable," in order to limit the coal trade to the town of Newcastle alone.² The rise in coal prices during the first half of the seventeenth century must be regarded as proved, although the especially alarming increase about 1640 was due to the political crisis.³ Complaints against the sale by the monopolists of bad and unusable coal, already rife at the end of James I.'s reign, found renewed expression before the Council of Trade about 1650.⁴ The rise in the price of soap shortly after the

¹ Price (Appendix), pp. 160, 173.

² Gardiner, *England's Grievance*, pp. 32, 64, 98 ff., 121.

³ Dunn, *View of the Coal Trade*, pp. 14-15.

⁴ Gardiner, pp. 50, 98; and also the remarkable and little-known pamphlet, *The Two Grand Ingrossers of Coles*, London, 1653, British Museum, E 725 (8).

incorporation of the monopolist Westminster Company led to a petition to the Crown itself. How bad the soap of the Company soon became can be seen from the fact that they had to abandon their new process and adopt the old method of manufacture to find a market for their goods. In 1637 the Lords of the Privy Council warned the head of the glass monopoly that "they had found that glass was not so fair, so clear, nor so strong as it used to be."¹ In 1601 Parliament was informed by Sir E. Hobby that the price of salt had risen in certain places from 16 pence to 15s. or 16s. a bushel.² Between 1630 and 1640 an equal amount of salt cost £4 : 15s. to £6 in the area of the monopoly, in other parts of England only £3 or less.³ These increases in prices and the various other concomitants of monopoly with which consumers, outside producers, merchants, and importers respectively had to put up, called forth an agitation to which a few words must be devoted.

In the last few centuries England has several times gone through periods of economic agitation unparalleled in intensity in any other land. Not infrequently this phenomenon has been due to the exceptional degree attained in England by the economic grievances which caused the conflict, the result being an unusually heated agitation for their removal. Never was a battle against an existing commercial policy fought with so much bitterness, enthusiasm, and energy as in England in the 'forties, for the very reason that never had a one-sided class policy so threatened the general weal as did the

¹ Price, *Patents of Monopoly*, p. 77.

² *Parliamentary History*, p. 930.

³ Price, p. 114.

prevailing system of high corn duties. The same is true in the history of English monopolies. In Germany there was no similar agitation against them, or, at least, owing to the division of the country into numerous small states, it never acquired a single, clearly recognisable character. Generally speaking, the German monopolies, for whatever reason, did not tend to such intense economic consequences as the English, and they did not become important as the instrument of a system of government hated in domestic politics.

In England the system of monopolies was from the beginning the expression of a definite and independent royal policy, pursued with ever-growing eagerness in spite of statutory opposition from the days of Queen Elizabeth onwards, and so successfully developed that soon national monopolies arose in almost every important trade. At first doubtfully, and then ever louder rose the opposition to this policy now on one ground, now on another. At one time enmity was kindled by purely economic results, such as the increased price to consumers, or the restriction of competition, which crippled enterprise; at another by the ascendancy of courtiers, the arbitrary evasion of the law by the Crown, or financial mismanagement. As monopolies nevertheless increased, all these streams of opposition met in a single movement, which succeeded in extirpating in England, after a comparatively short but exceptionally effective existence, the monopoly system which in other countries continued to flourish in one form or another for over a century more.

The main centre of the anti-monopoly movement was the House of Commons, which "found the

whole nation behind it”¹ on this question. Ever since the days of the great monopoly debates in 1597 and 1601 the House had made continual angry protests against monopolies and monopolists. Even in the debate of 1601 the majority of the speakers showed such determined and energetic hostility to monopolies that their defenders, Cecil and Bacon, could not obtain a hearing, and the queen had to soothe the discontent by formal promises. The Statute of Monopoly in 1624, though in practice ineffective, was a further proof that Parliament desired vigorous measures against the monopolies. When, after the absolute rule of Charles I., Parliament met again in 1640, one of the first things it did was to declare the chief monopolies invalid, and to use its growing power over the Crown for an energetic attack on all industrial privileges. The deep hatred of the Long Parliament for all monopolies is seen in the drastically worded resolution which definitely refused any monopolist a seat in Parliament.² On the 21st of January 1641 four “monopolists” were, in fact, expelled from the House.³

The speeches delivered on the various occasions on which the Commons occupied themselves with the question show sufficiently clearly the severity with which individuals condemned the monopoly system, and the ardour with which they attacked it.⁴ The speeches of 1640 were fomented by an extensive popular movement against monopolies. From

¹ Macaulay, vol. viii. pp. 12, 13.

² *Parliamentary History*, vol. ii. p. 653.

³ *Ibid.* p. 207.

⁴ Cf. especially the speech of Colepepper cited above, *Parliamentary History*, vol. ii. pp. 654, 655; *ibid.* pp. 641, 650, speeches of Pym and Bagshawe; *ibid.* vol. i., speech of Sir E. Coke on March 1, 1620, of Sir E. Hobby on November 20, 1601 (p. 930), and of Mr. Martin, p. 927 and *passim*.

all parts of the country petitions reached Parliament for the removal of "grievances," especially of monopolies.¹ At the end of his fine and impressive description of the monopolies Colepepper could with truth say:² "I have echoed to you the cries of the kingdom." But these oratorical displays are not by any means the only evidence from which we can picture the anti-monopoly movement of the seventeenth century. They are supported by an abundant literature of pamphlets.

The growth of this literature in the seventeenth century is very largely due to the lively discussions on the monopoly question.³ The character of the numerous pamphlets varies widely. A great number are purely inflammatory. At times they are satirical, intended to put before the people in grotesque shape the evil effects of the monopolies.⁴ Just as at the present time the anti-trust agitation in America represents the industrial monopolies in all kinds of humorous allegorical shapes, so we find pictures of the seventeenth-century monopolists with the products of the various monopolies as symbols of their activity and with the legend:—

If any aske, what things these monsters be,
'Tis a Projector and a Patentee.⁵

Many of the pamphlets are concerned with the conditions of a single trade alone, and are the appeals to public opinion from the consumers or producers oppressed by the monopoly in question. Instances of this are to be found in the cases of the

¹ *Parliamentary History*, vol. ii. p. 542.

² *Ibid.* p. 656.

³ *Social England*, p. 621.

⁴ E.g. *The Projector's Downfall*, London, 1642.

⁵ *Social England*, p. 624, illustration; Unwin, *Gilds*, p. 298.

wine, soap, and salt monopolies of 1640 to 1650,¹ and especially in Gardiner's pamphlet on the coal monopoly written in 1655.²

The agitation, of which pamphlets and parliamentary reports give us such a lively picture, exercised an influence on public opinion which extended to days in which monopolies had long been abolished. It is a curious thing that down to the present day the English consumer is notably opposed to any kind of industrial monopoly or monopolist amalgamation, and the main origin of this anti-monopolist national conscience is to be found in the anti-monopoly agitation of the seventeenth century. Until the Elizabethan policy of monopolies began, the expression "monopoly" had always been connected with the acute commercial monopoly which we nowadays call a "corner," and the chief monopolists were merchants who bought up corn and food supplies. Against such persons the statutes passed by Henry III.³ and again under Edward VI. against "regraters," "engrossers," and "forestallers" were sufficient protection.⁴ The condemnation of monopoly in the case of exchange of goods expressed in these statutes was transferred to industrial production when at the end of the sixteenth century it began to show an inclination to such a system. It seemed a matter of course that monopolies were harmful. Henry Parker,

¹ *A True Discovery of the Projectors' Wine Project*, London, 1641; *A Short and True Relation concerning the Soap Business*, London, 1641; R. Wilkins, *The Sope Patentees' Petition Opened*, London, 1646; J. Davies, *An Answer to those Printed Papers, etc.*, London, 1641.

² R. Gardiner, *England's Grievances Discovered in relation to the Coal Trade*, London, 1655.

³ *Annual Register*, 1766, p. 224.

⁴ Cf. the essay of S. Browne (a Judge), *The Laws against Engrossing*, London, 1767, *passim*.

for instance, states in 1648:¹ "That which seizes too great matters in the hands of too few, and so is in the nature of a monopoly has been always condemned as preventing trade, and held to be injurious to the major part of mankind." The lawyers tried to define more accurately the effects of monopolies. In a famous lawsuit tried in 1602 the Court found "the evil of the monopoly" to lie chiefly in the fact that "the price of the same wares has increased"; that after the grant of the monopoly "the wares were not so good and serviceable" as before; and that other producers had, through the monopoly, become unable to find work and so put out of the trade.² This opinion was shared by writers like Misselden and Malynes, who may be called the forerunners of the political economists.³ Misselden starts that part of his book written in 1622 which deals with trade monopolies with the words: "The parts of a monopoly are twaine. The restraint of the liberty of commerce to some one or few, and the setting of the price at the pleasure of the monopolist to his private benefit and the prejudice of the publicke."⁴ Other writings of the time also use the expression that the monopolist regulates the price at "his pleasure," or "as he pleases,"⁵ a phrase which Adam Smith appropriated in this connection about 150 years later.⁶ Only Adam Smith had in his mind merely

¹ Henry Parker, *Of a Free Trade*, London, 1648, p. 21.

² Fisk Beach, *Monopolies and Industrial Trusts*, St. Louis, 1898, pp. 11-13.

³ Raffel, *Englische Freihändler vor A. Smith*, Tübingen, 1905, pp. 9, 11.

⁴ Misselden, *Free Trade*, London, 1622, pp. 57-8.

⁵ Malynes' *Lex Mercatoria*, quoted by Raffel, *supra* p. 12; and later, *Britannia Languens*, p. 73.

⁶ A. Smith, *Lectures on Justice and Police*, ed. by Dr. E. Cannan, 1896; cf. Hirst, *Monopolies, Trusts, and Cartels*, London, 1903, p. 21.

local gild monopolies, and applied to their conduct words used a century earlier for much more extensive trade organisations. The writings of Misselden and Malynes, though as much concerned in attacking privileges of trade and commerce as those of purely industrial monopolies and patents, are important evidence for estimating the anti-monopolist movement of the time. The expression "free trade," which first appears at the end of the sixteenth century, came to be used indifferently as the watchword against artificial restrictions of trade and commerce by joint-stock companies, colonial companies, and municipal corporations, and against the real trade monopolies of the Stuarts. The writings of Parker, Roberts, and Brent, all between 1640 and 1650, show how in the most diverse fields of economic life as it then existed the beginnings of a movement for the abolition of monopolist fetters and the development of free competition were present.¹ It cannot be doubted that this economic tendency was strongly influenced by experience of the Stuart trade monopolies. On the other hand, writings which attempted to introduce into other fields a freer economic system may in their time have added vigour to the agitation against industrial monopoly.

The popularity of the anti-monopoly movement led to the rapid downfall of monopoly as a form of industrial organisation.

The claim of the Crown to dispense with the law by Royal Prerogative, under cover of which

¹ Parker, p. 29, against Cockayne's monopoly; L. Roberts, *The Treasure of Traffike*, London, 1641, deals with monopolies as a merchant and exporter (cf. p. 47 and *passim*); Nath. Brent, *A Discourse of Free Trade*, London, 1645, the Cloth Trade. For monopolist "Joint Stock Companies" see Misselden, pp. 69 ff.

it had granted monopolies over the head of Parliament by hair-splitting interpretation or even open evasion of the existing law, was abolished in the Bill of Rights. Even though the number of existing monopolies had in all probability greatly decreased since about 1650 or 1660—unfortunately we have no detailed record—the extinction of that right showed that Parliament had henceforth the power to prevent all private trade monopolies by means which could not legally be evaded. Only local monopolies based on gild and corporation rights and having nothing in common with the great national monopolies of the Tudor and early Stuarts could now exist, except where Parliament by its own act otherwise ordained. Great capitalist monopolies such as we have in view, controlling by legal privilege the entire national production of a given branch of industry, were once and for all impossible. The Long Parliament in 1640 had declared most of the monopolies void, and thereby taken upon itself functions in relation to the Crown for which it had no constitutional justification. After the Restoration the Crown found itself similarly hindered¹ by the increasing power of Parliament² in the exercise of its former custom of settling industrial questions on its own initiative. This state of affairs received recognition in theory by the abolition in 1689 of the royal right of dispensation, and the always latent³ conflict between a Crown inclined to befriend monopolists and a Parliament that was bitterly hostile to them was thus finally decided in favour of the latter.

¹ Macaulay, p. 209.

² Cunningham, vol. i. pp. 201, 205.

³ Unwin, *Industrial Organisation*, p. 169; interesting account of such a conflict in 1664.

The same year also saw a legal reform which made unrestricted competition in mining possible. Under William III. a new law defined the meaning of the expression "Mines Royal." "No mines of Copper, Tin, Iron or Lead shall hereafter be adjudged, reputed or taken to be a mine royal, although Gold and Silver may be extracted out of the same."¹ Thus the mining rights in these metals were finally taken away from the Crown and assured to the landowner, and in consequence the *raison d'être* of the notorious mining monopolies, the Mines Royal, Mineral and Battery Works, and the later combination of these two, the Society of the Mines Royal,² was removed.³ The right of pre-emption of the Crown in the case of the tin mines in Cornwall and Devonshire remained. But the abolition in principle of the mining monopoly was doubtless the reason why the Crown made no further use of this method of creating a monopoly. It was used once more in the reign of Queen Anne; but after 1717 vanished wholly from the history of English mining.⁴

The legal position reached at the end of the seventeenth century, therefore, no longer put any obstacle in the way of free competition in the extraction of minerals. It was thereafter impossible in principle to obtain exclusive rights from the Crown, as monopolies, even for foreign trade, could only exist if authorised by Act of Parliament.⁵ Internal monopolies Parliament would not be

¹ 1 William and Mary, cap. 30; also Palgrave, ii. p. 765.

² For details see Price, *Patents*, pp. 49 *et seq.*, 55 *et seq.*; also Cunningham, *English Industries*, p. 59.

³ Lewis, *Stannaries*, p. 42.

⁴ *Ibid.* pp. 48-9, 220-21.

⁵ Cox, *Staatseinrichtungen Englands*, Berlin, 1867, p. 548.

persuaded to grant : it held fast by the anti-monopolist principle of common law and by the provisions of the Statute of Monopolies.

As early as 1690 Parliament gave certain projectors a proof of the hopelessness of their wishes by refusing to grant recognition to a plan for renewing the pin monopoly.¹ Not content with preventing the growth of monopoly by royal privilege, it also expressly opposed private understandings of a monopolist kind between merchants ; for instance, in 1711 an Act was passed especially aimed at all contracts and agreements between coal-owners and others for the monopolisation of coal.²

In the treatment of the newer industries a similar difference is found between the trade policy of Queen Anne and that of the greater part of the seventeenth century. Monopolies were absolutely forbidden. A close student of English economic history of that time writes :³ " The whole tendency, both of legislation and parliamentary practice, was to afford stringent protection to infant industries by prohibiting competitive imports from abroad, and at the same time to trust that the founding of several factories of the same kind would provide sufficient safeguards for the consumer by keeping prices low through the resulting competition." Important new industries arose in the eighteenth century, in spite of the unwillingness of Parliament to grant their promoters any monopoly protection beyond the usual inventor's patent. In the still youthful silk industry a certain John Lambe, who

¹ Unwin, *Industrial Organisation*, p. 170.

² 9 Anne, c. 28.

³ W. R. Scott, *Records of a Scottish Cloth Manufactory*, Edinburgh, 1905, p. 21.

had studied the throwing of silk in Italy, received a fourteen years' patent in 1717. But when this ran out in 1732 his successor strove in vain to obtain its renewal. Instead he received compensation to the tune of £14,000 and a title!¹ The tinplate trade, to this day such an important industry in England, arose in the same way at the beginning of the eighteenth century without any protective monopoly.² And Parliament, even if it abstained from any grants of monopolies, had other Colbertian means, especially bounties, by which it could encourage and support an industry.³

So far as our knowledge of industrial England in the eighteenth century goes, no national monopoly based on legal privilege any longer existed at that time in any industry. Tucker, in his first essay, and later Adam Smith, whose detestation of monopoly was all-embracing, would certainly have noticed any such abomination. They know, however, only colonial trade monopolies and a few town monopolies, as a special object-lesson in which they both choose the privileges of butchers.⁴ To illustrate the attempts of manufacturers to obtain monopolies by law, Adam Smith could find no other example than a Dutch clothier in Abbéville.⁵

Undoubtedly the continued existence of civic corporations with exclusive rights in many ways restricted competition. But whatever may have been the functions of these monopolist town corporations

¹ Th. Wardle, *Report on the English Silk Industry*, 1884, p. xlvi (Blue book).

² Ph. W. Flower, *A History of the Trade in Tin*, London, 1880, *passim*.

³ Cunningham, pp. 409, 515, 516.

⁴ Tucker, *A Brief Essay, etc.*, London, 1753, pp. 41, 42; Adam Smith, Lecture quoted in Hirst, *Trusts, Cartels, etc.*, p. 21.

⁵ *Wealth of Nations*, 1817, vol. ii. p. 196.

in the eighteenth century they are essentially distinguished from the monopolies we have hitherto considered by their limitation to a single locality. While the latter could create a national system of capitalistic industry, the town guilds, so far as they were active at all, could only impose monopolist regulations on small masters in a local market, while capitalist trades, organised on the commission or even on the factory system, could settle in towns where guilds were unknown, or in the country.¹ The growth of transport facilities and the rise of so many centres of industry destroyed, after the end of the seventeenth century, the monopolist position held in certain goods by the chief towns, and especially by London, and accordingly the national importance of local monopolist organisations also disappeared. When the London Company of Frame Work Knitters tried to extend their rights beyond their own local sphere of influence to Nottingham, their attempt was not supported by Parliament. They had to allow the ten masters and operatives of Nottingham to escape their tyranny and continue their trade in independence. So very different were the monopolist trade regulations of civic corporations from the industrial monopolies of the Stuarts that a High Court judge, in a celebrated judgment in 1711, denied altogether the monopolist character of such local restrictions on trade.² Though wrong in the abstract, this legal distinction was clearly based on the obvious but far-reaching difference in the economic importance of two systems of trade organisation both undeniably forms of

¹ Brentano, *Arbeitsverhältnis gemäss dem heutigen Recht*, Leipzig, 1877, p. 49.

³ Hirst, *Trusts and Cartels*, pp. 98, 99.

monopoly. In any case, no gild regulation could lead to the concentration in the hands of a few privileged persons of the control over capitalist industries working for a national market or even for exportation on a large scale, as would have happened with the Stuart monopoly system. By the end of the seventeenth century, therefore, the most essential half of Free Trade had been won for English industry.

So far we have discussed the achievements of the Civil War and of the "glorious revolution" in the domains of constitutional law (abolition of prerogative), civil law (abolition of courts of special instance), religion (declaration of tolerance), and industrial liberty (abolition of monopoly). It is, however, characteristic of these achievements that they did not cease to bear fruit when they had broken down mediaeval, royalist, and clerical restrictions. The new state which they created was not merely the negative antithesis to the old organisation it had shattered. It was something essentially novel, a new political and social structure systematically evolved out of the revolutionary movement. The democratic constitution, the same law for all, toleration, capitalist competition, and the other liberal "triumphs" were in part the reaffirmation of old popular liberties temporarily suppressed, and in part new conquests made in the War by the downtrodden subjects. There remain, however, other facts, which though from one standpoint merely results of the Civil War, from another laid the foundations on which English society was to be remodelled, and still live in the social and sociological peculiarities of the English national

character to-day. As Laveleye pointed out,¹ though perhaps with too much emphasis on the religious factor, it is this constructive evolution of a new society which differentiates the English (and American) wars of liberty from the French Revolution.

¹ Émile de Laveleye, *Protestantism and Catholicism in their bearing upon the Liberty and Prosperity of Nations*, London, 1875, pp. 72 ff. This very remarkable book, made accessible to Englishmen by Gladstone and to Germans by Bluntschli, contains the earliest account of the relations of Protestant ethics to industrial life.

CHAPTER IV

THE PROBLEM OF IMMIGRATION

English insularity in the 16th and 17th centuries—Cromwell's policy towards foreign refugees—His motives—The return of the Jews—Manasseh ben Israel's mission—Opposition of Violet and Prynne—The Protestant immigrants—Their industrial skill.

FOR all its fame as the "home of the homeless"¹ (witness the immigration of Jews from Russia in recent years) England is even to-day insular in the extreme, and convinced above all other countries of the superiority and invincibility of its own national mould. Now, as in the past, this national snobbishness is the inborn property of the Englishman. The innate abhorrence of everything "foreign" which now and then comes to light, as for instance in Mr. Chamberlain's famous speeches, is in curious contradiction to the exceptionally liberal feeling which prevails for the equal rights of fellow-citizens from foreign countries or foreign races. As early as 1701 Defoe lashes this antipathy to everything un-English in describing the "true-born Englishman." He points out to his countrymen the many foreign influences which have contributed to the building up of the English national character. "To disown our descent from them, talk big of our

¹ Thorold Rogers, *Industrial and Commercial History of England*, London, 1892, p. 310.

ancient families, and stand at a distance from foreigners with a 'Stand-off, I am more holy than you are,' this is a thing so ridiculous in a Nation derived from foreigners as we are that I could not but attack it as I have done."¹

The opposition to foreigners was even greater at the end of the sixteenth and the beginning of the seventeenth centuries. In 1592 an agitation arose against retail trading by foreigners; in the 1630's Laud, as we saw, tried to put compulsion on Protestant immigrants.² Often the immigrants were saved only by the great support they gave to the Crown.³ Charles I. himself was probably not unfavourable, and the attitude of the Episcopalians in this matter is perhaps the only point in which the policy of the Church occasionally differed from that of the King.⁴ Competitive interests also were aroused. The London apprentices, for instance, complained in 1641 that "they found their living taken away by thousands of Dutchmen, French, and Walloons who crowded the tenements of the suburbs."⁵ About a hundred years later Josiah Tucker describes the feeling towards foreigners under the early Stuarts as follows:⁶ "The deep-rooted national prejudice, joined to a grasping Desire of Monopoly, spurred on the English, especially the Citizens of London, to seek the expulsion of all foreigners

¹ Explanatory Preface to *The True-Born Englishman* (first published 1701) in Defoe's *Works*, vol. i.

² v. p. 11 *supra*, and J. Southernden Burn, *History of Foreign Protestant Refugees*, London, 1845, pp. 10, 40, 66.

³ In 1588 the "strangers" in London alone presented the Queen with £4900.

⁴ S. W. Kershaw, *Protestants from France in their English Home*, London, 1885, p. 42.

⁵ Unwin, *Gilds of London*, p. 335.

⁶ Tucker, *Reflections on the Expediency of a Law for the Naturalisation of Foreign Protestants*, London, 1751, p. 44.

concerned in Commerce, and to bar up the way against their entering in for the future. The Power likewise of granting Monopolies, as well as the Payments made for such exclusive Privileges, suited the Taste and the Circumstances of that Court, fond of Prerogative, and in want of money. But it deserves the highest Attention, that hitherto no one word was suggested, that the Church of England, by Law established, would be endangered by the admission of foreign Protestants. This was a new Topick, never heard of till Archbishop Laud began to gain Ascendancy in the English Councils."

The Commonwealth brought with it a spirit which overcame national prejudices against "aliens," and in the place of persecution or at best mere sufferance we find immigration actually favoured. Cromwell was not only at pains to welcome and protect persecuted Protestants in his own country, but also did his best to succour them by his foreign policy. Religious convictions, economic interests, and political tactics all pointed the same way. The exchange of thought between the French universities and the English theological centres increased. The Chapel of Somerset House was adapted by Cromwell for the refugees, and in 1653 he petitioned the masters of the various city guilds to accept applications from the French and Walloon religious communities. When Richard Cromwell succeeded his father the foreign religious bodies congratulated him, and were assured of his good-will.¹

The manner of life of these foreigners was undoubtedly suited to a Puritan régime. With

¹ Kershaw, *op. cit.* pp. 43-45.

Cromwell begins the period in which writers can find no words of praise too high for the refugees. The Episcopalians had viewed with favour the national peculiarities and likings of the English people. After a journey in the north Laud expressly proclaimed in the Declaration of Sports his sympathy with the national pleasures, at that time admittedly of a very barbarous kind, and encouraged them as the most harmless of delights.¹ While the Puritans never neglected an opportunity of expressing their hatred of workless men, beggars, and vagrants, Charles and Laud passed laws which provided authorities to relieve and even support such persons. As we shall see later,² the Stuarts were governed in their Poor Laws by charitable and social motives, whereas under Puritan rule the general opinion was that individual self-discipline ought, by thrift, industry, and forethought, to preserve those capable of work from poverty and need. The immigrants were an example. "Among them," writes Manley,³ "there were no beggars. Towns where they inhabit, as Colchester, Canterbury, Sandwich, Maidstone, Southampton, etc., are by their industry and Manufactures made the trading and thriving places of the Nation, and so regular and frugall is their living . . . that it will be hard to prove one of those people begging out of doors." "Honest as a Huguenot" became a common expression.⁴ Another writer says of the Dutch that they can gather riches from an income which an Englishman would think just enough to live upon.⁵ Similar eulogies are to be

¹ *Constitutional Documents*, p. 99. For details see *infra*, p. 68.

² *Infra*, pp. 70-76.

³ Manley, *Usury at Six per Cent Examined*, London, 1669, p. 25.

⁴ Smiles, *The Huguenots*, London, 1889, p. 137.

⁵ v. *infra*, p. 70.

found in nearly all the pamphlets that touch on the question.

No doubt Cromwell¹ was moved to favour the "foreigners" by many other motives besides this general sympathy. There was the political motive of supporting Protestant politics on the Continent. There was also an economic motive. The Civil Wars had deprived the Government of the power of gaining money by the ignoble methods of concession and company promoting, and for that very reason a republican administration was concerned to open up a possible new source of supply to which resort might be had when ordinary means failed. It was undoubtedly with this idea in mind that Cromwell interested himself in the return of the Jews to England. Not that he expected a sudden flow of gold to follow. The economic principles of the guardian of the "Commonwealth" and its future were very different from the short-sighted desires of Charles, all of whose business undertakings were merely intended to strengthen the Crown against the Parliament for the moment. Cromwell supported immigration not for the sake of an isolated and temporary advantage, but because he saw that the greatness of the newly set up Republic could only be preserved by special care for economic prosperity. The connection of English democracy with economic aims was tersely expressed in the cry, "Freedom, liberty and trade."

The main feature of Cromwell's Government in

¹ Carlyle, *Oliver Cromwell's Letters and Speeches*, vol. iv., new edition, 1897: Letters to Louis XIV. on the Protestants in Piedmont, p. 185. *Idem*, pp. 190 ff.: Letters to Sir W. Lockhart, English Ambassador in Paris. These letters are inspired by Milton. Also Kershaw, *op. cit.* p. 44.

this domain was undoubtedly the return of the Jews. Since their expulsion in 1290 they had only appeared in England as Crypto Jews.¹ Almost from the beginning of the revolutionary movement in England, the hopes of the Jews in all countries turned towards Cromwell. The Jews in West Asia sent a mission to England, ostensibly to make trade connections, but really to ascertain whether Cromwell, the great champion of liberty, was not the Messiah.² We hear also of Portuguese Jews³ coming as fugitives to Cromwell as "the Prince so much the Protector of the afflicted strangers." Manasseh ben Israel came from Holland to gain over the Lord Protector to the readmission of the Jews.⁴ He clearly thought the chief inducement lay in economic advantages, for his first argument turned on the "profitableness of the Jewish nation." His well-known letter to Oliver Cromwell begins, "How profitable the nation of the Jews are."⁵ And in fact the Jews with whom Cromwell came into contact seem not only to have been of importance as merchants,⁶ but to have encouraged him in the equipment of war-like expeditions to the colonies.⁷

Under Cromwell, it is true, the way was only

¹ Lucien Wolf, *Manasseh ben Israel's Mission to Oliver Cromwell*, London, 1901. For the Crypto Jews or "Marranos," cp. *idem*, pp. 12-13, and Wolf's essay, "The First English Jew," *Jewish Historical Society*, vol. ii.

² J. E. Blunt, *A History of the Jews in England*, London, 1830, p. 71.

³ *State Papers, Domestic*, vol. cxxvi. p. 105 (25th April 1656).

⁴ Carlyle, *Oliver Cromwell's Letters and Speeches*, vol. iii. pp. 243-4.

⁵ *The Humble Addresses of Manasseh ben Israel to His Highness the Lord Protector of the Commonwealth*, London, 1655, pp. 1 ff.

⁶ Lucien Wolf (*Cromwell's Jewish Intelligencers*, London, 1904, pp. 18-19) states that "the first Jewish immigrants brought about £1,500,000 in gold with them, and that their gross turn-over was about one-twelfth of the entire English trade." According to this account the need of money was Cromwell's chief motive in calling back the Jews. Compare also W. Sombart, *Die Juden und das Wirtschaftsleben*, Leipzig, 1911, p. 51.

⁷ Wolf, *Jewish Intelligencers*, pp. 14-16.

prepared for the official readmission of the Jews. Manasseh's mission failed, apparently on two grounds. The members of the Whitehall conferences, which considered the mission, included merchants whose private interests were against readmission. The agitation got up by the goldsmith Violet,¹ who had apparently taken upon himself to trace out all possibilities of secret gold export and to denounce the exporters, shows clearly that trading circles feared Jewish competition.² It is easy to understand that the goldsmiths, who were also the bankers,³ were especially opposed to them. Moreover, a report of the negotiations with Manasseh states⁴ that "Some judged, seeing the Jews deal chiefly in way of Merchandize and not in Husbandry, nor buying Houses, nor in Manufacture, that the Jews coming and so trading might tend to the bringing lower of all sorts of commodities imported." The compiler of the narrative is of opinion that such a fall in prices would be "to the benefit of very many in our nation." But those who feared competition were no doubt of another opinion, and

¹ For Violet see *State Papers, Domestic*, Charles II., vol. ccxxi. No. 76. "The great Trapaner of England Discovered, being a true Narrative of many dangerous and abominable Practices of one Thomas Violet, Goldsmith, to trapan the Jews and to ruin many Scores of Families in and about London." His main efforts were directed to denouncing exporters of silver and gold, a crime for which he was himself punished in 1634. See *National Biography*, vol. xx. p. 374. He himself describes his activity as an informer in *A True Discovery to the Commons of England*, London, 1659, pp. 6, 7, 87. He remained a persecutor of the Jews under the Restoration (*State Papers, Domestic*, Charles II., vol. xxi. p. 140).

² See especially T. Collier, "A brief answer to some of the Objections and Demurs made against the Coming and Inhabiting of the Jews," London, 1656 (Brit. Museum, E. 866 (1), p. 13); for the view that import prices would be driven down by the Jews, "A Narrative of the late Proceedings at Whitehall concerning the Jews," London, 1656 (Brit. Museum, 105, c. 32), p. 9.

³ H. D. Macleod, *History of Banking in Great Britain*, New York, 1895, p. 42.

⁴ "A Narrative, etc.," p. 8.

the merchants opposed every increased facility for foreign trade as damaging to their home trade.

Cromwell's conference also included ministers. They too appear to have spoken against Manasseh's proposals.¹ Prynne, in his famous pamphlet against the Jews,² spoke of the "new, hateful, and dangerous project³ of admitting the Jews." Quite consistently with the Puritan class ideals, he represented the views of the middle classes: "Their introduction now will but supplant our English merchants and other Natives, to enrich them and some few other Grandees who shall share with them in their spoils and unrighteous gains." The middle-class traders' fear of the Stuart system, with its large financial undertakings, speculations and single predominant capitalists, is clearly seen in these words.⁴ At the same time the opposition of interested parties, and the social and moral antipathies there shown, came into conflict with the general libertarian tendency of the period, which was by no means ready to yield to economic or social doubts. Dury, for instance, writes in 1656: "God having recommended the entertainment of Strangers as a special dutie of Charity unto all Christians, and no Nation being a greater Object of Charity and fitter to be pittied than Jews it is clear to me, that if the question be put in general termes concerning the

¹ Wolf, p. xlix; also "A Narrative, etc.," p. 10.

² W. Prynne, *A Short Demurre to the Jews*, London, 1655. He urges religious (pp. 82 ff.) and economic (pp. 101-102) arguments against the Jews.

³ The word "project" in the sense of a speculative undertaking has the unpopular tinge acquired under Charles I.

⁴ This side of the Puritan idea should be emphasised just as much as the peculiar sympathy on the other hand between Puritanism and Judaism at that time, for which see Macaulay, *History of England*, vol. i. pp. 86, 87, and recently Sombart, *Die Juden und das Wirtschaftsleben*, pp. 292 ff.

lawfulness of admitting them, the answer cannot be other than affirmative."¹

Though, however, Cromwell was certainly favourably disposed to the Jews, and was supported here and there by men of Dury's complexion, and though the Jews now came in greater numbers to England² their advance to full citizen rights was slow. Immediately after the Restoration a new anti-Semitic agitation began, apparently started by Violet.³ But neither this agitation, nor another in the middle of the eighteenth century stopped the gradual growth of Judaism in England. No reaction was sufficient to check the process begun under the Protector. In 1668 Sir Josiah Child proposed to allow Jews to be naturalised in view of their usefulness in trade. This suggestion was, it is true, not carried out till much later, but it shows the commercial importance of the Jews. Their influence on the evolution and organisation of the Royal Exchange in the last quarter of the seventeenth century was considerable. Before 1700 they had acquired greater privileges than any other merchants. They alone might act as brokers without first obtaining the freedom of the City.⁴

Another influence whose economic importance in the industrial development of England can hardly be exaggerated is that of the Protestant immigrants. Smiles calls them the "missionaries of skilled work," and that was certainly their great strength in the

¹ John Dury, *Cause of Conscience*, London, 1656.

² For details see Wolf, *Manasseh*, p. lxvi.

³ Cf. pamphlet quoted above. Also "Remonstrance addressed to the King concerning the English Jews," *State Papers, Domestic*, vol. xxi. p. 140, and "An Appeal to Cæsar, wherein Gold and Silver is proved to be the King's Majesties Royal Commodity."

⁴ Wolf, pp. lxxv-lxxvi; and Blunt, p. 72 and *passim*.

seventeenth century. A short examination of the finishing trades which the immigrants introduced will show how far the English were in the first half of the century behind the Dutch, French, Italians, and Germans in the production of the finer goods. The textile industry, as the failure of Cockayne's project shows, was unable in James the First's time to produce fine goods, and especially dyed goods, of the same quality as the Dutch.¹ In the second half of the seventeenth century a Fleming called Bauer, who immigrated into England with his whole family, brought the art of woollen cloth dyeing in England to the world-wide celebrity it has ever since maintained. Calico-printing was introduced in 1690 by a French exile. French refugees founded silk-weaving in Canterbury, and later in Spitalfields. In 1688 they also began to make plate-glass, thus adding a new branch to the glass industry, itself introduced earlier by Italians.² As Josiah Wedgwood relates in his *Commonplace Book*, it was the Dutch who laid the foundation of the afterwards famous English potteries by showing the English white glazes.³ A Dutchman, called Fromantil, made the first pendulum clocks in England. In agriculture the Dutch were the pioneers of modern drainage in the Fens of Lincolnshire. The first "fine paper" was made in London in 1685 by Huguenots. Similar examples could be quoted from a very large number of industries and trades.⁴

¹ Levy, *Monopoly and Competition*, p. 48.

² Burn, *History of Refugees*, p. 252; also Cunningham, *Alien Immigrants to England* (London, 1897), pp. 235-44.

³ J. O. Wedgwood, *A History of the Wedgwood Family* (London, 1909), p. 324.

⁴ Smiles, *The Huguenots*, pp. 104-106, 272.

The contrast between the immigrants and the native craftsmen and artisans has already been mentioned.¹ They were famed for their manner of living, and for the keenness and the intensity of their industry. The typical Englishman, on the other hand, is generally represented by economic critics as "lazy, wasteful, and unbridled."

To the men of the Puritan Commonwealth the Protestant refugees, closely united in organised religious communities² and often providing for their own poor by mutual relief³ (though in fact there was little poverty among them), must have seemed the realisation of their own industrial ideals. The victory of the dissenting, or at least non-Catholic, ministers and of their doctrine in the Civil War had brought the problem of educating the individual workman into the forefront among industrial questions.

¹ *Supra*, p. 7.

² Smiles, p. 113. "Wherever they went, they formed themselves into congregations, erected churches and appointed ministers to conduct their worship."

³ *Ibid.* p. 265. As the Huguenots had no claim on the poor-rate, they started for themselves societies for mutual relief in sickness and old age. ? Later Friendly Societies.

CHAPTER V

(THE ETHICS OF WORK)

The moral duty of a "calling"—Religion and business—Puritanism and the rich—The Puritan middle class—Their industrial importance—Puritan opposition to sports and art—Concentration on economic interests—Commercial training.

UNDER Charles I. the most prominent question in internal trade was that of industrial organisation. Church and State had united to regulate and control groups of industries—the corporations, new manufactures, and mining. This experiment in bureaucracy had failed. Most of the new industries, the monopolies, the large plans of financial control, the attempts to assert Crown Rights in mining and to favour this or that group of merchants by trade policy had come to grief. The general tendency set towards industrial freedom. In place of State regulation the individual was to develop his activities free and untrammelled. To the treatment of economics the Crown had brought its ideal of absolute monarchy, the High Church its conception of an all-embracing ecclesiastical hierarchy. The House of Commons and the non-High Church clergy, especially the Puritans, were no less committed to the rights, liberty, and self-development of the individual in political and

religious matters, and in consequence also in economics. When the religious ideals of strict Calvinism spread among Dissenters in opposition to Laud's Catholic tendencies, individual private activities began to be regarded as a "calling" for the honour of God, honest profits as a distinction, and industry as an essential moral and religious duty.¹ The victory or at least recognition of the Dissenting Churches strengthened this Protestant conception of the moral nature of the calling.² Its importance lay in the ethical foundation it gave to material and economic life, and in its attempt to harmonise the striving for profit with the striving for God. The central point of the system was no longer an external organisation ordained by God for all time to which the individual subjected himself; on the contrary, the individual was left to his own conscience with absolute liberty to develop the capacities and forces given to him by higher powers.³

¹ Compare E. Troeltsch, *Die Sociallehren der christlichen Kirchen und Gruppen* (Tübingen, 1912), especially p. 652: "In so far as usefulness was both the opportunity and the discipline for this inner asceticism [for this expression cf. Weber below], the idea of "calling" received a new and accentuated meaning, differentiating it both from the Catholic and the Lutheran conceptions. . . . The middle ages had closely connected the lower kinds of temporal labour with the spiritual riches of the Church, but the connection was prospective and potential only and required to be amplified by purely religious service. Nor was it binding on the lords of religious life, the representatives and exemplars of the truest Christian feeling. Protestantism first identified Grace and Nature, by teaching that work in this world was given by the will of God, and by making it the normal and necessary test of each man's state of grace. The economic and social consequences of this conception were remarkable: Labour in a calling and intensity of worldly activity became in themselves religious duties, no longer merely a means of existence, but an end and a sign of active faith." See also p. 716, and for Puritanism in particular, pp. 776, 777. Also p. 955: "The spirit of rational regular discipline in work created by Puritanism, and thence more or less logically transferred. . . . This conception of work . . . gave a strong and systematic impulse to production." See also pp. 949-50.

² Max Weber, "Die protestantische Ethik und der Geist der Capitalismus," *Archiv für Socialwissenschaft*, vols. xx., xxi., also vols. xxv., xxvi., xxx., and xxxi.

³ Gilbert Burnett, *The Life and Death of Sir Matthew Hale*, London,

The maxims of Sir M. Hale, who was regarded by the Puritans of his day, and particularly by Baxter, as a shining example of a man who regarded his worldly calling as ordained by God, are typical of this standpoint. "By the Institution of Almighty God and the Dispensation of His Providence, I am bound to Industry and Fidelity." Burnett says of Hale, who, though a sickly man, always clung to his labours, that he continued his work "upon no other consideration than that of being set in it by the providence of God." Many people like Steele in his *Religious Tradesman* accepted the belief in economic selection by God's will.¹ Attempts were made to reconcile with religion those sides of professional life, particularly of business life, which are involved in ethical weakness and fraud. Defoe is at pains to show that a certain kind of "Lies" is unavoidable in daily life and trade.² Unless this were recognised, a Christian could only close his business, a proceeding which would certainly be recommended by Catholics! But all life is full of such lies—table lies, salutation lies, trading lies, and one must make the best of it. Religion and worldly life are so closely connected that only a manner

1682, pp. 95, 98. See also R. Baxter, *Additional Notes on the Life and Death of Sir Matthew Hale*, London, 1682, *passim*.

¹ R. Steele, *The Religious Tradesman*, 1684. Republished at Bath, 1802, p. 3.

² Defoe, *The Complete English Tradesman*, London, 1726, p. 285: "If no man must go beyond or defraud his neighbour, if our conversation must be without covetousness and the like, why, then, it is impossible for tradesmen to be Christians, and we must unhinge all our business, act upon new principles in trade, and go on by new rules; in short, we must shut off our shop, and leave trade. All the ordinary conversation of life is now full of lying, and what with table lies, salutation lies, and trading lies, there is no such a thing as every man speaking truth with his neighbour." The desire to reconcile religious morality with the hard facts of "real life" is very obvious. Contemporary Puritan ethics were much concerned to avoid the sore points between spiritual and temporal life.

of living which satisfies the demands of both is suitable for a Christian tradesman. Such a man, says Defoe,¹ must, for instance, carefully consider at what times he can pray without disturbing his business and suffering commercial loss; and he tells the story of a zealous, pious, and religious merchant who closed his shop for prayer every day from 9 to 10, and came to a bad end. The union of religious life with business needs was a leading thought with the Puritans, and was transmitted by them to other Dissenters and to the groups which split off from the English Church, like the eighteenth-century Methodists. Again and again protests were made against the estrangement or even the disconnection of everyday life from religion.² Rowntree in his book on the Quakers says: "Real piety favours the success of a trader by insuring his integrity and fostering habits of prudence and forethought—important items in obtaining that standing and credit in the commercial world, which is requisite for the steady accumulation of wealth." At the burial of a London merchant in 1640 the preacher insists that the deceased has shown "that a man may well serve God in a constant course and yet follow also the duties of his special calling, and that there is therefore no necessity, as many on either side falsely pretend, of neglect of the one, if the other be diligently attended."³ The same tone runs through all the writings of the time that discuss from the Puritan standpoint the relation of religion and everyday life. The natural result is not merely a sufferance of business life by religion, but even its

¹ Defoe, *Complete Tradesman*, p. 65.

² Cf. Troeltsch, pp. 955-8.

³ *The Decease of Lazarus*, 1640 (Brit. Museum), p. 4.

exaltation. Any opposition to the economic destiny given to a man by God is sin. Baxter's *Christian Directory*, which, as Weber shows, consists chiefly of answers to inquiries from members of his congregation, is typical on all these points.¹ "If God shew you a way in which you may lawfully get more than in another way, if you refuse this and choose the less gainful way, you cross one of the ends of your calling, and you refuse to be God's steward." "Labour to be rich for God."

It is naturally difficult to show in detail how far in fact Puritanism, or, to put the matter more generally, the economic ethics of Calvinistic Dissent, influenced the course of industry. Statistical proof of the kind demanded by Rachfahl is obviously unthinkable, if only for the reason continually overlooked by him that it was not the capitalist grandees whose economic psychology was affected by the Calvinistic conception of a calling.² For the difference between the first and second halves of the seventeenth century lies just in this. In the first period big capitalists, royal favourites, makers of colonies, money-lenders on a large scale—like those we meet in every known industrial era—seem to represent the whole of capitalism. After the Puritan revolution the real "nation of shopkeepers," numerous middle-class capitalists with moderate means gained by industry, thrift, and sharp business instinct, far overshadow the large entrepreneur.

¹ Baxter, *A Christian Directory*, 1673, chap. x. part i. pp. 449-80.

² Felix Rachfahl, *Calvinism and Capitalism*, a series of essays in the *International Wochenschrift für Wissenschaft, Kunst und Technik*, 1909, especially pp. 1287 ff. On p. 1293 he says "that capitalism as such is older than Puritanism, even Weber would not deny." On which Troeltsch rightly remarks (*op. cit.* p. 950, note 510), "Weber's investigations aim at tracing modern industrial capitalism back to the ancient and late mediæval capitalism."

The "very rich," the parvenu capitalists, doubtless did not trouble themselves for any length of time with Protestant ethical principles. Their indifference is illustrated by the eagerness of merchants who had become rich to join the classes socially above them and in no way connected with Nonconformity. Josiah Child's son became Lord Tylney. The Barings, descended from a German minister of Lutheran convictions, were ennobled early in the eighteenth century, and Stephen justly remarks of the merchants who, as he says, were inclined to Dissent, "When they became rich they bought a large house in Clapham or Wimbledon, and when they made a fortune, they wished to become Lords of the Manor in the country."¹ That great merchants who had thus personally got far beyond the actual process of money-making, on entering aristocratic and high church circles either led a perfectly unrestrained life, at least outwardly, and abandoned the "inner asceticism," or fell victims to the bigotry of the High Church is certain.

In their case neither the effect nor the expression of the religious idea of a calling is to be found. Its influence lies far more in the middle class. Consequently all the writers who mention the Puritan trend of certain industrial classes insist on the fact that they are dealing with people of comparatively moderate means, and often even draw attention to the sharp contrast with the large capitalist. Petty, for instance, says,² "Dissenters of this kind are, for most part, thinking, sober, and patient Men, and such as believe that Labour and

¹ Stephen, *English Utilitarians*, p. 20.

² Petty, *Political Arithmetic*, pp. 23-4.

Industry is their Duty towards God. They will never venture to be of the same Religion and Profession with Voluptuaries, and Men of extreme Wealth and Power, who, they think, have their Portion in this World." Hence the Puritan disinclination which we have seen in Prynne to admit the Jews.¹ To them the innovation seemed a "new, pernicious, distasteful project," a capitalist "project" of the Stuart type, leading simply to the concentration of great riches in the hands of gold magnates by means of speculation and usury. "What would you say," cries Bunyan in his *Mr. Badman*,² "if I should anatomise some of those vile wretches called Pawnbrokers?" And Parker in his *Discourse* contrasts³ the Puritans with the "courtiers" and "modern projectors" who persecuted them for their very righteousness. Hatred of those who tried to gain great wealth quickly by speculation, stock jobbing, and insecure loans, is a commonplace both in earlier and later Puritan writings. Dissent was therefore opposed on the one hand to religious tendencies like the Catholic which, even where not regarding religious and economic life as actually opposed to one another, at least entirely separated them, and on the other hand to the steady amassing of wealth by speculation which appeared to gain "easy" riches without the inner chastening of work.

The real sphere of the new industrial morality must be looked for in the middle classes. And

¹ *Supra*, p. 52.

² John Bunyan, *The Life and Death of Mr. Badman* (London, 1680), New Cambridge Press edition, 1905, pp. 114, 117.

³ Henry Parker, *A Discourse concerning Puritans*, 1641 (Brit. Museum), p. 53.

we do, in fact, hear of writers who entirely identify the middle class with Protestant Dissent. Wood, for instance, in his *Survey of Trade* in 1719, writes :¹ "Those who differ from the Established Church are generally of the lowest rank—mechanics, artificers, and manufacturers." He estimates their number so high, that he prophesies terrible losses to the High Church landowners, if they are foolish enough to pester the lives of Dissenters. How closely Tory and High Church circles, especially the landed nobility, identified the Protestant Dissenters with the small tradesmen may also be seen from a passage in Tucker's *Reflections* on the Naturalisation Bill of 1751.² Those who wished to maintain the special laws against Protestant and particularly foreign Dissenters accused their opponents of having the "spirit of shopkeepers" and thinking of nothing beyond importing "nutmegs and herrings." The supporters of the Bill on the other hand spoke of the interests of "manufactures, trade, and industry." The importance of the Nonconformist elements of the population in trade and industry appears also in Defoe's outburst³ in 1702, in connection with another Bill against Dissenters. "Let us freight our ships apart, keep our money out of your bank, accept none of your bills, and separate yourself

¹ *Op. cit.* pp. 311 ff.

² Josiah Tucker, *Reflections, etc., on Naturalisation of Foreign Protestants*, part i., London, 1751, p. 56. He quotes with disapproval the following passage from the *Examiner* of 28th December 1710: "These Men come with the Spirit of Shopkeepers to frame Rules for the Administration of Kingdoms; or as if they thought the whole Art of Government consisted in the Importation of Nutmegs, and the Curing of Herrings. This Pedantry of Republican Politics has done infinite Mischief among Us." A passage which might have been written to-day by an Imperialist High Church Tory lamenting the shortcomings of the middle-class little-England radical plutocrat.

³ Defoe, *Complete English Tradesman*, pp. 393 ff.; also *Giving Alms no Charity*, 1704.

as absolutely from us in civil matters, as we do from you in religion, and see how you can get on without us." As a final example, we may quote Petty,¹ who emphasises the fact that "in all the particular towns of greatest trade in England" Dissenters are dominant.

It may therefore be accepted as certain that even at the beginning of the seventeenth century the importance of Dissent in the most prosperous trades had attracted general attention,² favourable or otherwise, and it only remains to consider the causes of this undoubted coincidence. The tendency of liberalism in religion and spiritual "independence" to be the forerunner of temporal and especially economic independence has already been mentioned. Nor is this unnatural, inasmuch as the peaceful exercise of his religion was for the religious layman the necessary condition of all existence. The struggle for civil rights was often commenced for the sake of religious liberty, although ideas of religious freedom in their turn powerfully stimulated the movement for the removal of temporal restrictions, such as the prerogative and the monopolies. Whatever the connection this much

¹ Petty, *Political Arithmetic*, p. 26. J. E. Thorold Rogers, *History of Agriculture and Prices in England* (Oxford, 1887), vol. v. p. 145, says the same thing: "Perhaps one of the best proofs how steadily wealth was increasing with the commerce of England was the rapid rebuilding of London after the Great Fire, the loss of which was computed at £12,000,000 sterling. But, in fact, the remains of the old Puritan party lived and thrived in the towns. They were the men who found the money for the Parliamentary war, they were the men who saved the money from which not only the City was rebuilt, but the Revolution was established."

² Compare the same author's *Industrial and Commercial History of England* (London, 1892), p. 39: "From the Restoration to the second Revolution the Dissenters were in evil case. When the Revolution of 1688 arrived, however, the persecuted men were very rich, very strong, and very safe in London. . . . English Nonconformity founded the Bank, lent money to Parliament."

is certain. The Puritan conception of liberty, whether it was a necessary precursor or whether it merely intensified a movement which had its own causes elsewhere, greatly assisted the realisation of economic liberalism, and thereby strengthened the forces which were most active in the economic development of England. It is also clear that the doctrine of a calling was an important integral part of Puritanism and a positive addition to its purely negative abolition of restrictions. The idea is not exhausted by the ethical explanation of individual work, or of economic responsibility before God. It conceives work as the truest object of endeavour, and honourable profit as worthy of God's recognition, and further that a man must abandon all other activities of life to devote himself singly and solely to his prescribed calling. The well-known exclusion of Dissenters from public office and positions of honour was a slight and a disgrace, but Dissent itself eagerly preached a similar backwardness where pleasure, luxury, or culture interfered with the purely profitable activities. Every exclusion of Puritan energy from non-lucrative or less lucrative occupations assisted in the concentration of power in commercial work.

The influence of this professional asceticism on the creation of the English industrialist should not be underestimated. It must be remembered that Puritanism in attacking sport, licence, and loose living was doing a thing particularly likely to meet with lively opposition in England. As M. J. Bonn points out in answer to Professor Schulze-Gävernitz, the English national character is fundamentally opposed to restraint, and inclined to external lusts—a striking

contrast to all that is Puritan. On all sides, in a Falstaff, in the grotesquely exaggerated caricatures of Bunbury or Hogarth, in the ordinary licence of Derby Day, we can trace the characteristically English liking for what Schmöller calls¹ "coarse enjoyments," a delight in often really barbarous boisterousness. The Englishman's innate feeling for liberty and independence sometimes has the result described by Defoe—

Restraint from ill is freedom to the wise,
But Englishmen do all restraint despise.²

Laud recognised this characteristic in publishing the *Book of Sports* in answer to the Puritan attacks on local popular pleasures, especially in Lancashire. And it is undoubtedly true that the pleasure-hating life of the Puritans prevented the spread of their tenets among certain classes of the people.³ The country squire and landed gentry of merry old England and all their connections remained aloof, likewise the "shopkeepers" whom the squire so hated, as soon as they rose above the lower grade of capitalist employer. Neither the great nor the descendants of once strongly Puritan merchants and manufacturers could be attracted.

It is, however, indubitable that the industrial capacity of the believing Dissenter was strengthened by his abstinence from games and sport. At the

¹ Schmöller, *Grundriss*, vol. i. p. 157.

² *True-Born Englishman*, p. 21.

³ Cf. Macaulay, *Essay on Milton*, pp. 22-3: "They were not men of letters, they were, as a body, unpopular. . . . The ostentatious simplicity of their dress, their sour aspect, their nasal twang, their stiff posture, their long graces, their Hebrew names, the Scriptural phrases which they introduced at every occasion, their contempt for human learning, their detestation for polite amusements, were indeed fair game for the laughers."

Restoration sports were re-established as a manifesto against the Puritans, and that shows the degree in which the abstention of the bulk of the people from such pleasures was attributed to the power of Dissent.¹ The Puritan view that pleasure-seeking was unlawful and work the "true" and "godly" pleasure was afterwards very widely recognised. A typical instance is in Fawcett's *Religious Weaver*: "In some popish countries there is what they call a carnival; that is, a number of days or weeks in which they give themselves all loose to all kind of sorts of riot and excess, and which they, with amazing ignorance and superstition, consider as a sort of compensation for a season of extraordinary mortification, which they are soon to enter upon." The idea that anything but work, and the quiet and godly recreation it gave and required, could give enjoyment of life seems to him a sin.²

The concentration on exclusively economic activities, so noticeable in Dissent, was increased by the antipathy shown to academic learning, and generally to private devotion to science or art or similar occupations. Rowntree mentions this in his book on Quakerism as a reason for their remarkable economic success.³ "The cultivation of fine arts was discouraged, and the charms of science and liberal literature were but little appreciated in the first century of the Society's existence." Petty's advice on the proper training for commerce and trade is similar. Instead of learning Hebrew, or getting

¹ Cf. R. Halley, *Lancashire, its Puritanism and Nonconformity*, London, 1869, vol. ii. p. 129; for the licentiousness at sports, vol. i. pp. 147-8. The most scandalous sports were bear-baiting and cock-fighting (*Social England*, vol. iv. p. 659).

² R. Fawcett, *The Religious Weaver*, Shrewsbury, 1773, p. 87.

³ J. Rowntree, *Quakerism Past and Present*, pp. 95 ff.

verbs by heart like parrots, young men should learn to know trade. The Puritan Calvinists, very early in their history, tried to give commercial education by travel, acquaintance with foreigners, and learning foreign languages. It is said that in strongly Catholic Lancashire the Nonconformist south-east could easily be distinguished from the rest in this respect. Its inhabitants "knew more than their ministers, and were proud of their intellectual independence." Bolton was "the Geneva of Lancashire," and Manchester and Rochdale were not inferior to the "godly town."¹ And the history of the textile industry fully justifies the author of the *Religious Weaver* in 1773 in declaring that "Religion and trade equally thrive and glory in liberty."²

The reforms of pauperism and the Poor Law in the seventeenth century are closely connected with these root Puritan ideas, and illustrate particularly clearly the importance of the conception of work as an ideal, of calling in life as a duty, and of the necessity of profitable industrial activity.

¹ Halley, *Lancashire*. Lancashire is still strongly Catholic, "but in the south-eastern part of Lancashire the Reformation speedily obtained great strength, and from its commencement assumed a Puritanical form and character."

² Fawcett, *op. cit.* p. 124.

CHAPTER VI

POVERTY AND UNEMPLOYMENT

The poor and the unemployed—Stuart Poor Law Administration—The Privy Council and the Act of Elizabeth—Change under the Puritans—Increase of employment—Work as discipline—Unemployment due to idleness—The workhouse—Wages—Opposition to this policy (the Diggers, Winstanley, Bellers)—Its advantage to the middle classes.

THROUGHOUT the seventeenth century a radical distinction, not unlike that now advocated by Poor Law reformers, was drawn between those in genuine need of relief, such as cripples, widows, and orphans, and the "able-bodied" persons, physically and economically capable of, and entitled to, work but for some reason unable to obtain it.

The principles laid down by the laws of Elizabeth with regard to the genuine "poor" are still in force to-day, but in the case of the unemployed or able-bodied poor the policy of the Puritans parted fundamentally from that of Elizabeth and the early Stuarts.

It is remarkable that the problem of unemployment came so early into prominence in England. The very great increase in vagrancy as far back apparently as the middle of the sixteenth century was not specifically English. A similar tendency appears about that period in all West European

countries.¹ What is, however, worthy of note is that in the seventeenth century there began to appear a class of able-bodied poor, comparable with the modern unemployed, or even, as we shall see, with the modern unemployable. Certain notorious economic facts, like the breaking up of the monasteries by Henry VIII.,² no doubt had something to do with the growth of this class, but it is hardly debatable that the main cause was a pretty strong disposition among certain sections of the population to indolence, disorder, and light living. So good an observer as Manley points justly to the fact that immigrants had no such beggars as the native English.³ Defoe remarks, in language recalling the contrast so often made to-day between English and German workmen:⁴ "This observation I have made between foreigners and Englishmen, that where an Englishman earns 20s. a week and but just lives, as we call it, a Dutchman grows rich and leaves his children in a very good condition. Where an English labouring man, with his 9s. per week, lives wretchedly and poor, a Dutchman with that wage will live tolerably well, keep the wolf from the door, and have everything handsome about him. In short, he will be rich with the same gain as makes the Englishman poor; he'll thrive when the other goes in rags, and he'll live when the other starves or goes begging." Descriptions of a ragged, dirty, work-shy class of able-bodied persons are very frequent in the middle of the seventeenth

¹ Cf. E. M. Leonard, *The Early History of English Poor Relief*, Cambridge, 1900, pp. 13, 14.

² Lord Hugh Cecil, *Conservatism*, p. 171; Rogers, *Work and Wages*, London, 1888, p. 83.

³ Manley, *Usury at Six per Cent*, 1669, p. 25.

⁴ Defoe, *Giving Alms no Charity*, London, 1704.

century. An Act of Cromwell's dealing with Poor Law states in its preamble that "the number of wandering, idle, and disorderly persons is of late much increased."¹ Manley thinks they were three times as numerous as genuine poor who had fallen into exceptional poverty from illness or from having numerous children, and so on.

These broken-down persons often excited the sympathy of those who contrasted their poverty with the prosperity of the rich. "How ridiculous is it," says Cooke in 1648,² "that one man should have 3000 to 4000 sheep and sit rent free and his next neighbour go all tattered and not a coat to put on. Is England famous for the Golden Fleece, and must Englishmen go up and down like naked beasts?" Cooke, however, was a great advocate of charity.³ Others, like those whom Defoe later represented, are much harsher and less sympathetic. "By poor," says Defoe,⁴ "I mean a crowd of clamouring, unemployed, unprovided for poor people who make the nation uneasy and themselves worthy of laws and peculiar management."

Legislation, since the great Act of Elizabeth, can fairly be said to have regarded this kind of "poor" as a permanent fact. As every one knows, the Act of 1601 covers three classes of poor,⁵ and provides an elaborate system of work for the second—the able-bodied. As in most questions at that time, administration was at least as important as laws and statutes.

¹ Act of 1656, c. 21, in Scobell, *A Collection of Acts*, London, 1658, p. 477.

² John Cooke, *The Poor Man's Case*, London, 1648, pp. 49-50.

³ He expressly asks for charity, especially from merchants. There were still Papists who gave the poor "earnest money," and Cooke wanted each merchant to give 4 to 12 pence of his profits to the poor.

⁴ Defoe, *Giving Alms*, p. 426.

⁵ 43 Eliz. cap. 3.

Miss Leonard has earned our gratitude by showing that the Elizabethan system was most energetically carried out during the period of the absolutist régime of the Privy Council.¹ The Council got to work directly after the great Poor Law of 1597, the forerunner of the classic Act of 1601. From 1600 on rates were continually levied for the relief of the poor and workless in times of dear food. The country landowners were frequently urged to maintain order in the country and not to stay in the towns. James I. expressed in 1622 his pleasure that so many gentlemen had obeyed his wishes, for he was convinced "that by this way of reviving the laudable and ancient housekeeping of this realm the poor and such as are most pinched in times of scarcity and want will be much relieved and comforted." The Council often took measures against the rise of unemployment, always basing itself on the provision of Elizabeth's Act that in cases of need work should at all costs be provided for the able-bodied poor. Very drastic action was taken in 1621, when the master clothiers wanted to lock out the men. The Lords of the Council immediately ordered the justices of the ten counties affected to make the masters continue to employ their men; and if there still remained a considerable number of poor people whom the clothiers could not employ, work was to be found for them at once on the public roads in accordance with the provisions of the Statute. Similar attempts were made again and again right down to the outbreak of the Civil War. Efforts were made about 1630 and the

¹ For these and subsequent details see Leonard, *History of English Poor Relief*.

following years to introduce a rise in wages, especially where the complaints of the labourers were loud. In 1637 one Thomas Reynolds was punished for making his men take payment in cloth instead of money, perhaps the first instance of the later prohibition of truck. Of great importance and interest is the administrative machinery for carrying out the Poor Law under Charles I. In addition to the continual pressure exercised by the Council on the local administration, after 1630 special local committees were set up for Poor Law purposes. These committees were not only nominated by the Council, but even included some of its own members, for instance Laud and Cooke for Lincolnshire. Other Privy Councillors largely connected with Poor Law administration were Abbot, Wentworth, Falkland, Dorchester, and Wimbledon. Taken all in all, under Charles I. there was an elaborate and specialised system of providing work and poor relief. Elizabeth's Act was carried out in its entirety. Pensions were provided for the incapable and work for the unemployed. "Thus during the personal government of Charles I.," says Miss Leonard,¹ "we have not only the first thorough execution of the Poor Law, but a more complete organisation for the help of the weaker classes than at any other period in our history."

This system did not, however, last long. During the Civil War and under the Commonwealth it was not merely neglected, but it is hardly too much to

¹ Leonard, *History of the English Poor Law*, pp. 10, 238. It is instructive to find that "the places in which the administration was least satisfactory were those farthest from the seat of government." This shows the importance even then of a central administration; cf. pp. 239, 255-65: "We have thus seen that in 1631 the improvement in the administration of poor relief concerned especially the relief of the able-bodied poor. . . . We may, therefore, say that from 1631 to 1640 we had more poor relief in England than we ever had before or since."

say abolished. In a recent book¹ Lord Hugh Cecil has tried to represent the Poor Law of Elizabeth as a purely charitable measure, not in any way due to a conception of social justice. This point of view is not unnatural in a conservative High Churchman. Lord Hugh, as one of the most far-seeing of his party, no doubt detects a certain similarity, not to him very sympathetic, between modern social reform and the social tendencies of pre-Puritan days.² Undoubtedly there is a likeness between Elizabeth's Poor Law, particularly as administered under Charles I., and the new creations of the Liberal party, nor can this really be got over by calling the one "Christian charity" and the other the result of a misunderstood idea of justice. The Poor Law organisation from 1601 to 1640 may have been partly due to religious motives, but it was also the natural concomitant of an arbitrary absolutism desirous of being popular with the lower classes.³ And finally it was the natural sequel of a system of government which attempted to solve economic problems by rote and by official organisation from above. The development of the Privy Council, the influential position of its members, the continual increase of officials, the various and rapidly succeeding orders and decrees, and the appointment of central and local committees, all show that the Caroline Poor Law administration bore the impress always found together with ideals of social organisation. The administration of the

¹ *Conservatism*, p. 172: "No thought, we may be sure, entered the minds of Elizabeth and her Parliament that men had a right to be supported by the State as a matter of justice."

² Leonard, p. 238: "For a short time a limited kind of Socialism was to some extent established."

³ *Ibid.* p. 296.

Poor Law was in fact entirely analogous to the attempted bureaucratic organisation, according to a preconceived plan, of capitalist industry, of the handicrafts, and of mining.

This consideration explains the change under Cromwell. Till 1650 provision for the unemployed was still made, at least in so far as "Drill" remained—perhaps for that reason.¹ Provision for the genuine poor was always continued, but in Cromwell's time official employment of the able-bodied ceased, and only the clauses relating to incapables, widows, orphans, and cripples were carried out. When the Privy Council was once more appointed at the Restoration, it had too much on its hands to trouble about the system it had directed under James I. and Charles I.

In 1629 the Privy Council had strictly enjoined on the justices that it was their bounden statutory duty to raise money to give occupation to the poor. A writer in 1683, however, declares that it was seldom that opportunities of work were found in any parish for the relief of the poor.² It was, undoubtedly, a retrograde step from the standpoint of social reform when in 1662 the Act of Settlement made relief dependent on settlement within forty days, for Elizabeth's Act had expressly

¹ Cf. Miss Leonard's conclusions on p. 268, also p. 238: "If the last Elizabethan Poor Law had been no more successful than these earlier statutes, the whole system of compulsory poor relief would probably have collapsed during the Civil War. The fact that the part of the Poor Law relating to children and destitute survived the war, and has ever since formed part of our social organisation, may be attributed therefore to the improved administration of the early Stuarts . . . but the clauses relating to the unemployed were very little executed after the Civil War. In 1662 the destitute were relieved, but the unemployed were no longer set to work. In this respect, therefore, the Poor Law administration of the reigns of the earlier Stuarts is unique."

² Leonard, p. 276.

adopted the principle of relief by residence. The new Act led to the expulsion of persons without means, to the placing of obstacles in the way of the immigration of poor men, and to the over-filling of places which offered insufficient employment with poor entitled by birth to relief.¹

The cause of this *volte-face* is no doubt partly to be found in the greatly diminished attention given to the Poor Law owing to the disturbed state of domestic politics after 1640. It is also true that the position of the working-classes, including the able-bodied poor, greatly improved under the Protectorate. According to Rogers, labourers' wages rose about 50 per cent. Probably the freeing of industry from monopoly, and the consequent upward movement in commerce and trade, had increased the demand for labour. Tinning is a good illustration of this tendency,² and there are other examples also. Possibly, therefore, the problem of unemployment had then become less urgent. But this was certainly not the case after the Restoration. Between the Restoration and the Revolution industrial development continued, but as Professor Cunningham shows,³ it no longer absorbed the workless, whose need increased with the reaction following good trade, which led to what we should now call a "crisis." But though complaints against the unemployed were loud, the State did not come forward to organise relief as it had done under the Stuarts.

This passivity in the face of extreme social evil was not due to any external contingencies. Rather

¹ Rogers, *Work and Wages*, p. 97.

² Cf. Levy, *Competition and Monopoly*, p. 54.

³ Cunningham, *Growth of English Industry*, p. 572.

was it the effect of a complete change in the ruling classes' views of poverty. The victory of Puritanism brought with it the apotheosis of work. It is not necessary for us to trace the importance of a "calling" in neo-Calvinist dogma. It is sufficient to remember that work was the centre of the doctrine of Justification, and that want of occupation or a moment of indolence was regarded as a brand and pollution, as a sign of lack of grace.¹

The religious idealisation of "works" had its influence on work in the temporal world of economics. The writers of Political Arithmetics regarded work as the source of all riches. "Work," says Petty,² "is the father and active principle of wealth, as lands are the mother"; and Locke finds the moral justification of private property in its derivation from work, the importance of which he tries to uphold against land.³ The more "work" is regarded as the "natural" peculiarity of man, and property resulting from work as his natural inheritance, the more sloth appears to be the sole and necessary explanation of able-bodied poverty. Unemployment is the simple result of laziness. The able-bodied poor whom Elizabeth and her immediate successors had looked upon as an inevitable apparition, quite apart from admitted work-shies, thieves, and foot-pads, were looked upon by the Puritans as

¹ Troeltsch, *Soziallehren*, etc. p. 716: "The Protestant idea of calling, with its reformed acceptance of capitalist profit and its reformed severity in, and control over, that labour which proved the certainty of Election." "This conception of calling and work with its prohibition of all indolence."

² Cf. Cunningham, p. 383.

³ Locke, *Two Treatises of Government* (7th edition), 1772, p. 210: "From all which it is evident, that though the things of nature are given in common, yet man, by being master of himself and proprietor of his own person, and the actions of labour of it, had still in himself the great foundation of property . . . thus labour, in the beginning, gave a right of property."

the product of sinful indolence. The cry of "unemployables," with which we are now so familiar, was first heard just after the Civil Wars. Defoe, for instance, says: "It is the men that won't work, not the men that can get no work, which make the number of our poor."¹ He adds, to emphasise the uselessness of poor-law relief: "All the workhouses in England, all the Overseers setting up stocks and manufactures won't reach that case." A well-known pamphlet² complains that most of "the poor" will not work at all if they cannot make in two days as much "as will keep them a whole week." Attacks on the unemployed are general. To quote Defoe again:—

The Lab'ring Poor in spight of Double Pay,
Are saucy, mutinous, and beggarly;
So lavish of their money and their time,
That want of forecast is the Nation's Crime;
Good Drunken Company is their delight,
And what they get by day they spend by night.³

Even a far-seeing social reformer like Firmin believes that a considerable part of poverty is due to sloth and apathy to work. According to his biographer,⁴ he desired to "disarm our beggars of the only tolerable excuse they have for such a profligate life, viz. that they are willing to work if any one would employ them." Naturally every charitable explanation of unemployment was rejected. These uncharitable Puritan views may be

¹ Defoe, *Giving Alms no Charity*, p. 448, also p. 430: "The reason why so many pretend to want work is that they can live so well with the pretence of wanting work, they would be mad to leave it and work in earnest."

² "The Ancient Trades Decayed, etc.," by a Country Gentleman, London, 1678, p. 8.

³ *True-Born Englishman*, p. 15.

⁴ Cf. *The Charitable Samaritan*, London, 1698, p. 7.

contrasted with those of the Anglican Cooke (who had been a member of Charles the First's Poor Law Commission), in his *Poor Man's Case*, in which he gives a picture of the poor man's fate: "There is the needy, labouring, mechanicall man, that is oppressed with a great charge, and many times does not make his wants knowne. He wrastles with poverty, but it comes like an armed man upon him, he cannot resist it; the truest charity is to relieve such a man, to lend this man money, to buy him a cow, a sheep, and a hog, or some such necessaries," and he adds, "if the Kingdome were in a gospel frame every man would quickly be provided for."¹ His successors limited "the poor" in the Biblical sense to those visibly incapable of work. Manley, for instance, says:² "A labourer may fall into 'extreme poverty' by abundance of children, long sickness, and the like, in which sense only these are God Almighty's poor. The rest, which is three times the number, are of their own making . . . by idle, irregular, and wicked courses." Nature is inexhaustible in her resources, and will not leave "the industrious" to hunger. Petty expressly says "it is improper to give anything to beggars whom the law of nature will not suffer to starve."³

Obviously with this conception of unemployment, all such measures of relief as those formerly taken by the Privy Council must cease. "Work" is indissolubly bound up with the capacity and energy of the individual, and must inevitably be

¹ John Cooke, *The Poor Man's Case*, London, 1648, pp. 49-50.

² Manley, *Usury at Six per Cent*, 1669, p. 24.

³ Sir W. Petty, *A Treatise on Taxes and Contributions* (1st edition, 1662), London.

left to him; and all relief, public provision of work, encouragement of employers to employ more hands, and so on, is therefore superfluous, and even harmful. The proper remedy is as Milton's friend and admirer, Hartlib, expresses it¹: to "comfort the honest, helpless poor, and to reform the 'obstinate, ungodly poor.' The law of God saith: 'He that will not work, let him not eat.' This would be a scourge and smart whip for idle persons, that they would not be suffered to eat till they wrought for it."

Puritan charity—for charity as a religious idea was very active among Dissenters—was restricted to uneconomic matters like the relief of widows, orphans, and cripples. There charity still had its sphere. So long, however, as the problem could be solved by economic means, charity was cast out and replaced by disciplinary measures.

This reformatory zeal created the workhouse. The Privy Council had tried to give the unemployed such work as would immediately replace them in the ordinary labouring classes; but, henceforth, the provision of work was regarded rather as a method of discipline, and a means of awaking by compulsion inclination for labour and activity, so that the offender could be let out into a practically new world.² The workhouse was to teach the unem-

¹ Samuel Hartlib, *London's Charity Enlarged*, London, 1650, pp. 1 and 9. Compare the views of Benjamin Franklin, whose importance for Puritan economic views has already been seen by Weber, in R. Hildebrand's "Franklin als Nationalökonom," *Jahrbücher für Nationalökonomie und Statistik*, 1863, vol. i. pp. 866-7; Letter to Collinson, 9th May 1753.

² Workhouses, or Houses of Correction, as they were formerly called, had existed here and there for some time (see Miss Leonard's details in the Appendix to her book). Firmin (cf. *supra*) started a new propaganda by his pamphlet "Some Proposals for the Employment of the Poor," London, 1678, pp. 4-5. His chief aim, as we have seen, was education for work. For his efforts compare "A Vindication of the Memory of the late excellent and

ployed the unpleasantness, degradation, and constraint of their condition, and inspire them to improve it. Its invention was very characteristic of the second half of the seventeenth century.

Not only unemployment but labour questions generally, and in particular that of wages, were now subject to economic and anti-charitable influences. Charles and his Council paid considerable attention to the well-being of the labourer. They continually strove to provide that the increased profits of capitalists, especially of monopolists, should also benefit the workmen. When in 1640 the King consented to raise the price of tin, he not only gave a large sum from his own mining revenues "to the relief and comfort of the poor labourers belonging to the tin workers," but also commanded the masters "to take special care" that the workmen profited by the increased prices.¹

In the succeeding decades there is no sign of any such policy. On the contrary low wages began to be regarded as economically desirable. Many authors, including Petty,² held this view, but perhaps

charitable Mr. Thomas Firmin," London, 1699. The first Act dealing with workhouses, of which the one founded by Firmin in 1676 was a pattern, dates from 1723. From that date the workhouse was the strongest deterrent to idleness. The Poor Law of 1834 preserved and perpetuated the institution. Cunningham, *Growth of Industry*, pp. 576 ff., describes the results: "There was a regular crusade against the half-vagrant, half-pauper class that subsisted on the Commons; and the tendency of the authorities was to treat their poverty as a crime. The local administration was carried on in the same spirit, for every overseer seemed to regard it as his primary duty to keep down the rates at all hazards. . . . Under the influence of the workhouse test and the harshness of overseers the sums expended in poor relief diminished from £819,000 in 1698 to £689,000 in 1750."

¹ *State Papers, Domestic*, 1640, p. 225; Order in Council of 27th May 1649.

² Costanecki, in his very suggestive and interesting book *Arbeit und Armut* (Freiburg, 1909), pp. 64 ff., deduces from the fact that Petty urged poor relief as the correlative of the fixing of wages by public authorities, that he believed in charity. But the grant of poor relief as such is hardly sufficient proof of

its clearest expression is the well-known pamphlet, "The Grand Concern,"¹ which advocates the employment of the workless on the ground that it would reduce wages. "The mischief of high wages to handicraftsmen is occasioned by reason of the idleness of so vaste a number of people in England as there are, so that those that are industrious and will work, make men pay what they please for their wages. But set the poor at work and then these men will be forced to lower their rates." Frequently, as with Petty, the influence of mercantilism is marked. "The Grand Concern" continues: "Thereby we shall quickly come to sell as cheap as foreigners do, and consequently engross the trade to ourselves." At the same time the theory of "lower wages, more work," had a moral and educational foundation. Low wages were a remedy for the labourer's indolence, just as workhouses and houses of correction were an encouragement to the workless. Work was the Morrison Pill of the time. Even if it were as unprofitable as the building of a pyramid on Salisbury Plain, says Petty,² one should encourage it in order to accustom lazy folk to industry. The religious conception of work inculcated by neo-Calvinism is continually re-echoed, if only in the negative form of warnings against supporting

this. Petty, in his *Taxes and Contributions* (pp. 11-13), seems to attach special importance to compulsory work, so that, so far as the able-bodied are concerned, relief was merely compulsory training to work. Charitable motives are foreign to him. As Costanecki himself quite rightly says, Petty places the moral and economic powers of the labouring classes even lower than Manley, and calls them "the vile and brutish part of mankind," using many expressions which seem to us unspeakably harsh.

¹ "The Grand Concern of England Explained," London, 1675, *Harleian Miscellany*, vol. viii. p. 582.

² Petty, *Taxes and Contributions*.

man's idleness by any kind of charity. For the encouragement of indolence, as Franklin later explained, is against the law of God and of Nature.

The rejection of all charitable instincts in dealing with labour and unemployment is typical of the period. The great liberation effected by Cromwell had loosed the bonds of legal and ecclesiastical thralldom, and abolished every kind of restriction on individual liberty. But the Cromwellians had no understanding for the social subjection of certain large classes, and no kind of sympathy for new ideas of the distribution or nationalisation of wealth. Two names deserve mention as exceptions, those of Gerard Winstanley and John Bellers. Winstanley was for some time head of the "Diggers," a group of religious fanatics who wished to set up, or as they held, reintroduce, common ownership of land, and who claimed the produce of the various reclamations of fallow or common land which they commenced.¹ This movement, popular as it at one time appeared, came to nothing.² As Bernstein justly says, to even the most radical

¹ For a very interesting description of this truly socialistic movement see L. H. Behren's, *The Digger Movement* (London, 1906). Older accounts in Bernstein, *Sozialismus und Demokratie*, 2nd edition (Stuttgart, 1908), pp. 155 ff., and G. P. Gooch, *The History of English Democratic Ideas in the 17th Century* (Cambridge, 1898).

² Cf. *Cromwell's Letters*, vol. i. pp. 25-27; also "A Declaration of the Well-affected in the County of Buckinghamshire," London, 1649 (Brit. Museum, E 555 (1)), pp. 3 and 7. That the Diggers were regarded as revolutionary even by those who fought for civil rights and liberties, much as Socialists might be regarded by Liberals, may be seen from the pamphlet "England's Discoveries or the Levellers' Creed," London, 1649 (Brit. Museum, E 559 (2)). *E.g.* on p. 4: "They will have no man to call anything his; for it is tyranny, that a man should have any proper land; particularly property is devilish . . . and has brought in all misery upon the creature. Labourers, and such that are called poor people, they ought not to work for any landlord, or for any that is lifted above others." They are also called "Anarchists" (p. 5), and particularly attacked for opposing the continuation of guilds.

of their contemporaries Winstanley and his companions were eccentric fools. Bellers's socialist writings were equally without practical result. It seems not unnatural that a time of emancipation, legal, constitutional, ecclesiastical and economic, should also produce isolated groups of men desirous not merely of abolishing formal restrictions, but of a revolution in economic distribution. But such movements would obviously remain absolutely insignificant in a period which produced the doctrines of free competition, of the holiness and sanctity of honest gains and of property resulting therefrom, and rejected instantly any treatment of pauperism on social and charitable lines.)

After Charles I. economic problems were solved in the interests of the masters. To prevent rich parishes becoming the refuge of the poor, and to enable industrial districts to get rid of inconvenient unemployed persons, poor relief was made dependent on right of settlement. A special law was passed in 1663 to enable employers in Scotland to employ vagrants for eleven years if they chose, without wages, provided they gave them board and clothing.¹ To increase export trade and manufactures the economists preached low wages, already regarded by Puritan morality as the salutary means of encouraging greater productivity. The chief gainers were the middle classes, who received the freedom of economic movement which they required. "I suspect," says Rogers,² "that the Habeas Corpus

¹ Cunningham, *The Moral Witness of the Church on the Investment of Money and the Use of Wealth* (Cambridge, 1909), p. 24.

² Rogers, *Agriculture*, p. 103: "The liberty which the Parliament fought for was not a stake in which the labourer had any interest or any share. It was eminently a rising of the middle classes against absolute theories of government."

Act and the other guarantees of liberty were far more important securities to the wealthy and noble than they were to the labouring poor, and that the peasant and artisan might have invoked the safeguards in vain. These men had no part in, probably were entirely indifferent to, the great drama of human progress which was being enacted in their midst. As some of their fellow-countrymen were making governments, founding colonies, conquering empires, their lot was getting progressively worse, and their existence was reckoned to be a loss rather than a gain."

CHAPTER VII

PHILOSOPHIC INFLUENCES

Naturalistic tendency of seventeenth-century philosophy—The State and mechanical whole based on individual self-interest—Locke's conception of happiness—And of liberty—Adam Smith's optimist philosophy—Effect on social measures and on public sentiment.

THE tendency to neglect every interest not directly connected with the increase of wealth and profits, or with the growth and development of economic power, is often described as "true" Puritanism.¹ And it is true that it is fully consistent with the doctrine of individual responsibility, with justifica-

¹ Cf. Cunningham, *Moral Witness*, p. 25: "The agitation against the interference of the Bishops in civil affairs, and the triumph of Puritanism swept away all traces of any restriction or guidance in the employment of money. In so far as stricter discipline was aimed at, or introduced, it had regard to recreation and to immorality of other kinds, but was at no pains to interfere to check the action of the capitalist or to protect the labourer. From the time when the rise of Puritanism paralysed the action of the Church . . . it has been plausible to say, that Christian teaching appeared to be brought to bear on the side of the rich and against the poor." According to Professor Troeltsch, *Soziallehren* (*op. cit. ante*, p. 57), pp. 717, 720, and 721, this anti-social movement is not due to Puritanism. "The modern and anti-Calvinist features are its radical individualism and its introduction of equality." "Bentham and his followers were the first to sever every bond between the old and new ethics of industry." "The Manchester School with its doctrinaire optimism and its worship of competition portends an entirely new world." Carlyle, he thinks, upheld the "original Puritan" view against the social and economic theories of Manchester. To me it seems that there is a close spiritual affinity between the economic ideas of the seventeenth-century Puritans and the later theories of Individualism, particularly in their common rejection of what we should now call the "social" point of view. Professor Troeltsch finds evidence of the Socialist tinge of the Calvinist spirit in "the great English Acts dealing with the poor, with labourers and with wages." But it is just those Acts which *Puritan* Calvinism so radically amended in a sense contrary to the intention of their originators.

tion by calling (*per vocationem*, not as with Luther *in vocatione*¹), glorification of labour, and other phenomena of Dissent.² But it must be remembered that philosophy, sometimes clearly re-echoing theological arguments, also pointed in the same direction. In the seventeenth century mathematical and physical philosophy reached its high water-mark in England. On all sides it carried the day against the remains of mediaeval scholasticism. From Bacon onwards teleological views of the universe give place to scientific and experimental methods. Hobbes introduced the theory that men were moved chiefly by self-interest, and as a consequence that the State was a mechanical concourse of atoms. It consists of individuals, each of whom seeks to assert his own ends, and is itself merely the system in which the various human self-interests mutually bear and support each other.

The principle of the essential selfishness of the individual may lead to very different theories of the State and of Society—witness Hobbes and Locke; but the recognition of self-interest as the starting-point of political science, political economy, and sociology is common to all theories henceforth, and descends through Shaftesbury, Mandeville, and Hume to Adam Smith.³ Mediaeval Catholicism

¹ Troeltsch, p. 654.

² Cf. Fawcett's *Religious Weaver*, especially p. 87: "I must go picking and brushing, till my piece is quite finished. So it is with my Christian work of self-examination, repentance, faith, self-denial, watchfulness, and all my acts of obedience. None of these are the business of one day, but of my whole life." Analogies between religious ethics and industrial life are very common. The seventeenth century produced a large number of works representing religious views of particular trades, e.g. Steele's *Religious Tradesmen* cited above, and his *Husbandman's Calling*. Fawcett quotes Flavel, *Husbandry Spiritualised*, *Navigation Spiritualised*, *Weaving Spiritualised*, all from the seventeenth century.

³ W. Hasbach, *Untersuchungen über Adam Smith und die Entwicklung der politischen Ökonomie*, Leipzig, 1891, pp. 430-31 and *passim*.

had conceived man as teleologically fitted into a universe created for the Divine purposes.¹ This view was now displaced by the purely naturalistic conception of man as a living machine governed by his own natural though intelligent interest. Quite consistently with the later history of economic thought, the desires of the individual with his particular individual interests are the measure of the greatest possible happiness. Locke, for instance, says :² "The philosophers of old did in vain enquire, whether the Summum Bonum consisted in Riches, or bodily Delights, or Virtue or Contemplation. And they might have as reasonably disputed, whether the best relish were to be found in Apples, Plums, or Nuts and have divided themselves into Sects upon it. For the pleasant tastes depend not on the things themselves, but their agreeableness to this or that particular Palate, wherein there is great variety. For the greatest Happiness consists in the having of those things that produce the greatest pleasure, and the absence of those which cause any disturbance or pain." Just as the Calvinist Dissenters upholding the self-consciousness and responsibility of the individual against

¹ Troeltsch, vol. i. p. 297: "Both the conceptions of organism and patriarchal governance were maintained by mediaeval social theory as the essential meaning and spirit of the whole system." Also pp. 317 and 320-321: "The pre-ordained unity became in the ultimate resort the authority animating and guiding the whole, which gave according to the principles of distributive justice to each according to his position and measure a share in central value of the whole." "The idea of organic unity developed into an idea of authority, according to which an authority regulates the share of the individual in the whole with an infallibility which will not be challenged." P. 339: "The organisation which he adopted for this purpose partly from unconscious reason, partly by intelligent action, was the patriarchal organism with a decided inclination to monarchy. In this alone the authority of the government and the unity of the organism according to the model of the universe was fully realised." Also vol. ii. p. 253.

² *Works of Locke* (London, 1727), chap. 21, § 55.

the Romanising leanings of the Anglicans were necessarily brought to ecclesiastical individualism and liberalism, so the philosophers were led to emphasise the subjective Ego and its desires by the apparent results of empirical psychology. The State is there solely to secure the satisfaction of the individual demands of the citizens, in so far as they are not repugnant to certain principles of justice. It must guarantee liberty in the widest sense, and for Locke liberty is the result of individual wants. The conception of liberty arises in his view from a want which implies an unattained aim and an act of will directed to its attainment. "The Commonwealth seems to me to be a Society of Men constituted only for the procuring and preserving and advancing their own civil interest. Civil interest I call Life, Liberty, Inviolability of Body, and the possession of outward things such as Money, Lands, Houses, Furniture, and the like." It is the duty of the State "to secure unto all the people in general, and to every one of its subjects in particular, the just possession of the things belonging to this life," and its power extends thus far and no further.¹ What a contrast to the Anglican political philosophy preached by Laud before the Civil War! "If any man be so addicted to his private interest that he neglects the common State, he is void of the sense of piety, and wishes peace and happiness for himself in vain. For whoever he be, he must live in the body of the commonwealth and in the body of the church."² The new philosophy was forced to put from it any such idea of the sacrifice of the individual to a moral and social ideal; for it regarded the full

¹ Locke, "A Letter concerning Toleration" (above edition, vol. ii. pp. 239 ff.).

² Sermon preached on 19th June 1621 (*Works*, p. 28).

development of the individual as the fundamental purpose of social life and was not prepared to give up individual self-interest in favour of a common good. The Anglicans had maintained, together with temporal absolutism, the doctrine of a social organism to which the individual in his economic activities must yield and whose charitable efforts he must support. This doctrine was now displaced by the mechanical conception of the State as a body whose free movements depended on the intelligent and upright self-interest of its members and were not to be disturbed by any idealist demands in contradiction thereto. Ordainment by Church or State, justifying by precedent both official interference, regulation and restriction, and class distinctions, gave place in philosophy to pre-established harmony. For the external, tangible, and visible "organism," realising on earth the ends of Divine wisdom, which was the ideal of the mediaeval Church, was substituted the intelligent and virtuously directed self-interest of the individual by which the Divine purpose of the whole mechanism of State and Society was achieved. The result was that mechanical view of the universe tinged with teleological optimism which, as Hasbach has so clearly shown, was the foundation of Adam Smith's economic theory. "It is not necessary for a man to make advantage, well-being, or happiness the object of his action nor to decree means to his ends. If he only follows his instinct, so far as his moral conscience will allow, experience shows that both his own advantage and the well-being of society follow in the natural course of events."¹ Adam Smith inculcates the advantage to

¹ Hasbach, pp. 9 and 97.

the individual of striving for wealth.) He thinks to obtain a vast number of pleasures by aiming at earthly fortune, whereas the hand of the Creator has so provided that the general happiness is increased by his efforts. One result of this optimistic view of the way in which Nature herself regulated industrial life was very early seen in the theory mentioned above that Nature let no man hunger. If this were so, clearly complete indifference to the problem of unemployment was justified.

Inasmuch as social and charitable measures were allowed by High Church economy, they must be opposed by (mechanical optimism.) The weight attached by Puritanism to individual work and individual economic success had resulted in exclusive preoccupation with purely economic questions, such as competition and the making of wealth, and the new philosophy was similarly bound to turn away from social problems and to concentrate more intensely than before on the importance in the life of the community of the purely individual and personal. Philosophy therefore added its share to the general libertarian tendency produced by liberty of conscience in religion and freedom from guilds and privileges in industry. Even to-day every Englishman desires to do "what he likes."¹ Among the lower classes, no doubt, religious and economic emancipation were the most important factors in creating that English middle-class morality of each one for himself and devil catch the hindermost so necessary for the development of capitalism. But among the upper classes, as Windelband says, philosophical theory was influential. In their case,

¹ M. Arnold, *Culture and Anarchy*, chapter on "Doing as One likes."

however, it led rather to unscrupulous surrender to pleasure than to the exertion of every power to gain personal material prospects. Such a result was quite natural in the absence of any reason why self-interest should incite to industry.

The unsocial sentiment so typical of English economic doctrine after the Civil War was thus derived from that effort to develop individuality and individual interests which, under various guises, dominated all branches of life. The same individualism led both to the highest industrial success and to the most absolute surrender to uneconomic desires. In the Political Arithmetics industrial egoism, naked and unadorned, without ethical elaboration or philosophical depth, is glorified very nearly in the pure spirit of the Manchester School. Dudley North, for instance, declares¹ that "the main spur to trade or rather to industry and ingenuity is the exorbitant Appetites of Men, which they will take pains to prolify and so be disposed to work, when nothing else will incline them to do it. For did Men content themselves with bare Necessaries, we should have a poor World." Such opinions are entirely consistent with the philosophy of the English age of enlightenment, which put the known existent in the place of the ideal, and based its economic convictions like all else on self-confident human reason. "God governs the world," says Defoe,² "and in His government of the world has ordered that we should govern ourselves by reason. God has subjected even the ways of Providence to Rational Methods, and Outward Means agree to it."

¹ Dudley North, *Discourses upon Trade*, London, 1691, pp. 14-15.

² Defoe, "The Danger of the Protestant Religion from the Present Prospect of a Religious War in Europe," 1700 (*Works*, p. 254).

CHAPTER VIII

LIBERTY AND INDUSTRIAL PROGRESS

England an exporting country in 1600—Industrial advance after 1650—Textiles—Skilled artisans—Freedom from monopoly—Tin mining—Glass making—Comparison with industrial conditions abroad—Germany and France in eighteenth century—England's advantages—Temple's description of the Low Countries—Tucker's contrast between England and France—Dutch and English middle class—Middle-class Philistinism.

IN estimating the general result of the changes so far discussed it must be constantly borne in mind that the liberty achieved in the Civil Wars was very seriously curtailed under the two last Stuarts. At the same time the reaction was much feebler than the great driving forces unloosed by the Revolution, and, as we have already seen in the special cases of monopoly, religious toleration, and immigration, failed to prevent their ultimate triumph even where that was deferred until the Bill of Rights or to the eighteenth century. The Restoration could not sweep away the new foundations laid by Cromwell, though it could stop further construction, and, for the time, destroy some of the superstructure. So far, therefore, as the questions with which we are concerned are affected, the inner economic development of England after the death of Charles I. can be regarded as continuous, and the pauses, important as they are for the historical specialist, dismissed as merely secondary.

The great fact that strikes us is that in the second half of the seventeenth century England enlarged and improved her industrial production beyond all knowledge. A collation of Wheeler's invaluable *Treatise* written in 1601, with Rogers's investigations,¹ shows that in 1600 England was predominantly an exporter of raw materials and half-manufactured goods, and an importer of manufactures.² This is especially the case with textiles. No doubt it was for this reason that the efforts of both James I. and Charles I. were directed towards the introduction of the finer finishing trades. The Crown's affection for the many "Projects" which were started was due not only to financial interests in their promotion, but also to the mercantilist desire to encourage the manufacture of goods in its own realm. Most of these schemes, however, failed. Alderman Cockayne's famous Project of 1615 showed in a very few years that English dyeing was not sufficiently advanced for the needs of the cloth trade. No less a person than Sir Walter

¹ Cf. John Wheeler, *A Treatise of Commerce* (London, 1601), pp. 22 ff. Wheeler was Secretary of the Society of Merchant Adventurers. He divides English exports into two classes. In the first he places the products of the cloth and weaving trades, and according to his estimate 60 per cent of the entire textile export consisted of white cloth sent undyed and undressed to Holland. The remaining 40 per cent were manufactured goods, chiefly, however, so far as can be seen, coarse and cheap textiles. Wheeler mentions Kersies, Bays, Cottons, and Northern Dozens. Cottons, however, at that time meant merely coarse woollens (cf. Baines, *History of the Cotton Manufacture*). Kersies and Bays, according to Rogers (*History of Prices*, p. 575), were cheap and common stuffs. The second class consisted of wool, hides, lead, tin, leather, talc, alabaster, horn, etc.

² For instance, kettles, pans, copper and brass wire from Germany; silk, velvet, cloth of gold and silver, and sewing silk from Italy; fine wooden goods from Scandinavia (cf. Rogers, pp. 527 and 525), and fine embroidery, tapestry and linen from Holland. This enumeration does not, of course, prove that England produced none of these articles herself. Certain kinds of wire had been made since 1670 (Price, *Patents of Monopoly*, pp. 55-7). Wheeler's account is, at all events, suggestive as regards the general tendency of English production.

Raleigh had failed similarly before Cockayne. The various industries especially supported by the King—fine glass making, pin making, sea-salt working and alum mining—are notorious examples of the absolute failure of trade development before 1650.¹

It may be that the ill success of these industries under the fostering care of monopoly and protection was by no means symptomatic of the industrial immaturity of England. It is certainly conceivable that a policy which restricted free competition in the interests of the often very inefficient monopolists might, in some circumstances, leave the most promising industries without room to breathe. Mr. Price, however, whom we have to thank for an excellent description of the Stuart monopolies, comes to the conclusion that in a great number of cases England was not yet “ripe” for the industries which the Stuarts tried to introduce.

All the same, it is curious that a few decades later industries which would have seemed to the royal mercantilists of the earlier seventeenth century even more chimerical than their own experiments, were able to gain a permanent footing, and that many important trades began to flourish without any special favour to assist them.

The most striking is, of course, the case of textiles. As late as 1641 Roberts² complains that England exports “wool, lead, cloth, and tin,” while “to her dishonour and disadvantage the great manufactories for dyeing and preparing” are in Holland. Between 1660 and 1670, however, dyed

¹ Levy, *Competition and Monopoly*, passim.

² Roberts, *Treasure of Traffike*.

cloth, afterwards to be so celebrated among English textile exports, became firmly established, though the best qualities were not made till the eighteenth century. Other industries which gained a foothold or greatly developed after 1660 were cotton spinning, silk weaving, calico printing, fine glass and plate-glass making, pottery, fine paper making, salt mining, iron, and coal. The old English industry of tin mining, which had steadily fallen off since the time of Elizabeth, expanded considerably. Copper mining, destined to develop so quickly in the eighteenth century, also dates from this time.¹

Rogers, who says of the last fifty years of the sixteenth and the first forty of the seventeenth centuries that there was no period of English history in which Englishmen were poorer and less enterprising, admits that the first movement of English industrial and commercial activity took place under the Protectorate. From that time dates the wealth of London, which even plague and fire could not destroy.² Among the possible causes of this productive activity those connected with the increased productivity of the individual Englishman must not be overlooked. Professor Ashley declares that the most important presupposition to the introduction of the finer textile industries, the existence of a qualified class of operatives, was not fulfilled in England at the beginning of the seventeenth century;³ and we have seen further evidence of the same thing in the admiration expressed for the excellence of immigrant workmen. Whole colonies of such operatives, especially in textiles, immigrated during the century,

¹ Cf. Levy, *Monopoly and Competition*, and the authorities there cited.

² Rogers, *Industrial History*, pp. 12, 13, and 14.

³ Ashley, *English Industrial History*, p. 249.

and their influence on the skill of English workers was bound to show itself.

Another very essential factor was the downfall of monopolies. Beyond all doubt, the capitalist monopolies of the early Stuarts had a very serious result on production. A great many industries were artificially called into existence, to peter out in a few years' time, often involving many people in their downfall. If the industry in which the monopoly was set up was already established, it was checked in its development by the suppression of competitors.

Nowhere is this more clearly seen than in mining. The Coal Gild in Newcastle with its trade rules hindered the expansion of the production of coal for decades. Many owners, says Gardiner in 1655,¹ preferred to let their mines fall into decay rather than make themselves dependent for selling their coal on the gild and the town magistrates. But the best example is in tin mining. As we saw, it was the policy of the monopolists to put down the price as far as they possibly could against the real producers, whom they financed. In 1636 the Cornish tin miners complained to the King that the mines were falling into neglect, as the expenses were continually increasing, while the price they received for their tin remained stationary.² The heavy fall in the figures of production between 1625 and 1646 gives some support to these complaints.³ When under Cromwell the monopolist right of pre-emption, which belonged to the Crown, together with the regulation of sales which so hampered the producers, were for about ten years in abeyance, a

¹ Gardiner, *England's Grievance*, p. 205.

² Lewis, *Stannaries*, pp. 219, 41.

³ *Ibid.* p. 255.

hitherto unknown spirit of enterprise appeared in tin mining. The producers now had "the freedom to sell at all times and at the best price."¹ Traders, so we are told,² left their profession in large numbers and began to mine tin. "Then it was that the old works which were turned idle many years before, paying the wages of perhaps a hundred men, were now wrought again with advantage, and employed three or four times as many."³ In the days of the monopoly the profits of the mine owners and smelters were so regulated by the monopolists, that they were insufficient to attract any one to devote himself to such a trade. And capitalists above all would be shy of putting their money in a branch of production of whose profits they could only receive a share fixed by a third party.

Reference was frequently in later days made to the paralysing influence of the monopolists' policy on mining enterprise.⁴ It is even declared that the feeling of insecurity for many years later predominant in mining was a kind of traditional relic of the bitter experiences gained in the time of the monopoly continuing into the days of free mining⁵—a singular instance of the irony of fate, when we remember that the special aim of the Stuarts had been to guide fresh capital into tin mining by means of the monopoly.⁶

¹ Lewis, *Stannaries*, p. 152.

² *Tinners' Grievances*, p. 2.

³ *Ibid.* p. 5.

⁴ G. Abbott, *Essay on the Mines of England*, London, 1838. He describes how the monopoly rights of the concessionaires led the owners to conceal the richness of the ore-bearing land (pp. 266-7), how the monopolists themselves were not in a position to develop the mines to the extent warranted by their mineral wealth (pp. 207-208, 210), and how, lastly, the monopoly checked the advance of mineralogical investigation (pp. 211 ff.).

⁵ Abbott, p. 225.

⁶ So Lewis recently, p. 220: "To this period of monopoly alternating with usury followed in the years 1650 to 1660 a policy on the part of the

The glass industry, so long as it used wood as a firing material, was scattered over all England, and developed rapidly without the protection of monopoly. In 1589 fifteen glass factories are said to have existed, and seven years earlier the Exchequer had attempted to put a tax on glass factories to counterbalance the waning receipts of the import duties. The desire to produce finer glasses, drinking and cut glasses, led to the grant of a monopoly, which ultimately brought with it the suppression of the old wood-burning factories in favour of those that used coal. In consequence the advance of the glass industry was slight, because the monopolists progressed but slowly with their new process. The patent granted in 1574 for the manufacture of Venetian glass became within seventy years, step by step, a monopoly embracing the entire glass production of England. As the monopolists had continual difficulties in obtaining skilled foreign workmen or in training English workmen, the families they had suppressed, who were closely connected with the glass makers of Normandy and Lorraine, again entered the trade, and had, in some cases down to the early years of the nineteenth century, a considerable share in its prosperity. The rapid rise of competition after the abolition of the monopoly was typical. In Newcastle a new undertaking sprang up at once in spite of the Civil War. Glass making spread to other regions, and a writer of the Restoration says that the advance of the

Commonwealth of complete *laissez faire* as regards the stannaries, and certainly it must be admitted that in this respect, where the Stuart nostrums had failed, Cromwellian non-interference was accompanied by a return in the stannaries to a condition of abounding prosperity."

glass trade before the Civil War was unimportant compared with its progress during and after the war. At the end of the seventeenth century there were ninety glass works in England, twenty-three of which made the finer kinds of glass. The greater number of these works arose after the Restoration.¹

Some of the results of English industrial freedom on industrial progress were therefore immediately visible. Its real importance, however, could only be understood when industry had reached a more highly developed state. Capitalist enterprise was offered a free scope in England while yet in its first infancy ; and the liberty of personal initiative enjoyed by manufacturers from 1700 on would certainly not have been gained so early, even in England, if the struggle against monopoly had not been closely connected with other and more immediately urgent battles for liberty. When in the eighteenth century the Industrial Revolution heralded the great era of economic activity, England had already faced, and settled sufficiently for immediate needs, the question of the proper industrial organisation for production on a large scale. Frequently, though not so often as economists for a long time thought,² the supersession of the handicraft by the modern "industry" was delayed by antiquated guild regulations, especially by the Law of Apprentices ; but this only affected the competition between the old and new forms of trade. Within the bounds of industrial capitalism the way was open for competition. No man who wished to put capital into a rising industry found himself hampered by the prior rights of others.

¹ Price, pp. 67, 68, 79 ff.

² *Monopoly and Competition*, p. 71.

What this meant can be seen from a comparison with those other countries which also made steady industrial progress in the eighteenth century. There are plenty of examples to show that down to the end of the century there existed in Germany a monopoly system producing very much the same forms of organisation as that of Charles I. There also monopolies were granted to individual capitalists, or groups of capitalists, under the cover of craft guild regulations, and privileges given in the form of "concessions" to new factories. The Solingen cutlery trade, the Calw Cloth Company, the steel trade of Iserlohn and Altena, and porcelain making almost universally are classical examples. Mining was honeycombed with monopolies of very varying kinds, and in some cases remained under Semi-state regulation down to the great reforms of 1865. In England this was impossible after the abolition of the Crown Rights in 1689. The English economist Banfield, travelling in Germany in the 'forties, expresses no little astonishment at the curious monopolies based on official regulations that he found in Siegerland. "The principle of competition," he says, "by which so much has been done in Cornwall, is here . . . entirely rejected."¹ *Grande industrie* in France was similarly overrun down to the Revolution by monopolies, particularly in the form of privileged factories.² While Von Justi and many other Cameralists in the later eighteenth century hurl the bitterest denunciations at monopolist entrepreneurs and look upon freedom

¹ T. C. Banfield, *Industry of the Rhine*, London, 1848, series ii. pp. 89-94.

² Chaptal, *De l'industrie française*, Paris, 1819, vol. ii. pp. 372 and 379-80. G. Martin, *La Grande Industrie en France*, Paris, 1900, pp. 224-32.

for capitalist enterprise as a most desirable ideal,¹ in England such free competition is so much a matter of course that neither Sir James Stewart nor Adam Smith regard it as anything remarkable. Nor do they ever notice that it is peculiar to English industrial organisation. The reform had been so long incorporated in the system with which political economy dealt in England that the creators of that science paid no special attention to it.

Both the increased productivity and the general industrial progress of England among the civilised states of Europe after 1650 rest, however, only partly on the successful attainment of industrial liberty. One is indeed almost tempted to say that the industrial change, like so many other changes, was due to the higher cultural place reached by the English people after 1700, the early achievement of industrial freedom being only a sign that the nation and its lawgivers were mature enough to see the greatest needs of its growing trade. After the Civil War, England, in all branches of its economic life, bore to the full the mark of a modern state. Industrial freedom, perhaps, most directly affected home trade; but other achievements and reforms, constitutional, legal, and religious, worked indirectly towards the changed industrial appearance presented by England and the English between 1700 and 1750.

Nothing perhaps better illustrates the economic advance which resulted from the general social progress than the comparisons made by contemporary writers between their own country and other nations. Writing in the days of reaction Sir W. Petty, in

¹ Von Justi, *Polizeiwissenschaft*, 1760, vol. i. p. 447.

his *Political Arithmetic*, points out the various advantages enjoyed by the competing Dutch.¹ He speaks eloquently of their religious liberty,² and even tries to prove that the "richest people" in all countries are those who remain outside the Established Church. He notices that the Dutch rejected the military profession and hired mercenaries from all monarchies who "ventured their lives for 6d. a day," whereas the "meanest Dutchman gains six times as much in trade." He goes on to urge that younger sons of country gentlemen should be put into trade in order that their abilities might be used to the best advantage. Sir William Temple also often obviously contrasts England and Holland. We have already mentioned his views on religious policy. When dealing with commerce he lays weight upon the exclusion of arbitrary legal interference with the private life of the citizen; it was this "which gave so great a credit to the Bank of Amsterdam." The mobility and healthiness of commerce is stimulated by "every man following his own way, minding his own business, and little inquiring into other men's." This commercial "liberty of conscience," and the absence of all business exclusiveness he justly deduces from the concourse of people of all nations, creeds, and customs

¹ Meteyard (*Life of Josiah Wedgwood*, p. 110) notes that down to the last quarter of the seventeenth century Holland was regarded as the example in things economic. "Young Englishmen were sent by their parents to the towns of Ghent, Rotterdam, and Amsterdam, to accustom themselves to the peculiarities of foreign trade, and to learn bookkeeping, or glass painting, or pottery. Thoresby, the historian of Leeds, spent several months in a business house in Rotterdam; and Elijah Mayer, the Staffordshire potter, learnt much of his valuable experience in Dutch potteries. These are only a few examples out of many."

² The differences existing among the Dutch themselves with regard to toleration were not overlooked. See the interesting pamphlet, *The World's Mistake in Oliver Cromwell*, London, 1668, p. 18.

being so great that nothing seems new or unusual. He points especially to the social equality of all men. Equal respect of all citizens, whether rich or poor, has led to the continual attraction of all those oppressed in other countries, and thereby increased the trade and international connections of Holland. The nobility is the only exception—and they are few in number in the richer districts. “These are in their customs and manners and way of living a good deal different from the rest of the people.” Their very want of influence at home inclined them to resort to foreign Courts and to adopt foreign customs. “They strive to imitate the French in their mien, their cloathes, their way of talk, of gallantry, and of debauchery.” The decisive influence on administration lies with commercial circles. “The Government is managed either by Men that Trade or whose Families have risen by it or who themselves have some interest in other men’s Traffique, or who are born and bred in Towns, the soul and being whereof consists wholly in Trade, which makes sure of all favour that from time to time grows necessary and can be given by the Government.” Again and again he refers to the sober good sense of the Dutch, who are interested almost exclusively in the accumulation of wealth. Not even love seduces them! “Their tempers are not airy enough for Joy or any unusual strains of pleasant Humor; nor warm enough for Love. This is talkt of sometimes among the younger men, but as a thing they have heard of rather than felt.” “Holland is a country where the Earth is better than the Air; where there is more sense than wit, more good Nature than good Humour, and more Wealth than Pleasure; where a

man would choose rather to travel than to live—and more persons to esteem than to love.”¹

At the end of the seventeenth century the advance towards a similar social and industrial structure in England is already apparent, and by the middle of the eighteenth century we find all that Petty and Temple thought so admirable in Holland more typical of England than of any other country. The contrast drawn by Josiah Tucker between England and France about 1750 shows this very clearly.² In England there is far-reaching liberty in law—“a merchant can go to law with the Crown as easily as with a private subject”; in France, “the only security consists in being continually lavish in praise of the king and the ministry, and in saying nothing that may afford the least pretence to the spies who swarm all over the kingdom.” “Another inestimable Blessing and a great Advantage, considered merely in a commercial View, is the liberty of conscience we enjoy in these kingdoms.” In France the Protestant merchant suffers persecution and fraud, while the Catholic Church withdraws a large number of persons well capable of work from industry. Above all, England has an important advantage in the respect paid to commercial and industrial pursuits. “England enjoys a very visible Advantage over France, as the whole Bulk of our Nation may be concerned in Trade if they please, without any disreputation to their Families. The Profession of a Merchant is esteemed full as honorable as that of an officer. And no Man

¹ Sir W. Temple, *Observations upon the United Provinces*, passim.

² Josiah Tucker, *A Brief Essay on the Advantages and Disadvantages which respectively attend France and Great Britain with regard to Trade*, 3rd ed., London, 1753, pp. 23 ff.

need leave off Trade when he finds himself rich, in order to be respected as a Gentleman." Moreover, in direct response to Temple's desire, "It is likewise no Scandal for younger Brothers of the most antient Families to be bred up to Trade and Business." The respect paid to work and to high economic success had become an honour sufficient to burst the traditional bonds of social caste. In France, on the contrary, "they heartily despise the Bourgeois, that is, the Merchant and Tradesman ; and he, when he gets rich, is as desirable of quitting so dishonorable an Employ, wherein his Riches cannot secure him from Insult and Contempt. Being therefore ambitious of raising his own Family to be of the Noblesse, he leaves off Trade so soon as he can, and breeds up his Sons to the Military Profession, or purchases some Office in the Law or Civil Government which may ennoble him." Accordingly social rank and civic worth depended on official or public position, whereas in England a citizen's reputation was independent of any such ticketing by the Government or title of nobility. Many commercial families no doubt made efforts very soon after acquiring their wealth to connect themselves with the gentry and new nobility, but that was due to personal social ambition. No one who did not aspire to such honours considered his reputation as a citizen threatened or diminished. These, together with freedom of industry, the absence of tax-farming and arbitrary taxes, are the main advantages which Tucker finds in the inner economic condition of England as compared with that of France. The disadvantages of England are the turbulent spirits

of the English working-class, on whose idleness, love of pleasure and viciousness, Tucker, like all contemporary economists, delights to animadvert. Tucker also shares the conviction of the capitalist middle class that the only means of relieving the poverty of the labouring poor are energy, delight in work, and the suppression of every kind of luxury.

The progress of England under the Protectorate was due neither to the proletariat nor to the aristocracy, but to the middle class. Temple, and for that matter Petty also, point to the sober life of the Dutch, their scanty need for pleasure, and their consequent devotion of every capacity to commercial success, as the great secret of their economic prosperity. Between 1650 and 1700 there arose in England a middle class of similar Puritan tendencies in conscious opposition to the riotous life of the country squire and the worldly pleasures of the Court nobility. "Nearly the whole body of the Nonconformists, then so numerous both in town and country," says Rogers of the days of Charles II., "adhered to the system of stern simplicity and integrity of their Puritan ancestors." It was the middle class, represented in the country by the farmer, and in the town by the trader, which upheld the principles of the great revolution, preserved their "old simple traditions even during the rule of the later Stuarts," and under the rule of William III. contributed most heavily to the pecuniary support of the Government.¹ Even to this day the English middle class, like its Dutch predecessor, is still marked by hopeless immersion in business, far removed from

¹ Rogers, *History of Prices*, pp. 16, 17.

all aesthetic, artistic, or even mildly soul-stimulating occupations. Matthew Arnold some two hundred years later wrote of it with the same half-pitying, half-amused contempt as Temple.¹ "The impulse of the English race towards moral development and self-conquest has nowhere so powerfully manifested itself as in Puritanism. Nowhere has Puritanism found so adequate an expression as in the religious organisation of the Independents. Notwithstanding the mighty results of the Pilgrim Fathers' voyage, they and their standard of perfection are rightly judged when we figure to ourselves Shakespeare and Virgil accompanying them on their voyage, and think what intolerable company Shakespeare and Virgil would have found them." While all admire its economic virtues, the exclusive preoccupation of the middle class with business appears as something painful to those Englishmen who are concerned for the general culture of their country. Its great services to constitutional reform and to liberalism are sicklied over by the depressing appearance of the present descendants of these heroes of bygone days.

Nor that I love thy children, whose dull eyes
 See nothing save their own unlovely woe,
 Whose minds know nothing, nothing care to know—
 But that the roar of thy Democracies,
 Thy reigns of terror, thy great Anarchies,
 Mirror my wildest passions like the sea
 And give my rage a brother—Liberty!²

¹ M. Arnold, *Culture and Anarchy*, pp. 99 and 102.

² Oscar Wilde, *Poems*, 10th ed., London, 1910, p. 7. Cf. *De Profundis*, 15th ed., 1911, p. 106. "He is the Philistine who upholds and aids the heavy, cumbrous, blind, mechanical forces of society, and who does not recognise dynamic force when he meets it either in a man or a movement."

CHAPTER IX

CONCLUSION

Seventeenth-century economic liberalism—Its anti-social spirit—Later attempts at scientific precision—Doctrinaire party liberalism—Individualism and socialism—Recent legislation—The social state—Increase of officials—Growth of centralisation—Conservative party and State interference—The Church and social reform—New educational ideals—Opposition to the social state—Abiding effects of economic liberalism.

It is now over two and a half centuries since the economic liberalism whose historical origins and fundamental principles we have thus traced began to influence the industrial development of England. That liberalism sprang from certain things achieved in the seventeenth century, partly by the great practical struggles for material freedom, civil equality, and individual economic independence which then took place, and partly by the theoretic supremacy of what we may call with Professor Hasbach "the philosophic foundations of a free industrial policy."

These achievements produced certain concrete results. Temporal and spiritual Courts of Special Instance were abolished, and all men became equal before the Law. Freedom of speech and of the press, freedom of industry and religious toleration were introduced. Foreign races and foreign creeds were admitted into the land. These and other changes directly or indirectly assisted economic

development in the sense of the increase of wealth, while at the same time all charitable provision for social needs was abolished, particularly where it inconvenienced employers.

But there were also less material results. A "liberal" industrial spirit was gradually created, based partly on the law of nature, partly on religious grounds, and, among the educated or free-thinking classes, on philosophical principles. The modern "economic man" was born. The new spirit exalted work into the chief moral aim of life. It had unlimited confidence in the self-regulation of industry by free competition, and in the free and (untrammelled evolution of the individual. It rejected any and every kind of interference on the part of temporal or ecclesiastical authority in individual economic behaviour, and demanded the complete concentration of individual capacity on industrial success. Uneconomic pleasures were consequently to be suppressed, great public deference paid to material prosperity as against Court or social distinction, and every manifestation of life not obviously producing economic results to be despised—particularly unemployment without visible explanation.

The new spirit was therefore strongly anti-social, and apart from a small sphere of admitted and apparently unavoidable charity, found its solution for the dawning problem of "social need" in disciplinary economic education, and not in any State system of social organisation. This new spirit appeared in its finest and most undiluted form in the great bourgeois capitalist middle class, which drew from it the inspiration of its main character-

istics,—its assuredness of purpose, its matter-of-factness, its economic concentration, its hatred of bureaucratic leading-strings and interference from above, its purely economic exploitation of the individual, and its unemotional standpoint towards all the problems of life, and especially towards social reforms.)

The general principles of economic liberalism were in course of time reduced to a political programme. General economic and philosophic ideas for the benefit of the whole people were replaced by concrete demands from certain very large groups and coteries. Economic liberalism became less the universally accepted expression of national conviction, and more a party watchword, defended by some and challenged by others. To quote Matthew Arnold:¹ “What was it, this liberalism, as Dr. Newman saw it, and as it really broke the Oxford movement? It was the great middle-class liberalism which had for the cardinal points of its belief the Reform Bill of 1832, and local self-government in politics; in the social sphere, free trade and unrestricted competition, and the making of large industrial fortunes; in the religious sphere, the Dissidence of Dissent and the Protestantism of the Protestant religion.”

Nor is that all. The great Liberal successes of the seventeenth century were rooted in individualism. Their demand and their ideal, for which they laboured on moral, constitutional, and religious grounds, and for which they struggled for power, was personal liberty. In the eighteenth century the classical economists started to erect “a science” and

¹ *Culture and Anarchy*, p. 111.

to treat their individualist demands as "economic laws" on whose maintenance depended the proper economic action for the increase of wealth. Liberalism adopted a scientific basis. The demand for freedom, for instance for free competition, which had hitherto been upheld on ethical or constitutional or religious grounds as the right of the individual, was now regarded as an exact law of industry, whose correctness could no more be impugned than that of the laws of mathematics. The argument for Free Trade is an instance. The optimist philosophy of mechanical teleology which had been content to leave the purpose of the principles of liberty a matter of obscurity, guaranteed only by the wisdom that guided the world, was more and more supplanted by attempts to find an exact and tangible solution of economic problems, if possible reducible to figures and absolutely demonstrable. Adam Smith's doctrine of free trade was no doubt largely inspired by his philosophical principles, but his statement of it is more like an example in economic arithmetic. Two entirely different factors, the demand of the individual to buy in the cheapest market—a demand which could be defended on the ground of natural right—and the demand of a country to increase by the freedom of external trade its wealth to its fullest capacity, have to be shown to be identical. The individualist principle is mathematically "solved."

Economic liberalism thus ceases to be exclusively a "feeling" to which recourse may be had now and then and in certain industrial circumstances, and becomes closely bound up with definite, absolutely

true economic laws. The position bears, however, in itself, the seeds of destruction. In so far as the laws deduced from fundamental liberal principles are often not fulfilled, the importance of economic liberalism when in conflict with the realities of economic life must tend to decrease. The theoretical correctness of the Free Trade position is not of course hereby disproved, but other doctrines of the Manchester School, whose correctness industrial progress was bound, according to their originator, to prove, have in the event been shattered. From the fact that it was formerly in the interest of the individual to live in a world of unlimited competition, the followers of Adam Smith evolved the doctrine that after the removal of artificial restrictions any other condition but free competition was economically inconceivable. The rise of Cartels and Trusts even in England proves them to have been mistaken. The anti-monopolist conscience acquired in the seventeenth century by the English people is naturally not extinguished, and at any minute an agitation against monopoly can arise. But the doctrine of exact economic laws, which was the cognitive manifestation of that strong anti-monopolist "Will," is annihilated, and with it a large portion of that economic liberalism which tried to extend the ethical liberalism of the seventeenth century by scientific and intellectual processes.)

With doctrinaire party liberalism we have, however, no concern. Our subject is rather the historically more comprehensive Liberalism of Culture which has produced the general, legal, political, economic, and sociological principles that may be said to divide modern times from the Middle

Ages. This liberalism also has recently undergone great changes in England.

At no epoch in modern times has the fundamental opposition of ideas between individualism and socialism made itself more intensely felt than at the present time. So long as social reformers had merely to fight pure Manchester individualism or doctrinaire economic liberalism, the finer shades of difference between the individualist and the social theories of the world were hardly apparent. The satisfaction of social demands originally in conflict with the ideas of individualist Manchester Liberalism, such as the recognition of combination or collective bargaining, laws to protect workmen, and State interference in isolated phases of the workmen's life, in no way undermined the broad foundations of individual freedom on which industry rested. It might almost be said that all that was involved was the excision of a few malignant growths from the individualist industrial state, and it was easy to point out that the earliness and promptitude with which such reforms had been carried out in England cut the ground from beneath the feet of real socialism.

To-day, however, a great economic movement is going on which is not concerned with isolated reforms, but aims at reorganising the entire industrial system from the social standpoint. A "social" state is arising in contradiction to the ideal of an individualist state so far obtaining, especially among the capitalist middle classes.

England is at the beginning of comprehensive social legislation. The first of the new measures—in this case one for which opinion had long been ripe—was the Unemployed Workmen's Act of 1905, which

provided for the finding of employment by the State, and for public assistance for emigration and temporary works. The Insurance Act which, so far as unemployment is concerned, goes far beyond the German pattern, is a second link in the chain. The principle of personal responsibility is replaced by the principle of State aid, and though old-fashioned supporters of economic liberalism attempt to represent the contributions of the insured persons as opportunities for the compulsory thrift required by the Puritan ideal, the spirit of the Act is obviously diametrically opposed to the old idea that distress must be the fault of the distressed person. *The Minority Report of the Poor Law Commission*, which has obtained such popularity, and whose authors, Mr. and Mrs. Webb, are the best known social reformers in England, shows even more clearly how the "fault" theory has lost support. We hear rather of respectable and honest people who may be at any time without employment either because they have permanently lost their occupation, or because the intervals between jobs are too long.¹ The "labouring poor" who, down to the Civil War, had been regarded with charitable benevolence, appear once more. Mr. Sidney Webb himself expressed to me his admiration for the poor law administration of Charles I., which had in fact realised what it was now necessary to recreate again. New principles and new administrative machinery are needed for the unemployed. The *Minority Report* throughout aims at separating unemployment from poor law, especially at getting rid of the deterrent

¹ Webb, *The Public Organisation of the Labour Market*, Part II. *Minority Report of the Poor Law Commission*, 1909, p. 247.

workhouse,¹ and at establishing means of attacking the fundamental causes of unemployment, so far as it is due to the selection of the fittest in the interests of capital. Finally there is the more fundamental idea of replacing "the present industrial anarchy by a co-operative Commonwealth."² The Development and Road Improvement Act gives State assistance to afforestation, light railways, and roads, and the Trades Boards' Act commences the fixing, under the supervision of State officials, of a minimum wage for whole trades. Under the Small Holdings Act of 1907 the State and the local authorities establish small holdings in rural districts. Compulsory purchase clauses sever the great historical estates. The Board of Agriculture makes grants to a private co-operative movement which aims at encouraging small holdings, and Sir Horace Plunkett, the first agrarian writer in Ireland, desires to reconstruct rural life on a co-operative basis.³ Again the primary problem is organisation.

This newly developing "social" state has already produced two characteristic consequences. In the first place, a steady increase in the number of officials. Hitherto the official had been regarded more or less as the man who pulled the handle of an automatic machine. A few such there had to be, but their numbers were restricted within the narrowest possible limits. Now the question is how to supply the personnel required for the new Acts. Just as Charles and Laud administered, and indeed

¹ H. Bosanquet, *The Poor Law Report of 1909*, pp. 92-3. Webb, *op. cit. supra*, pp. 65 ff.

² Webb, *op. cit.* p. 11.

³ Levy, "Die innere Kolonisation in England," Schmöller's *Jahrbücher*, 1911, pp. 309 ff. Horace Plunkett, *Ireland in the New Century*, 3rd ed., London, 1905, p. 199.

had to administer, their great measures of organisation by committees, so to-day committees spring up like mushrooms with each new social law that is passed. There are Unemployed Committees, Insurance Committees, Small Holdings Committees, permanent Committees composed partly of imperial, partly of local officials. The further problem has also arisen, how to recruit a staff of officials fitted to carry out the organisation which the new laws demand. A special Commission—the Royal Commission on the Civil Service—is at the present moment occupied with this question.

In the second place, the attempt to set up elaborate machinery for social reforms has led to the desire for strongly centralised administration. In Poor Law questions the wish for centralisation and for the restriction of the powers of local authorities has been very clearly expressed, even if we neglect such radical demands as that for an independent Ministry of Labour.¹ But the same tendency is visible on all sides. In connection with the Small Holdings Act, for instance, experts again demand the strengthening of the Board of Agriculture against the County Councils, although the Act of 1907 already went much further in this direction than any of its predecessors.

¹ *Minority Report*. Cf. also Webb, *op. cit.* p. 246: "We are . . . compelled to propose that the Local Authorities, to whom would be entrusted the whole administration of the Children, the Sick, the Mentally Defective, and Aged, should have nothing to do with the provision of the Unemployed. In our view the task of dealing with the able-bodied person in destitution or distress transcends, by its very nature, the capacity of even the best Local Authorities, and must, if success is to be attained, be undertaken in its entirety by the National Government, on new principles, and with the help of new administrative machinery." For literature on the point, some *pro*, some *contra*, see *County Councils Association's Proposals for Poor Law Administration*, London, 1911; and Sir William Chance, *Poor Law Reform*, London, 1910, pp. 33 ff.

This tendency to organise a large portion of industrial life by official fiat is by no means due to the efforts of one political party only. The great Protectionist propaganda equally involves State control, in that case of foreign trade, and Mr. Chamberlain's programme proposes a policy of mercantilist interference with import and export duties and colonial preference, which would necessarily subject British commerce to complicated regulation by tariff and agreements. The Tariff Reform movement, which, as I have shown elsewhere,¹ though not as in other countries primarily due to interested parties, might easily become so, shows that even anti-Socialist circles are no longer dismayed by the bogey of State interference, when it does not appear to threaten their own particular interests. This last factor Lord Hugh Cecil seems to have overlooked, when in contrasting the Conservative approval of Tariff Reform with their objection to bureaucratic socialism, he plumes himself on the fact that "a policy of State interference as such, is not foreign to conservatism." The large capitalist employers, who in social matters are prone to the standpoint of free competition and the survival of the fittest, have in the last fifteen years been forced by the concentration of industrial undertakings to set up cartels, in some cases of a very powerful kind. Family businesses are disappearing, and are being replaced by gigantic limited companies. In many industries, for instance iron, textiles, salt, and soda, distilling, monopolist organisations have sprung up and devote themselves to fixing markets and output, "regulating" prices, and systematically suppressing

¹ *Die treibenden Kräfte der englischen Schutzzollbewegung*, Berlin, 1909.

competition.¹ Here again, therefore, industrial experts have been brought to the conviction that the possibility of development may lie as much in mutual organisation as in the present competition.

A State which is increasingly driven to officialdom and bureaucracy; which inclines to centralisation in administration; which ordains that the support of the unemployed, whatever their moral past, is a social duty; which enacts laws dealing with the old age, sickness, and invalidity of the workman, guaranteeing a minimum wage, and restricting the sphere of free ownership of land, and in which official regulation of foreign trade is preached, and private industrial monopolists flourish, is indeed nearer to the pre-Cromwellian ideal than to that of economic liberalism. And there are, in fact, instances in which the ghosts of pre-Cromwellian politics, such as the Poor Law under Charles I., or Elizabeth's law demanding four acres of land for every cottage, have been raised to justify new measures or projects.

New tendencies of thought are also noticeable. Dissent appears to have entirely abandoned the old individualist ideals of industry. It is the champion of the new social order.² In the High Church also there is a party which energetically supports the social state. Dr. Gore's remarks at the Convocation of Canterbury are typical of their views. He says, for instance:³ "Hardly any one could be found to

¹ Levy, *Monopoly and Competition*, pp. 261 ff.

² Cf. Mr. Lloyd-George's speech on 16th December 1909, "Free Churchmen of the House of Lords," in *Better Times*, London, 1910, pp. 3280 ff.

³ Convocation of Canterbury, *Moral Witness of the Church on Economic Subjects*, 1907, No. 412, p. 6. Dr. Gore's views of the new principle of "distribution" are very worthy of notice. See also *ibid.* p. 5: "We have heard too much of the rights of property, and too little from authoritative Christian teachers of the fundamental Christian principles of receiving and giving."

advocate a return to the *laissez-faire* policy of the days preceding the Factory Acts. The individual Christian is also a citizen. As a citizen he must inform himself on economic matters, and take his share in public service. Thus he must support the existing law in the restrictions which it imposes upon the methods actually pursued in the production of wealth." In these and others of the Bishop's remarks we find a pulpit socialism cutting to the root of the old-fashioned English idea that industrial and charitable duties are purely private matters, and demanding from the individual an interest in the spirit of modern social legislation and in public life, with an unmistakable sympathy for the bureaucratic state.

These opinions, it is true, meet with immediate opposition from within the Church of England; and Archdeacon Cunningham, in an open letter,¹ which may be regarded as a kind of protest, pointed out that convinced Christians might hold very diverse opinions about social reforms, and that a belief in the superiority of bureaucracy, as compared with private ownership under public control, is no part of the Christian faith. But even he admits that the great individualist movement of Puritanism is to-day nearing its end, and that the Anglican Church has in consequence an opportunity of asserting the influence of which Puritanism deprived it. At the present time, however, Dissent offers no opposition on this point to the Established Church, even when the latter openly declares that "we have heard too much of the rights of property"—a somewhat curious change when one thinks of

¹ Cunningham, *Moral Witness of the Church*, pp. 28-9.

the seventeenth century in which the Protestant Dissenters would have attacked such a contention with both spiritual and physical weapons.

In another sphere the same tendency is equally visible. The tendency of educational controversy shows that English educationalists are gradually abandoning the Puritan ideal of a "true" way, from which one must look neither to the right nor to the left. It has been well said that the English translation of the Biblical ideal of perfection was contained in the remark made by the mother of a famous man to her son every morning as he went to business: "Ever remember, my dear Dan, that you should look to being some day the manager of that concern!" To-day the aim is not so much to force the instinct for a practical and definite goal in the child, as to lay stress on a general education which will enable him to show certain intellectual and moral qualities in any walk of life. "There was a time," says Dr. Cunningham,¹ "when extreme individualism was in fashion, and we believed blindly in the spirit of competition; and then the purpose of education was to turn out boys and girls who would be able 'to rise in the world' and leave their fellows behind. In the recent reaction against individualism and the strain of competition, a new view has come into light; and it has been urged that the child should not only be fitted to make his own way in the race of life, but that a sense of duty should be cultivated as well." The belief is gradually gaining ground that education, a few essentials apart, is not

¹ Cunningham, *Efficiency in the Church of England*, London, 1912, pp. 120-25. Again it must be remembered that the hitherto existing educational ideal was effected by the philosophy of the Age of Enlightenment as well as by Puritan influences. Cf. Windelband on Locke's *Ethics and Paedogogy*.

solely either a mere preparation for the rough and tumble of life, nor, as is still the case with University education in England, a mere theoretical by-product giving external veneer to existence. People are more and more beginning to see that the knowledge of the whole of which the individual is but a part, though it may appear of no immediate use, is necessary if the individual is to rise to a new educational standard.

At the same time it must not be overlooked that the political, social, and religious movement towards a new social state with far-reaching administrative measures and machinery has aroused very strong counter movements. Even if the present "social reform" party in the High Church increases its members, it will meet with vehement opposition among the higher Anglican nobility which is to-day the champion of the "old liberal" principles of English industrial polity against Lloyd-Georgism and the opponent of State interference in social questions. Lord Hugh Cecil, in his characteristic essay,¹ recurs again and again to the position that while it is possible and regrettable that persons may be reduced to poverty through no fault of their own, that fact does not from the standpoint of strict justice entitle them to demand that the State should provide for them. "The cruel State that leaves a man to starve does not actively injure him. . . . The State never expressly nor by implication has contracted to save the man from starving. It breaks to him no promise, for no promise has been

¹ *Conservatism*, pp. 173, 174. Dr. Gore, on the other hand (Convocation of Canterbury), demands "the reorganisation of society on such principles of justice as will tend to reduce poverty and misery in the future to more manageable proportions."

made." Undoubtedly, with the conception of a State which Lord Hugh adopts, Poor Law relief is only "a matter of national charity or national gratitude, or a matter of mere expediency." But there remains the question whether the conception on which Lord Hugh bases himself will not also in the passage of time undergo fundamental alteration. The present-day Conservatives hold firmly to the industrial ideals created more than two hundred years ago by economic liberalism. Apart from Free Trade, the Tory ideal has taken the place of the older liberalism of the Manchester Radicals. Hence the considerable secession of Liberals. In the Tory Party, Lord Rosebery and other so-called Tory Free Traders find, in recent times, an atmosphere congenial to their general views on industrial matters, Free Trade—on which they preserve discreet silence—excepted.¹

Among the middle classes there is also a movement against the new social state. As Matthew Arnold wrote years ago:² "Our middle-class, the great representative of trade and dissent, with its maxims of every man for himself in business, every man for himself in religion, dreads a powerful administration which might somehow interfere with it." Social reform is here face to face with the sociological³ product of the great civil revolutions of the seventeenth century.

¹ Lord Rosebery, *The Budget*, p. 42. In justification of his secession from the Liberal Party, he says: "I am sorry with all my heart that the Government appears to be taking sides with the Socialists. We Anti-Socialists believe in building up the State through the individual."

² M. Arnold, *Culture and Anarchy*, p. 134.

³ Compare Lord Rosebery, *op. cit.* p. 36, for the old-fashioned Liberal feeling against the modern bureaucratic tendency. "When I see that we are going tamely to sit down and submit to inquisition and tyranny, I begin to feel that the character of our nation has changed."

The general effect of all these various phenomena is to deepen the conviction that in England to-day the old more than ever clashes with the new. Any year may bring the decisive point. In whichever direction, however, the stream finally sets, and whatever may be the changes in the relation of class to class and in the social and economic condition of England, the significance of the economic liberalism of the past for certain features of English industrial life remains. Economic liberalism taught England to believe in the rights and greatest possible development of the individual; to regard each man as equal before the Law, and to display toleration towards the opinions of others whether in politics or in religion; to place the same social value on all professions, and to respect what other nations and races hold holy. To other nations these and other characteristics of Liberal culture are still novel and unfamiliar. The Englishman will not lose them even under a new social system, for they have become an integral part of his national character.

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